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May 12, 2026

For Immediate Release

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## **Formulation of the YAHAGI CONSTRUCTION Group Medium-Term Management Plan (FY2026 to FY2030)**

The YAHAGI CONSTRUCTION Group has now formulated a medium-term management plan covering the period from FY2026 to FY2030 ("New Medium-Term Management Plan," hereafter). Details are as follows.

To date, the Group has been working to achieve the FY2030 vision it formulated back in FY2021 to become a "problem-solving and value-creating company" by creating and providing new value through construction engineering while pursuing initiatives to contribute to the sustainable development of customers, communities and society.

In the previous Medium-Term Management Plan (FY2021 to FY2025) ("Previous Medium-Term Management Plan," hereafter), we declared a business policy of "enhancement of capabilities to build and create" and the "development of the foundation for sustainable growth" toward accelerated growth. Under this policy, we strived to develop a business portfolio made up of the Architectural Business, Civil Engineering Business and Real Estate Business while working to reinforce our management foundation. As a result, we achieved our numerical targets while managing to deliver steady results in expanding the size of operations and strengthening our financial structure. However, we recognize that further advancements are needed in enhancing earning capability on the profitability and capital efficiency fronts as well as the expansion of new business domains.

Given these challenges, we will drive the New Medium-Term Management Plan along two axes: strengthening earning capabilities and expanding future-oriented business domains. Under a business policy to enhance corporate value through the provision of value to diverse stakeholders and achieving a cycle for

sustainable growth, we will focus on achieving these aims. In support of those efforts, we have defined "corporate value" as "business value × intangible asset value," and aim to realize the sustainable enhancement of corporate value through the exponential growth of both business value, which represents earning capabilities, and intangible asset value, including human capital, technologies and brands.

By putting this New Medium-Term Management Plan into practice, the Group will evolve into a corporate group whose presence is acknowledged as essential by all stakeholders, and as the only TSE Prime Market-listed general contractor in the Tokai region, not just expand the scale of sales but pursue enhanced corporate value and sustainable growth, in an effort to become a corporate group whose combined capabilities stand shoulder-to-shoulder with those of quasi-major general contractors.

## Overview of the Medium-Term Management Plan (FY2026–FY2030)

### 1. Basic Policy

<p>Transformation into a problem-solving and value-creating company</p> <ul style="list-style-type: none"><li>– Enhancing corporate value through the provision of value to diverse stakeholders</li></ul> <p style="text-align: right;">and achieving a cycle of sustainable growth –</p>
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### 2. Management Strategies

<p>We define corporate value as business value × intangible asset value, and aim to achieve the sustainable improvement of corporate value through the exponential growth of both</p> <p>⟨Accelerated growth of business value⟩</p> <ul style="list-style-type: none"><li>Management Strategy① Pursuing earnings capabilities in core businesses and maximizing value creation</li><li>Management Strategy② Take on the challenge of growth domains and accelerate future-oriented business transformation</li></ul> <p>⟨Accelerating growth of intangible asset value⟩</p> <ul style="list-style-type: none"><li>Management Strategy③ Maximizing the value of human resources through proactive investment and boosting productivity by transforming organizational culture</li><li>Management Strategy④ Strengthening management foundations to sustainably enhance corporate value</li></ul>
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### 3. Numerical Targets

#### 〈Management Indicators〉

	FY2030
Operating profit	<b>¥18.0 billion</b> or more
ROE	<b>12%</b> or more
Equity ratio	<b>40%</b> or more

#### 〈Other Indicators〉

	FY2030
Growth investment (net)	<b>¥50.0 billion</b>
Dividend policy	<b>DOE 5%</b> or more (progressive dividends)
Engagement rating	<b>AA</b> (FY2025 BBB)

※ For further details, please refer to the attached materials.

All of the forward-looking statements included in these materials are estimates based on the information currently available to the Company at the time of release. Please note that actual results may differ from forecasts due to a range of factors.



**YAHAGI CONSTRUCTION Group**

# **Medium-Term Management Plan**

**(FY2026 to FY2030)**

**May 12, 2026**

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# 1. Introduction

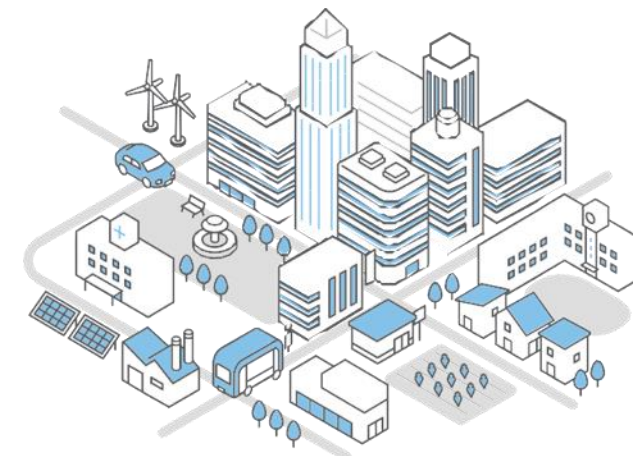
The YAHAGI CONSTRUCTION Group has now formulated a medium-term management plan covering the period from FY2026 to FY2030 ("New Medium-Term Management Plan," hereafter).

To date, the Group has been working to achieve the FY2030 vision it formulated back in FY2021 to become a "**problem-solving and value-creating company**" by creating and providing new value through construction engineering while pursuing initiatives to contribute to the sustainable development of customers, communities and society.

In the previous Medium-Term Management Plan (FY2021 to FY2025) ("Previous Medium-Term Management Plan," hereafter), we declared a business policy of "enhancement of capabilities to build and create" and the "development of the foundation for sustainable growth" toward accelerated growth. Under this policy, we strived to develop a business portfolio made up of the Architectural Business, Civil Engineering Business and Real Estate Business while working to reinforce our management foundation. As a result, we achieved our numerical targets while managing to deliver steady results in expanding the size of operations and strengthening our financial structure. However, we recognize that further advancements are needed in **enhancing earning capability on the profitability and capital efficiency fronts** as well as **the expansion of new business domains**.

Given these challenges, we will drive the New Medium-Term Management Plan along two axes: **strengthening earning capabilities** and **expanding future-oriented business domains**. Under a business policy to enhance corporate value through the provision of value to diverse stakeholders and achieving a **cycle for sustainable growth**, we will focus on achieving these aims. In support of those efforts, we have defined "corporate value" as "**business value** × intangible asset value," and aim to realize the sustainable enhancement of corporate value through the exponential growth of both business value, which represents **earning capabilities**, and **intangible asset value, including human capital, technologies and brands**.

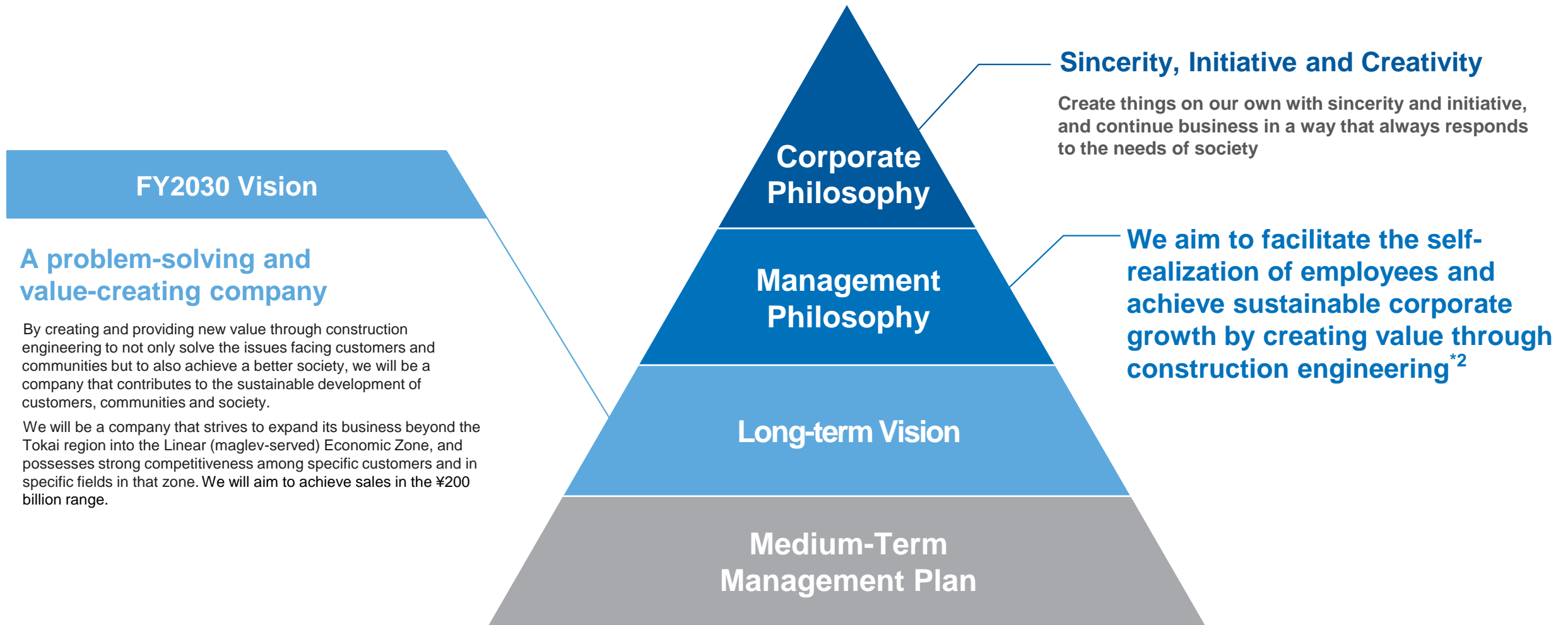
By putting this New Medium-Term Management Plan into practice, the Group will evolve into a corporate group whose presence is acknowledged as essential by all stakeholders, and as the only TSE Prime Market-listed general contractor in the Tokai region, not just expand the scale of sales but pursue **enhanced corporate value** and **sustainable growth**, in an effort to become a corporate group whose combined capabilities stand shoulder-to-shoulder with those of quasi-major general contractors.



