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(Securities Code 1833)

June 7, 2023

(Date of commencement of electronic provision measures: May 31, 2023)

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 86TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

Notice is hereby given that the 86th 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 29, 2023 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 86th Fiscal Year (April 1, 2022 - March 31, 2023) 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 86th Fiscal Year (April 1, 2022 - March 31, 2023)

- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

- ⊙ Among the matters subject to electronic provision measures, the following matters will not be provided in the paper copy to shareholders who made a request for delivery of documents in accordance with the provisions of laws and regulations and Article 30 of the Articles of Incorporation of the Company.

(1) Notes to the Consolidated Financial Statements

(2) Notes to the Non-consolidated Financial Statements

Accordingly, the paper copy to be delivered to shareholders who made a request for delivery of documents constitutes only part of the documents audited by the Accounting Auditor and the Audit and Supervisory Committee in preparation of the accounting audit report and the audit report, respectively.

- ⊙ 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 29, 2023, 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 28, 2023 (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 28, 2023 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 28, 2023 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.”

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

¥157 per share of the Company's common stock

Total amount: ¥5,778,371,812

The total annual dividend for the term will be ¥223 per share combined with the interim dividend of ¥66.

(3) Effective date of distribution of surplus

June 30, 2023

2. Appropriation of surplus

(1) Item and amount of surplus that will increase

General reserve

¥800,000,000

(2) Item and amount of surplus that will decrease

Retained earnings brought forward

¥800,000,000

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

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

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

The candidates are as follows:

No.	Name		Positions and responsibilities	Attendance at meetings of the Board of Directors (number of times attended / number of meetings)
1	Takanori Okumura	Reelection	President and Representative Director	100% (14 times / 14 times)
2	Yuichi Mizuno	Reelection	Director and Executive Vice President General Manager of Marketing & Sales Headquarters	93% (13 times / 14 times)
3	Atsushi Tanaka	Reelection	Representative Director and Senior Managing Executive Officer General Manager of Administration Headquarters	86% (12 times / 14 times)
4	Toru Osumi	Reelection	Director and Managing Executive Officer General Manager of West Japan Branch Office	100% (14 times / 14 times)
5	Masahiro Kaneshige	Reelection	Director and Managing Executive Officer General Manager of East Japan Branch Office	93% (13 times / 14 times)
6	Tamotsu Tsuchiya	Reelection	Director and Managing Executive Officer General Manager of Building Headquarters	100% (14 times / 14 times)
7	Yasuyuki Nakatani	New election	Executive Officer General Manager of Civil Engineering Headquarters	—
8	Rieko Ueda	Reelection Outside Independent Female	Director	100% (10 times / 10 times)

Notes: The attendance at meetings of the Board of Directors of Rieko Ueda is shown only at meetings of the Board of Directors held after her election as Director at the 85th Annual General Meeting of Shareholders held on June 29, 2022.



No.

1 Takanori Okumura

(March 15, 1962)

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

476,883 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 a deep knowledge of general management in the construction industry, and therefore he is nominated as a candidate.



No.

2 Yuichi Mizuno

(July 22, 1953)

Reelection

● Career summary, positions, responsibilities and significant concurrent positions

April 1979	Joined the Company	June 2010	Director and Executive Officer
March 2004	General Manager of Civil Engineering Works Department, Nagoya Branch	April 2014	Director and Managing Executive Officer
April 2006	General Manager of Civil Engineering Works Department I, Tokyo Branch Office	April 2014	General Manager of East Japan Branch Office
April 2007	General Manager of Civil Engineering Management Department, Tokyo Branch Office	April 2015	Director and Senior Managing Executive Officer
October 2008	Deputy General Manager of East Japan Branch Office (in charge of Civil Engineering Business)	April 2020	Director and Executive Vice President (current position)
		April 2020	General Manager of Marketing & Sales Headquarters (current position)

● Number of shares of the Company held

24,802 shares

● Attendance at meetings of the Board of Directors

93% (13/14)

Reason for Nomination as a Candidate for Director

Yuichi Mizuno has served in positions including Deputy General Manager of 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 a deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



No.

