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Company name: Fukuda Corporation
Name of representative: Masanori Araaki
President and Representative Director
(Securities code: 1899; TSE Prime Market)
Inquiries: Yusuke Fukuda
Executive Officer and
Head of Corporate Planning
Telephone: +81-25-266-9111

Notice Concerning the Formulation of “FUKUDA VISION 2035” and Medium-Term Business Plan 2030

Fukuda Corporation (the “Company”) hereby announces that it has formulated its new long-term vision, “FUKUDA VISION 2035,” covering the 10-year period from the fiscal year ending December 2026 through the fiscal year ending December 2035. To realize the “Six Aspirations” set forth in the long-term vision, the Company has also formulated the Medium-Term Business Plan 2030, designating the five-year period from FY2026 to FY2030 as a “Strengthening Phase”. The outline is provided below.

1. Introduction

The Company completed its previous Long-Term Vision 2025 and Medium-Term Business Plan 2025 in FY2025. Beginning in FY2026, the Company will launch its new long-term vision “FUKUDA VISION 2035” and simultaneously implement its first five-year phase, Medium-Term Business Plan 2030 “Strengthening Phase.”

Our new 10-year vision is: “Take pride, Pass it on, Take on challenges, and Create the future.”

The Company positions the five years of the Medium-Term Business Plan 2030 as a Strengthening Phase to reinforce the business foundation needed for sustainable growth. We will prioritize the securing and development of human capital—the cornerstone of corporate capability—and enhance and evolve our core businesses to deliver greater value to all stakeholders.

Furthermore, these five years will serve as a period of continuous challenge as we work to become a corporate group capable of proposing and realizing a more valuable future.

2. Overview of FUKUDA VISION 2035

Slogan:

“Take pride, Pass it on, Take on challenges, and Create the future.”

(1) Business Targets — Quantitative (Consolidated)

1. Net Sales: ¥220 billion
2. Operating Income Margin: 6.5%
3. Return on Equity (ROE): 8.5%

(2) The Six Aspirations for the Next 10 Years

- A workplace where every individual works with vitality and takes pride in each other's growth
- An organization that continuously pursues challenges toward business development and future creation
- A company that grows together with its communities and creates the future with them
- A contributor to community development grounded in the pride of the construction industry
- A provider of uncompromising safety and quality, building trust with society and people
- A corporate group that creates new value through unity and collaboration

3. Overview of the Medium-Term Business Plan 2030 “Strengthening Phase”

Slogan:

“Strengthen our management base alongside the growth of our people and shape a valuable future through challenges”

(1) Business Targets — Quantitative (Consolidated)

- Net Sales: ¥190 billion
- Operating Income Margin: 5.0%
- Basic Dividend: ¥260 per share
- Dividend Payout Ratio: 50% Target

(2) Key Strategies

To achieve the plan's targets, the Company will promote the following three priority strategies:

1. People Strategy

- Build a business structure that enables sustained growth through active investment in our people.

2. Business Strategy

- To become a construction company that continues to grow by taking organized challenges while maintaining trust and quality.

3. Brand Strategy

- To become a trusted FUKUDA brand that works alongside local communities nationwide.

Please refer to the attached document for further details.

Disclaimer

This document is a press release prepared solely for public announcement regarding the Company's share offering and is not intended as a solicitation of investment, either within or outside Japan.

For investment decisions, investors must refer to the Company's Share Offering Prospectus and any subsequent amendments.

The Company's shares have not been and will not be registered under the U.S. Securities Act of 1933, and the securities may not be offered or sold in the United States absent registration or exemption from registration. No offering will be made in the United States in connection with this matter.

FUKUDA VISION 2035

FY12/2026-FY12/2035

“Take pride, Pass it on, Take on challenges, and Create the future.”

Medium-Term Business Plan 2030

FY12/2026-FY12/2030

**“Strengthen our management base alongside the growth of our people
and shape a valuable future through challenges”**



Medium-Term Business Plan 2030 Contents

1. Review of the Previous Medium-Term Business Plan 2025

- Qualitative Review
- Quantitative Review

2. FUKUDA VISION 2035

- Our Recognition of External Environment
- Our Purpose
- Overall Vision
- The Intent Behind Our Slogan
- The Intent Behind Our Ten-Year Vision
- Key Numerical Targets

3. Medium-Term Business Plan 2030

- Positioning of Medium-Term Business Plan 2030
- Major Numerical Targets: Financial Targets
- Overview of Key Strategies
- Details of People Strategy
- Details of Business Strategies: Civil Engineering, Building Construction, and Real Estate Businesses
- Details of Brand Strategy
- Overview of FUKUDA Materiality
- Details of FUKUDA Materiality: ESG
- Financial and Capital Strategies: Cash Allocation and Shareholder Return Policy
- Promotion of Management Conscious of Cost of Capital



Executive Summary

FUKUDA VISION 2025

A century of history and tradition;
New challenges for the next 100 years

Medium-Term Business Plan 2025

Phase “Establishment”

To be a company with a solid management base that makes sustained growth possible

FUKUDA VISION 2035

Take pride, Pass it on, Take on challenges,
and Create the future.

Medium-Term Business Plan 2030

Phase “Strengthen”

To be a strong company that continually evolves and deepens its core businesses while enhancing human capital, and continues to take on challenges

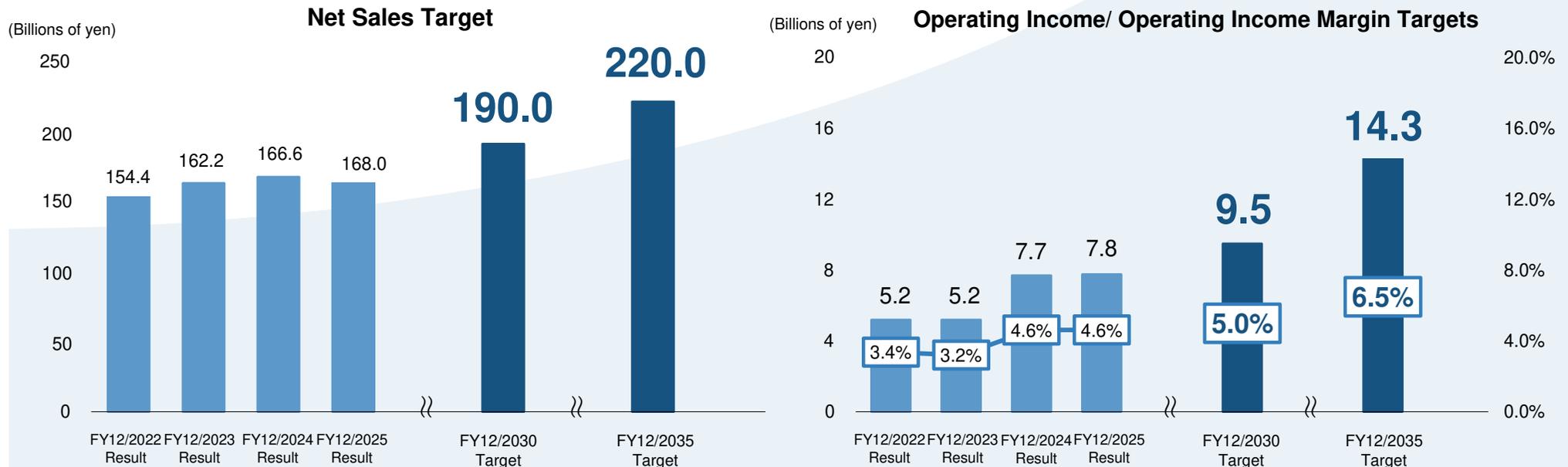
Medium-Term Business Plan 2035

Phase “Development”