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**Review of the  
Previous Medium-Term Management Plan  
(FY2021 to FY2025)**

## Aiming to be a company that can continue to contribute to the sustainable development of society by putting into practice its corporate philosophy and management philosophy



\*1: Set when the Previous Medium-Term Management Plan was formulated (April 2021)

\*2: Construction engineering: a broad definition of engineering that incorporates "the fusion between the natural sciences and humanities" inherent in the word "engineering", and includes "the public nature of building an environment that is desirable for human society," "the rational management of management resources including time, personnel, and budgets, together with risk," "consideration for the environment—sustainability" and "accountability."

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# 2-2. Positioning of the Previous Medium-Term Management Plan

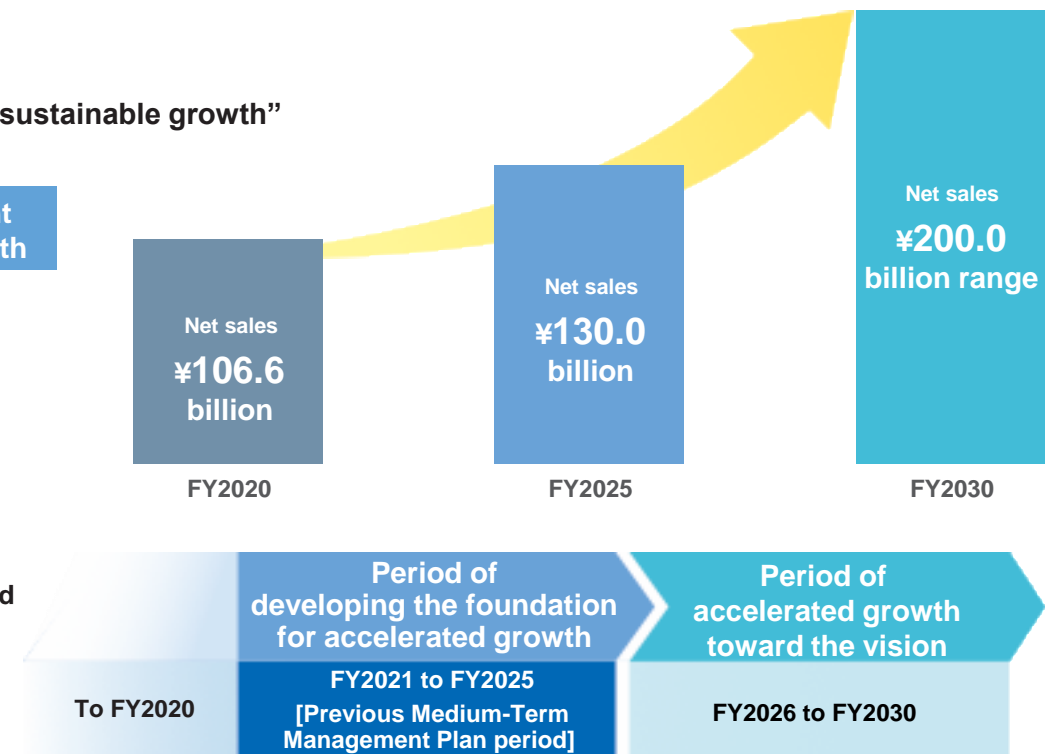
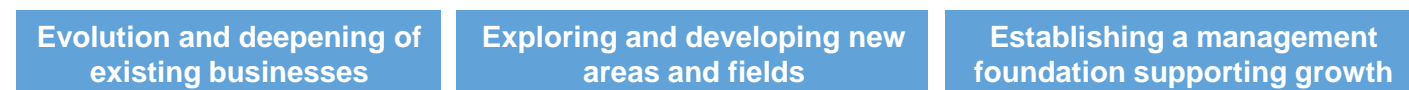


## A period to develop the foundation for accelerated growth toward the FY2030 vision

### Business policy

#### Transformation into a problem-solving and value-creating company

— “Enhancement of capabilities to build and create” and the “development of the foundation for sustainable growth” toward accelerated growth —



### Key Initiatives and Challenges

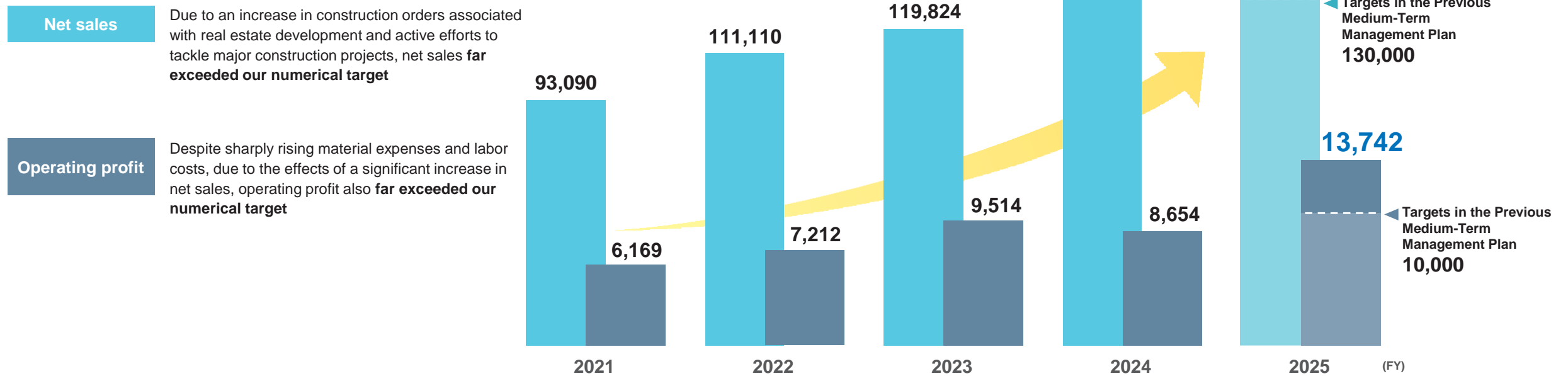
- 1 Strengthening of production systems to scale up business
- 2 Reform of the construction production process to improve productivity
- 3 Strengthening of planning and proposal capabilities/strengthening of capability to drive projects
- 4 Development of new technologies and services/acquisition of technologies and know-how
- 5 Expansion of business areas/target fields
- 6 Value co-creation with various partners
- 7 Improvement of safety and quality levels and strengthening of management systems
- 8 Development of an attractive and rewarding work environment
- 9 Promotion of SDG initiatives (SDG Declaration)

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## 2-3. Review of Numerical Targets (1)

We achieved the plan by significantly exceeding our targets for both net sales and operating profit

<b>Targets in the Previous Medium-Term Management Plan</b>	<b>Net sales</b>	<b>¥130.0 billion</b>	<b>Operating profit</b>	<b>¥10.0 billion</b>
<b>FY2025 Results</b>	<b>Net sales</b>	<b>¥169.3 billion</b>	<b>Operating profit</b>	<b>¥13.7 billion</b>