3 Atsushi Tanaka

(June 5, 1959)

Reelection

● Career summary, positions, responsibilities and significant concurrent positions

April 1982	Joined the Company	April 2017	Director and Managing Executive Officer
April 2004	General Manager of Finance & Accounting Department, Administration Headquarters	April 2017	General Manager of Administration Headquarters (current position)
June 2014	Director and Executive Officer	June 2017	Representative Director and Managing Executive Officer
June 2014	Deputy General Manager of Administration Headquarters and General Manager of Finance & Accounting Department	April 2022	Representative Director and Senior Managing Executive Officer (current position)

● Number of shares of the Company held

18,666 shares

● Attendance at meetings of the Board of Directors

86% (12/14)

Reason for Nomination as a Candidate for Director

Atsushi Tanaka has served in positions including General Manager of Finance & Accounting Department, Administration Headquarters; 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 a deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



No.

4 Toru Osumi

(February 3, 1958)

Reelection

● Career summary, positions, responsibilities and significant concurrent positions

April 1981	Joined the Company	April 2020	Managing Executive Officer
March 2013	General Manager of Civil Engineering Marketing & Sales Management Department, Kansai Branch, West Japan Branch Office	April 2020	General Manager of West Japan Branch Office (current position)
April 2017	General Manager of Kyushu Branch, West Japan Branch Office	June 2020	Director and Managing Executive Officer (current position)
January 2018	Executive Officer		

● Number of shares of the Company held

10,739 shares

● Attendance at meetings of the Board of Directors

100% (14/14)

Reason for Nomination as a Candidate for Director

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



No.

5 Masahiro Kaneshige

(March 8, 1966)

Reelection

● Career summary, positions, responsibilities and significant concurrent positions

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

● Number of shares of the Company held

9,087 shares

● Attendance at meetings of the Board of Directors

93% (13/14)

Reason for Nomination as a Candidate for Director

Masahiro Kaneshige has served in positions including General Manager of Building Marketing & Sales Management Department, Tokyo Branch, East Japan Branch Office; General Manager of Tokyo 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, and marketing- and sales-related departments, in addition to a deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



No.

6 Tamotsu Tsuchiya

(February 8, 1959)

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 2021	General Manager of Building Headquarters (current position)
April 2019	Deputy General Manager of Safety, Quality & Environment Headquarters	June 2021	Director and Managing Executive Officer (current position)

● Number of shares of the Company held

8,852 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 a deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



● Number of shares of the Company held
4,023 shares

No.

7 Yasuyuki Nakatani

(June 29, 1966)

New election

● 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 (current position)
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		

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 a deep knowledge of the Company's operations, and therefore he is nominated as a candidate.



● Number of shares of the Company held
600 shares

● Attendance at meetings of the Board of Directors
100% (10/10)

No.

8 Rieko Ueda

(December 18, 1961)

Reelection
Outside
Independent
Female

● Career summary, positions, responsibilities and significant concurrent positions

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

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

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
















Reference: Composition of the Board of Directors
 [Percentage of Women on the Board of Directors: approx. 15%]

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

Name		Position and Responsibilities
Takanori Okumura		President and Representative Director
Yuichi Mizuno		Director and Executive Vice President General Manager of Marketing & Sales Headquarters
Atsushi Tanaka		Representative Director and Senior Managing Executive Officer General Manager of Administration Headquarters
Toru Osumi		Director and Managing Executive Officer General Manager of West Japan Branch Office
Masahiro Kaneshige		Director and Managing Executive Officer General Manager of East Japan Branch Office
Tamotsu Tsuchiya		Director and Managing Executive Officer General Manager of Building Headquarters
Yasuyuki Nakatani		Director and Executive Officer General Manager of Civil Engineering Headquarters
Rieko Ueda	Outside Independent Female	Director
Tetsuo Kodera	Outside Independent	Director (Audit and Supervisory Committee Member)
Kazutoshi Abe		Director (Full-time Audit and Supervisory Committee Member)
Hiroyo Yashiro	Outside Independent Female	Director (Audit and Supervisory Committee Member)
Kenji Nishihara	Outside Independent	Director (Audit and Supervisory Committee Member)
Eiji Maeda	Outside Independent	Director (Audit and Supervisory Committee Member)



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

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 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.