To be a company that can leverage its strengthened management base and the Group’s collective capabilities to expand the FUKUDA brand across multiple sectors and offer a more valuable future

Medium-Term Plan 2030 Slogan

**Strengthen our management base alongside the growth of our people
and shape a valuable future through challenges**



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- **Quantitative Review**

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Qualitative Review

We are in a position where we are able to seize opportunities in mainstay businesses and respond faithfully to social demands.

Further reinforcement of management base is needed for elevated growth.

Basic Policies of Medium-Term Business Plan 2025	Evaluation	Results	Ongoing issues
1 Evolution and deeper development of mainstay businesses (construction and real estate)		<ul style="list-style-type: none"> ✓ Increased opportunities to win non-competitive project orders ✓ Strengthened profit base in line with increase in large projects ✓ Advanced into renewable energy business 	<ul style="list-style-type: none"> ✓ Further strengthen structure for securing large project orders ✓ Expand renewable energy business
2 Establishment of the sincere brand image of the Fukuda Group		<ul style="list-style-type: none"> ✓ Instilled Group Spirit of “Always sincere from now until the next century and beyond” throughout the Group 	<ul style="list-style-type: none"> ✓ Raise awareness nationwide by strengthening “sincere” brand communication
3 Strengthening and ensuring safety and quality		<ul style="list-style-type: none"> ✓ Promoted continuous improvement activities for safety and quality enhancement by individual Group companies ✓ Multiple serious accidents occurred 	<ul style="list-style-type: none"> ✓ Further enhance safety and quality across the Group ✓ Achieve zero occupational accidents and quality defects
4 Enrichment and growth of human resources		<ul style="list-style-type: none"> ✓ Maintained size of workforce ✓ Promoted human resources growth through training and OJT 	<ul style="list-style-type: none"> ✓ Strengthen competitiveness in recruiting market to further reinforce system ✓ Respond to aging of workforce, including passing on of skills
5 ESG management for the enhancement of corporate value		<ul style="list-style-type: none"> ✓ Formulated Sustainability Basic Policies ✓ Established framework for realizing ESG management 	<ul style="list-style-type: none"> ✓ Promote and accelerate initiatives to achieve carbon neutrality ✓ Continue existing community contribution activities and roll out new ones

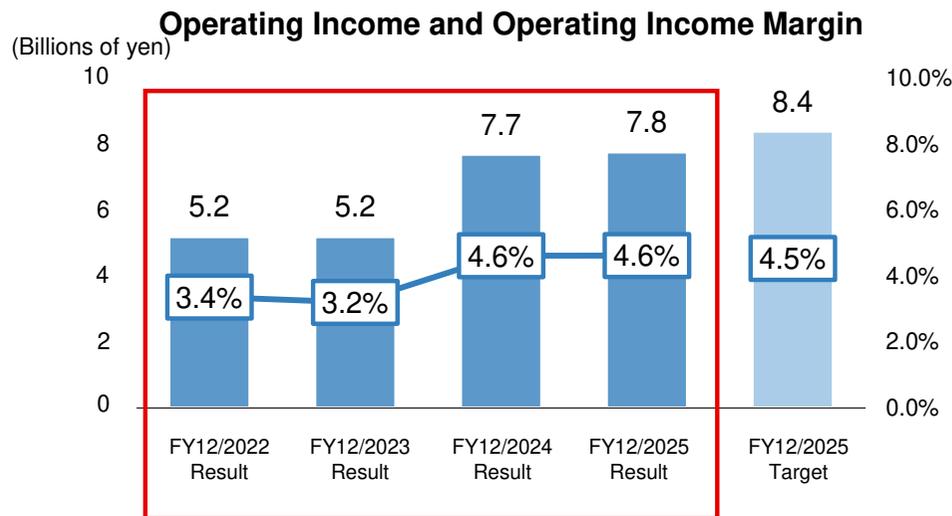
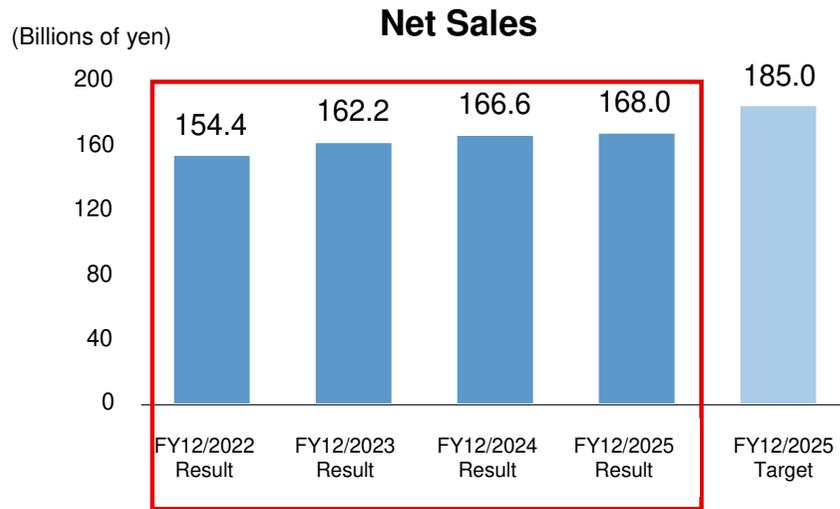


Review of the Previous Medium-Term Business Plan 2025

Quantitative Review

Despite strong order inquiries, mainly in building construction, sales and profit targets were not achieved, partly due to personnel constraints

While challenges remain in improving capital efficiency, we will work toward improvement through proactive shareholder returns, including dividend increases



Medium-Term Business Plan 2025 Period

Achievement of major numerical targets (FY12/2025)

- ✓ Aimed for sustained growth by prioritizing investment in people, including work style reforms. Plan not achieved due to lower-than-expected order volume and profitability under personnel constraints.
- ✓ Plan for investment amount not achieved due to cautious decision-making, partly due to COVID-19 pandemic. Continued to pay stable dividends while considering balance with internal reserves to enhance corporate value.