## 2-3. Review of Numerical Targets (2)

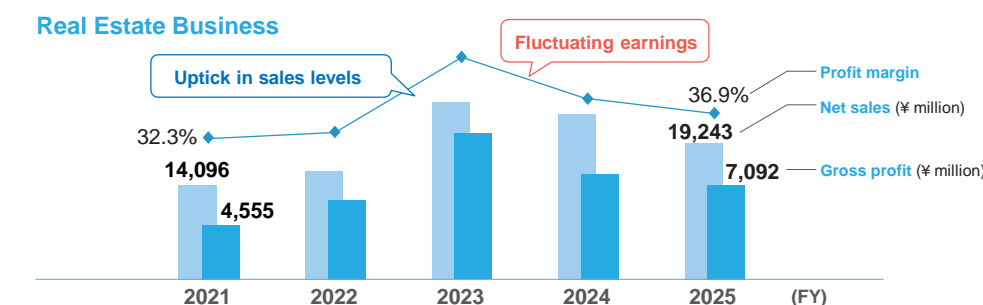
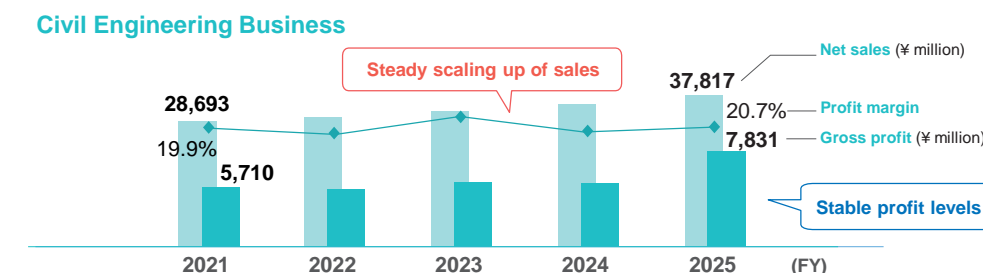
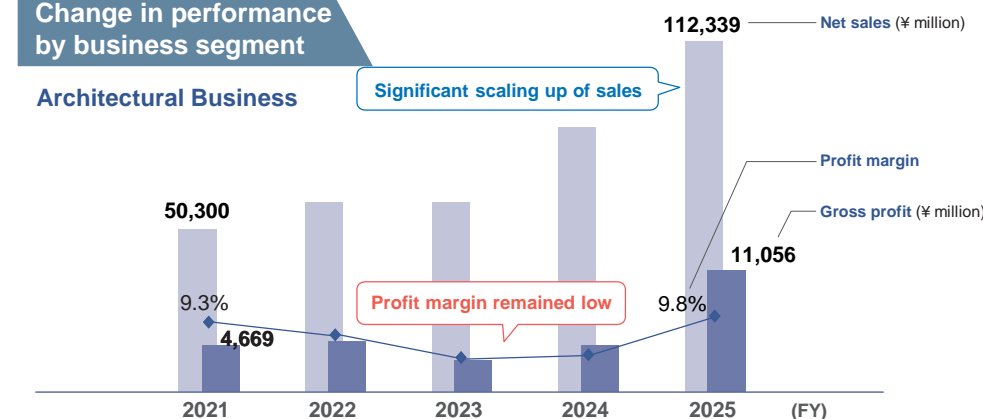
### Although we achieved our numerical targets, further improvement in earnings capability (profitability and capital efficiency) remains a challenge

Performance Indicators	Previous Medium-Term Management Plan targets	FY2025 Results	Description
Net sales	¥130.0 billion	¥169.3 billion	In each business, we steadily expanded the scale of operations, and thanks to the effects of inflation, ended up significantly above initial expectations
Operating profit (ratio of operating profit to net sales)	¥10.0 billion (7.7%)	¥13.7 billion (8.1%)	Aside from higher profits associated with increased net sales, in the Real Estate Business we recorded earnings far exceeding expectations due to the temporary realization of investment effects. However, <b>the operating profit margin still have room to improve.</b>
Ordinary profit (ratio of ordinary profit to net sales)	—	¥13.6 billion (8.1%)	
Profit (ratio of net profit to net sales)	—	¥8.4 billion (5.0%)	

Financial Indicators	Previous Medium-Term Management Plan targets	FY2025 Results	Description
Return on equity (ROE) (Reference) Cost of shareholders' equity	—	11.7% 9.5%	While there were fluctuations in ROE across multiple fiscal years, we have managed to generate excess returns. We will continue with efforts to improve ROE to <b>further expand excess returns</b>
Equity ratio	—	51.5%	

Other Indicators	Previous Medium-Term Management Plan targets	FY2025 Results	Description
Dividend payout ratio	30% or more	50.8%	We continued to meet this target while increasing dividends for five consecutive fiscal years
Dividends on equity (DOE)	5.0% or more	6.0%	To achieve continuous and stable dividends, we have implemented a change to our dividend policy (DOE of 5.0% or more and progressive dividends)
Growth investment	Approx. ¥30.0 billion	¥45.0 billion	The investments that have been made were far greater than planned, mainly in real estate <b>Strategic investments outside the area of real estate are an ongoing challenge</b>

#### Change in performance by business segment



## 2-3. Review of Numerical Targets (3)

### We implemented investments valued at ¥45 billion, roughly 1.5 times our investment plan of ¥30 billion

#### Real estate investment

**Actual: ¥32.5 billion**

- Real estate investments were implemented chiefly in industrial site development.
- Securing of stable cash flow and creation of new investment funding
- Promotion of development contributing to performance in the New Medium-Term Management Plan is underway



Obu Tokai Industrial Park Development Project (229,351 square meters)

#### Human resource investment

**Actual: ¥2.5 billion**

- Introduction of a new personnel system and improvement of treatment including the increase of base pay
- Push for management reforms (provision of management training, etc.)
- Granting of shares to employees
- Stepped up recruitment activities (acquisition of female engineers and foreign-national human resources, etc.)

#### Investment in information technology

**Actual: ¥5.0 billion**

- Redevelopment of IT infrastructure
- Hardening of information security
- Promotion of workstyle reforms (improving operational efficiency by promoting the utilization of ICT, including BIM and CIM)

#### R&D investment

**Actual: ¥2.0 billion**

- Improved productivity and enhanced quality through demonstration-oriented R&D (demonstration testing)
- Improvement of the RCS structure (e.g., widening the standards for applicable steel frames)
- Enhanced reliability of the PAN WALL method (acquisition of third-party assessment ratings)

#### M&A investment

**Actual: ¥3.0 billion**

- March 2023  
Carried out acquisition of HOKUWA CONSTRUCTION, INC.

# 2-4. Review of Key Items and Changes in the External Environment

We faced challenges in the sustained enhancement of earning capabilities and in improving corporate value by responding to social needs and providing value

		Review of Business Policy (Key Items)			Impact of the changing external environment on YAHAGI CONSTRUCTION
Evolution and deepening of existing businesses	Achievements	<ul style="list-style-type: none"> <li>Building sales foundations in core domains and fields</li> <li>Enhancing efficiency and productivity through the proactive utilization of ICT and organizational restructuring</li> </ul>	<p><b>E Environment</b></p>	<ul style="list-style-type: none"> <li>Ongoing increases in construction costs</li> <li>Increasing severity of natural disasters</li> <li>Expansion of the market for environmental projects</li> </ul>	
	Challenges	<ul style="list-style-type: none"> <li>Securing and training human resources to expand construction capacity</li> <li>Enhancement of partner companies to boost production structure and cost competitiveness</li> <li>Stabilization of earnings in the Real Estate Business</li> </ul>			
Exploring and developing new areas and fields	Achievements	<ul style="list-style-type: none"> <li>Initiatives to expand business domains including new architectural applications and development of construction types</li> <li>Expansion of operating areas with a focus on the Kansai region</li> <li>Improved technological capabilities and enhanced quality from practical demonstrations</li> </ul>	<p><b>S Society</b></p>	<ul style="list-style-type: none"> <li>Declining supply capacity due to shortages of skilled workers (progress of the supply-constrained market)</li> <li>Intensifying competition to acquire human resources and responding to the diversifying work environment</li> <li>Advance of AI and DX technologies</li> <li>Accelerating trend in industry restructuring</li> </ul>	
	Challenges	<ul style="list-style-type: none"> <li>Promotion of area strategies in the Kanto region</li> <li>Pursuit of earnings capabilities in the Architectural Business and Civil Engineering Business</li> </ul>			
Establishing a management foundation supporting growth	Achievements	<ul style="list-style-type: none"> <li>Improvements to the environment for human capital management through enhanced compensation and welfare benefits combined with organizational restructuring</li> <li>Strengthened engagement in capital markets through the promotion of IR and SR strategies and changes to the dividend policy</li> </ul>	<p><b>G Governance</b></p>	<ul style="list-style-type: none"> <li>Responding to social demands for governance and information disclosure</li> <li>Rising information security-related costs</li> <li>Responding to the need to improve corporate value through a cycle of profit and investment (returns)</li> </ul>	
	Challenges	<ul style="list-style-type: none"> <li>Further enhancement of safety and quality levels in response to expanded business scale</li> <li>Further improvements to employee engagement</li> </ul>			

**Management Challenges to be Addressed**

- Improved earnings stability and efforts aimed at new domains leading to future earning capabilities
- Establishment of a structure that flexibly adapts to changes in the external environment and solutions to regional issues through healthy relationships with communities
- Further enhancement of corporate value through the provision of value to diverse stakeholders