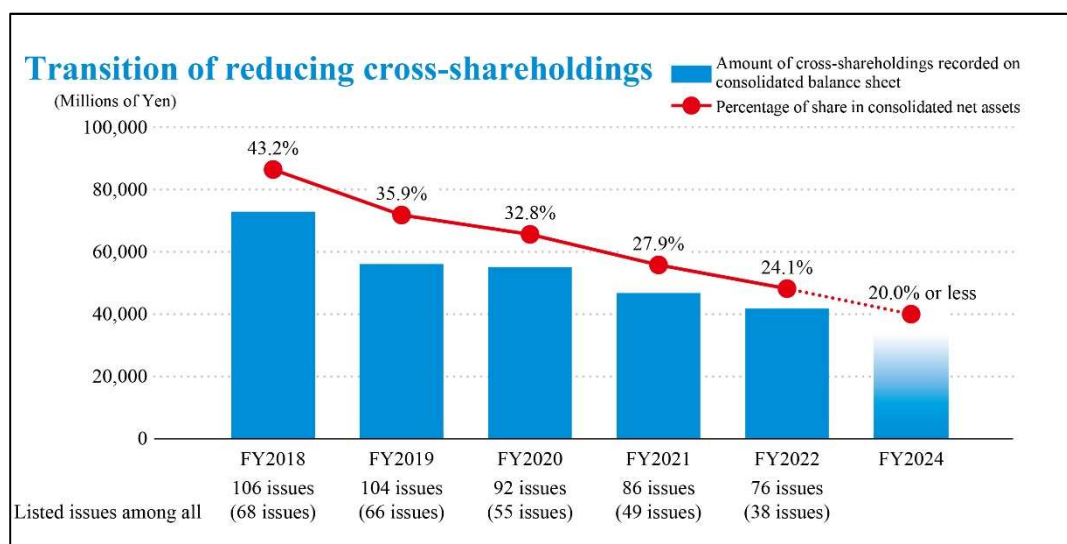
Cross-shareholdings

[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 FY2022, the number of listed issues was reduced to 38, and their share of consolidated net assets reached 24.1%. 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, 2022–March 31, 2023)

1. Status of the Corporate Group

(1) Business Progress and Results

During the fiscal year ending on March 31, 2023 (the “fiscal year under review”), social and economic activities in Japan have moved toward normalization due to the easing of behavioral restrictions against the COVID-19 pandemic. However, Japanese economic recovery remained at a slow pace primarily because prices continued to soar due to deteriorating global conditions and other factors. Under these circumstances, the construction industry remained unpredictable mainly due to the impact of material price hikes, although construction investment remained strong as private-sector capital investment increased.

At the Group, net sales increased by 2.9% year on year to ¥249,442 million. Gross profit increased by 0.5% year on year to ¥32,001 million primarily due to an increase in net sales. Operating profit decreased by 6.3% year on year to ¥11,847 million due to an increase in selling, general and administrative expenses. Ordinary profit decreased by 7.9% year on year to ¥12,908 million and profit attributable to owners of parent decreased by 10.2% year on year to ¥11,261 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	200,468	87,869	97,286	191,051
	Building	154,390	192,047	139,362	207,075
	Total	354,859	279,916	236,649	398,127
Investment Development, etc.		–	–	5,617	–
Total		354,859	279,916	242,266	398,127

Note: “Real Estate, etc.,” the former classification name of sideline business has been changed to “Investment Development, etc.” starting from the fiscal year under review.

(2) Capital Investments

Capital investments during the fiscal year under review came to ¥6,447 million. They were primarily related to biomass power generation equipment of consolidated subsidiaries, ISHIKARI BIO ENERGY GODO KAISHA and HIRATA BIO ENERGY GODO KAISHA.

(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 recovery trend mainly on domestic demand with the increase in social and economic activities, although there are concerns about the impact of further price rises and a downturn in overseas economies. 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 for reasons including the fact that material prices have generally been at high levels and the trends remain unclear.

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, to continue to increase corporate value, we aim to improve productivity and technological superiority through a fundamental review of business processes and other company-wide structural reforms as well as the promotion of digital transformation (DX) and strategic technology development while strengthening ESG/SDGs initiatives. The Group has been working to expand business domains by further promoting new business and the real estate business, in addition to building an overseas business foundation. These efforts include our renewable energy business that contributes to the realization of a decarbonized society, where we have started commercial operation of biomass power plants in Hokkaido and Fukushima in Japan. Moreover, the Group has been making efforts to utilize human resources. Particularly, we are working to promote work-style reform by enhancing internal systems to maintain work-life balance for employees. We are also creating an environment where diverse human resources can play an active role and strengthening its education.