Indicators	Plan	Results	Achievement (Achievement rate)
Net sales	¥185.0 billion	¥168.0 billion	Not achieved (90.8%)
Operating income	¥8.4 billion	¥7.8 billion	Not achieved (92.9%)
Operating income margin	4.5%	4.6%	Achieved
ROE	Around 8.0%	6.4%	Not achieved
Dividend payout ratio	20.0% or more	38.8%	Achieved
Investment amount	¥7.5 billion cumulative	¥6.5 billion	Not achieved (86.7%)

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We must detect rapidly changing external environment quickly and constantly take forward-looking measures

Worsening labor shortages

- Worsening labor shortages due to population decline, low birthrate and aging of population
- Continuous increases in wage levels
- Growing importance of passing on skills to younger and mid-ranking employees

Accelerating progress of technology

- Improving quality and construction efficiency through acceleration of digital transformation (DX) and advancement of AI technology
- Expanding use of new engineering methods and materials
- Increase in creation of new businesses leveraging digital technology

Increasing need for regional regeneration and revitalization

- Progress in reorganizing urban functions to sustain regional economies
- Expansion of community development through public-private partnerships
- Rising maintenance and renewal demand due to aging infrastructure

Growing importance of sustainability responses

- Promotion of carbon neutrality
- Expanding use of environmentally friendly materials
- Strengthening regulations concerning corporate governance



Company Motto

Acting with sincerity and creativity,
we contribute to society through construction

Management Philosophy

We value people and the environment, and aim to create
inspirational value based on a corporate structure
designed to face challenges

Group Spirit

Always sincere from now until the next century and beyond,

For the Fukuda Group, “sincerity” means dedicating oneself sincerely and wholeheartedly, as one would cherish an irreplaceable person.

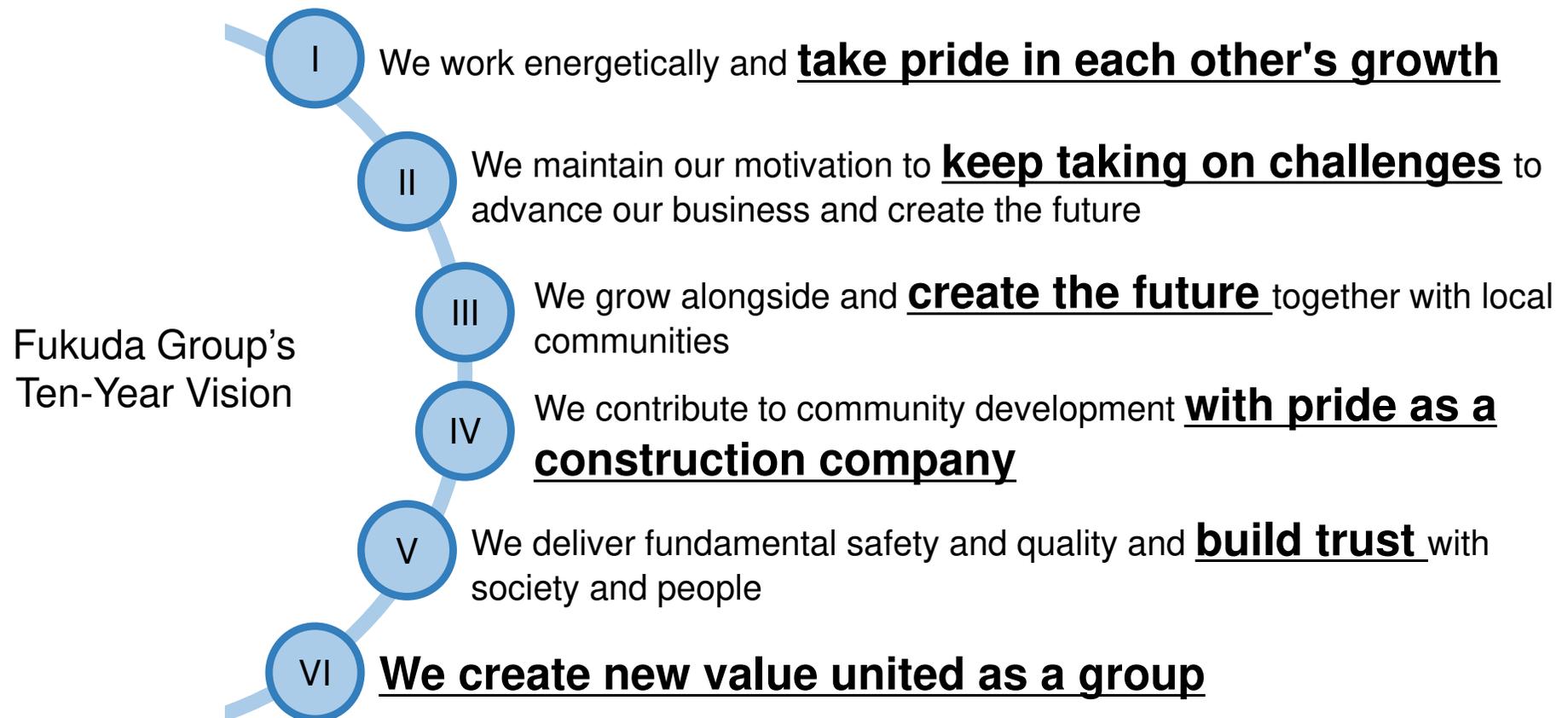
We adhere to that sincerity to form strong bonds with those that we love and cherish, in order to protect their lives and livelihoods.

Drawing on the comprehensive strengths of the Fukuda Group, we will accomplish this mission and continue it into the next century and beyond.



FUKUDA VISION 2035

Take pride, Pass it on, Take on challenges, and Create the future.





Slogan

Take pride, Pass it on, Take on challenges,
and Create the future.

Over the years, the Fukuda Group has engaged in manufacturing with sincerity and has accumulated technologies and achievements.

In the process, we have earned the trust of our customers and local communities, which we believe has allowed us to build a history spanning of over 120 years.

These technologies and achievements, and the trust we have earned, are valuable assets in which we take great pride.

Precisely because we live in an era of high uncertainty, we believe in the importance of passing on those technologies, achievements, and trust that we have cultivated to the next generation and of challenging ourselves to change and create new value in the coming decade.

To remain a corporation that is “Always sincere from now until the next century and beyond,” the Fukuda Group will continue to create and offer a valuable future with pride.



We work energetically and take pride in each other's growth

The growth of a *company* cannot be achieved without the growth of its *people*. All our officers and employees can work energetically, experience mutual growth and find joy in that growth. We will actively invest in human resources with the aim of achieving such a vision.

