

COMPANY RESEARCH AND ANALYSIS REPORT

E·J Holdings Inc.

2153

Tokyo Stock Exchange Prime Market

7-Oct.-2026

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FISCO Ltd.

<https://www.fisco.co.jp>

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Summary

M&A strategy expands the technological base, raising growth potential

E-J Holdings Inc. <2153> (hereinafter referred to as “the Company”) is a holding company whose core company is Eight-Japan Engineering Consultants Inc., a major comprehensive civil engineering consultant. Its strength lies in its ability to provide services in all phases for public works, etc., from planning and development through plan formulation, surveys and design, construction management, and maintenance management. Previously, sales to government offices and agencies accounted for around 80% of total sales, but with the acquisition of TOKYO SOIL RESEARCH CO.,LTD. (hereinafter referred to as “TSR”), which mainly conducts geological surveys for the private sector, as a subsidiary in September 2024, this fell to around 70% in FY5/26. Going forward, the Company aims to achieve further growth while also strengthening its private-sector and overseas businesses.

1. FY5/26 results overview

In FY5/26, consolidated net sales increased 9.1% YoY to ¥46,586mn and operating profit rose 4.2% to ¥4,669mn, both slightly below the Company’s plan (net sales of ¥47,000mn and operating profit of ¥5,000mn). Extensions of the work periods for some projects, including large-scale ones, and an increase in outsourcing costs were factors behind the shortfall. Compared with the previous fiscal year, increases in personnel expenses, outsourcing costs, and R&D expenses were absorbed by the effect of higher sales, and both net sales and profit increased for the second consecutive fiscal year, reaching record highs. The full-year contribution of TSR’s results (eight months in the previous fiscal year) also helped to increase earnings.

2. Outlook for FY5/27

For FY5/27, the Company forecasts that consolidated net sales will increase 5.2% YoY to ¥49,000mn and operating profit will rise 13.5% to ¥5,300mn, marking a continued increase in both net sales and profit. This reflects its large order backlog (¥30,677mn at the end of FY5/26) as well as the expectation that public works investment related to themes such as national resilience will remain firm in FY2026. On the profit side, the Company aims to improve profitability by curbing indirect costs through the promotion of DX. In addition, at the end of July 2026, the Company acquired all shares of Meteorological Engineering Center, Inc. and made it a subsidiary. The Company describes the impact on its results for the current fiscal year as minor, but FISCO believes it will be a factor pushing results above plan. In FY3/26, Meteorological Engineering Center recorded net sales of ¥1,085mn and operating profit of ¥276mn, and its results have been stable with Kansai Electric Power Co., Inc. as its main client. The Company intends to create synergies by integrating Meteorological Engineering Center’s advanced knowledge and technologies in the meteorological and disaster prevention fields and expanding them to clients other than Kansai Electric Power.