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

• Basic Policies of Business Strategy



• Financial Targets

(Billions of Yen)

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

• Non-financial Targets

Provide a stable supply of power generated from renewable energy sources

FY 2024 The amount of power generated from the renewable energy business: 180,000 MWh or more per year
Aim to contribute to reducing CO₂ emissions by 80,000 tons or more per year

Promote measures to reduce CO₂ emissions at the construction stage

FY 2024 CO₂ emissions from the construction business: 21.21 tons or less per 0.1 billion yen
Aim to reduce CO₂ emission to less than 60,000 tons per year

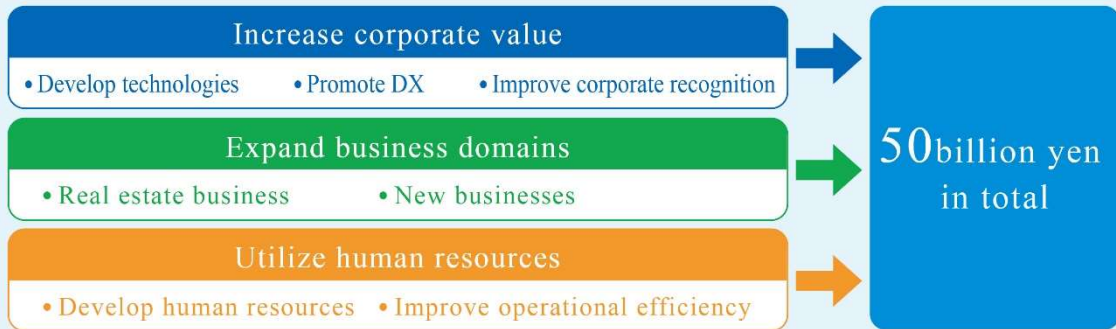
Promote measures to reduce CO₂ emissions at the design stage

FY 2024 Operational energy consumption in buildings designed and constructed by Company: reduce by 30%* or more
Aim to reduce CO₂ emission 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 70% 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.”

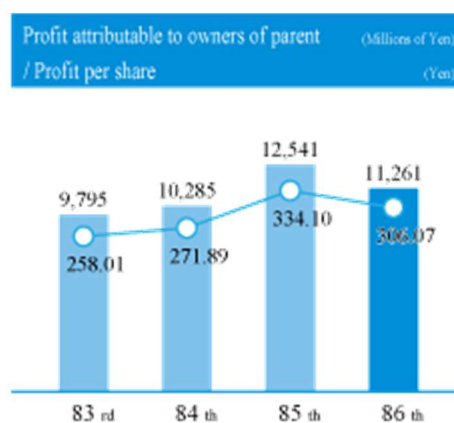
For the sustainable growth and medium- to long-term improvement of corporate value, the Company is determined to promote the Medium-Term Business Plan (FY2022–FY2024) together with all its executives and employees. We sincerely appreciate the understanding and support of our shareholders.

(5) Status of Assets and Earnings

1) The Group's assets and earnings

(Millions of Yen, unless otherwise specified)

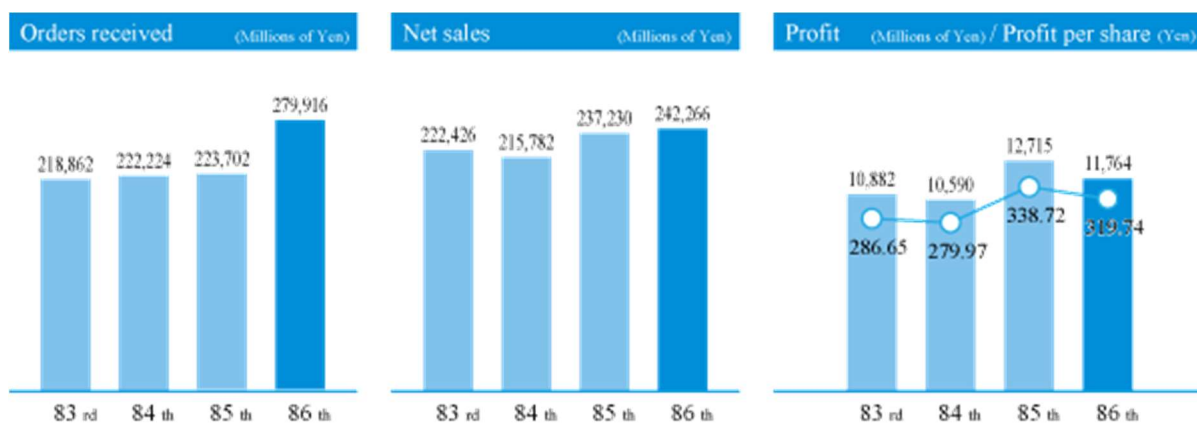
Item	The 83rd fiscal year ended March 31, 2020	The 84th fiscal year ended March 31, 2021	The 85th fiscal year ended March 31, 2022	The 86th fiscal year ended March 31, 2023
Net sales	226,371	220,712	242,458	249,442
Profit attributable to owners of parent	9,795	10,285	12,541	11,261
Profit per share (yen)	258.01	271.89	334.10	306.07
Total assets	294,919	329,005	332,348	343,727
Net assets	156,111	167,963	167,425	173,215