We maintain our motivation to keep taking on challenges to advance our business and create the future

To keep creating inspirational value while responding to changes in society, it is essential to take on the challenge of new initiatives and businesses. We aim to be an organization where every one of us stays motivated to keep taking on challenges and that supports such forward-looking challenges.

We grow alongside and create the future together with local communities

We have continued to grow together with the support of local communities. That is our strength. We will continue in our aim to be a company that can propose and create the future for local communities together with local residents.

We contribute to community development with pride as a construction company

For over 120 years, we have contributed to society through the construction business, a fact in which we hold great pride. With that pride as a construction company, we will continue to contribute to the development of attractive communities with a sense of responsibility and mission in craftsmanship.

We deliver fundamental safety and quality and build trust with society and people

Based on the Group Spirit of "Always sincere from now until the next century and beyond," we have made every effort to deliver safe, high-quality services. We have also built solid technologies and earned trust by consistently performing the fundamentals in the proper way. We will steadily pass on these technologies and the trust thus earned to the next generation.

We create new value united as a group

For the Fukuda Group to continue to grow, even with limited management resources, we must strengthen corporate collaborations within the Group and enhance brand strength. The entire Fukuda Group will continue to create new value as one united organization, aiming to increase corporate value.

Keywords extracted from the six aspects of our Vision

People

Business

Brand



Positioning people, business, and brand as the three pillars of our strategy, we aim to realize our vision and achieve sustained growth

<u>Indicators</u>	<u>FY12/2025 Results</u>	<u>FY12/2035 Plan</u>
Net Sales	¥168.0 billion	▶ ¥220.0 billion
Operating Income	¥7.8 billion	▶ ¥14.3 billion
Operating Income Margin	4.6%	▶ 6.5%
ROE	6.4%	▶ 8.5%

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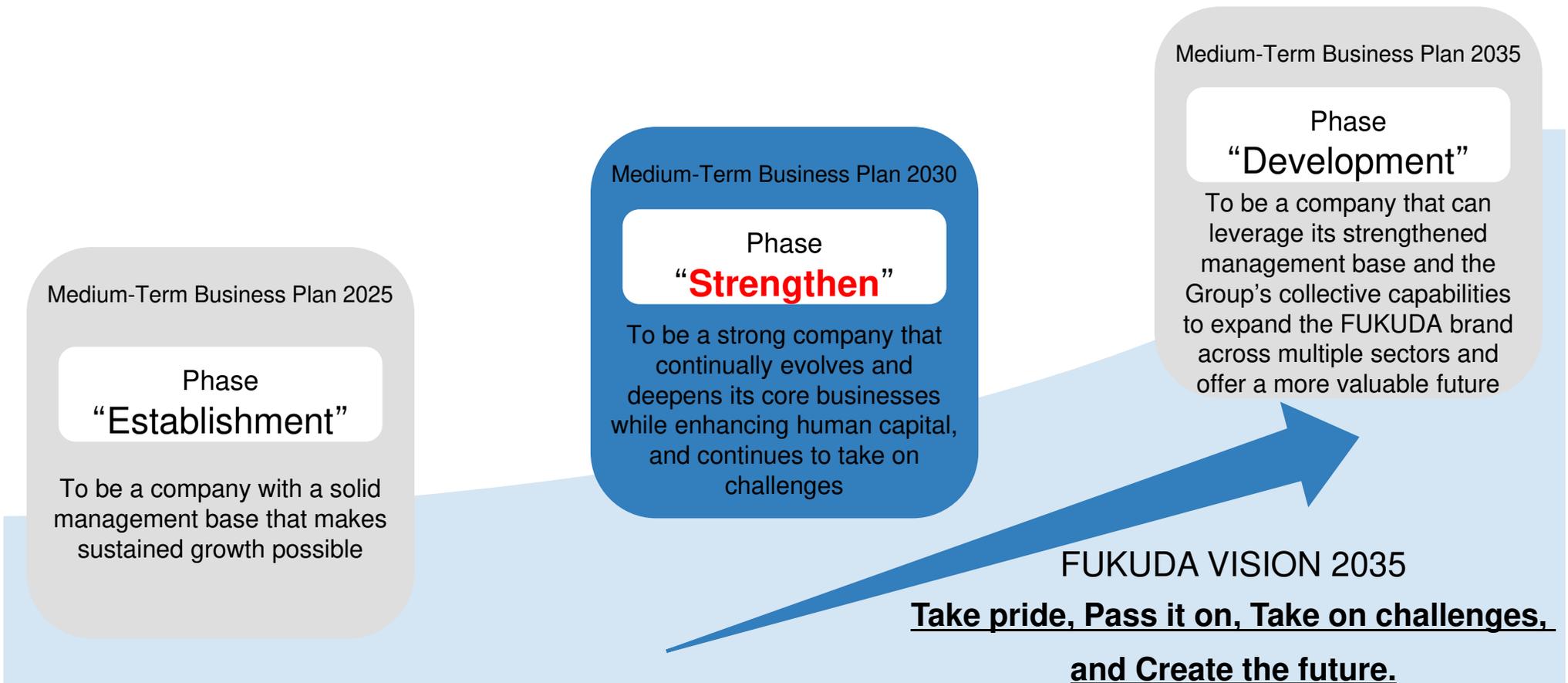
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Medium-Term Business Plan 2030

Strengthen our management base alongside the growth of our people and shape a valuable future through challenges





We will steadily strengthen our management base and grow our business to achieve FUKUDA VISION 2035

<u>Indicators</u>	<u>FY12/2025 Results</u>	<u>FY12/2030 Plan</u>
Net Sales	¥168.0 billion	▶ ¥190.0 billion
Operating Income	¥7.8 billion	▶ ¥9.5 billion
Operating Income Margin	4.6%	▶ 5.0%
ROE	6.4%	▶ 6.7% or more



We will position people, business, and brand, the core pillars outlined in FUKUDA VISION 2035, as our three priority strategies

1. People Strategy

Build a business structure that enables sustained growth through active investment in our people

- ✓ Secure personnel in a stable manner
- ✓ Develop people who will drive sustained growth
- ✓ Improve engagement

During Medium-Term Business Plan 2030 Period

- ✓ Human capital investment: ¥1.6B
- ✓ Consolidated employees as of Dec. 31, 2030: 2,340
- ✓ New recruits: 551

2. Business Strategy

To become a construction company that continues to grow by taking organized challenges while maintaining trust and quality

- ✓ Focus on growth areas aligned with social needs
- ✓ Strengthen structures for business growth
- ✓ Improve productivity and profitability

FY12/2030 Net Sales Targets*¹

- ✓ Civil engineering business: ¥96.0B
- ✓ Building construction business: ¥102.0B
- ✓ Real estate business*²: ¥2.6B