Summary

3. The 6th Mid-Term Management Plan and the long-term vision

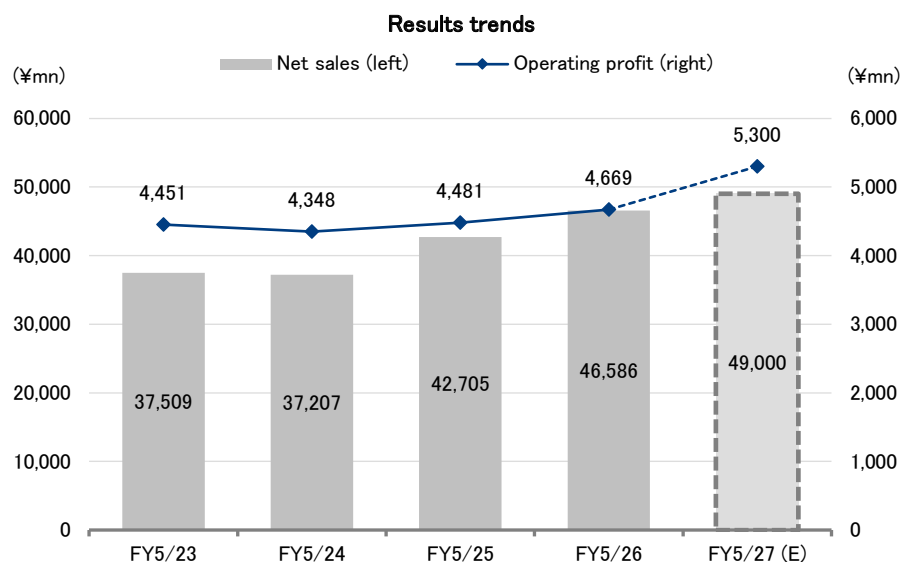
Under the 6th Mid-Term Management Plan “E · J-Plan 2027,” which started in FY5/26, the Company has set out the basic policies of “Enhancing Core Businesses and Exploring New Fields,” “Pursuing Full-Scale Overseas Business,” “Strengthening the Value Chain,” and “Promoting Sustainable Management,” with targets of net sales of ¥50.0bn and operating profit of ¥5.9bn for FY5/28. The expansion of its technological base through M&A and the effects of DX in management are expected to become apparent going forward, and FISCO believes the FY5/28 targets are achievable. The Company is also aiming for further growth through a value creation model based on six forms of capital (human capital, intellectual capital, manufactured capital, social and relationship capital, natural capital, and financial capital). The FY5/31 targets set out in the long-term vision “E · J-Vision 2030” (net sales of ¥50.0bn and operating profit of ¥6.0bn) are to be reset in the 7th Mid-Term Management Plan.

4. Shareholder return policy

As its shareholder return policy, the Company will continue to pay progressive dividends with a target dividend on equity (DOE) of 3% or more. In FY5/26, it increased the dividend per share by ¥2.0 YoY to ¥69.0 (DOE of 3.1%), raising dividends for the ninth consecutive fiscal year. In FY5/27, it plans a dividend of ¥82.0, up ¥13.0, including a commemorative dividend of ¥10.0, marking the 20th anniversary of its founding.

Key Points

- In FY5/26, results reached a record high on the back of robust public works investment
- In FY5/27, the profit margin will increase through productivity improvements
- Further growth through the evolution of the value creation model based on six forms of capital
- In FY5/27, the Company plans to pay a dividend of ¥82.0 per share, including a commemorative dividend



Source: Prepared by FISCO from the Company's financial results

Company profile

A leading comprehensive civil engineering consultancy expanding its business areas and domains through M&A

1. Company history

The Company is a holding company established in 2007 through a joint share transfer by Eight Consultants Co., Ltd. and Japan Engineering Consultants Co., Ltd., both of which primarily conducted civil engineering consultancy businesses. After this, in 2008, Eight Consultants' measurement equipment rental business was succeeded by Japan Infrastructure Management Co., Ltd. through an absorption split, then in 2009, Japan Engineering Consultants' civil engineering consultancy business and other operations were succeeded by Eight Consultants. After these successions, Eight Consultants changed its company name to Eight-Japan Engineering Consultants Inc., and Japan Engineering Consultants changed its company name to EJ Business Partners Co., Ltd. (EJ Business Partners was merged into Eight-Japan Engineering Consultants Inc. through an absorption merger in 2015).

In 2010, the Company made Kindai-Sekkei Consultant, Inc., which conducts a civil engineering consultancy business specializing in bridges, structures, and urban infrastructure, a subsidiary through a share exchange. Then in 2017, it established Hokkaido Kindai-Sekkei Consultant Inc. through an incorporation-type company split to expand its business in Hokkaido. Also, for overseas business development, Eight-Japan Engineering Consultants opened a representative office in Bangkok, Thailand, in 2014, and incorporated it locally as EJEC (Thailand) Co., Ltd. in 2020.