2) The Company's assets and earnings

(Millions of Yen, unless otherwise specified)

Item	The 83rd fiscal year ended March 31, 2020	The 84th fiscal year ended March 31, 2021	The 85th fiscal year ended March 31, 2022	The 86th fiscal year ended March 31, 2023
Orders received	218,862	222,224	223,702	279,916
Net sales	222,426	215,782	237,230	242,266
Profit	10,882	10,590	12,715	11,764
Profit per share (yen)	286.65	279.97	338.72	319.74
Total assets	279,608	306,430	301,506	304,004
Net assets	151,511	164,553	161,192	166,653



(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	981	46
Building	1,180	27
Investment Development	48	9
Other	72	5
Total	2,281	87

Note: Investment Development includes the real estate business.

2) Employees of the Company

No. of employees	Year-on-year change	Average age	Average years of service
2,204	81	42.5	16.2

(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)

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	¥4,000 million
Sumitomo Mitsui Banking Corporation	¥4,000 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 1,860,310 treasury shares)
- (3) Number of Shareholders 22,250 persons
- (4) Major Shareholders

Shareholder	No. of shares held	Shareholding ratio
	Thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,820	13.1
Okumura Employees' Shareholding Association	1,921	5.2
Custody Bank of Japan, Ltd. (Trust Account)	1,426	3.9
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
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	555	1.5
STATE STREET BANK AND TRUST COMPANY 505001	541	1.5
JPMorgan Securities Japan Co., Ltd.	498	1.4

Notes: 1. The Company owns 1,860,310 treasury shares, which have been excluded from the above.
2. Treasury shares have been excluded when calculating shareholding ratios.

(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 21, 2022.

Classification	No. of shares	No. of recipients
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	11,138	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, 2023)

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	Kenji Kotera	General Manager, Civil Engineering Headquarters	
Representative Director	Atsushi Tanaka	General Manager, Administration 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	Rieko Ueda		President and Representative Director, Mothernet Co., Ltd. Outside Director, Torishima Pump Mfg. Co., Ltd.
Director (Audit and Supervisory Committee Member)	Tetsuo Kodera	Chair, Audit and Supervisory Committee	Attorney-at-law (Representative, Kodera Law Office) Outside 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 85th Annual General Meeting of Shareholders held on June 29, 2022, Harumitsu Yoshimura and Hideshi Nio resigned, having completed their terms of office as Directors (Audit and Supervisory Committee Members).
2. At the 85th Annual General Meeting of Shareholders held on June 29, 2022, Rieko Ueda was elected and assumed office as Director, and Kazutoshi Abe and Eiji Maeda were elected and assumed office as Directors (Audit and Supervisory Committee Members).
3. Five Directors including Director, Rieko Ueda and Directors (Audit and Supervisory Committee Members), Tetsuo Koderu, Hiroyo Yashiro, Kenji Nishihara, and Eiji Maeda are Outside Directors.
4. Five Directors including Director, Rieko Ueda and Directors (Audit and Supervisory Committee Members), Tetsuo Koderu, Hiroyo Yashiro, Kenji Nishihara, and Eiji Maeda are Independent Directors as set forth in the rules of the Tokyo Stock Exchange.
5. 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.
6. 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.
7. Kenji Nishihara, Director (Audit and Supervisory Committee Member), is a CPA and possesses a considerable degree of knowledge related to finance and accounting.
8. 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.
9. The Company has adopted an executive officer system, and the names and positions of the executive officers as of March 31, 2023, 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	(General Manager, Civil Engineering Headquarters)	Kenji Kotera
*Senior Managing Executive Officer	(General Manager, Administration Headquarters)	Atsushi Tanaka
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
Executive Officer	(in charge of Marketing & Sales, Marketing & Sales Headquarters)	Takanori Hayashi
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, West Japan Branch Office in charge of Administration)	Hiroyuki Matsushima
Executive Officer	(Deputy General Manager, Administration Headquarters)	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, Technology Headquarters)	Akira Okada
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	(General Manager, Sapporo Branch, East Japan Branch Office)	Koichi Isogami
Executive Officer	(General Manager, Shikoku Branch, West Japan Branch Office)	Yoshihiro Kadotani

