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**New Medium- and Long-Term  
Business Plan  
Road to 100th anniversary  
Embracing new challenges  
(FY2024 to FY2030)**

February 07, 2024

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# Message from the President

Daisue Construction recently formulated “Road to 100th anniversary: Embracing new challenges,” our new Medium- and Long-Term Business Plan targeting the year 2030.

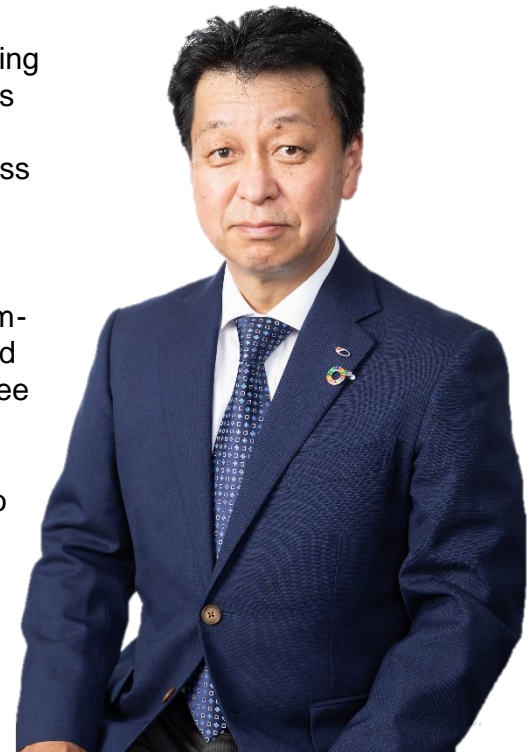
As we look towards the 100th anniversary of our founding in 2037, we will realize improved profitability and increased corporate value through the following three challenges as we strive to flourish as a Prime Market-listed company: increasing the tenacity of our construction business, enhancing our highly profitable portfolio, and bringing the foundations of our business into the next generation.

We’ve steadily built up a track record with a focus on condominium construction over our long history, and in recent years we’ve worked to strengthen our financial base, for example by improving our capital adequacy ratio. Most recently, after having achieved a degree of success shoring up our finances, we embarked on a gradual transition to a more aggressive approach to management, starting by acquiring two civil engineering companies.

At the same time, some initiatives haven’t adequately kept pace with the significant changes occurring in the environment in which we do business, for example worsening profitability as a result of factors including sudden increases in the cost of raw materials, recent initiatives to satisfy criteria for remaining listed in the Prime Market, and calls for us to improve our PBR ratio, which is currently less than 1.0.

Our current Medium-term Business Plan, “Challenges for the future,” has been delayed two years, leading to this misalignment with environmental changes. In addition to formulating this new Medium- and Long-Term Business Plan, we’ve worked to realize a medium- and long-term plan characterized by ambition and continuity and founded on a long-term perspective by lengthening its term from three years, the conventional length of our business plans, so that it extends to the year 2030.

Going forward, Daisue Construction will work to maximize its corporate value in line with this plan to prepare for greater challenges.



代表取締役社長

村尾 和則

Kazunori Murao  
President and Representative Director

# Daisue Construction's Vision

**Helping increase customers' corporate value**  
as a professional construction partner

**Becoming a company that creates spaces rich in security and joy**

Realizing a people- and Earth-friendly society by building close relationships with customers

**Realizing corporate value befitting a Prime Market-listed company**  
by achieving a PBR of greater than 1.0

Construction services characterized by  
**peace of mind, trust, and quality**

**Providing one-stop support**  
throughout the building life cycle

**Offering technical and field capabilities**  
that fully leverage our expertise based on an extensive track record

**Manifesting character**  
that combines extensive knowledge and experience with passion and dynamic energy

**Proposing solutions**  
that leverage real estate and meet customers' needs

**New Medium- and Long-Term  
Business Plan  
Road to 100th anniversary  
Embracing new challenges  
Overview**

# Status of Past Initiatives

We've steadily implemented the business and capital strategies we initially outlined one step at a time to build a solid financial base. At the same time, inflation continues to impact our operations, and a number of profit-related issues remain to be resolved.

**DAISUÉ SINKA 2020**  
Fiscal year ended March 2018 to fiscal year ended March 2020

**Challenges for the future**  
Fiscal year ended March 2021 to fiscal year ending March 2025<sup>\*1</sup>

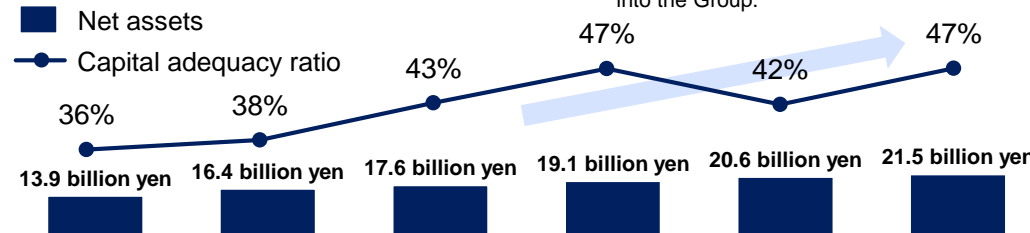
## Actions

- ✓ Limit large investments and improve financial robustness.
- ✓ Strengthen relationships with major condominium developers.
- ✓ Expand our customer base for renovations, etc.

- ✓ Develop and launch the initial phase of a digital transformation (DX) system that will allow us to leverage knowledge in an integrated manner across the entire company.
- ✓ Start bidding on super-high-rise buildings and super-large projects.
- ✓ Work to develop zero-energy technologies like ZEB, ZEH, and wood construction techniques.
- ✓ Advance into new businesses, for example by incorporating two civil engineering companies into the Group.

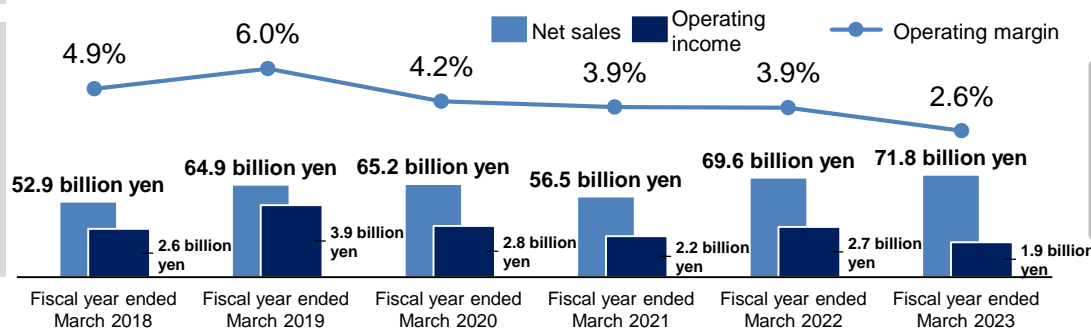
**We've steadily taken the actions initially identified in each Medium-term Business Plan. We've also undertaken more challenging initiatives, for example by incorporating two civil engineering companies into the Group.**

## Finance



**Our capital adequacy ratio has improved, and we've achieved a degree of success shoring up our finances. We've laid a foundation for active investment in growth.**

## Profitability



**Even as net sales have grown smoothly, inflation continues to impact our operations, creating profit-related issues.**

\*1: In November 2021, the current Medium-term Business Plan, which originally extended to the fiscal year ended March 2023, was extended until the fiscal year ending March 2025 as a result of changes to the Tokyo Stock Exchange.

# Our Business Environment and Future Prospects

A struggle for survival is intensifying within the construction industry. Computerizing operations and ensuring sustainability have become urgent priorities.

Furthermore, the capital markets are demanding the initiatives to increase corporate value accelerate.

## Construction market



**Securing human resources, establishing competitive advantages, and building a business fluctuation-resilient base for operations have become even more important.**

- The shrinking of the labor population and the aging of workers are becoming more serious.
- Competition due to the gradual shrinking of the market is intensifying, and pressure for a reorganization of the industry is growing.
- Inflation and business fluctuations are having a strong impact.

## Computerization



**We've embarked upon an era in which computerization and data utilization are directly linked to companies' competitive strength.**

- A digital transformation (DX) geared towards boosting productivity is progressing rapidly.
- High added value through effective use of data has the potential to become a differentiating factor.

## Sustainability



**We've embarked upon an era in which environmental and societal issues will be resolved by businesses**

- Initiatives to address environmental issues, for example through decarbonization, are accelerating globally.
- Initiatives to address societal issues such as well-being are also progressing. Companies are under pressure to go beyond "CSR" initiatives and make a contribution through their business activities, and disclosure of non-financial information has become mandatory.