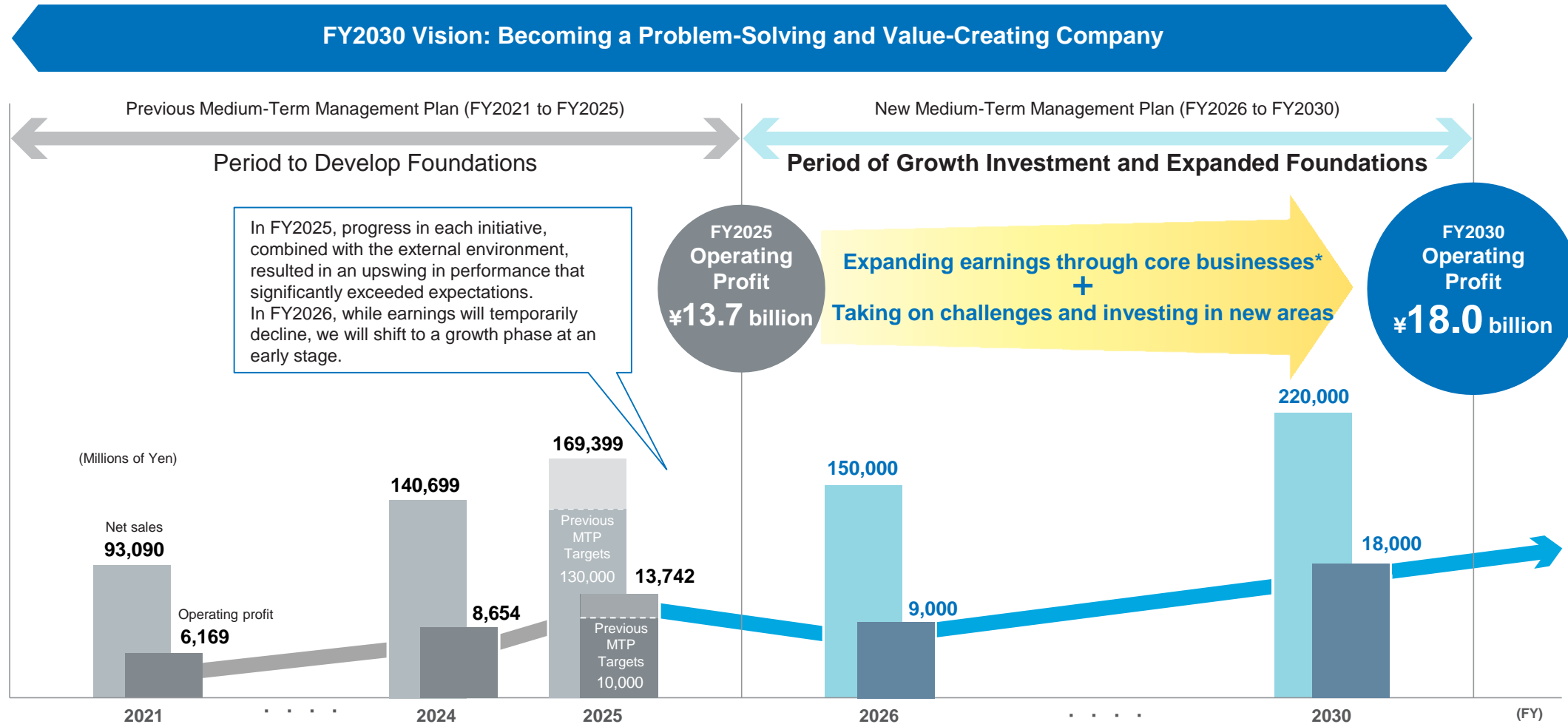
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# New Medium-Term Management Plan

(FY2026 to FY2030)

# 3-1. Positioning of the New Medium-Term Management Plan

## Bolstering earning capabilities and continuing to expand the earnings base as dual challenges



\* Businesses utilizing the operating foundation established in the Previous Medium-Term Management Plan

# 3-2. Basic Policy and Management Strategies

## Basic Policy

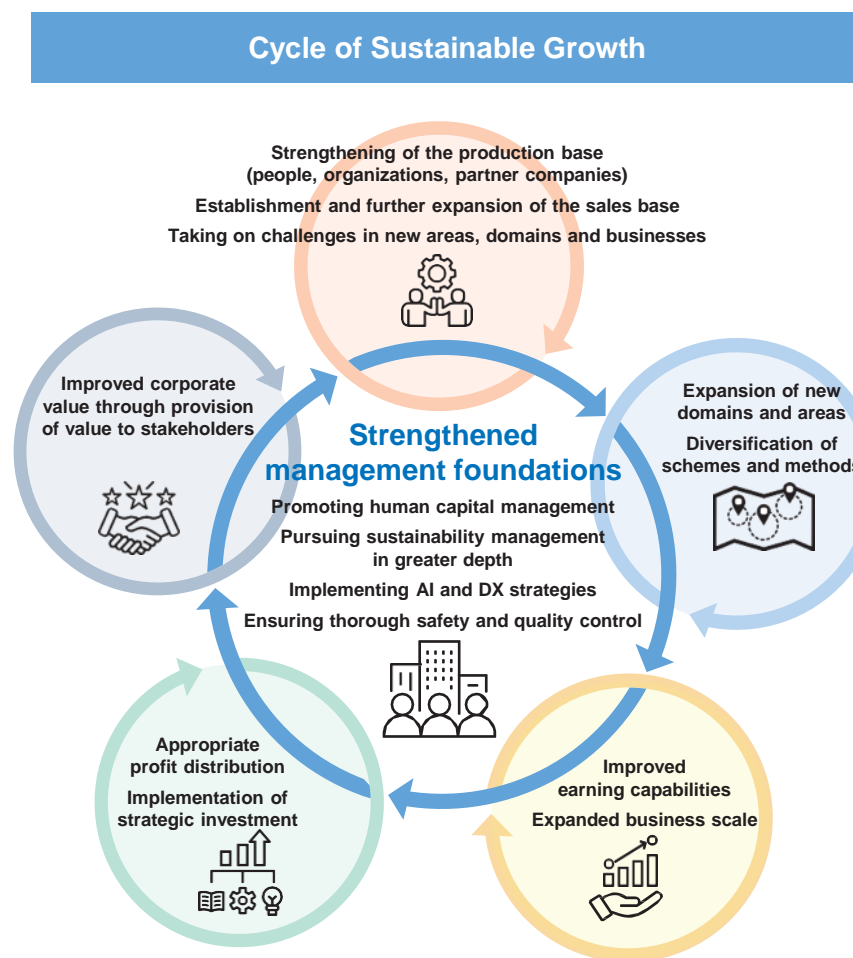
### Transformation into a problem-solving and value-creating company

— Enhancing corporate value through the provision of value to diverse stakeholders and achieving a cycle of sustainable growth —

## Management Strategies

We define **corporate value** as **business value<sup>\*1</sup> × intangible asset value<sup>\*2</sup>**, and aim to achieve the sustainable improvement of corporate value through the exponential growth of both

- |                         |   |  |   |
|-------------------------|---|--|---|
| Management Strategy (1) | <p><b>Pursuing earnings capabilities in core businesses and maximizing value creation</b></p> <ul style="list-style-type: none"> <li>Utilize the business foundations built up during the Previous Medium-Term Management Plan to strengthen the structure generating sustainable results, and promote strategies for each business that facilitate <b>improved profit (and profit margins) and enhanced capital efficiency</b></li> </ul>  | <p><b>Accelerated growth of business value</b></p> |   |
| Management Strategy (2) | <p><b>Take on the challenge of growth domains and accelerate future-oriented business transformation</b></p> <ul style="list-style-type: none"> <li>Drive a two-pronged strategy of <b>taking on challenges in new fields</b>, including the establishment of a site management structure aimed at future earning capabilities, and <b>the advancement and development of each business</b> to stabilize performance</li> </ul>   |  |   |
| Management Strategy (3) | <p><b>Maximizing the value of human resources through proactive investment and boosting productivity by transforming organizational culture</b></p> <ul style="list-style-type: none"> <li><b>Proactive investment in human resources and organizations</b> to cultivate human resources who will solve issues and create value, and foster job fulfillment</li> <li><b>Transformation of the organizational culture</b> and improvements to the work environment to enable all employees to fully succeed</li> <li><b>Executing AI and DX strategies</b> that maximize productivity</li> </ul> |  | <p><b>Accelerating growth of intangible asset value</b></p> |
| Management Strategy (4) | <p><b>Strengthening management foundations to sustainably enhance corporate value</b></p> <ul style="list-style-type: none"> <li>Sustainably pursuing thorough safety management, enhancement of quality, and environmental considerations</li> <li><b>Further enhancing corporate value</b> through the provision of value to diverse stakeholders</li> </ul>  |  |   |



\*1 Business value: the legitimate proceeds obtained as a result of solving the issues faced by local communities and customers, and creating new value (i.e. earning capabilities)

\*2 Intangible asset value: the source of value creation from the human resource capabilities, brand power, technological prowess and relationships of trust with local communities that the Company has cultivated to date and will continue to proactively strengthen

# 3-3. Numerical Targets (FY2030)



## Setting effective targets (KPIs) to enhance corporate value

Management Indicators

**Profitability**

**Operating profit**

**¥18.0 billion** or more

\* Net sales in the ¥220.0 billion range

**Capital efficiency**

**ROE**

**12%** or more

**Financial health**

**Equity ratio**

**40%** or more

\* D/E ratio of 1.0x or less

Other Indicators

**Growth investment (net)**

**¥50.0 billion**

**Dividend policy**

**DOE of 5%** or more  
(progressive dividends)

**Engagement rating\***

**AA**  
(FY2025 BBB)

\* Engagement rating is based on an engagement survey conducted by Link and Motivation Inc. on an 11-point scale from AAA to DD.