10. As of April 1, 2023, the Executive Officers have changed as follows:

	Before	After
Kenji Kotera	Senior Managing Executive Officer (General Manager, Civil Engineering Headquarters)	Senior Managing Executive Officer (Fellow of Tunnel Technology, Technology Headquarters)
Takanori Hayashi	Executive Officer (in charge of Marketing & Sales, Marketing & Sales Headquarters)	Managing Executive Officer (in charge of Marketing & Sales, Marketing & Sales Headquarters)
Akira Okada	Executive Officer (General Manager, Technology Headquarters)	Managing Executive Officer (General Manager, Technology Headquarters)

Hiroyuki Matsushima	Executive Officer (Deputy General Manager, West Japan Branch Office in charge of Administration)	Executive Officer (Deputy General Manager, Administration Headquarters)
Akira Sasaki	Executive Officer (Deputy General Manager, Administration Headquarters)	Executive Officer (Deputy General Manager, West Japan Branch Office in charge of Administration)
Koichi Isogami	Executive Officer (General Manager, Sapporo Branch, East Japan Branch Office)	Executive Officer (Deputy General Manager, Technology Headquarters)
Yasuyuki Nakatani	General Manager, Civil Engineering Marketing & Sales Management Department, Kansai Branch, West Japan Branch Office	Executive Officer (General Manager, Civil Engineering Headquarters)
Yuji Yamamoto	General Manager, Overseas Construction Department, West Japan Branch Office	Executive Officer (in charge of Overseas Business, and General Manager, Overseas Construction Department, West Japan Branch Office)
Kazutaka Kuno	Deputy General Manager, Marketing & Sales Headquarters, and General Manager, Marketing & Sales Strategy Department	Executive Officer (General Manager, Sapporo Branch, East 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)	8 (1)	¥175 million (¥5 million)	¥32 million (-)	¥24 million (-)	¥233 million (¥5 million)
Directors (Audit and Supervisory Committee Members) (of which Outside Directors)	7 (5)	¥48 million (¥30 million)	- (-)	- (-)	¥48 million (¥30 million)
Total	15	¥224 million	¥32 million	¥24 million	¥281 million

Notes: 1. The above includes compensation, etc. of Directors who resigned as of the conclusion of the 85th Annual General Meeting of Shareholders held on June 29, 2022.

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 ¥11,847 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 10 meetings of the Board of Directors held since she assumed the position of Director. 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 13 of 14 meetings of the Board of Directors and 12 of 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 10 meetings of the Board of Directors and all 10 meetings of the Audit and Supervisory Committee held since he assumed the position of Director (Audit and Supervisory Committee Member). 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

¥54 million

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

¥59 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-re-election 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. 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 six 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 “whistleblower system,” “Antimonopoly Act and Act on Elimination and Prevention of Involvement in Bid Rigging, etc.,” and “optimizing construction system.”

(2) Managing 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.

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.

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, 2023)