## Requirements from capital markets

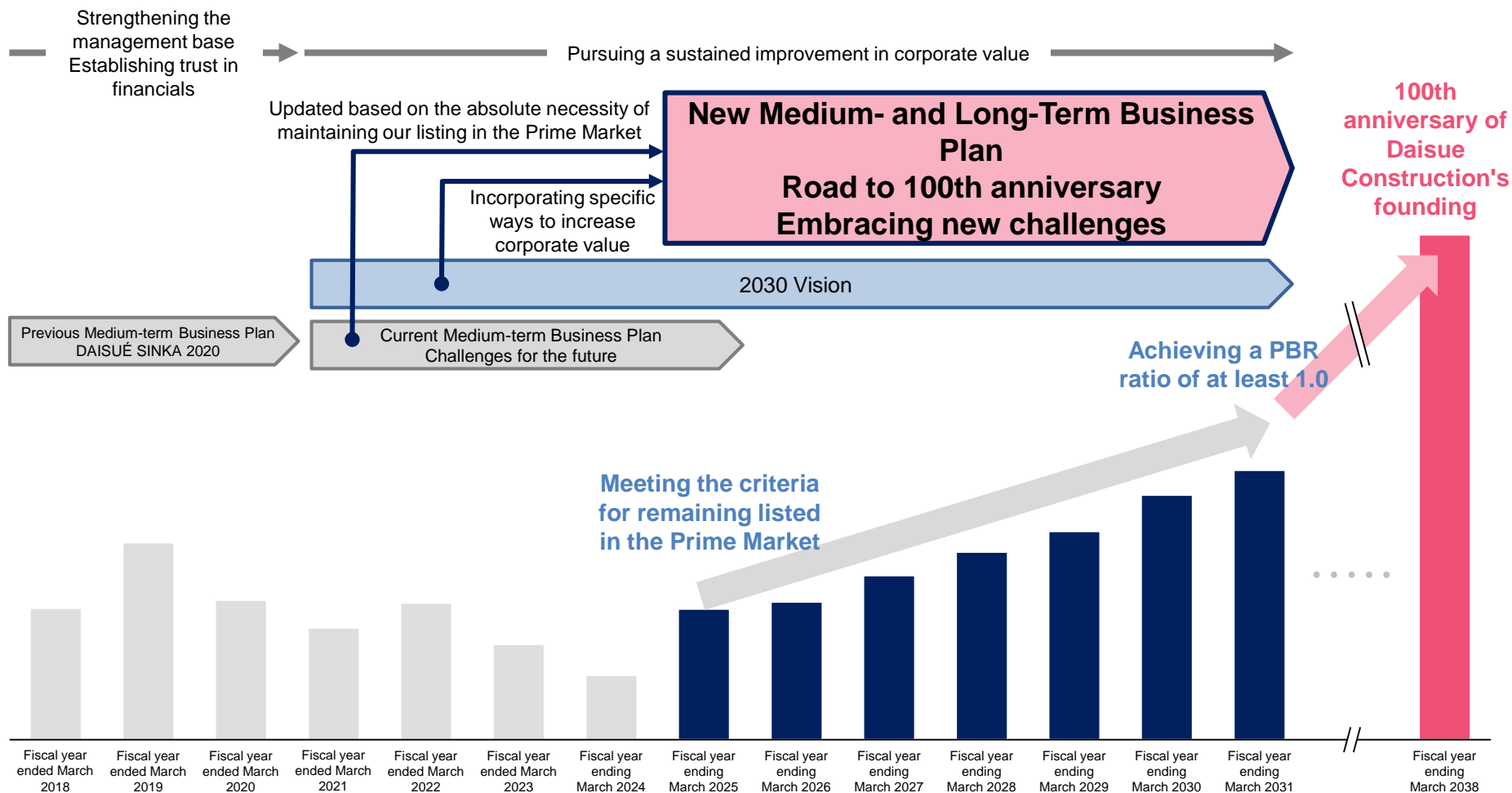


**Companies are being called upon to accelerate their efforts to boost corporate value through management reforms.**

- Increasing corporate value through capital efficiency improvements is becoming more important in light of revisions to the Corporate Governance Code.
- Pressure on companies with a PBR ratio of less than 1.0 to make improvements is increasing.

# Positioning of the New Medium- and Long-Term Business Plan

Recognizing the need to undertake radical reforms from a longer-term perspective based on the absolute need to maintain our listing in the Prime Market and the increasing necessity of boosting our PBR ratio beyond 1.0, we formulated a new Medium- and Long-Term Business Plan looking towards 2030.



\*Graph illustrates operating income.

# Concepts informing the New Medium- and Long-Term Business Plan

## “Road to 100th anniversary: Embracing new challenges”

We will realize significant growth as a company listed in the Prime Market through three challenges to accomplish radical reforms as we prepare to mark the 100th anniversary of our founding.

Increasing the tenacity of our construction business as we prepare to escape competition

Business development has focused on condominiums, a segment of the market that has been a strength for Daisue to date. Going forward, we will strive to pursue direct-award projects (as opposed to projects with a bidding process) and improve profitability by increasing specialization in key domains, including the general construction domain, and establishing the Daisue brand further boosting profitability by refining our strengths in the condominium domain

Enhancing our highly profitable portfolio through active investment and aggressive management

To date, we've limited investment and emphasized financial robustness in our management. Going forward, we will expand our business portfolio by undertaking civil engineering, real estate, and community service-related businesses and build a stable, highly profitable foundation for our businesses

Bringing the foundations of our business into the next generation by revamping the previous basis of our operations

To underpin the significant growth described on the left, we will strengthen and expand our human resources base, develop more sophisticated organizational structures, pursue a digital transformation (DX) to boost productivity, and undertake operational reforms as we bring the foundations of our business into the next generation



# Three Challenges and 10 Key Policies

We will realize **significant growth** through **three challenges**

## Increasing the tenacity of our construction business

Developing even more advanced condominium construction techniques by pursuing standardization

Pursuing direct-award general construction projects by securing differentiating domains

Focusing on building reconditioning, an area of growing demand

## Enhancing our highly profitable portfolio

Reentering the civil engineering market

Entering the real estate development and reconditioning market at scale

Creating new businesses to solve social issues

## Bringing the foundations of our business into the next generation

Building a human resources base that lets a diverse workforce do their jobs in an energetic manner

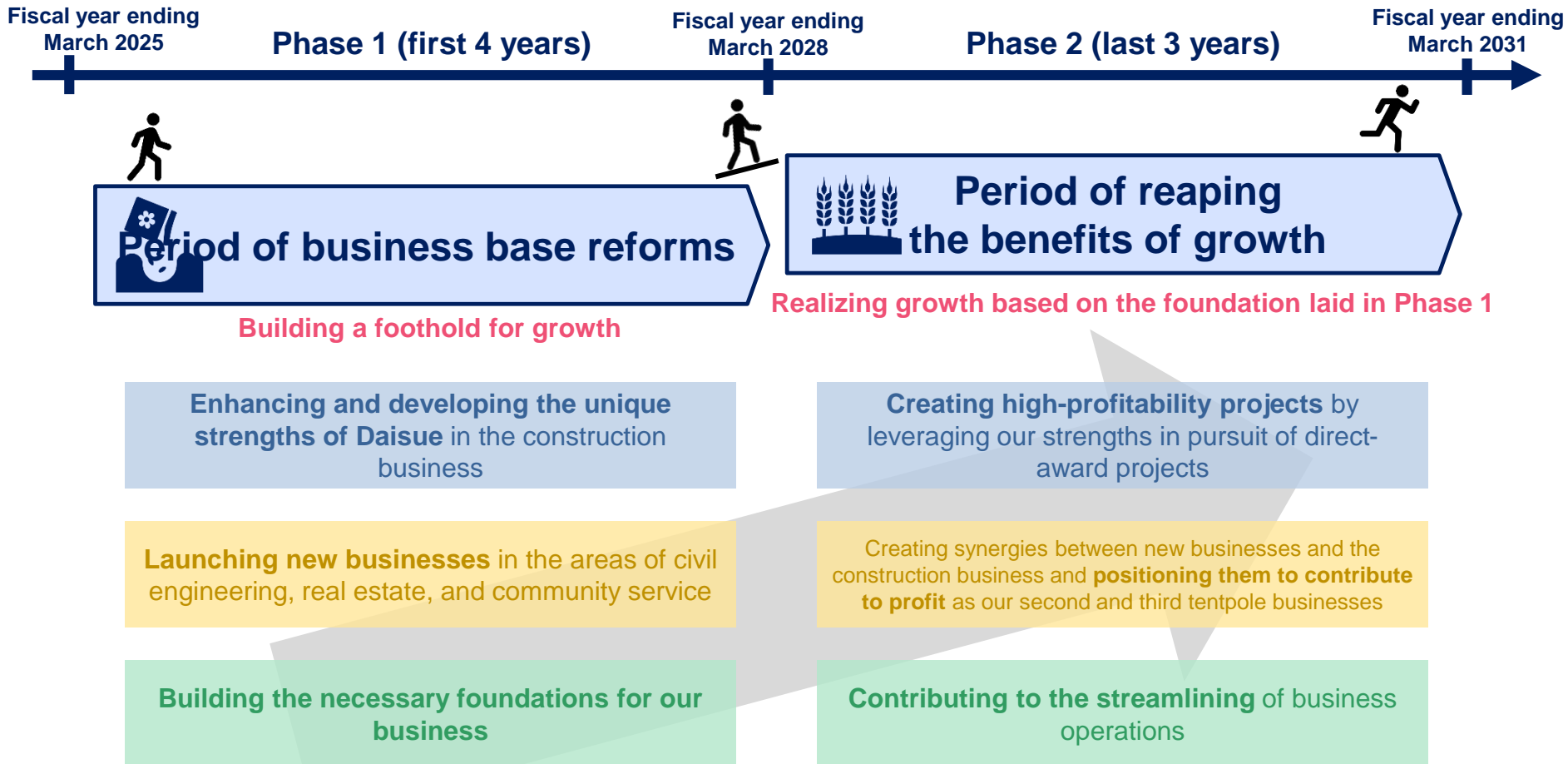
Reforming organizational structures so that we can more readily accumulate and utilize expertise

Increasing productivity and passing on skills to younger workers through a digital transformation (DX)