1 Introduction

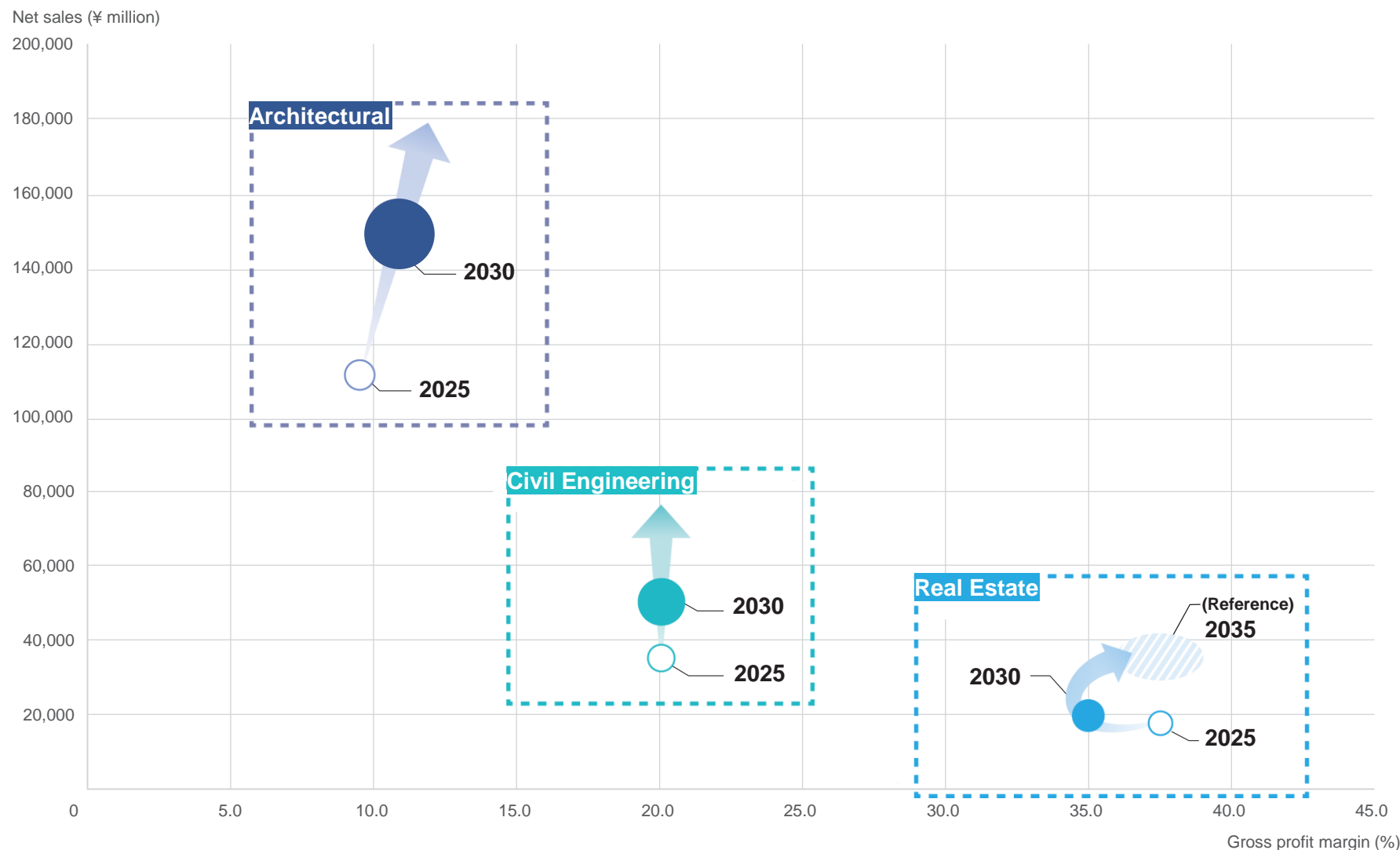
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# 3-4. Business Strategy (Growth Potential Map)

## Each business will promote growth strategies that consider net sales and profit margin



\* A framework for growth potential indicators (net sales - gross profit margin) where the size of the circles indicates the amount of profit

### Architectural Business

**<Improved profitability>**  
 Enhanced earnings capabilities in existing domains and expansion of business due to efforts to expand into new domains

### Civil Engineering Business

**<Scaling up of sales>**  
 Scaling up of business through the advancement and deepening of sales capabilities, supply capabilities and technological capabilities (competitiveness)

### Real Estate Business

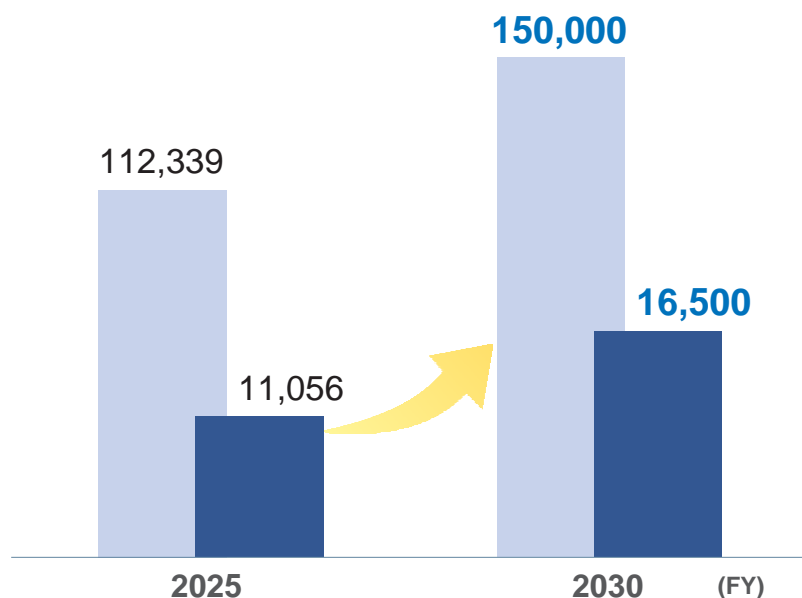
**<Improved earnings stability towards 2035>**  
 Achieving stable and high-level earnings by optimizing the earnings structure and expanding business domains

# 3-4. Business Strategy (Architectural Business)

Enhanced earnings capabilities in existing domains and expansion of business due to efforts to expand into new domains

## Net sales and gross profit

	FY2025	FY2030	Increase/decrease
<b>Net sales</b> (¥ million)	112,339	<b>150,000</b>	<b>37,661</b>
<b>Gross profit</b> (¥ million)	11,056	<b>16,500</b>	<b>5,444</b>
<b>Profit margin</b>	9.8%	<b>11.0%</b>	<b>1.2pt</b>



## Business strategy (priority challenges)

### Enhancing earning capabilities that utilize established foundations [Management Strategy (1)]

- Selective order acceptance and provision of added value
- Enhancement of construction technologies and utilization of DX and digital technologies
- Promotion of initiatives to enhance capital efficiency (early recovery of construction costs, etc.)

### Developing and expanding growth foundations by exploring new domains [Management Strategy (2)]

- Expanding applicable architectural applications (offices adhering to high-level specifications, data centers, etc.)
- Taking on the challenge of landmark projects that contribute to local communities
- Establishing an area strategy and structure through acquisitions and collaborations with Group companies

### Strengthening business foundations leading to sustainable growth [Management Strategies (3) and (4)]

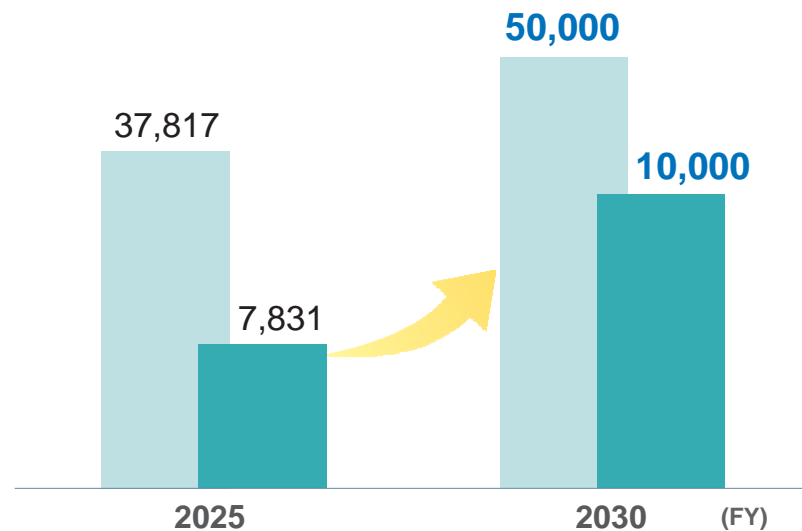
- Developing an environment that facilitates the realization of broad career plans
- Enhancement of an organizational worksite support structure
- Improved backup structure in the Tokyo metropolitan and Kansai regions integrating each site

# 3-4. Business Strategy (Civil Engineering)

Scaling up of business through the advancement and deepening of sales capabilities, supply capabilities and technological capabilities (competitiveness)

## Net sales and gross profit

	FY2025	FY2030	Increase/decrease
<b>Net sales</b> (¥ million)	37,817	<b>50,000</b>	<b>12,183</b>
<b>Gross profit</b> (¥ million)	7,831	<b>10,000</b>	<b>2,169</b>
<b>Profit margin</b>	20.7%	<b>20.0%</b>	<b>▲0.7pt</b>



## Business strategy (priority challenges)

### Enhancement of earning capabilities through improved technology and productivity [Management Strategy (1)]

- Enhanced construction capabilities and strengthened responsiveness to different construction types
- Improved back-office support structure contributing to enhanced productivity
- Promotion of initiatives to enhance capital efficiency (early recovery of construction costs, etc.)