Since 2019, the Company has actively pursued M&A to expand its business areas and domains. In that year, it successively made subsidiaries of Ark Consultants Co., Ltd., which operates a civil engineering consultancy business in Okayama Prefecture; i DEVELOP CONSULTANTS Co., Ltd., which provides client support and infrastructure management services in the Kyushu region; Futagami Architects & Associates, which conducts construction-related planning, project planning, and design as well as seismic diagnostics mainly in Hyogo Prefecture; and DAIMIC Co., Ltd., a leading civil engineering consultancy in Tochigi Prefecture. In May 2024, it made Nichiei Planning Co., Ltd., which mainly dispatches civil engineering consultancy engineers in the Kyushu region, a subsidiary, followed in September of the same year by TSR, a civil engineering consultancy that undertakes ground structure surveys and analysis, seismic diagnostics, and the like from general contractors and other construction companies while mainly conducting geological surveys. Furthermore, in September of the same year, in order to strengthen its overseas business, the Company acquired 35% of the shares of Dynamic Engineering Consultants Co., Ltd. (hereinafter referred to as "Dynamic")*, a civil engineering consultancy in Thailand, making it an equity-method affiliate.

* Dynamic is a member of the Southeast Asia Technology Co., Ltd. (SEATEC) group, one of the oldest civil engineering consultancies in Thailand. Since its establishment in 1993, it has operated domestically and internationally in both the government and private sectors for more than 30 years, and has particular strengths in structural engineering. Its annual sales are around ¥500–600mn, and the Company envisions raising its stake through EJEC (Thailand) Co., Ltd. in the future to make it a consolidated subsidiary.

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Company profile

Most recently, in July 2026, the Company acquired all shares of Meteorological Engineering Center and made it a subsidiary. Meteorological Engineering Center was established in 2004 as a group company of Kansai Electric Power. It possesses advanced meteorological analysis and forecasting technologies, a research base, and related products, and has built up an extensive track record with electric power companies and in the government sector. Its annual sales are stable at a little over ¥1.0bn, with an operating profit margin of around 25%. By combining Meteorological Engineering Center's advanced technological base and extensive know-how with the Group's knowledge in the social infrastructure field, the Company aims to enhance and add value to its services in the disaster prevention and mitigation and infrastructure fields, thereby creating new earnings opportunities.

Company history

Date	Major events
June 2007	Eight Consultants Co., Ltd. and Japan Engineering Consultants Co., Ltd. conducted a share transfer to establish E-J Holdings Inc., as the parent company listed on the Tokyo Stock Exchange Second Section
January 2008	Japan Infrastructure Management Co., Ltd. succeeded the measurement equipment rental business of Eight Consultants Co., Ltd. through an absorption split, while at the same time, the company acquired the shares of Japan Infrastructure Management Co., Ltd. held by Eight Consultants Co., Ltd.
June 2009	Eight Consultants Co., Ltd. succeeded the civil engineering consultancy business of Japan Engineering Consultants Co., Ltd. and changed its company name to Eight-Japan Engineering Consultants Inc., and Japan Engineering Consultants Co., Ltd. changed its company name to EJ Business Partners Co., Ltd.
June 2010	Made Kindai-Sekkei Consultant, Inc. a subsidiary through a share exchange
November 2014	Eight-Japan Engineering Consultants Inc. opened a representative office in Bangkok, Thailand
May 2015	Eight-Japan Engineering Consultants Inc. merged with EJ Business Partners through an absorption merger
December 2017	Hokkaido Kindai-Sekkei Consultant Inc. was established as a result of a company split from Kindai-Sekkei Consultant, Inc.
July 2018	Listed on the First Section of the TSE
March 2019	Made Ark Consultants Co., Ltd. a wholly owned subsidiary
July 2019	Made i DEVELOP CONSULTANTS Co., Ltd. a wholly owned subsidiary
November 2019	Entered into a capital and business alliance with Futagami Architects & Associates and made it a subsidiary Made DAIMIC Co., Ltd. a wholly owned subsidiary
August 2020	Eight-Japan Engineering Consultants Inc. established a local affiliate in Thailand, EJEC (Thailand) Co., Ltd.
April 2022	Changed to the Tokyo Stock Exchange Prime Market
May 2024	Made Nichiei Planning Co., Ltd. a wholly owned subsidiary
September 2024	Made TOKYO SOIL RESEARCH CO.,LTD. a wholly owned subsidiary Acquired 35% of the shares of Dynamic Engineering Consultants Co., Ltd. in Thailand, making it an equity-method affiliate
October 2025	Entered into a capital and business alliance with Digital Transformation & Wireless Communications Inc. and acquired approximately 10% of its shares
July 2026	Made Meteorological Engineering Center, Inc. a subsidiary
August 2026	Transferred all shares in ENZAN KOUBOU CO., LTD. to Kajima Corporation