Developing more sophisticated workflows through operational reforms

# Roadmap for FY2030

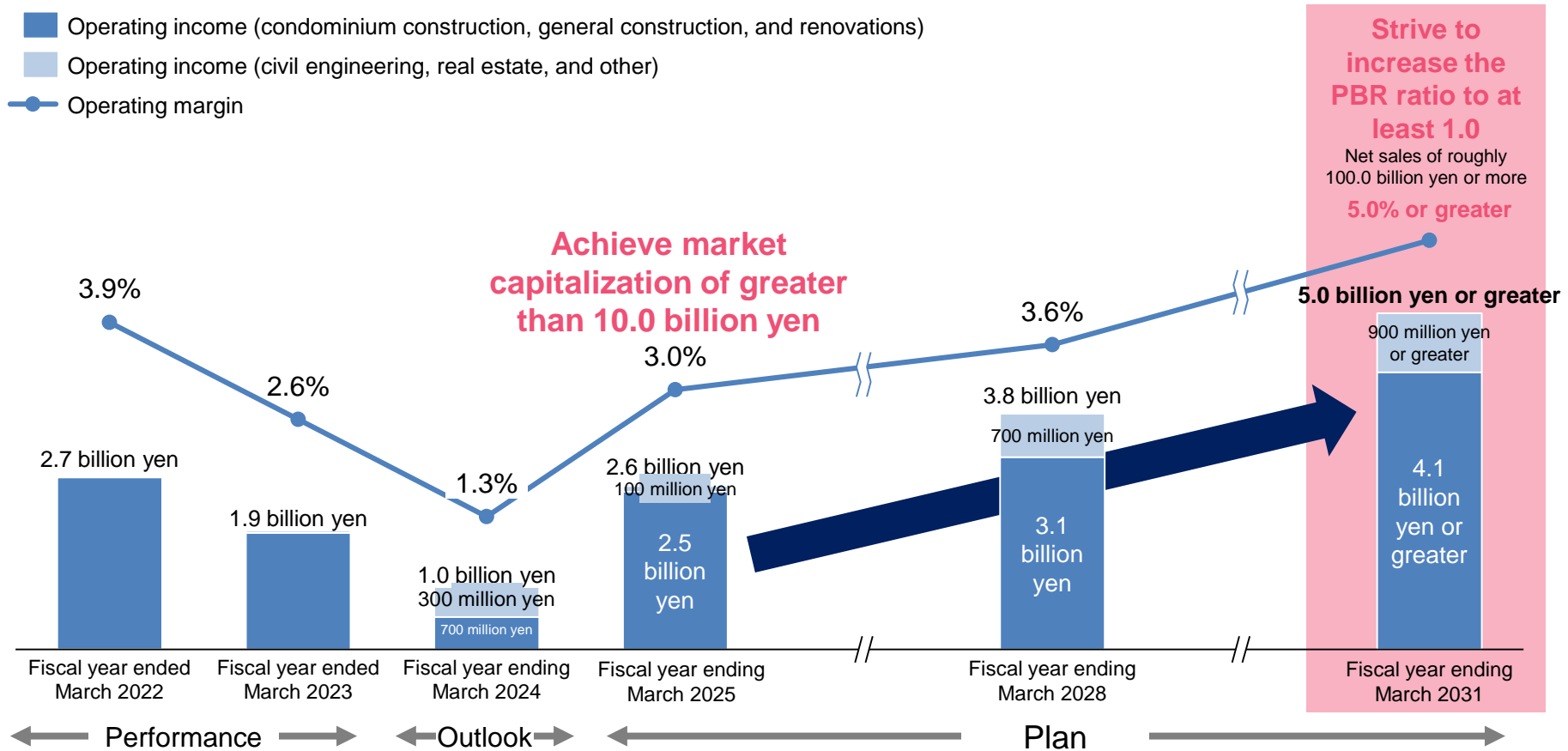
During the first four years, we will establish a foothold for facilitating growth by focusing on reforms of our business base. During the next three years, we will work to reap the benefits of growth.



# Operating Income Targets for FY2030

We will strive to achieve a PBR of at least 1.0 and consolidated operating income of at least 5.0 billion yen (and an operating margin of at least 5.0%) in FY2030 (the fiscal year ending March 2031).

- Operating income (condominium construction, general construction, and renovations)
- Operating income (civil engineering, real estate, and other)
- Operating margin



# Other Management Indicators

We will work to increase our corporate value by boosting our capital efficiency and accommodating requests from capital markets.

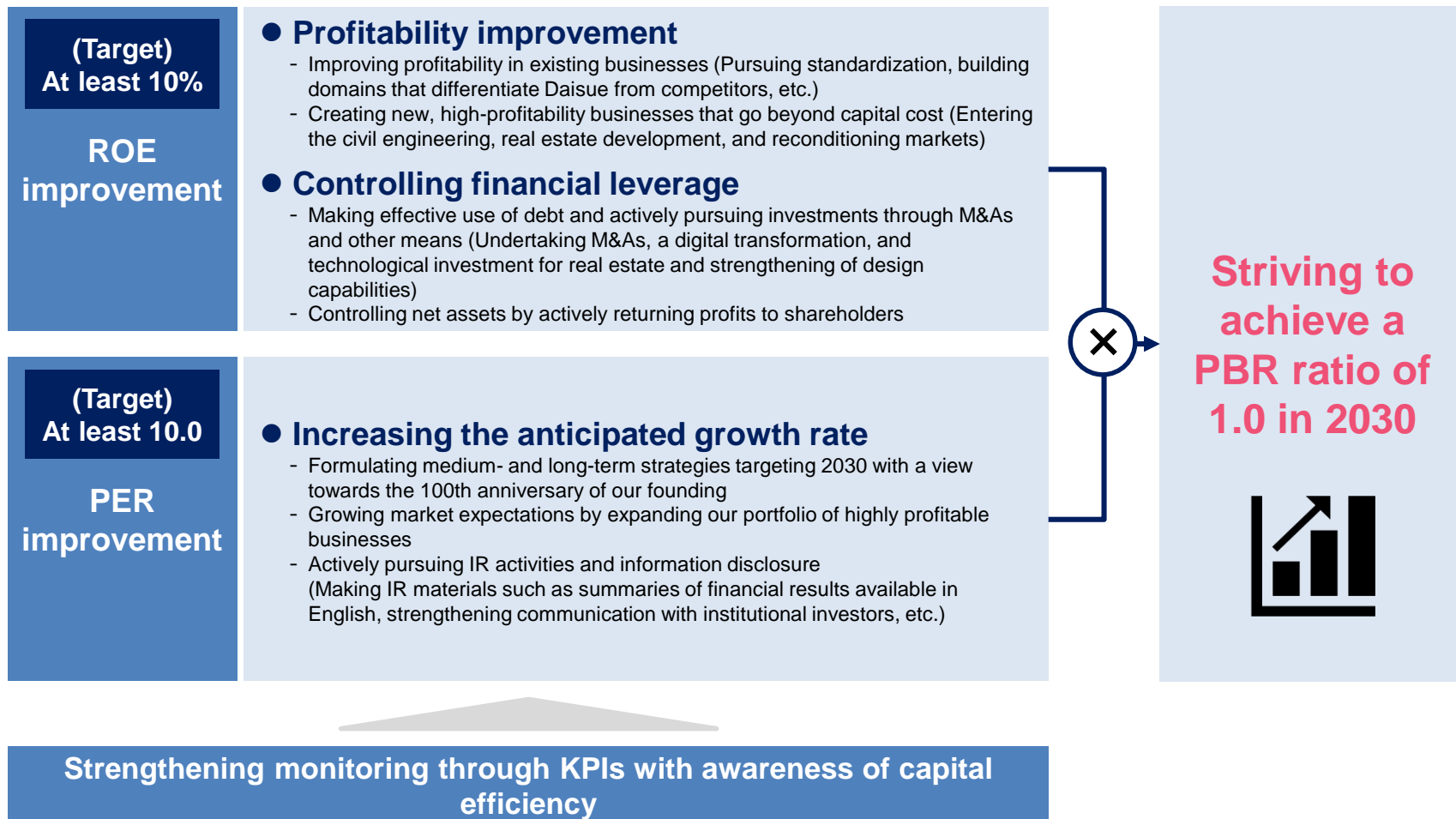
		Performance Fiscal year ended March 2023	Targets Fiscal year ending March 2025	Targets Fiscal year ending March 2031
<b>Capital efficiency-related indicators</b>	ROE	6.4%	At least 8.0%	At least 10.0%
	ROIC	6.2%	At least 5.0%	At least 7.0%
	DE ratio	0.01	About 0.50	About 0.65
<b>Capital market-related indicators</b>	Market capitalization	7.7 billion yen* <sup>1</sup>	At least 10 billion yen	At least 20 billion yen
	DOE	3.6%	At least 4.0%	At least 4.0%
	Total dividend trend	58.1%	At least 50.0%	At least 50.0%* <sup>2</sup>

\*1: As calculated by Daisue. Market capitalization as of March 31, 2023.

\*2: Subject to review as appropriate based on the future business environment.

# Reference: Management Policy for Achieving a PBR Ratio of 1.0

We will work to realize a PBR ratio of 1.0 by achieving ROE of at least 10% and a PER ratio of at least 10.0 in 2030.



**Increasing the tenacity of  
our construction business**

# Existing Business (1): Condominium Construction Strengths

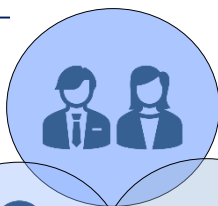
We've built good relationships with many developers as a result of our top-to-bottom focus on condominium construction. Moreover, the impact of the nationwide trend towards market contraction is limited in the metropolitan areas where we operate.