3. Brand Strategy

To become a trusted FUKUDA brand that works alongside local communities nationwide

- ✓ Contribute to enhancement of regional value
- ✓ Strengthen communication capabilities to become a national brand
- ✓ Promote collaboration within the Group

During Medium-Term Business Plan 2030 Period

- ✓ Regional revitalization projects: 4
- ✓ Group collaboration projects: 4

Build a business structure that enables sustained growth through active investment in our people

Numerical Targets
(During Medium-Term Business Plan 2030 Period)

Human capital investment: ¥1.6B
Consolidated employees as of Dec. 31, 2030:
2,340 (increased by 114*1)
New recruits: 551 (new graduates: 418, mid-career: 133)



Division-based training held at Botanyama Training Center

Initiatives to Achieve Targets

1. Secure personnel in a stable manner

- ✓ Strengthen recruiting system at all locations nationwide to secure personnel in a stable manner
- ✓ Promote brand strategy to enhance competitiveness in recruiting market
- ✓ Expand recruitment channels to secure people with diverse backgrounds

2. Develop people who will drive sustained growth

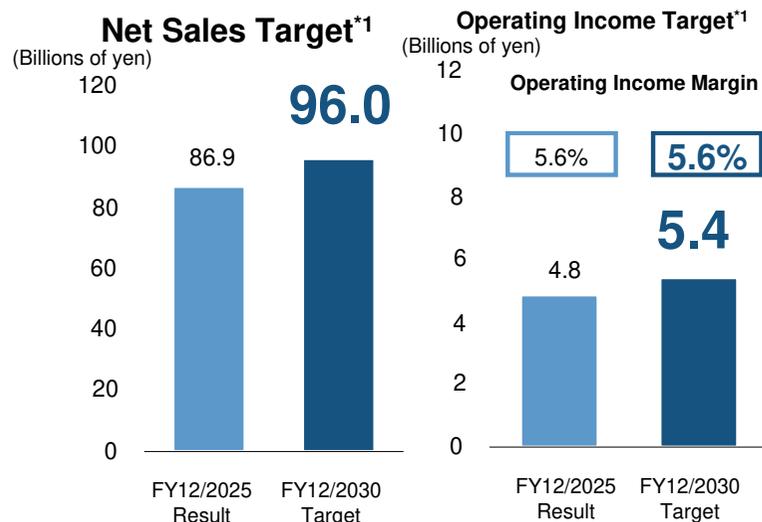
- ✓ Restructure engineer training curriculum to maintain and enhance construction capabilities
- ✓ Strengthen development of next-generation management personnel to achieve sustained growth
- ✓ Make proactive capital investments in training center to further enhance human resources development environment

3. Improve engagement

- ✓ Plan and implement continuous improvement measures to improve engagement
- ✓ Develop systems for work-life balance support to realize comfortable working environment
- ✓ Enhance career development support and welfare programs to foster women's active participation in the workforce
- ✓ Foster an organizational culture that encourages active challenges to raise employees' motivation

Note) 1. Indicates increase from 2,226 consolidated employees on December 31, 2025.

Leverage our specialized technologies to capture growth areas and build a structure to ensure stable receipt of orders



Initiatives to Achieve Targets

1. Focus on growth areas aligned with social needs

- ✓ (Public sector) Focus on maintenance and renewal of infrastructure and disaster prevention and mitigation projects to secure a stable order volume
- ✓ (Private sector) Strengthen sales capabilities and expand customer base to expand orders for civil engineering projects, such as land development works
- ✓ (Common) Promote renewable energy technologies (geothermal heat) to contribute to carbon-neutral society

2. Deepen specialized technologies to strengthen competitiveness

- ✓ Deepen specialized technologies to strengthen business competitiveness and demonstrate Group synergy
- ✓ Strengthen technical proposal capabilities to establish an advantage in public-sector projects
- ✓ Strengthen engineering talent base and transfer of skills to the next generation to realize sustained business growth

3. Improve productivity and profitability

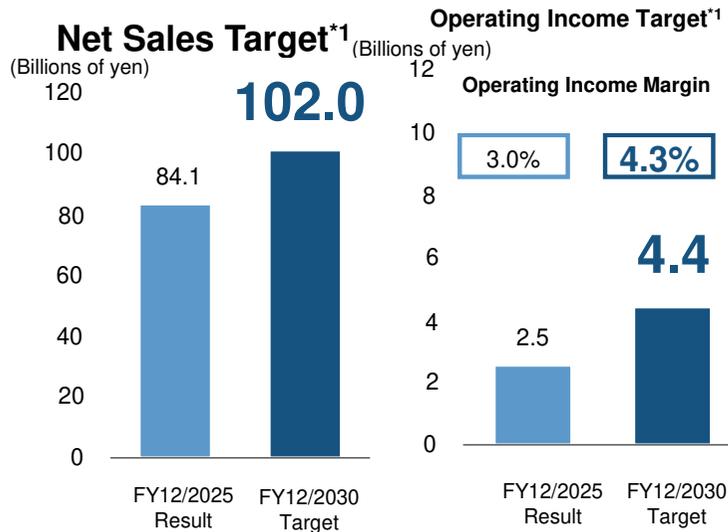
- ✓ Promote efficient construction processes, including standardization and improvement of construction methods, to improve productivity
- ✓ Promote labor-saving measures, such as use of ICT to establish construction systems that can withstand labor shortages
- ✓ Comply with appropriate construction schedules and improve cost management to raise profitability
- ✓ Build construction systems through collaboration within the Group to improve productivity and profitability



Fukushima-gata Watergate (completed in 2025)
(Niigata City, Niigata Prefecture)

Note) 1. For net sales and operating income of individual businesses, result and target values are presented without considering elimination by consolidation.

Leverage large projects to expand scale of business and further improve profitability by promoting DX, etc.