Source: Prepared by FISCO from the Company's website, annual securities report, and news release

The Group offers comprehensive services across all phases of a project, from planning and project formulation to operations management

2. Business overview

The Group's strength lies in its ability to provide one-stop services across all phases, from initial planning and concept development to plan formulation, surveys and design, construction management, and operations and maintenance management. These services are provided primarily for the public works projects of government offices and agencies. As of the end of May 2026, the Group consists of 14 consolidated subsidiaries (and 8 non-consolidated subsidiaries and 2 equity-method affiliates), with 2,144 employees on a consolidated basis (an increase of 92 from the end of the previous fiscal year). Among the equity-method affiliates, ENZAN KOUBOU CO., LTD. develops and provides software for controlling and managing data for tunnel construction, mainly in the construction and civil engineering fields. However, the Company transferred all of its shares in ENZAN KOUBOU to Kajima Corporation <1812> in August 2026, and ENZAN KOUBOU has therefore been excluded from its equity-method affiliates.

(1) Overview of subsidiaries

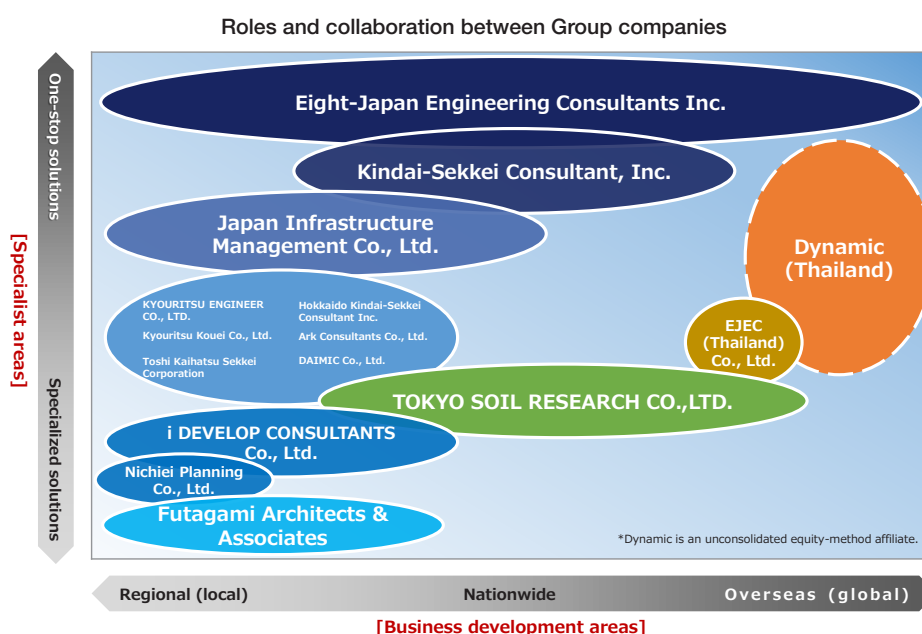
Eight-Japan Engineering Consultants Inc., the main subsidiary contributing a little over 60% of total consolidated net sales, provides civil engineering consultancy services, including planning, project formulation, surveys and design, inspections, diagnostics, and management. It also offers overseas consultancy services and engages in regional revitalization initiatives, such as tourist farms and agri-businesses.