(Millions of Yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	198,855	Current liabilities	129,048
Cash and deposits	40,244	Notes payable, accounts payable for construction contracts and other	50,268
Notes receivable, accounts receivable from completed construction contracts and other	132,454	Short-term borrowings	10,708
Securities	10,000	Lease liabilities	1
Real estate for sale	959	Income taxes payable	3,050
Costs on construction contracts in progress	3,180	Advances received on construction contracts in progress	12,594
Costs on real estate investment, development business and other	796	Deposits received	20,061
Work in process	1,230	Provision for warranties for completed construction	504
Raw materials and supplies	744	Provision for bonuses	3,462
Other	9,386	Provision for bonuses for directors (and other officers)	37
Allowance for doubtful accounts	(142)	Provision for loss on construction contracts	1,566
Non-current assets	144,872	Asset retirement obligations	83
Property, plant and equipment	77,122	Suspense receipt of consumption taxes	17,938
Buildings and structures	22,839	Other	8,769
Machinery, vehicles, tools, furniture and fixtures	19,558	Non-current liabilities	41,463
Land	34,667	Long-term borrowings	3,110
Leased assets	6	Non-recourse borrowings	26,003
Construction in progress	49	Lease liabilities	5
Intangible assets	1,683	Deferred tax liabilities	11,998
Goodwill	378	Asset retirement obligations	300
Other	1,304	Other	46
Investments and other assets	66,067	Total liabilities	170,511
Investment securities	54,913	(Net assets)	
Long-term loans receivable	103	Shareholders' equity	144,720
Retirement benefit asset	4,435	Share capital	19,838
Deferred tax assets	3	Capital surplus	26,240
Other	8,555	Retained earnings	103,827
Allowance for doubtful accounts	(1,943)	Treasury shares	(5,185)
		Accumulated other comprehensive income	27,293
		Valuation difference on available-for-sale securities	24,801
		Deferred gains or losses on hedges	1,829
		Remeasurements of defined benefit plans	662
		Non-controlling interests	1,201
		Total net assets	173,215
Total assets	343,727	Total liabilities and net assets	343,727

Consolidated Statement of Income

(April 1, 2022 through March 31, 2023)

(Millions of Yen)

Description	Amount	
Net sales		
Net sales of completed construction contracts	236,649	
Net sales of real estate investment, development business and other	12,793	249,442
Cost of sales		
Cost of sales of completed construction contracts	208,900	
Cost of real estate investment, development business and other	8,541	217,441
Gross profit		
Gross profit on completed construction contracts	27,748	
Gross profit on real estate investment, development business and other	4,252	32,001
Selling, general and administrative expenses		20,153
Operating profit		11,847
Non-operating income		
Interest income	28	
Dividend income	1,161	
Other	482	1,672
Non-operating expenses		
Interest expenses	550	
Other	60	611
Ordinary profit		12,908
Extraordinary income		
Gain on sale of investment securities	3,056	
Other	18	3,074
Extraordinary losses		
Loss on retirement of non-current assets	595	
Other	51	647
Profit before income taxes		15,335
Income taxes - current	4,693	
Income taxes - deferred	99	4,792
Profit		10,542
Loss attributable to non-controlling interests		718
Profit attributable to owners of parent		11,261

Consolidated Statement of Changes in Equity

(April 1, 2022 through March 31, 2023)

(Millions of Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2022	19,838	26,240	101,710	(8,061)	139,727
Changes during period					
Dividends of surplus			(6,363)		(6,363)
Profit attributable to owners of parent			11,261		11,261
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		5		94	100
Cancellation of treasury shares		(5)	(2,781)	2,787	-
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	2,116	2,876	4,992
Balance as of March 31, 2023	19,838	26,240	103,827	(5,185)	144,720

	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, 2022	24,665	1,099	1,465	27,229	467	167,425
Changes during period						
Dividends of surplus						(6,363)
Profit attributable to owners of parent						11,261
Purchase of treasury shares						(5)
Disposal of treasury shares						100
Cancellation of treasury shares						-
Net changes in items other than shareholders' equity	135	730	(802)	63	734	797
Total changes during period	135	730	(802)	63	734	5,790
Balance as of March 31, 2023	24,801	1,829	662	27,293	1,201	173,215

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

(As of March 31, 2023)