Initiatives to Achieve Targets

1. Strengthen structures to accommodate large projects

- ✓ Strengthen sales structures to accommodate large projects and review sales processes to further expand scale of business
- ✓ Develop a system for assigning engineers to maximize order receipt capacity
- ✓ Actively collaborate with partner companies to further expand construction capability

2. Focus on growth areas aligned with social needs

- ✓ Take on challenges of urban redevelopment projects and urban commercial facilities to ensure stable receipt of large project orders
- ✓ Strengthen sales capabilities to increase receipt of orders for renewal work in urban areas
- ✓ Promote ZEB/ZEH projects and equipment renewal/ efficiency improvement business to contribute to carbon-neutral society
- ✓ Respond to data center projects, etc., to capture medium-to long-term demand

3. Improve productivity and profitability

- ✓ Promote operational efficiency, including promotion of DX in construction management and cost estimation to improve productivity
- ✓ Enhance cost estimation to improve profitability at the time of order receipt
- ✓ Strengthen procurement systems and bring forward cost planning to further improve profitability

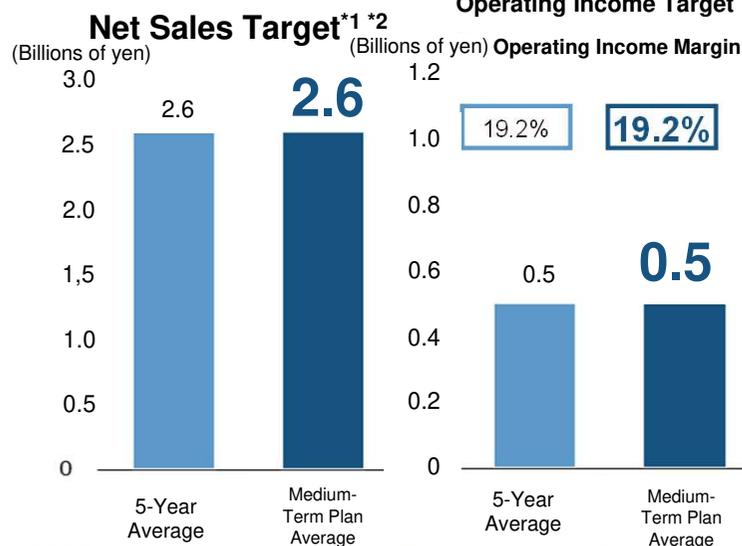


AEONMALL SENDAI KAMISUGI (completed in 2025)
(Sendai City, Miyagi Prefecture)

Note) 1. For net sales and operating income of individual businesses, result and target values are presented without considering elimination by consolidation.

Create a business that is able to contribute to the growth of the construction business (civil engineering and building construction), while stabilizing business scale

Initiatives to Achieve Targets



1. (Flow business) Promote large development projects to stabilize revenue

- ✓ Steadily implement ongoing development projects to secure business scale
- ✓ Accelerate commercialization of large-scale development projects to expand business scale over the medium to long term
- ✓ Promote short-term development projects to stabilize business scale
- ✓ Expand business areas in consideration of growth potential to further expand business scale

2. (Recurring revenue business) Enhance rental business

- ✓ Systematically expand rental property lineup to ensure stability of business scale
- ✓ Promote collaboration within the Group to maximize real estate value

3. (Common) Contribution to construction business

- ✓ Create projects, including land development works, to secure order opportunities in the civil engineering business
- ✓ Strengthen sales and planning proposals for exit strategies to secure order opportunities in the building construction business
- ✓ Strengthen collaboration with the renewal business to create real estate for sale with added value
- ✓ Optimize staff allocation to establish a sales structure capable of contributing to the growth of the construction business



Logistics land development project
Ouchida, Koga City, Fukuoka Prefecture
(land development work completed in 2025)

Notes) 1. For net sales and operating income of individual businesses, result and target values are presented without considering elimination by consolidation.
2. Average for the period of the Medium-Term Business Plan 2030 is presented.

To become a trusted FUKUDA brand that works alongside local communities nationwide

Numerical Targets

Regional revitalization projects: 4
Group cooperation projects: 4



Scene from a joint Group business-creation workshop



Bandai Daiko drum troupe, Fukuhokai, participating in Niigata Festival

Initiatives to Achieve Targets

1. Help to enhance regional value

- ✓ Promote collaborative projects between local companies and local governments to create sustained regional value
- ✓ Take on challenges of new town development, such as smart cities and compact cities, for regional revitalization
- ✓ Actively participate in community activities to build relationships that will grow together with local communities

2. Strengthen communication capabilities

- ✓ Redefine brand identity to improve sales and recruiting capabilities
- ✓ Actively use social and conventional media to raise brand awareness outside Niigata Prefecture
- ✓ Deepen communication with shareholders to form understanding and evaluation of corporate value

3. Promote collaboration within the Group

- ✓ Promote collaboration across the Group in both talent and technology to secure business competitiveness
- ✓ Create joint projects by combining Group companies' strengths to strengthen business competitiveness
- ✓ Utilize idle assets throughout the Group to develop new business
- ✓ Promote collaboration within the Group aimed at expanding the business domains of Group companies



Medium-Term Business Plan 2030 | Overview of FUKUDA Materiality

We have established eight material issues (materiality) for the Fukuda Group. The entire Group will promote initiatives in response to each of these issues.

Category	No.	Materiality	Major Numerical Target	2030 Target
E Environment	1	Contributing to a carbon-neutral society	Scope1+2 CO ₂ emissions (rate of reduction from FY2023)	17,000 t (30% reduction from FY2023)
	2	Building a circular society	Number of orders for renewable energy-related construction projects ^{*1}	35 projects or more ^{*2}
S Social	3	Promoting diverse and sustainable human capital strategies	<ul style="list-style-type: none"> Number of rank-based training sessions held Training coverage rate^{*3} 	<ul style="list-style-type: none"> 63 sessions or more 140% or more
	4	Creating healthy, comfortable, and rewarding workplaces	Overtime hours worked ^{*1}	Monthly average: 20 hours or less
	5	Earning the trust of customers and society	Investment in technological development and DX ^{*1}	¥6.5 billion or more (2026-2030 cumulative total investment)
	6	Contributing to building safe and secure communities	Launch of Group projects to develop proposals for extending infrastructure lifespan	1 or more projects every year
G Governance	7	Strengthening corporate governance	Number of serious compliance violations ^{*1}	0
	8	Strengthening risk management	Number of serious security incidents ^{*1}	0

Environment
E

1 Contributing to a carbon-neutral society

2 Building a circular society

Based on our Sustainability Basic Policies, the Fukuda Group strives for management aligned with sustainability approaches, solutions to sustainability issues, and sustained growth.

Identifying contributing to a carbon-neutral society and building a circular society as material issues, we will pursue environmentally conscious corporate management, including making the reduction of Scope 1, 2, and 3 CO₂ emissions one of our indicators toward FY2030.

Initiatives in business activities	Indicators (□: Main targets)	FY12/2025 Results	FY12/2030 Targets
Reduction of CO ₂ emissions in business activities	Scope1+2 CO ₂ emissions (rate of reduction from FY2023)	15,798 t (35% reduction from FY2023)	17,000 t (30% reduction from FY2023)
Promotion of ancillary construction for renewable energy projects	Number of orders for renewable energy-related construction projects ^{*1}	13 projects ^{*2}	35 projects or more ^{*2}
Environmental measures through zero-emission building construction projects	Number of ZEB/ZEH projects among design and production projects undertaken by the Company ^{*1}	1 project	6 projects or more
Promotion of construction waste recycling	Construction waste recycling rate (based on recyclable volume)	100%	Maintain 100%

Notes: 1. Total for Fukuda Corporation and certain consolidated subsidiaries with ¥5.0 billion or more in net sales (FUKUDA ROAD CONSTRUCTION, KOWA, RECS, FUKUDA RENEWAL, Kita Nihon Construction Material Leasing)

2. Please note that this figure also includes leased construction materials for renewable energy-related construction projects.