### Scaling up of business due to the development of new domains [Management Strategy (2)]

- Improved ability to secure high value-added projects (improved competitiveness)
- Expanded business areas driven by improved sales capabilities
- Proactive investment in new domains including environmental solutions

### Strengthening business foundations leading to sustainable growth [Management Strategies (3) and (4)]

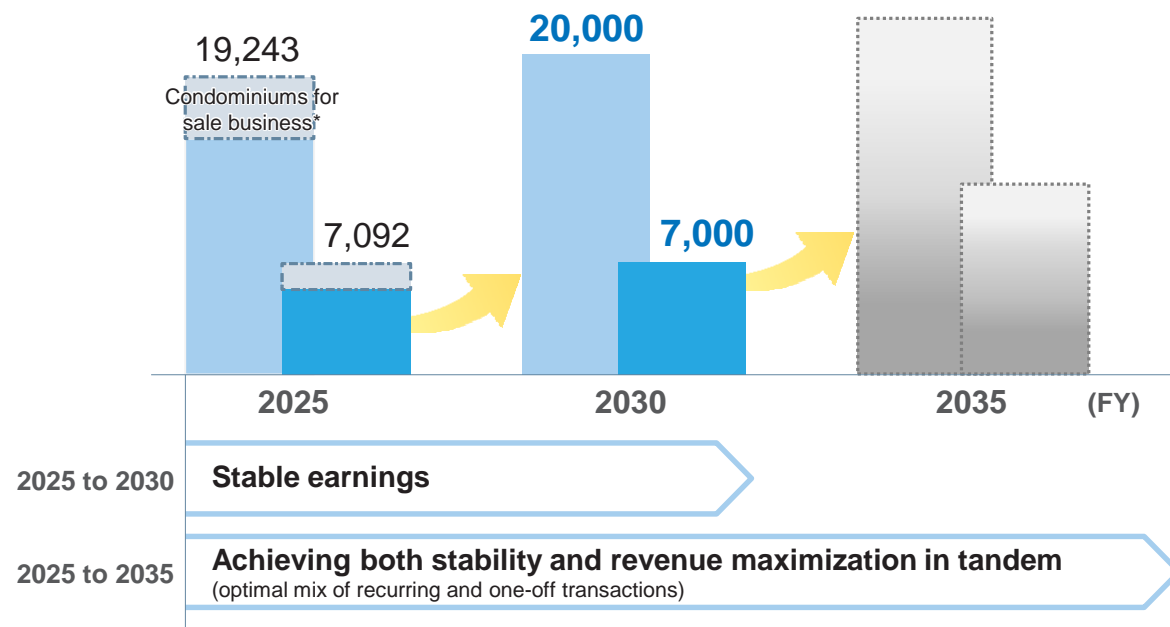
- Transfer of technologies and expertise / development of cycles
- Improved organizational responsiveness
- Further pursuit of safety and quality (human resource development, organizational collaboration, enhanced technological capabilities, etc.)

# 3-4. Business Strategy (Real Estate Business)

## Achieving stable and high-level earnings by optimizing the earnings structure and expanding business domains

### Net sales and gross profit

	FY2025	FY2030	Increase/decrease
<b>Net sales</b> (¥ million)	19,243	<b>20,000</b>	<b>757</b>
<b>Gross profit</b> (¥ million)	7,092	<b>7,000</b>	<b>▲92</b>
<b>Profit margin</b>	36.9%	<b>35.0%</b>	<b>▲1.9pt</b>



\* Implemented transfer of the condominiums for sale business through a company split in April 2026

### Business strategy (priority challenges)

#### Achieving stable earnings through business structure diversification [Management Strategy (1)]

- Proactive investment in recurring-type business
- Promotion of diverse and advanced exit strategies
- Clarification of investment criteria by setting hurdle rates
- Pursuit of B-to-B business models

#### Scaling up of business through the diversification of target domains [Management Strategy (2)]

- Diversification and sophistication of development schemes and methods
- Exploration of new asset types (data centers, commercial, etc.)
- Expansion of business area to Tokyo metropolitan and Kansai regions
- Expansion of the value chain to areas such as real estate development-related businesses

#### Strengthening business foundations leading to sustainable growth [Management Strategies (3) and (4)]

- Human resource development and strengthened organizational capabilities
- Improved certainty and speed through stronger strategic partnerships
- Solutions to local issues through improved relationships with local communities

# 3-5. Research & Development Strategy

Enhancing technological capabilities and proposal capabilities that contribute to the provision of high added value, and achieving solutions to social issues through the development of technologies

Investment amount: **¥3.0 billion** Management Strategies (1) and (2)  
Results from the Previous Medium-Term Management Plan: **+¥1.0 billion**

## Priority challenges

### Production technology

- Fusion of **digital technologies** leveraging physical AI with R&D
- Promotion of technological development aimed at **improving productivity and reducing labor and workforce requirements** through demonstration testing

### New domains

- Creation of new domain technologies that help achieve **environmental solutions**

### Materials and structure

- Expansion of **environmentally friendly materials** such as wood and **advancement of structural technologies** such as seismic isolation, vibration control and super-high-rise technologies

### Nature and living environment

- Enhanced response to **wellness and wellbeing needs** to improve health and intellectual productivity
- Improved **ZEB technologies** to achieve carbon neutrality

### Resilience

- Deeper pursuit and enhancement of existing technologies **that contribute to national resilience**



Engineering Center - a research facility maintained in-house



# 3-6. Human Capital Strategy

Maximizing the vitality of employees through improvements to skills, motivation and the work environment, and achieving sustainable value creation with human capital serving as the driving force behind growth

Investment amount: **¥6.0 billion** Management Strategy (3)  
 Results from the Previous Medium-Term Management Plan: **¥3.5 billion**

## Strategy to Maximize Vitality (Strategy to Turn Human Capital into the Engines of Value Creation)



## Achieve improved corporate value by promoting added value creation and higher productivity through the development and utilization of ICT infrastructure

Investment amount: ¥11.0 billion  
Results from the Previous Management Strategy (3)  
Medium-Term Management Plan: +¥6.0 billion

### Priority challenges

#### Towards building ICT infrastructure

- Strengthening information security and improving communication infrastructure
- Development of digital platforms for the company-wide optimization of data
- Proactive utilization of AI and ICT tools that help improve safety and quality while reducing environmental impact



#### Towards creating value

- Cultivating DX-proficient human resources and placing them appropriately in each organization
- Improving company-wide IT literacy
- Utilizing BIM/CIM to achieve the front-loading of projects



#### Towards improving productivity

- Reforming production processes utilizing digital technologies
- Promoting business streamlining through the utilization of AI agents
- Revamping and firmly establishing production systems through collaboration with outside vendors



# 3-8. Sustainability Strategy

## Revise the materialities established when the Previous Medium-Term Management Plan was formulated and set more effective numerical targets

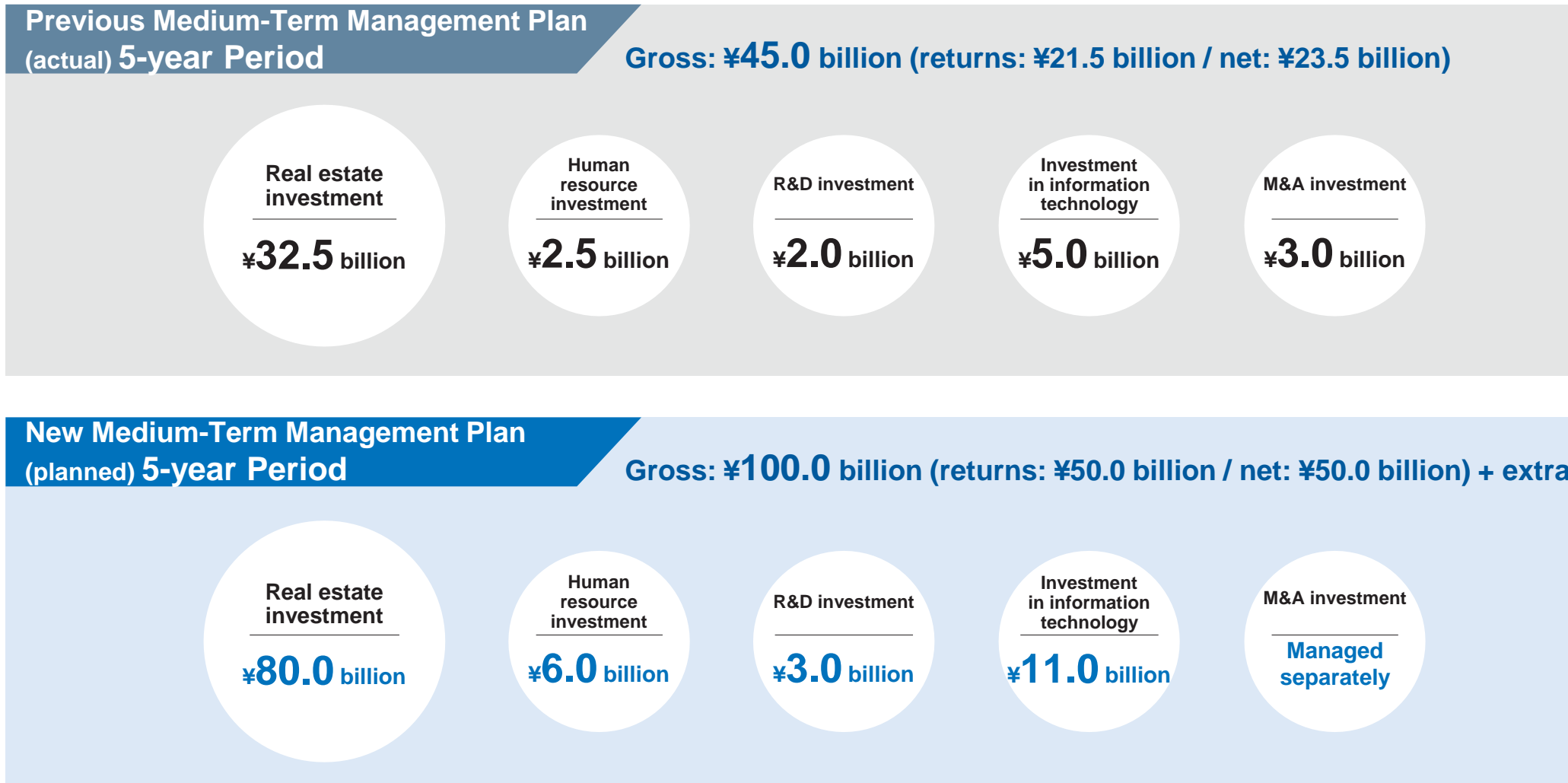
Management Strategy (4)