Kindai-Sekkei Consultant, Inc., which provides slightly more than 10% of total net sales, conducts businesses including planning, design, and construction management for roads and bridges, as well as client support projects such as construction management (CM). Its features include a strong track record, with a share of around 20% of orders for projects to eliminate utility poles that are being promoted by MLIT (planning, design, surveys, and maintenance management support). Together with TSR, which became a subsidiary in September 2024, these three companies accounted for around 87% of consolidated net sales (FY5/26 results).

Other than the above, Japan Infrastructure Management conducts operations including measurement surveys, construction management, engineer dispatch services, and the rental and sale of measuring equipment; KYOURITSU ENGINEER CO., LTD. and Kyouritsu Kouei Co., Ltd. carry out measurement surveys, geological surveys, and design work; and Toshi Kaihatsu Sekkei Corporation primarily formulates plans and conducts surveys and design work for water and sewerage systems, roads, and the like. Ark Consultants, i DEVELOP CONSULTANTS, Futagami Architects & Associates, and DAIMIC are as described above.

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Company profile

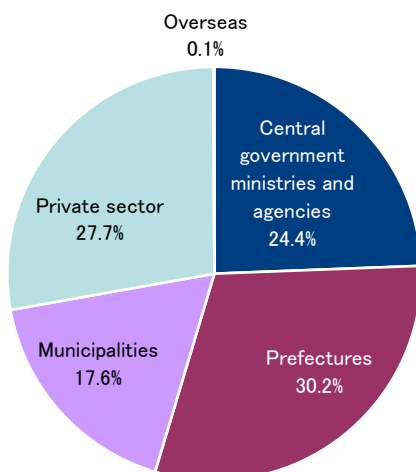
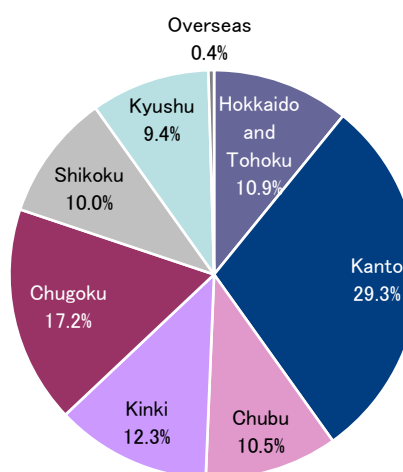


Source: The Company's results briefing materials

(2) Percentages of orders received by ordering institution and region

Slightly more than 70% of the Company's orders received come from government offices and agencies, and a notable feature is the high proportion of projects related to transportation infrastructure such as roads and bridges and to national land conservation such as flood control and erosion control. In FY5/26, the composition of orders received by ordering institution was 24.4% for central government ministries and agencies, mainly MLIT; 30.2% for prefectures; and 17.6% for municipalities, therefore totaling 72.2% for government offices and agencies, 27.7% for private sector companies, and 0.1% for overseas. About half of the orders from private sector companies are believed to be from expressway operation and management companies such as NEXCO, which can also be regarded as the public sector. Overseas orders consist mostly of ODA projects through the Japan International Cooperation Agency (JICA), such as road development and flood control and water supply projects in Asia and Africa. In the composition of orders received by region, the highest is Kanto at 29.3%, followed by the Chugoku area, which is the location of the head office, at 17.2%, and Kinki at 12.3%. These three regions account for more than half of the total, but the Company has also won orders evenly across other regions.