Social
S

3 Promoting diverse and sustainable human capital strategies

4 Creating healthy, comfortable, and rewarding workplaces

5 Earning the trust of customers and society

6 Contributing to building safe and secure communities

The Fukuda Group has declared “We work energetically and take pride in each other’s growth” as part of its long-term vision, and is working to create workplaces in which diverse people can take on challenges and demonstrate their abilities with peace of mind. Based on the Human Resource Development Policies and the Workplace Environment Improvement Policies, we will pursue initiatives to foster both work satisfaction and health. We will focus on securing and developing talent who will support sustainable growth and on strengthening employee engagement in our efforts to create workplaces where employees can work with peace of mind and to prevent occupational accidents.

Initiatives in business activities	Indicators (□ : Main targets)	FY12/2025 Results	FY12/2030 Targets
Promote educational programs to secure future personnel	<ul style="list-style-type: none"> Number of rank-based training sessions held Training coverage rate*2 	<ul style="list-style-type: none"> 50 sessions 111% 	<ul style="list-style-type: none"> 63 sessions or more 140% or more
Improve systems and raise awareness to increase the uptake of childcare leave by male employees	Rate of uptake of childcare leave by male employees*1 (incl. intended uptake into next fiscal year)	87.8%	100%
Enhance employee engagement	Engagement score	eNPS: -54.2%	eNPS : -49.0% or more
Realize good work-life balance	Overtime hours worked*1	Monthly average: 23.6 hours	Monthly average: 20 hours or less
Promote innovation through DX promotion and technological development	Investment in technological development and DX*1	— (Strengthened initiatives starting in 2026)	¥6.5 billion or more (2026-2030 cumulative total investment)
Proposals, technological development, and construction that contribute to extending infrastructure lifespan	Launch of Group projects to develop proposals for extending infrastructure lifespan*1	— (Starting in 2026)	1 or more projects every year

Notes) 1. Total for Fukuda Corporation and certain consolidated subsidiaries with ¥5.0 billion or more in net sales (FUKUDA ROAD CONSTRUCTION, KOWA, RECS, FUKUDA RENEWAL, Kita Nihon Construction Material Leasing)
 2. Training coverage rate = Total number of participants ÷ Number of employees at end of fiscal year

Governance
G

7 Strengthening corporate governance

8 Strengthening risk management

Guided by the Group Spirit, “Always sincere from now until the next century and beyond,” the Fukuda Group, has, on the premise of being sincere, consistently responded to society’s needs, aimed for sustained growth, and strived to contribute to society. Under this philosophy, we have practiced sound management with an emphasis on transparency and fairness. We will strengthen our corporate governance and risk management, and by continuing to ensure transparency and fairness, we will pursue sound, sustainable corporate management that will earn the trust of society.

Initiatives in business activities	Indicators (□ : Main targets)	FY12/2025 Results	FY12/2030 Targets
Improve effectiveness of the Board of Directors	Evaluate Board of Directors' effectiveness and carry out improvement activities	Once in the year	Continue at least once a year
Improve Group governance	Conduct dialogue and internal audits within Group	<ul style="list-style-type: none"> 2 Group Management Roundtable Meetings 1 Group internal audit by Audit and Supervisory Committee Members 	Continue and deepen
Improve employee awareness of compliance	Number of serious compliance violations* ¹	0	0
Conduct due diligence to identify and address human rights risks	Ongoing human rights due diligence	– (Starting in 2026)	Continue at least once a year
Improve employee awareness of information and IT literacy	Number of serious security incidents * ¹	0	0

Note: 1. Total for Fukuda Corporation and certain consolidated subsidiaries with ¥5.0 billion or more in net sales (FUKUDA ROAD CONSTRUCTION, KOWA, RECS, FUKUDA RENEWAL, Kita Nihon Construction Material Leasing))



We will generate approximately ¥59.0 billion over 5 years through core operations and capital efficiency improvements, which will be allocated to strategic growth investments and shareholder returns

Cash Inflow

Generate stable cash flow from core operations while improving capital efficiency

Cash generation through core operations	<p>Operating cash flow Approx. ¥44.0B</p> <p>*Add Projected operating income + depreciation – tax + ¥7.0B expenses included in cash outflows (personnel/brand/DX/technology)</p>
Approx. ¥44.0B	
Cash generation through capital efficiency improvements	<p>Generated through working capital efficiency improvements Approx. ¥10.0B</p> <p>Raise interest-bearing debt in line with the timing of growth investments Approx. ¥5.0B+α</p>
Approx. ¥15.0B	

Cash Outflow

Implement disciplined capital allocation that balances growth investments and shareholder returns

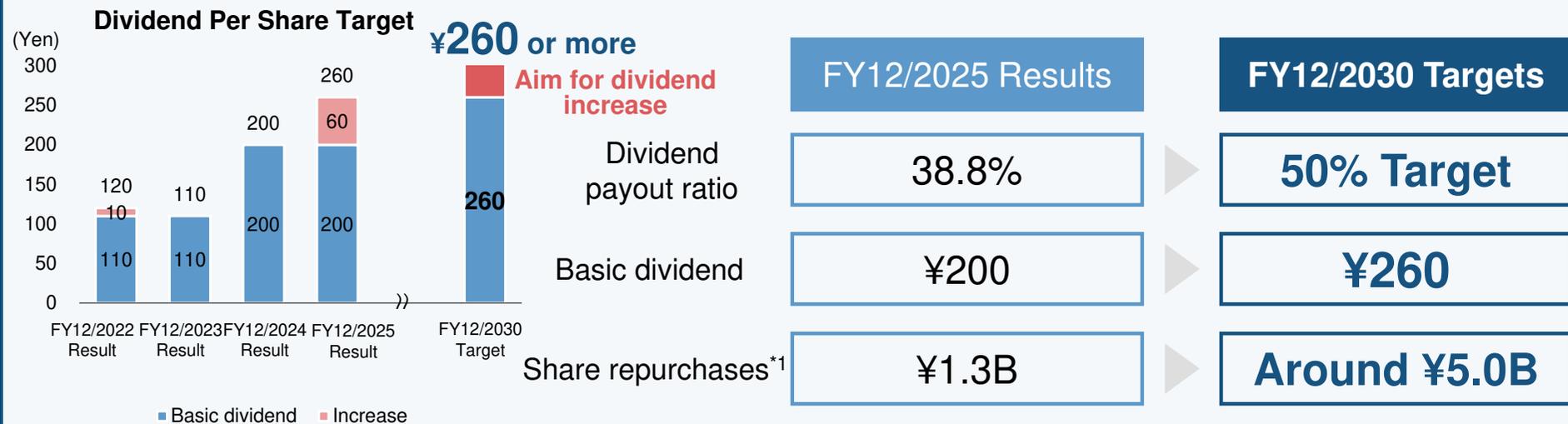
Growth investments	<p>[Personnel & brand investments: Approx. ¥3.5B] Recruitment/development expenses, advertising expenses, etc.</p>
	<p>[DX & technology investments: Approx. ¥6.5B] DX/systems investments, technological development expenses, etc.</p>
	<p>[Capital investment: Approx. ¥13.0B] Ships, operational equipment replacement, etc.</p>
	<p>[Strategic investments: Approx. ¥20.0B+α] M&A, development project investments, etc.</p>
Approx. ¥43.0B	
Shareholder returns	<p><Shareholder return policy/targets> Dividend payout ratio: 50% target Basic dividend: ¥260 Share repurchases: Around ¥5.0B</p>
Approx. ¥16.0B	