	Material Issues (Materialities)	Individual Issues	Main Numerical Targets	Related SDGs
<p><b>E Environment</b></p>	<p><b>Forming a sustainable society that considers the environment</b></p>	<ul style="list-style-type: none"> <li>Achieving a decarbonized society</li> <li>Coexisting with nature</li> <li>Realizing a circular economy</li> </ul>	<ol style="list-style-type: none"> <li>Scope 1 and Scope 2 greenhouse gas emissions: <b>42%</b> reduction compared with FY2022 levels by FY2030 Scope 3 greenhouse gas emissions: <b>25%</b> reduction compared with FY2022 levels by FY2030</li> <li>Initiatives contributing to biodiversity: <b>Five</b> or more cumulative initiatives by FY2030</li> <li>Recycling rate for all items: At least <b>96%</b> in each fiscal year</li> </ol>	
<p><b>S Society</b></p>	<p><b>Realizing wellbeing through which a diverse range of human resources can fulfill their potential</b></p> <hr/> <p><b>Establishment of a sustainable production base</b></p> <hr/> <p><b>Co-creation with local communities</b></p>	<ul style="list-style-type: none"> <li>Thoroughly enforcing occupational health and safety</li> <li>Improving the value of human resources</li> <li>Creating a wellness environment</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Promotion of improved quality and integrity in manufacturing</li> <li>Streamlining of construction processes and improved production capabilities</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Development of social infrastructure and contributions to the revitalization of local communities</li> </ul>	<ol style="list-style-type: none"> <li>Severity rate: Improvement from the previous fiscal year and <b>0.05</b> or less in FY2030 Frequency rate: Improvement from the previous fiscal year and <b>1.20</b> or lower in FY2030</li> <li>Engagement Rating: <b>AA</b> in FY2030</li> <li>Development or utilization of production systems and technologies that help boost production capabilities : <b>10</b> or more such systems or technologies cumulatively by FY2030</li> <li>Real estate developments or projects involving collaboration between the government and private sector which help revitalize local communities : <b>10</b> or more such systems or technologies cumulatively by FY2030</li> </ol>	
<p><b>G Governance</b></p>	<p><b>Building a sound organizational foundation</b></p>	<ul style="list-style-type: none"> <li>Improved corporate governance</li> <li>Thorough observance of compliance requirements</li> <li>Development of sophisticated risk management</li> <li>Building relationships with stakeholders</li> </ul>	<ol style="list-style-type: none"> <li>Number of serious violations of laws or regulations: <b>0</b> every fiscal year</li> <li>Number of major security incidents: <b>0</b> every fiscal year</li> <li>ESG score (FTSE score): Improvement from the previous fiscal year and at least <b>3.3</b> in FY2030</li> </ol>	

- 1 Introduction
- 2 Review of the Previous Medium-Term Management Plan
- 3 **New Medium-Term Management Plan**
- 4 Toward Achieving Management Consciousness of the Cost of Capital and Share Prices

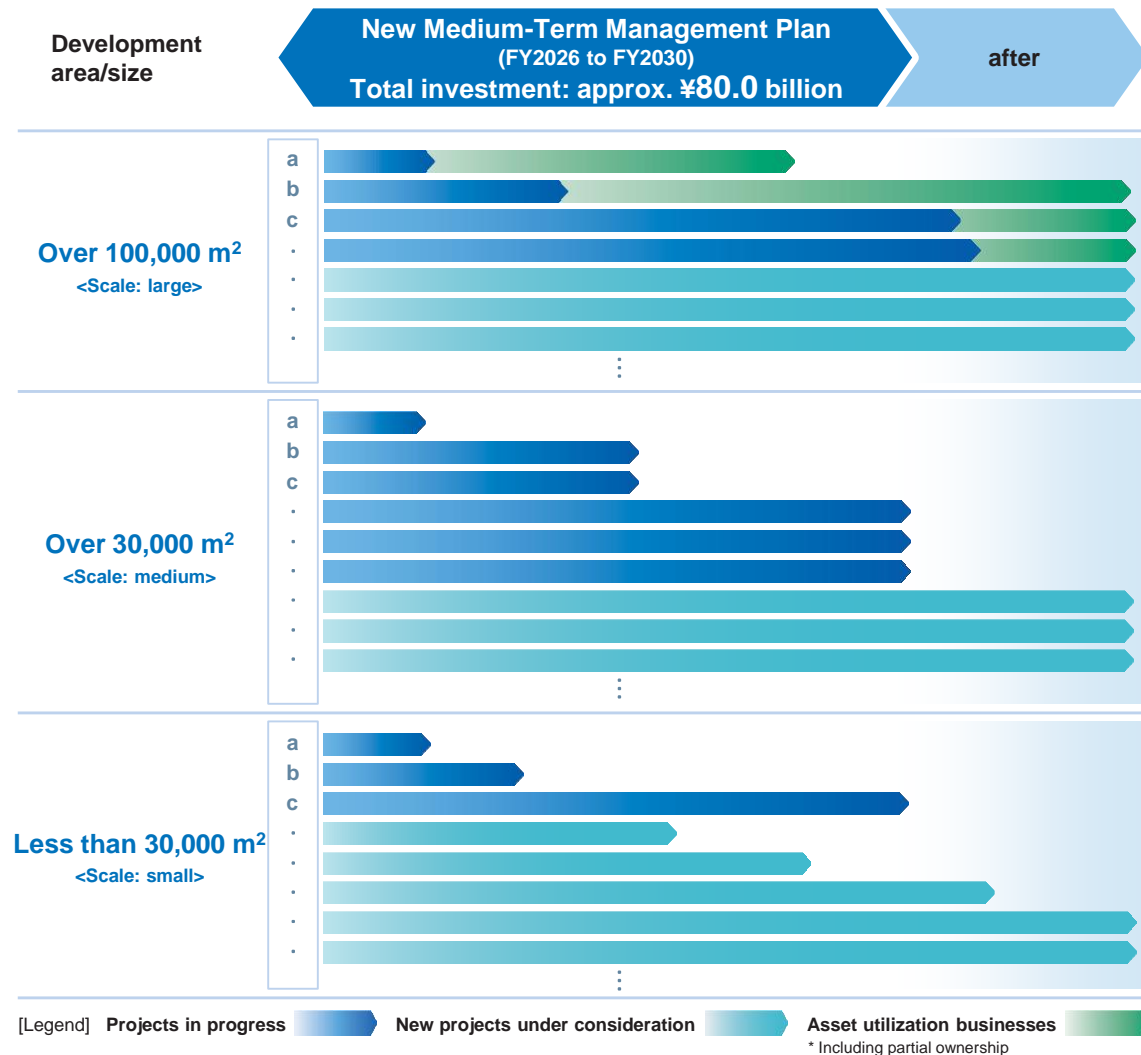
# 3-9. Investment Strategy (Investment Plan)

As growth investment, we plan to invest ¥100 billion, roughly twice the amount invested under the Previous Medium-Term Management Plan



# 3-9. Investment Strategy (Real Estate Investment)

In addition to industrial land development, we will also make strategic investments in asset utilization businesses



### Real estate investment strategy

- For projects that are expected to be sold over the course of the New Medium-Term Management Plan, efforts have already gotten underway
- The larger the scale of the project, the more prolonged the length of activities, and the greater the impact on performance in an individual fiscal year

⇒ One of the challenges is how to reduce volatility (= stable contribution to performance)