Extensive track record and customer base in condominium construction

We have an **extensive track record of doing business with outstanding developers** as a result of the **top-to-bottom focus on condominium construction that we've taken to date.**

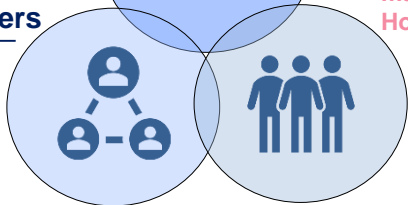
## Major condominium developers

Extensive track record of doing business with **6 of the 7 major developers**



## House manufacturers

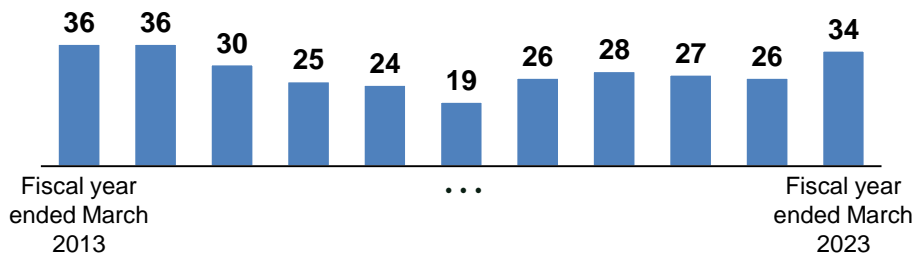
We have a history of doing business with **major house manufacturers like Misawa Homes**



## Regional/small and medium-size developers

Excellent business relationships with **developers nationwide**

## Trend in number of completed condominium construction projects

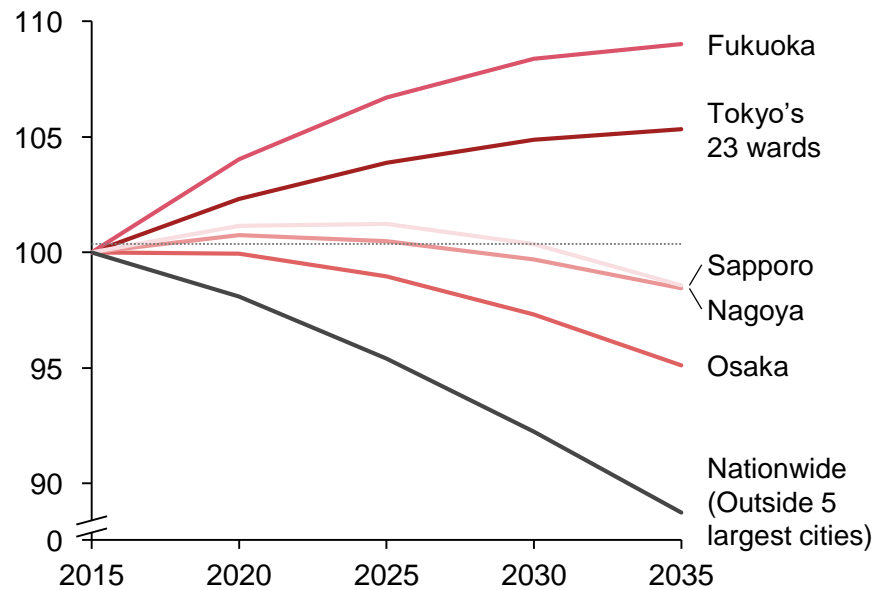


\*1: Compiled based on Japan's national census, 2015 population = 100.

Market outlook in the principal areas in which we operate\*1

**Population decline is limited in the urban areas that are our principal area of operations.** For the time being, we expect to see net population gains in Tokyo's 23 wards and the city of Fukuoka.

## Estimated future population (coefficient of change)\*1

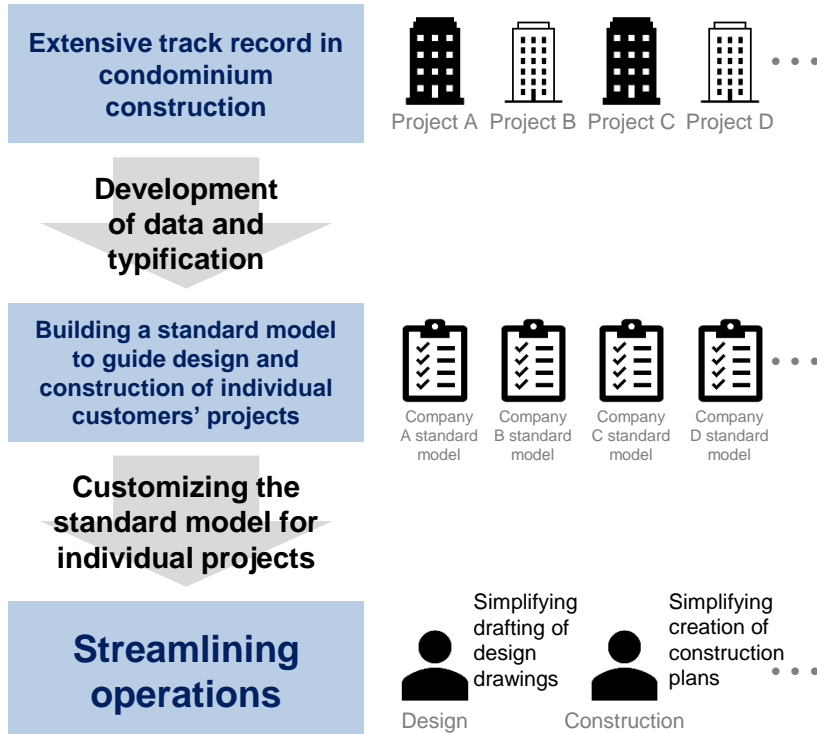


# Existing Business (1): Strategic Direction for Condominium Construction

We will solidify our reputation of strength in condominium construction by embracing the challenges posed by new business domains, for example super-high-rise buildings, while enhancing our strengths in conventional apartment building construction, our flagship business.

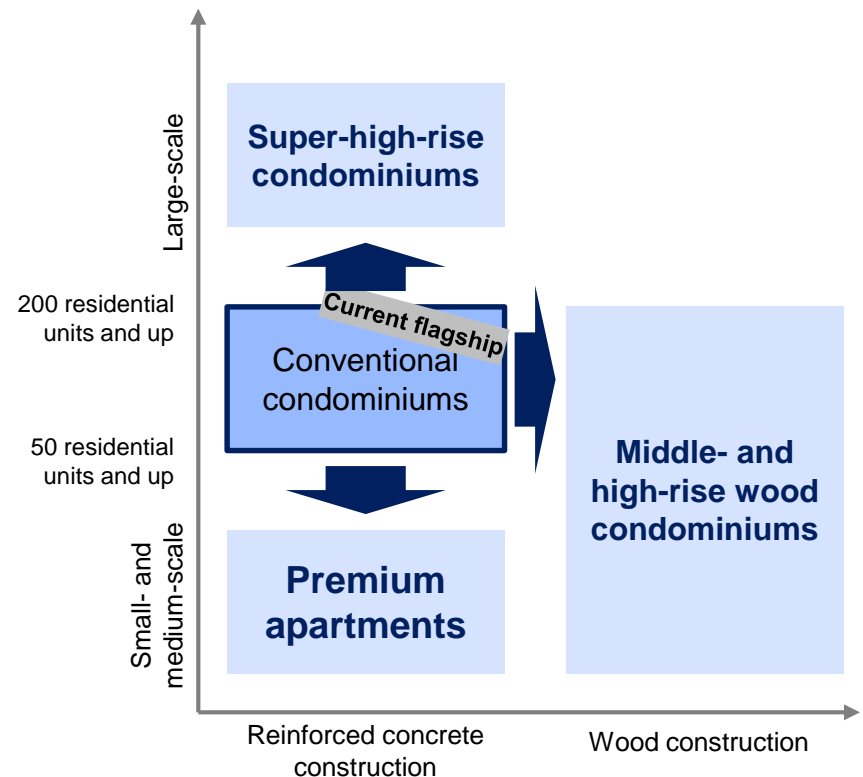
## Strategic direction for condominium construction

We will put in place mechanisms to parlay our extensive track record into even greater strength by **building standard models** that will serve as the basis on which we accommodate individual customers' needs.



## Approach to priority domains

We will increase our presence throughout the condominium domain by **embracing the challenges posed by adjacent domains**





# Reference: Plans to Undertake Super-high-rise and Wood Construction Projects

We will embrace the challenges posed by new domains, for example super-high-rise condominiums and middle- and high-rise wood construction dormitories.



\*The two left buildings above are part of this effort.

## Warabi Station West Exit Class 1 Urban Area Redevelopment Project

- Multi-use facility with total floor space of 56,119 m<sup>2</sup> on a site of about 7,287 m<sup>2</sup> in the area around the West Exit of Warabi Station
- Buildings A and B, each with 1 belowground level and 28 aboveground stories, with floors 1 through 3 occupied by commercial tenants, a library, and government offices, and floors 4 through 28 occupied by 415 residential units
- Tentative construction dates: January 2024 through July 2027



## Wooden Employee Dormitory Construction Project

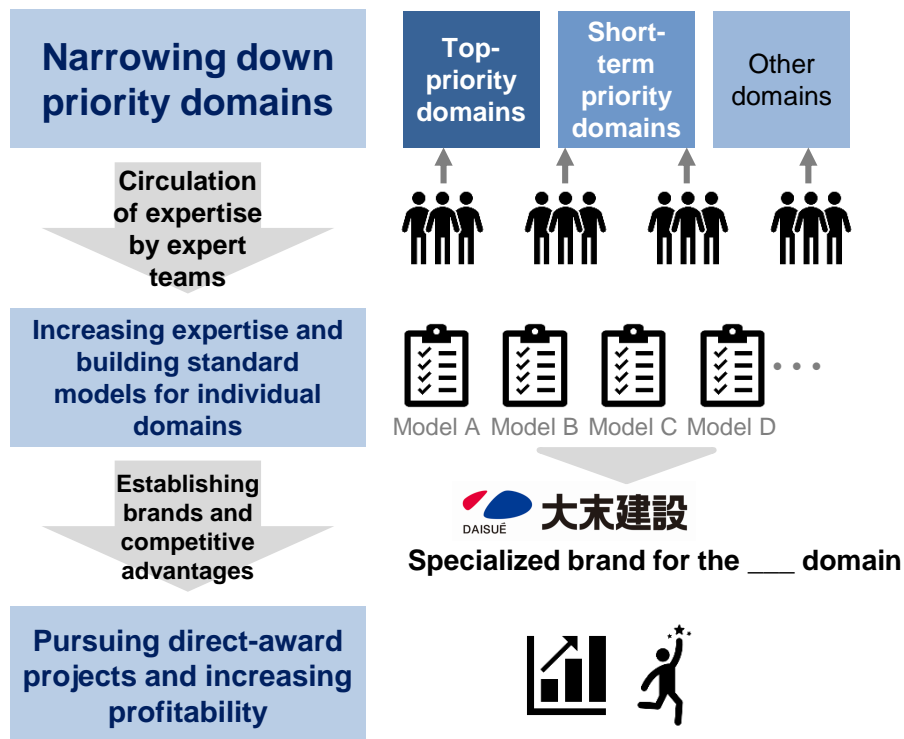
- Dormitory with total floor space of 4,800 m<sup>2</sup> on a site of about 3,000 m<sup>2</sup> Planned atrium in center of building
- Concept: A wood-construction, 5-floor, 76-room employee dormitory with recreational space and IoT features
- Using wooden structure technologies currently under development
- We're moving forward with wooden structures in which the building itself serves to sequester carbon as a way to contribute to a low-carbon society through cyclical use of forest resources.