We will promote stable and proactive shareholder returns with a target dividend payout ratio of 50%. In addition, we will further strengthen our IR activities and strive for constructive communication with our investors

Basic Policy on Distribution of Profits

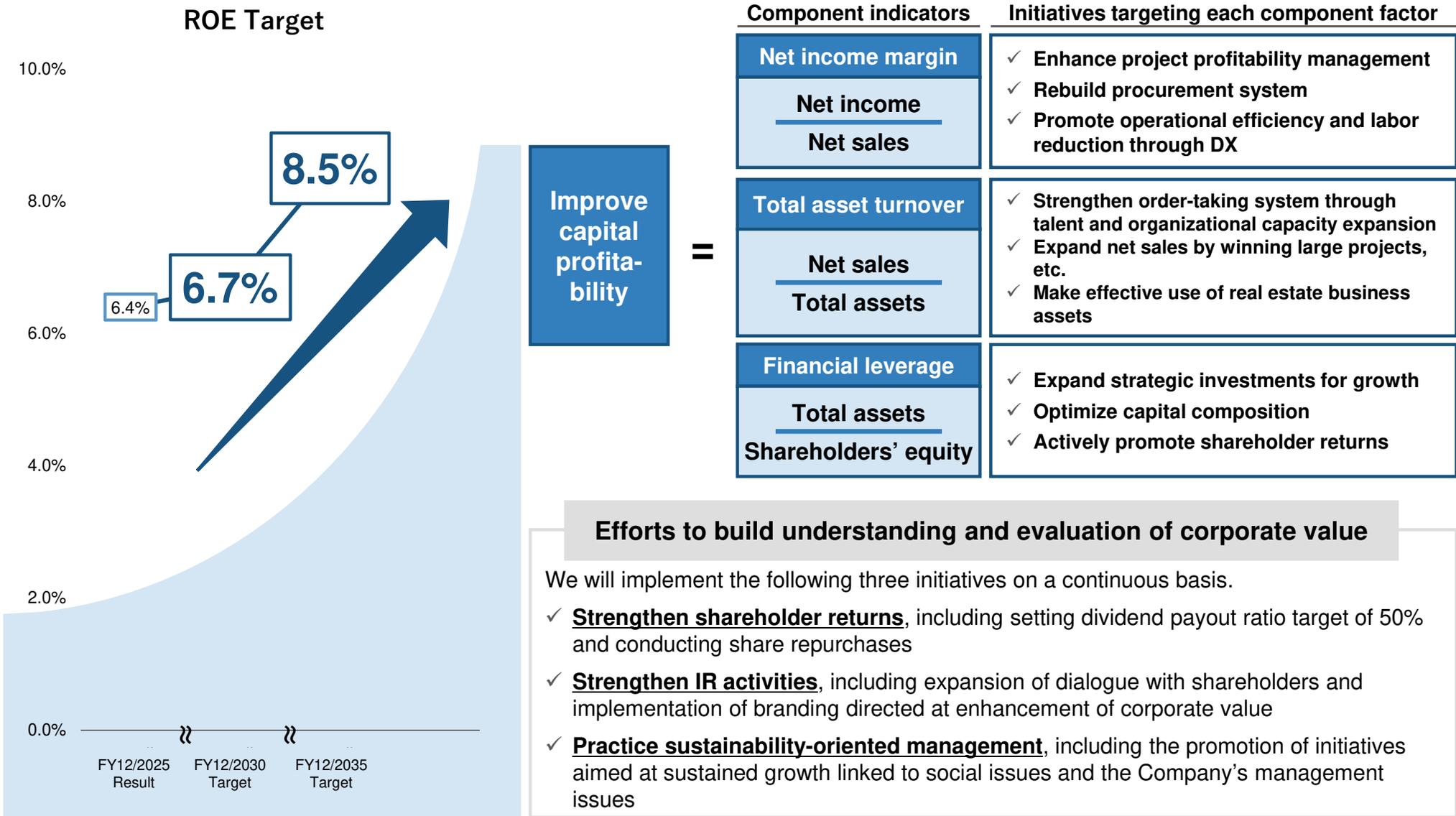
- ✓ Through profit growth, aim for continuous increases in dividends per share, raise the basic dividend to ¥260, and **target a dividend payout ratio of 50%**
- ✓ Aiming for management conscious of cost of capital and for proactive shareholder returns, **plan for share repurchases of around ¥5.0 billion over 5 years**



Note) 1. For results, the total amounts for the previous Medium-Term Business Plan 2025 are presented. For targets, the total amounts for Medium-Term Business Plan 2030 are presented.



Remaining conscious of capital profitability and growth expectations for enhancement of corporate value, we will promote multifaceted initiatives aimed at achieving an ROE of 8.5% for the fiscal year ending December 31, 2035



Corporate Symbol

Established in 1992, the corporate symbol is a symbolic representation of the “F” of Fukuda. This mark reflects our corporate philosophy and presents our message to our customers and to society.



- | | |
|---------------------|--|
| FUKUDA GREEN | Consideration for the natural environment |
| FUKUDA BLUE | Creation of a better social environment |
| FUKUDA RED | Symbol of people and excitement |

Further, the changing forms represent the following awareness.

- Horizontal expansion: Embracing new business opportunities
- Upward movement: Leap / progress / growth
- From circle to ellipse: Continuous self-reform

Disclaimer

The forward-looking statements, including plans and targets, contained in this document were prepared by Fukuda Corporation and the Fukuda Group based on information available at the time of publication and contain risks and uncertainties.

Accordingly, actual results may differ from the targets and projections stated herein.