**In addition to making steady progress on development projects, we will aim to maximize investment effects by holding completed properties and only selling them after a certain period of operation**

### Pick up

#### Komaki Honjo Project

- 111,549-square-meter development project in Komaki City, which is a key logistics hub in the Chubu region
- There are plans to retain a portion of the developed land after completion and engage in a joint venture business with a developer (logistics facility development)

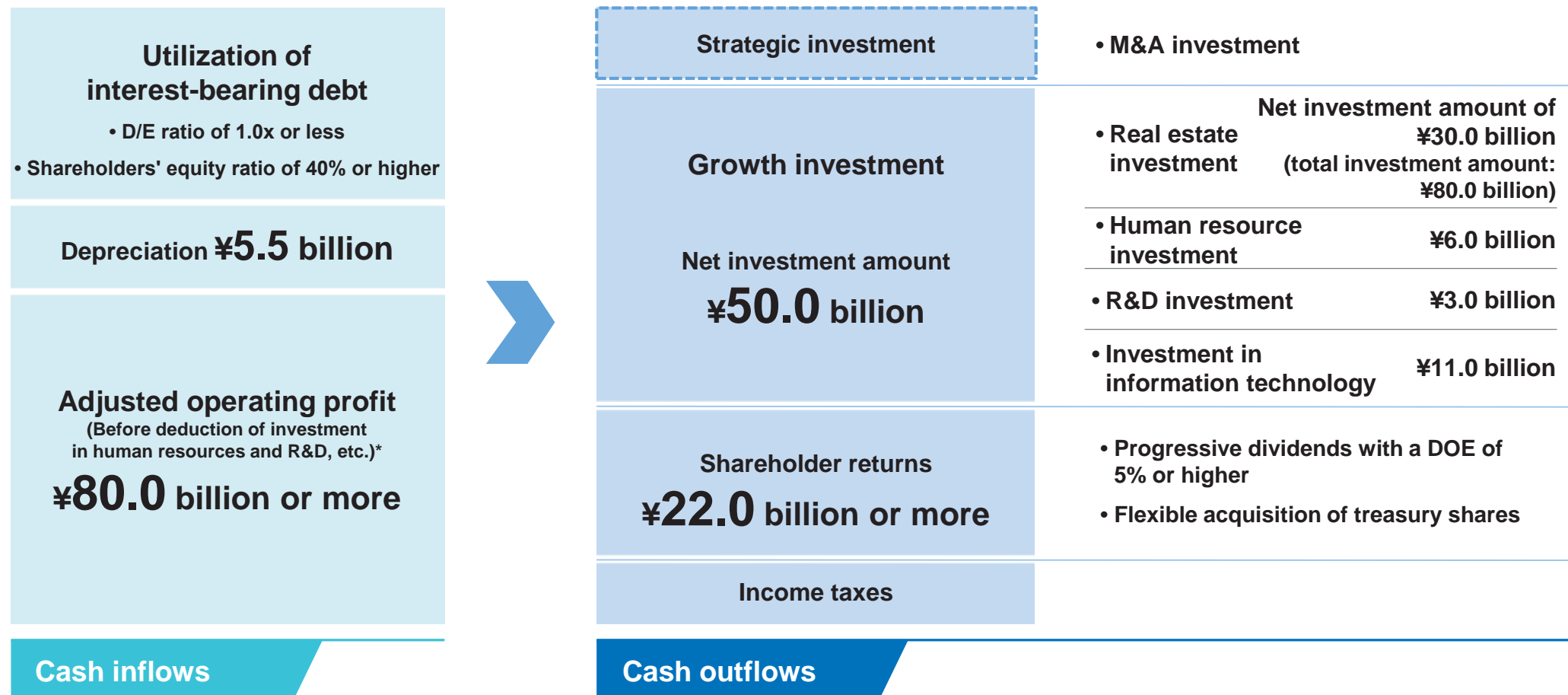
Status of site preparation work (February 2026)

**Sold plots** → **Early returns on investment Allocation to next investment** → **Owned lots** → **Investment in buildings / ownership Future sale following period of operation**

# 3-9. Investment Strategy (Cash Allocation)

## Appropriately allocating cash to future growth investments and shareholder returns

### Cash Allocation Policy (FY2026 to FY2030)



\* Adjusted operating profit refers to the figure before the deduction of investments in human resources, research and development and others for growth, which are treated as expenses for the period.

# 3-10. Shareholder Return Policy

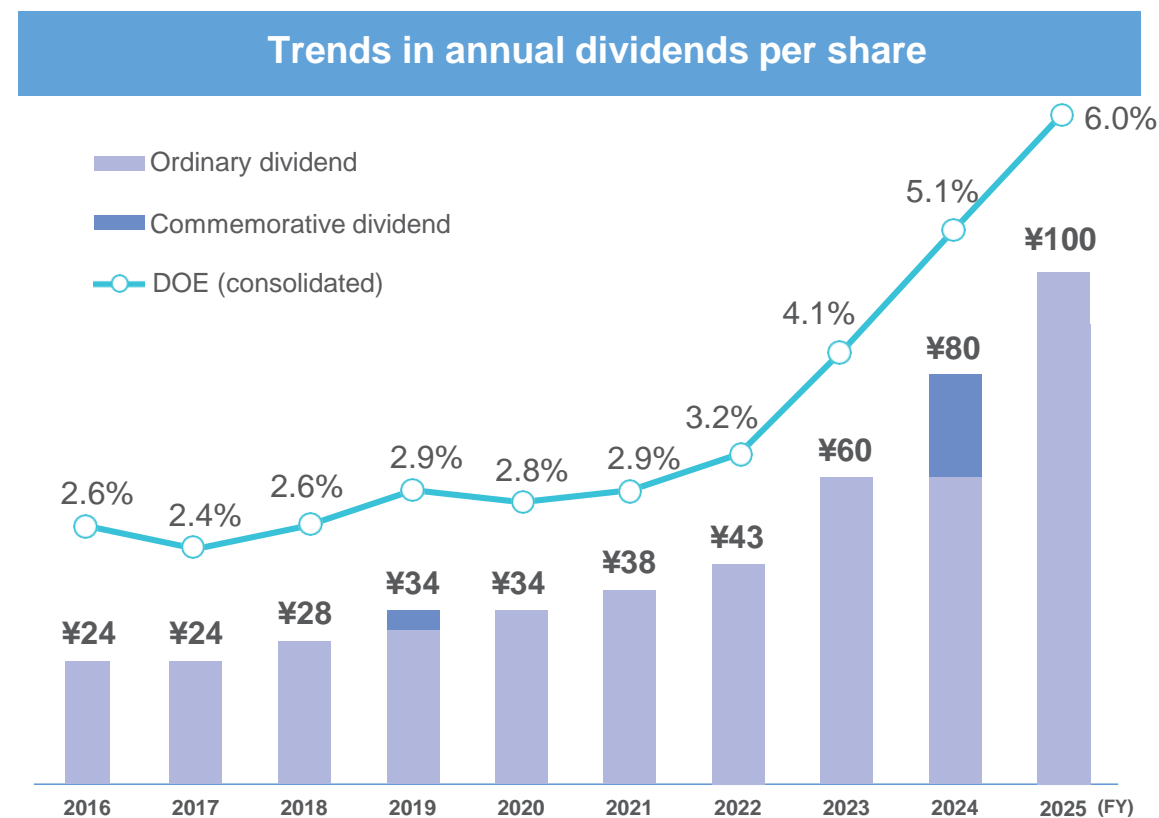
## Maintaining the current policy to realize continuous and stable shareholder returns

To further clarify our shareholder return policy of continuous and stable shareholder returns, we have set **the dividend on equity (DOE) ratio target of 5.0% or higher**, which is less affected by short-term profit fluctuations, and will maintain our basic policy of **progressive dividends**. This policy was introduced in FY2025.

(Reference) Past dividends and change in DOE

	FY2021	FY2022	FY2023	FY2024	FY2025
Annual dividend	¥38	¥43	¥60	¥80*	¥100
Dividend payout ratio	39.9%	41.0%	39.9%	61.0%	50.8%
Dividend on equity ratio (DOE)	2.9%	3.2%	4.1%	5.1%	6.0%

\* Including commemorative dividend of ¥20 for the 75th anniversary of founding



4

**Toward Achieving Management  
Conscious of the Cost of Capital and Share Prices**

# 4. Toward Achieving Management Conscious of the Cost of Capital and Share Prices

We will work to continuously widen spreads and further improve PER in an effort to maximize corporate value.



- 1 Introduction
- 2 Review of the Previous Medium-Term Management Plan
- 3 New Medium-Term Management Plan
- 4 Toward Achieving Management Conscious of the Cost of Capital and Share Prices



# 矢作建設工業株式会社

YAHAGI



矢作地所株式会社



矢作ビル&ライフ株式会社



ヤハギ緑化株式会社



株式会社 テクノサポート



ヤハギ道路株式会社



北和建設株式会社

HOKUWA



株式会社海昌



高森カントリークラブ

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All of the forward-looking statements included in these materials are estimates based on the information currently available to the Company at the time of release. Please note that actual results may differ from forecasts due to a range of factors.

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