# Existing Business (2): Strategic Direction for General Construction

We've established a series of policies to guide initiatives in each domain, and we will strive to pursue direct-award projects and boost profitability by having expert teams circulate expertise in order to secure a competitive advantage.

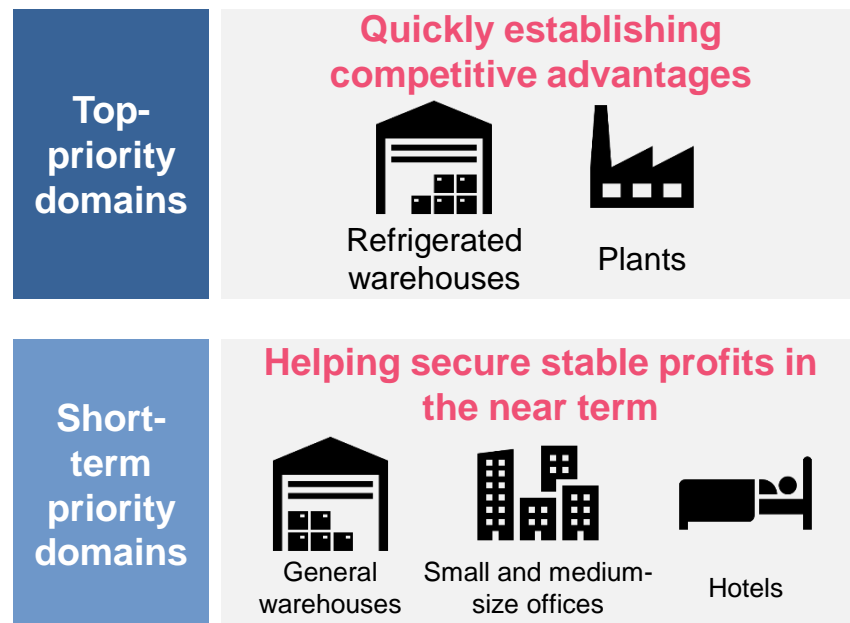
## Strategic direction for general construction

We will work to **transition to a high-profitability structure by efficiently circulating specialized knowledge and expertise** while narrowing down the priority domains on which we focus resources.



## Approach to priority domains

We will select and narrow down the priority domains on which we focus resources in an effort to **outcompete rivals by building on our own unique strengths**



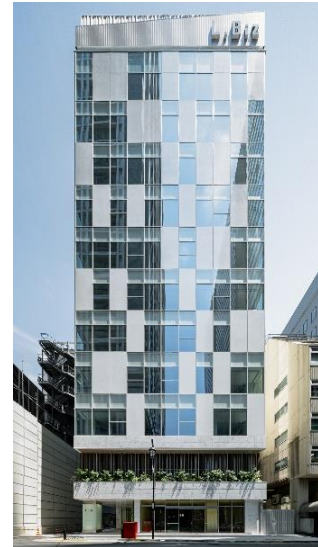
# Reference: Example Initiatives Targeting General Construction

We already have a track record of participating in multiple projects in top-priority and short-term priority domains, and we're in the process of gaining a foothold so that we can build on our strengths.



## Logicross Osaka-Katano

- Project in which we designed and built a distribution facility with four aboveground stories and total floor space of about 20,800 m<sup>2</sup>
- This refrigerated warehouse provides frozen, refrigerated, and room-temperature zones and offers a high level of flexibility while meeting a diverse range of tenant needs.



## L.biz Nihonbashi

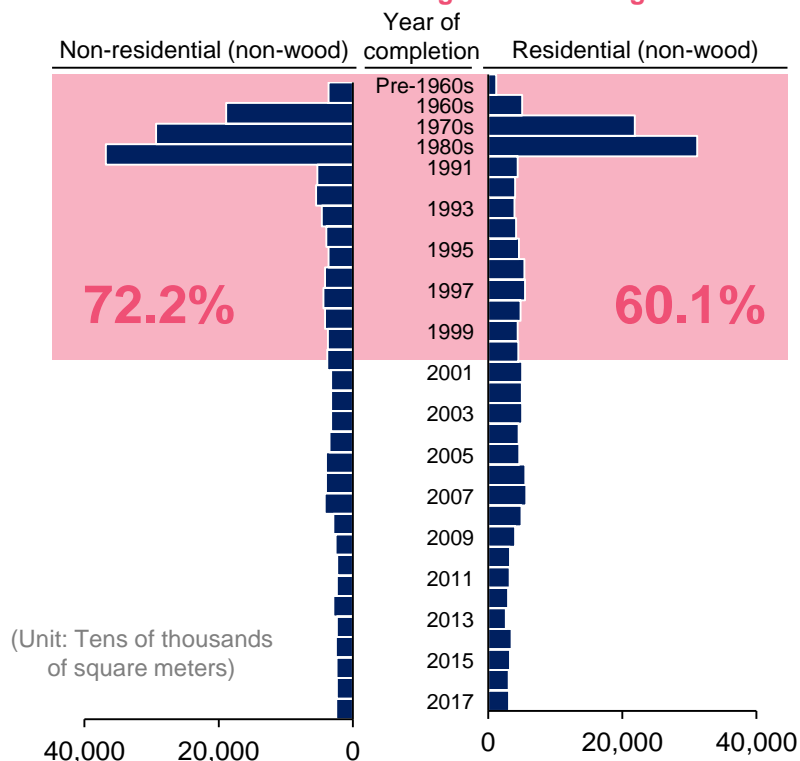
- Project in which we built an office building with 11 aboveground stories and total floor space of about 3,590 m<sup>2</sup>
- We worked to improve the indoor environment by controlling temperature and lighting and to control the thermal load on the building's skin. Thanks to those efforts and active use of natural energy such as sunlight, the structure's environmental performance, which is designed to help realize a decarbonized society, has earned high praise, and the structure earned "Rank A" classification under the Comprehensive Assessment System for Built Environmental Efficiency (CASBEE) (new construction category).

# Existing Business (3): Strategic Direction for Renovations

We use renovations as a hook to secure new-construction projects while focusing on refinement and renovation projects with a high level of difficulty so that we can highlight our unique capabilities.

## Renovation project environment

A particularly large number of buildings were completed before 2000 in the non-residential domain, and we expect to see **growth in demand for building reconditioning**



## Strategic direction for renovations

We also use renovations as a **hook to secure new-construction projects** while **focusing on refinement and renovation projects with a high level of difficulty**

**Refinement and renovations**<sup>\*1</sup>

We will establish a high-profitability business based on our proprietary technological capabilities by tapping reconditioning demand, which is rising as the existing building stock ages.

**Small-scale repairs**

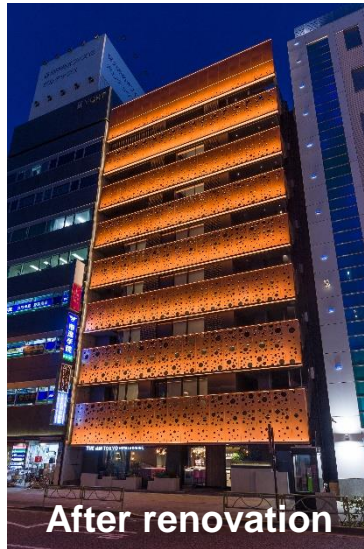
We're using small-scale repairs as a hook to lead to new-construction projects as we work to strengthen our customer base, particularly in priority domains such as plants.

\*1: Refinement, a reconditioning technique proposed by architect Shigeru Aoki, is a new construction technique that seeks to lengthen buildings' service life by reusing the existing frame, which makes the method less expensive than rebuilding the structure from scratch.



# Reference: Example Initiatives Targeting Renovations

We're building our ability to accommodate projects in the renovation market, which is expected to grow in the future, while accumulating a unique track record in large-scale building reconditioning projects.



## THE skm TOKYO HOTEL & DINING

- Reconditioning project in which a tenant-occupied building constructed in 2001 (housing a pachinko parlor and hostess club) was converted into a compact luxury hotel equivalent to new construction (including exterior and interior work, equipment updates, and a new elevator).
- The building includes 24 guest rooms, 83 m<sup>2</sup> of suites, and a first-floor restaurant. The pink-gold perforated metal exterior evokes bubbling Champagne.

## Chatelet Shinanomachi

- Large-scale renovation project in which a 50-year-old apartment and tenant-occupied building constructed in 1971 was revamped with seismic strengthening, equipment updates, and exterior and interior work to bring it up to a similar standard as new construction
- By reusing about 84% of the existing frame, we were able to reduce CO<sub>2</sub> emissions by 72% compared to the rebuilding of the existing building on the same scale.