(Millions of Yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	189,069	Current liabilities	124,174
Cash and deposits	37,162	Notes payable - trade	1,496
Notes receivable - trade	2,298	Accounts payable for construction contracts	46,072
Electronically recorded monetary claims - operating	284	Short-term borrowings	13,172
Accounts receivable from completed construction contracts	127,269	Lease liabilities	0
Securities	10,000	Income taxes payable	2,831
Real estate for sale	959	Advances received on construction contracts in progress	12,544
Costs on construction contracts in progress	3,287	Deposits received	19,264
Costs on real estate investment, development business and other	796	Provision for warranties for completed construction	480
Raw materials and supplies	10	Provision for bonuses	3,387
Other	7,136	Provision for bonuses for directors (and other officers)	32
Allowance for doubtful accounts	(136)	Provision for loss on construction contracts	1,540
Non-current assets	114,934	Asset retirement obligations	15
Property, plant and equipment	44,014	Suspense receipt of consumption taxes	17,938
Buildings and structures	13,445	Other	5,394
Machinery and vehicles	556	Non-current liabilities	13,176
Tools, furniture and fixtures	351	Long-term borrowings	3,110
Land	29,610	Lease liabilities	1
Leased assets	1	Deferred tax liabilities	9,917
Construction in progress	49	Asset retirement obligations	101
Intangible assets	916	Other	46
Investments and other assets	70,003	Total liabilities	137,350
Investment securities	53,824	(Net assets)	
Shares of subsidiaries and associates, investments in capital of subsidiaries and associates	2,719	Shareholders' equity	142,250
Long-term loans receivable	9,085	Share capital	19,838
Prepaid pension costs	3,480	Capital surplus	25,322
Other	2,845	Legal capital surplus	25,322
Allowance for doubtful accounts	(1,952)	Retained earnings	102,274
		Legal retained earnings	4,959
		Other retained earnings	97,314
		Reserve for investment loss on developing new business	134
		Reserve for tax purpose reduction entry of non-current assets	3,565
		General reserve	87,000
		Retained earnings brought forward	6,615
		Treasury shares	(5,185)
		Valuation and translation adjustments	24,403
		Valuation difference on available-for-sale securities	24,403
		Total net assets	166,653
Total assets	304,004	Total liabilities and net assets	304,004

Non-Consolidated Statement of Income

(April 1, 2022 through March 31, 2023)

(Millions of Yen)

Description	Amount	
Net sales		
Net sales of completed construction contracts	236,649	
Net sales of real estate investment, development business and other	5,617	242,266
Cost of sales		
Cost of sales of completed construction contracts	209,112	
Cost of real estate investment, development business and other	2,334	211,446
Gross profit		
Gross profit on completed construction contracts	27,536	
Gross profit on real estate investment, development business and other	3,283	30,819
Selling, general and administrative expenses		18,730
Operating profit		12,088
Non-operating income		
Interest and dividend income	1,572	
Other	442	2,015
Non-operating expenses		
Interest expenses	186	
Loss on investments in investment partnerships	35	
Other	16	239
Ordinary profit		13,864
Extraordinary income		
Gain on sale of investment securities	3,056	
Other	18	3,074
Extraordinary losses		
Loss on retirement of non-current assets	591	
Other	51	642
Profit before income taxes		16,296
Income taxes - current	4,400	
Income taxes - deferred	132	4,532
Profit		11,764

Non-Consolidated Statement of Changes in Equity

(April 1, 2022 through March 31, 2023)

(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, 2022	19,838	25,322	0	25,322	4,959	142	3,598	80,600	10,354	99,655
Changes during period										
Provision of general reserve								6,400	(6,400)	–
Dividends of surplus									(6,363)	(6,363)
Profit									11,764	11,764
Purchase of treasury shares										
Disposal of treasury shares			5	5						
Cancellation of treasury shares			(5)	(5)					(2,781)	(2,781)
Provision of reserve for investment loss on developing new business						134			(134)	–
Reversal of reserve for investment loss on developing new business						(142)			142	–
Reversal of reserve for tax purpose reduction entry of non-current assets							(33)		33	–
Net changes in items other than shareholders' equity										
Total changes during period	–	–	(0)	(0)	–	(8)	(33)	6,400	(3,738)	2,619
Balance as of March 31, 2023	19,838	25,322	–	25,322	4,959	134	3,565	87,000	6,615	102,274

(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, 2022	(8,061)	136,754	24,437	24,437	161,192
Changes during period					
Provision of general reserve		-			-
Dividends of surplus		(6,363)			(6,363)
Profit		11,764			11,764
Purchase of treasury shares	(5)	(5)			(5)
Disposal of treasury shares	94	100			100
Cancellation of treasury shares	2,787	-			-
Provision of reserve for investment loss on developing new business		-			-
Reversal of reserve for investment loss on developing new business		-			-
Reversal of reserve for tax purpose reduction entry of non-current assets		-			-
Net changes in items other than shareholders' equity			(34)	(34)	(34)
Total changes during period	2,876	5,495	(34)	(34)	5,460
Balance as of March 31, 2023	(5,185)	142,250	24,403	24,403	166,653