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November 13, 2023

Company name : Kumagai Gumi Co., Ltd.
Representative : Yasunori Sakurano, President
(Code: 1861, Prime Market in the Tokyo Stock Exchange)

Basic Policy for Formulating the New Medium-Term Management Plan (FY2024-FY2026)

Next spring, accompanying the announcement of the financial results for the fiscal year ending March 31, 2024, the Kumagai Group plans to announce a new medium-term management plan with fiscal 2024 as its first year. Ahead of this, the Group has adopted the following basic policies toward the formulation of the plan.

As in the current medium-term management plan, the Kumagai Group will continue to support its customers and society throughout the ages as a leader of the construction service industry that is sought by society, aiming to realize a society in which limited resources are recycled, and people, the community, and nature continue to be enriched.

(1) Basic policy

- Increase the ability to be the company of choice and earnings strength in the core construction business
- Diversify revenue sources by accelerating initiatives in businesses peripheral to construction
- Develop investment strategies, collaboration with Sumitomo Forestry Co., Ltd., and other measures, harnessing the knowledge of outside experts, etc.
- Expand technology development and human capital that contribute to business strategy

(2) Financial target level

- Consolidated ordinary income: Approx. 30 billion yen
- ROE: 10% or more
- Capital adequacy ratio: approximately 45% (well-balanced financial soundness and capital efficiency)