**Enhancing our highly  
profitable portfolio**

# New Business (1): Strategic Direction for the Civil Engineering Business

We will strive to expand the scale of our civil engineering business and realize a portfolio that doesn't depend exclusively on the construction business by strengthening collaboration with two companies that recently joined the Group.

- Offering assistance with funds for human resources investments, etc. (by acquiring companies that lack someone to carry on the business as necessary)
- Strengthening management by providing management human resources
- Providing technical assistance

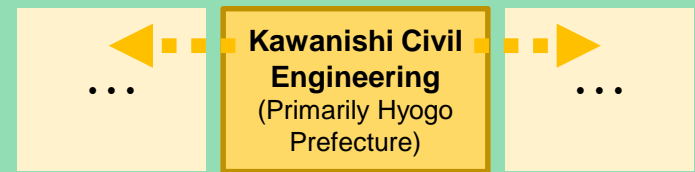
## Daisue Construction

### Special civil engineering domain



Expanding our business by adding engineers and building a high-profitability business platform

### General civil engineering domain



Pursuing scale and securing resources  
Expanding public general contractor channels

Resource facilitation

\*1: The company has one of the most proven track records in the niche domain of rock-breaking and brings strengths in the form of unique patented techniques.

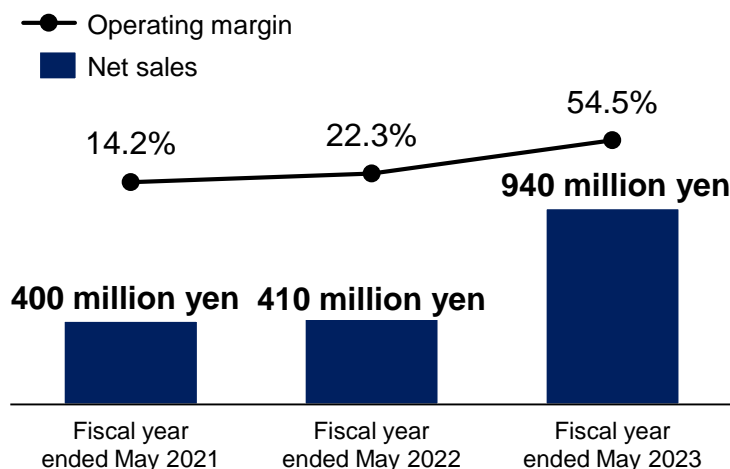
# Reference: Overview of Two Civil Engineering Companies That Recently Joined the Group

We're pleased to welcome Kamisima Corporation, a highly profitable company with proprietary technologies, and Kawanishi Civil Engineering, which has exceptional civil engineers, to the Group. We will strive to secure consistently high profits by creating synergies between the two companies and between them and our construction business.



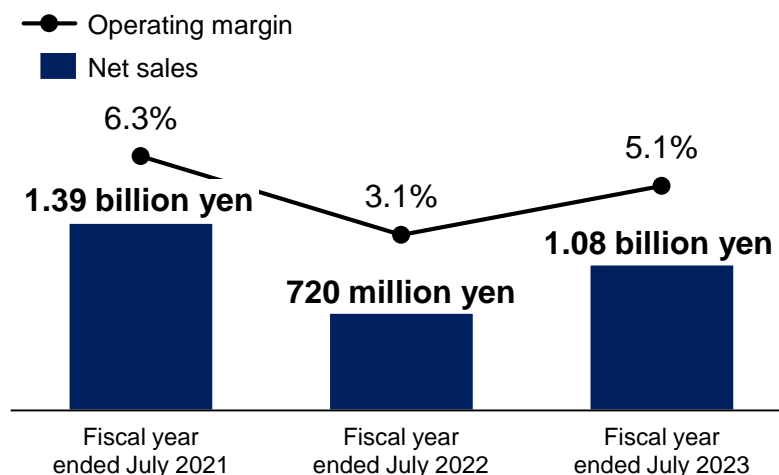
## Kamisima Corporation

- Kamisima, whose strengths include a diverse portfolio of proprietary patented techniques, has **one of the most extensive track records in Japan** in the special civil engineering domain of rock-breaking. It is an outstanding company that has **realized a high level of profitability**
- The company has an extensive pipeline of projects, and it can be expected to generate further growth by strengthening its ability to accommodate construction project inquiries, for example by securing human resources.



## Kawanishi Civil Engineering

- Kawanishi Civil Engineering, which has an extensive track record centering in Hyogo Prefecture, **has many employees who have earned professional certifications, for example as first-class civil engineering construction management engineers.**
- The company has an extensive track record earning orders for public civil engineering projects as a general contractor, and we expect to be able to generate synergies with Kamisima as well as our construction business by utilizing its channels.





# New Business (2): Strategic Direction for the Real Estate Business

In addition to striving to improve and stabilize profitability across the company by participating in real estate development and reconditioning business on a large scale while considering the possibility of M&As to help build our business platform more quickly, we will create synergies with the construction business and Misawa Homes.

**MISAWA**

- ✓ We will create synergies by collaborating with Misawa Homes, which is a Daisue shareholder, in areas including sourcing and exit strategies.



**Real estate development**

Entering the real estate development market, with a focus on luxury apartments



**Real estate reconditioning**

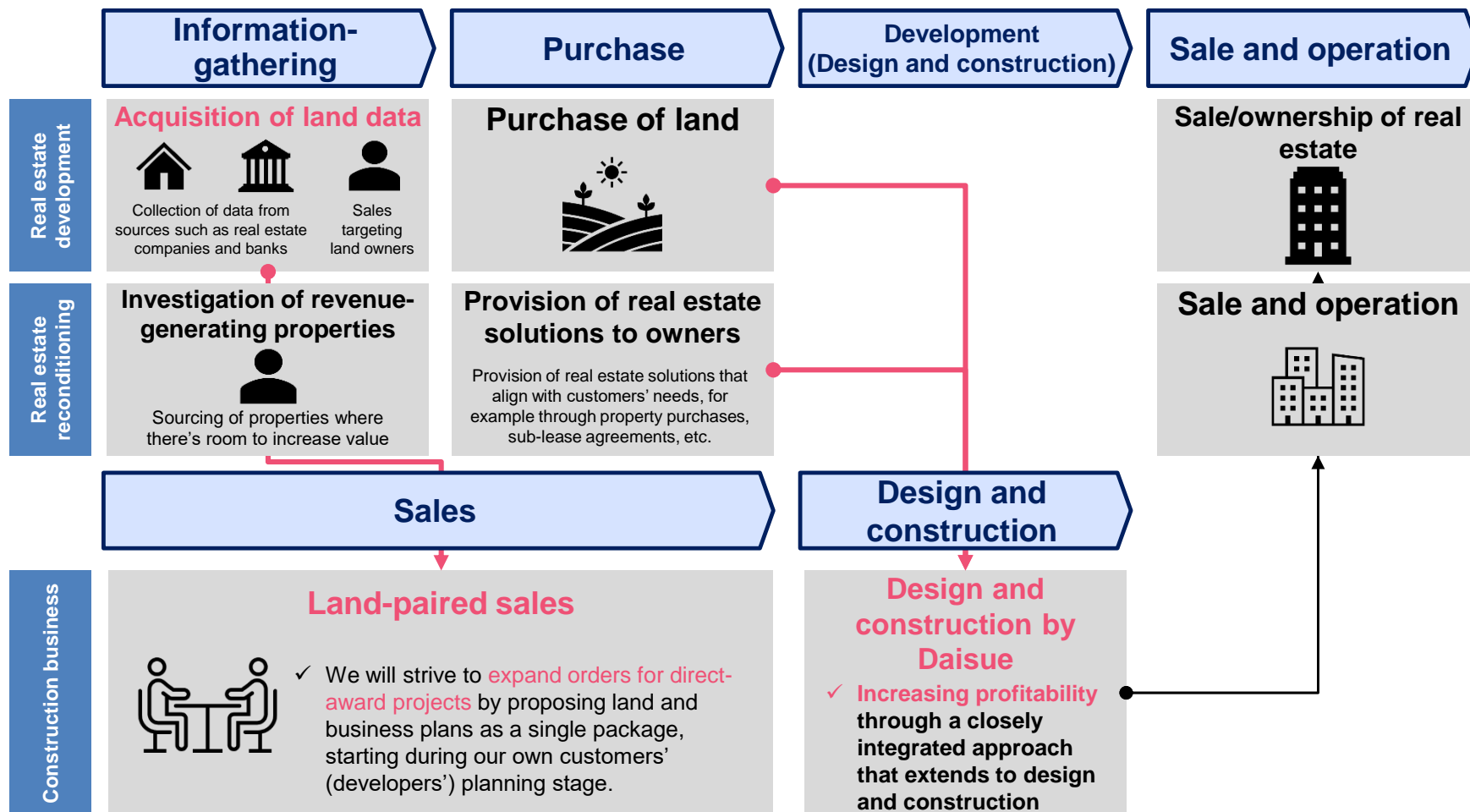
Providing real estate solutions to owners with projects where there's room to increase value

Daisue's construction business

- Increasing profitability through closely integrated structures, from development to design and construction
- Strengthening construction sales by utilizing land data

# New Business (3): New Business Models That Involve Existing Businesses

We will strengthen our ability to conduct land-paired sales in the construction business based on land data obtained through the real estate business. In addition, we will seek to increase profitability by adopting a closely integrated approach that extends from development to design and construction.



**Bringing the foundations  
of our business into the  
next generation**

# Human Resource Strategy

We're working to further strengthen and expand our human resources base to support rapid growth by increasing motivation and engagement, accelerating human resource development, and empowering a diverse workforce to contribute.

## Increasing motivation and engagement

- We're putting in place **an environment in which employees feel motivated so that they can do their jobs in an energetic and dynamic manner.**
- We're crafting **mechanisms to reward employees who produce results**

# Further strengthening and enhancing aspects of employee character that support rapid growth

## Accelerating human resource development

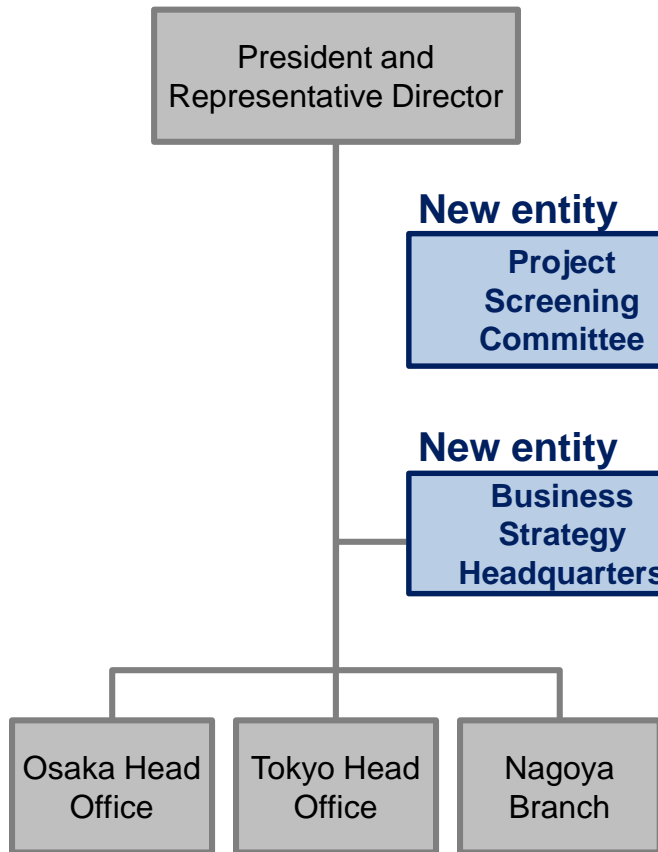
- We're promoting **a culture that emphasizes human resources development** throughout the Company.
- We're **strengthening development programs** that draw on both on- and off-the-job training and **strategic personnel assignments** to help young employees prepare to make an immediate contribution to our operations.

## Empowering a diverse workforce to contribute

- We're building **structures that empower a diverse workforce to contribute** based on the need to address labor shortages in existing businesses and facilitate new businesses.
- We will actively secure new human resources through **sophisticated and multifaceted hiring**

# Organizational Strategy

We've established the Project Screening Committee and the Business Strategy Headquarters, which reports directly to the president. (The official names of both new entities remain to be determined.) We will move forward with efforts to optimize order-related decision-making and personnel assignments across the company while ensuring that expertise circulates throughout the organization.



## Strengthening order-related decision-making and optimal personnel assignment functions

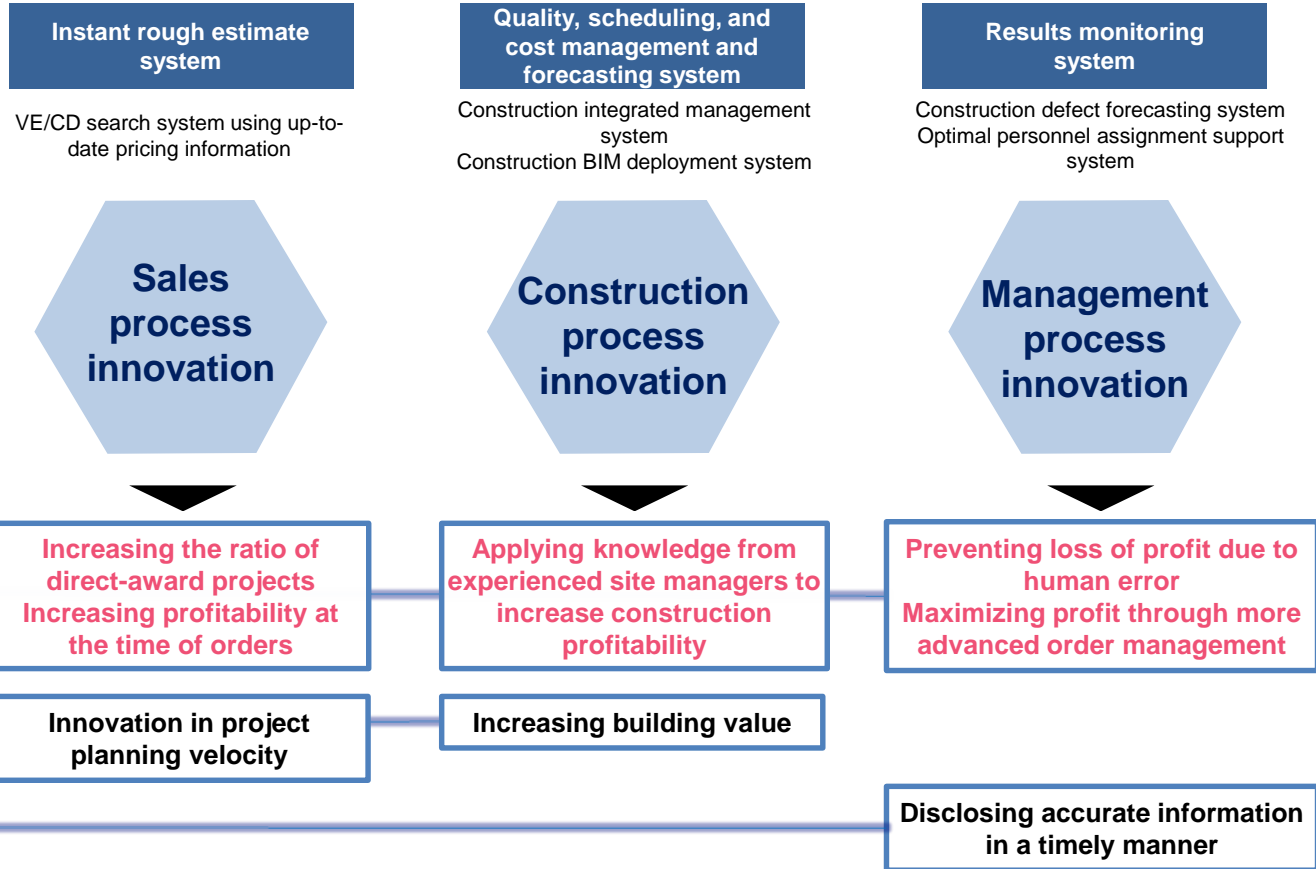
- We will take steps to ensure decisions related to orders for important projects, for example large projects, are made from **a companywide perspective that takes into account medium- and long-term considerations**
- We will carry out **timely integration of personnel** across the Head Office and branch offices through the committee's consultations.

## Strengthening the accumulation and utilization of expertise in priority domains

- We will **work to strengthen our proposal capabilities and to realize more efficient, advanced construction** by managing expertise in a centralized manner and providing it across the Company in an effort to establish strengths in priority domains.
- We will also seek to **increase the sophistication of our design, estimation, and procurement functions** while making use of digital transformation (DX) systems.

Starting in FY2024, we will work to increase profitability by rolling out proprietary DX systems across the company and revamping our sales, construction, and management processes to achieve our FY2030 target of at least 5.0 billion yen of operating income.

## Daisue's proprietary DX systems

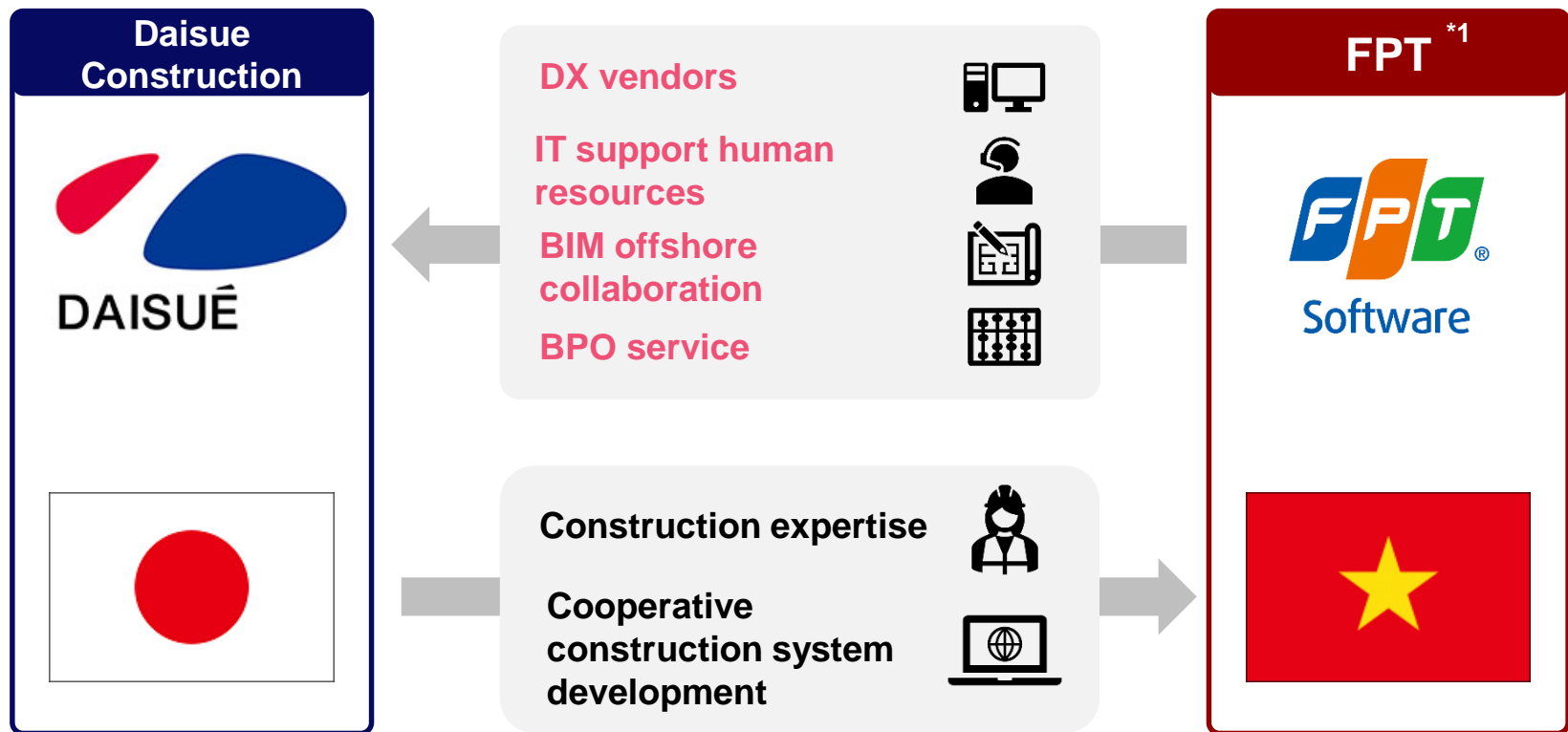


Starting during the next fiscal year, we will enhance data for high-value-added priority sectors such as super-high-rise buildings and refrigerated warehouses as well as new businesses.

# Reference: Workflow Linkage Strategy for the DX

We will strive to strengthen DX implementation structures and realize efficient IT investments through operational collaboration with Vietnamese company FPT (to build cooperative structures, including off-shoring).

## Principal operational collaboration



\*1: Vietnam's largest global IT company

# Operational Reform Policies

We will dramatically review operations for each function based on current issues and future strategy.

## Strengthening of sales

- Transitioning to **KPIs that place greater emphasis on profitability**
- **Further strengthening our proposal capability**, for example by enhancing technical sales
- **Increasing the level of sophistication of our order-related decision-making process** (so that we can pursue challenges in an appropriate manner)

## Strengthening of construction

- Strengthening **leadership provided by experienced engineers to spur improvements in the field**
- Taking steps to circulate knowledge efficiently by **adopting a team-based approach in priority domains**
- **Tasking the newly created Business Strategy Headquarters to provide support for utilization of expertise in priority domains**
- **Strengthening optimal personnel assignments in ways that cut across different areas of operations**
- Strengthening **collaboration with group company Daisue Techno Service**









## Strengthening of technical assistance

- **Strengthening our design capabilities** through M&As of design companies
- Implementing efficiency measures through **visualization of estimated costs** on the project level
- **Strengthening the price forecasting function**, accumulating and visualizing purchasing data, and boosting efficiency



# Policies on Initiatives to Address Sustainability Issues

We've identified a new set of materialities (key issues) that we need to address as a company, and we're studying approaches to resolve them. Going forward, we will strive to steadily resolve these issues through our business activities by pursuing initiatives and disclosing their results.

	Materialities	Principal initiatives	Related SDGs
Environment	Addressing climate change	<ul style="list-style-type: none"> <li>Pursuing carbon neutrality initiatives</li> <li>Pursuing ZEB and ZEH structures and wood construction</li> <li>Reducing construction byproducts</li> <li>Implementing recycling in construction</li> </ul>	  
	Pursuing environmentally friendly business activities		
Society	Pursuing work-life balance	<ul style="list-style-type: none"> <li>Reducing overtime work</li> <li>Moving forward with worksite closures</li> <li>Encouraging male employees to utilize parental leave programs</li> <li>Increasing employee satisfaction</li> <li>Increasing the number of employees with professional qualifications</li> <li>Reducing the number of occupational accidents</li> <li>Increasing the number of management positions occupied by female employees</li> <li>Increasing the number of female employees</li> <li>Increasing the number of experienced workers (through mid-career hiring)</li> <li>Introducing a system for advancing careers in the construction industry</li> </ul>	  
	Strengthening human resource development		
	Ensuring occupational health and safety		
	Promoting diversity		
	Pursuing partnerships		
Governance	Strengthening governance	<ul style="list-style-type: none"> <li>Implementing management with awareness of capital cost</li> <li>Enhancing disclosure of sustainability-related information</li> </ul>	 
	Ensuring compliance		

# Reference: ESG Initiatives and Information Disclosure

Going forward, we will continue to actively pursue ESG-related initiatives. In addition, we will actively disclose quantitative targets, action plans, and information about our progress towards meeting/implementing them, including with quantitative metrics, through our corporate reports and other means.

## Example ESG initiatives



Participating as a member organization of the Osaka Zero Carbon Smart City Foundation (OZCaF) because we support its mission



Strengthening human resource development, for example by putting in place specialized training for young employees and structures that encourage them to earn professional qualifications



その他の経営目標

資本効率性の向上、資本の増加への意欲を高めることで、企業価値向上を図る				
	23/28期	25/28期	31/28期	
資本効率性の向上	ROE	6.4%	8.0%以上	10.0%以上
	ROIC	6.2%	5.0%以上	7.0%以上
	ROIC/株	0.018	0.500円株	0.450円株
資本の増加	株数増	77億円*	100億円以上	200億円以上
	ROE	3.6%	4.0%以上	4.0%以上
負債/売上	58.1%	50.0%以上	TBD	

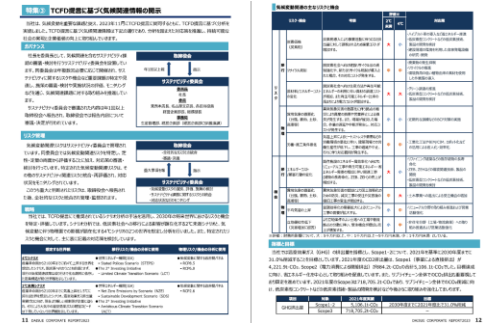
Establishing targets for management indicators founded on an awareness of capital cost, for example ROE and ROIC, and cultivating enthusiasm for increasing corporate value over the medium and long term

## Disclosure policies



Company information sessions for individual investors

## Corporate report



Going forward, we plan to continue to **actively disclose quantitative targets, progress, action plans, and other data** concerning ESG-related topics such as the Task Force on Climate-related Financial Disclosures (TCFD) and human capital.

# **Approach to capital policy**

# Policy on Shareholder Returns

In addition to maintaining a near-term total dividend trend of at least 50%, we will work actively to return profits to shareholders in stable manner by making a DOE of at least 4.0% an additional indicator.

## Past policy on shareholder returns

Dividend ratio of at least 50%  
(Starting in fiscal year ended March 2023)

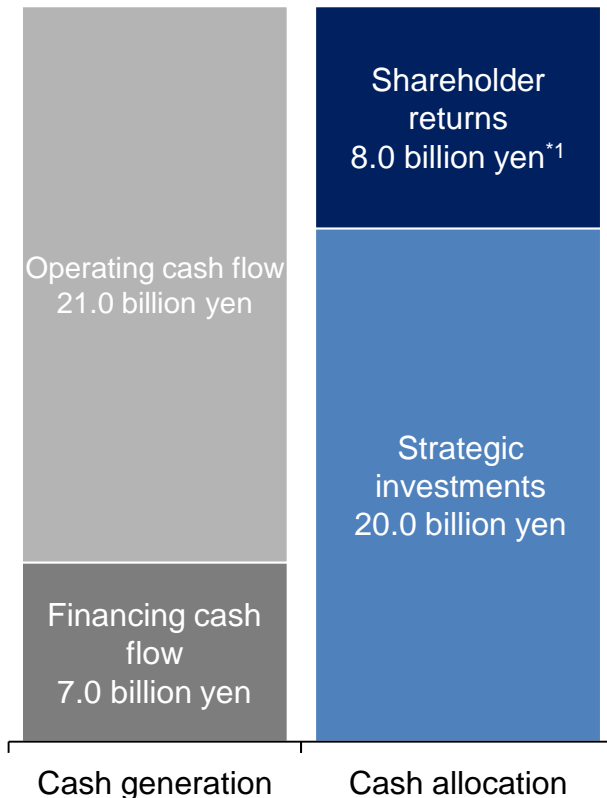
## Policy on shareholder returns under the new Medium- and Long-Term Business Plan

Total dividend trend of **at least 50%** and  
DOE of **at least 4.0%**

- We will maintain active shareholder returns by maintaining a near-term total dividend trend of at least 50%.
  - We plan to revise our policy in the event of unexpected changes in the future business environment or the Company's performance.
- To facilitate stable returns of profit to shareholders, we will add a DOE of at least 4.0%.
  - We're adopting DOE as a new indicator so that we can return profits to shareholders in a stable manner, even if profit were to fall below anticipated levels.

Going forward, we will actively make investments needed for growth while continuing to actively return profits to shareholders.

## Capital Allocation (Fiscal year ending March 2025 to fiscal year ending March 2031)



\*1: Estimate assumes maintenance of 50% total dividend trend.

### Shareholder returns

- ✓ We will work actively to return profits to shareholders in a **stable manner** by adopting DOE of at least 4.0% and a near-term total dividend trend of at least 50%.

### Strategic investments

#### M&A investments

- ✓ We anticipate making investments on a scale of **about 12.0 billion yen** in **real estate company M&As** as we look to make a major expansion into the real estate development and reconditioning business and in **design company M&As** to strengthen our design capabilities.

#### Growth investments

- ✓ We anticipate making investments on a scale of **about 8.0 billion yen** to advance into new business domains, **fund zero-energy technologies, and fund digital transformation (DX) and systems** to revamp our DX technologies and core systems.

A company that creates spaces rich  
in security and joy



**大末建設**