Company profile

Composition of orders received by ordering institution (FY5/26)

Composition of orders received by region (FY5/26)


Source: Prepared by FISCO from the Company's results briefing materials

Most projects received are completed within one year, but when the Company continuously receives orders for projects whose work periods are divided into multiple phases, these become long-term projects spanning three to four years in total. Also, for projects for government offices and agencies, sales tend to concentrate in March, which is the acceptance-inspection period, so around 60% of net sales are concentrated in 4Q (March to May). Sales of client support projects are recorded on a percentage-of-completion basis. For this reason, it should be noted that there is a seasonal factor whereby the Company usually records losses through 3Q.

3. Corporate philosophy

The Group has defined its mission as “Contributing to the creation of a truly affluent society through using our technology friendly to the global environment and our decision-making capabilities.” As its vision, the Group pursues sustainable growth and higher corporate value, aiming to become “A leading solution consultant group for infrastructure in Japan.”

In order to realize its management vision, the Company conducts its business activities in accordance with the Code of Conduct that it formulated from the four viewpoints of innovation*1, professionalism*2, integrity*3, and teamwork*4.

*1 Innovation: Aiming to ascertain changes in society and the environment and acting based on “glocal” (from global to local) thinking to solve problems in all infrastructure fields.

*2 Professionalism: As a group of professionals with excellent skills who are able to respond precisely to diverse and high-level needs, and who possess rich sensibilities and sincere character, we work toward self-improvement in order to increase the value of our human resources and our corporate value.

*3 Integrity: Observing not only the relevant laws, but also corporate and professional ethics, and fulfilling our social responsibilities from a fair and neutral standpoint.

*4 Teamwork: Aware of being Japan's leading infrastructure solutions consultant group, always aiming for high targets, and taking on the challenge of achieving these targets using the Group's comprehensive strength.

Results trends

In FY5/26, results reached a record high on the back of robust public works investment

1. FY5/26 results overview

In the FY5/26 consolidated results, net sales increased 9.1% YoY to ¥46,586mn, operating profit increased 4.2% to ¥4,669mn, ordinary profit increased 4.1% to ¥4,825mn, and profit attributable to owners of parent increased 5.3% to ¥3,371mn. Both net sales and profit increased for the second consecutive fiscal year, and net sales and profit at every level reached record highs. In addition, orders received increased 3.7% to ¥45,801mn, and the order backlog decreased 2.5% from the end of the previous fiscal year to ¥30,677mn.

The market environment surrounding the Company remained firm, with public works investment related to social infrastructure establishment on the theme of “promoting disaster prevention and mitigation and national resilience” holding up well. In addition, the full-year contribution of TSR, which was consolidated from October 2024, was a factor behind the increases in both net sales and profit. TSR’s impact on results was an addition of around ¥2.0bn to net sales and around ¥180mn to operating profit after goodwill amortization. Excluding TSR, net sales are estimated to have increased around 5% and operating profit to have been roughly in line with the previous fiscal year. The profit margin declined slightly, due to increases in personnel expenses and outsourcing costs as well as an increase in R&D expenses (up ¥117mn YoY).

* Goodwill on TSR was ¥2,858mn (amortized equally over 10 years), and goodwill amortization was ¥190mn in FY5/25 and ¥285mn in FY5/26.

FY5/26 consolidated results

	FY5/25		Forecast	FY5/26		YoY	Vs. forecast
	Results	Ratio to net sales		Results	Ratio to net sales		
Orders received	44,171	-	47,000	45,801	-	3.7%	-2.6%
Net sales	42,705	-	47,000	46,586	-	9.1%	-0.9%
Cost of sales	28,453	66.6%	30,800	30,881	66.3%	8.5%	0.3%
SG&A expenses	9,770	22.9%	11,200	11,035	23.7%	12.9%	-1.5%
Operating profit	4,481	10.5%	5,000	4,669	10.0%	4.2%	-6.6%
Ordinary profit	4,633	10.8%	5,100	4,825	10.4%	4.1%	-5.4%
Profit attributable to owners of parent	3,203	7.5%	3,350	3,371	7.2%	5.3%	0.6%

Source: Prepared by FISCO from the Company’s financial results and results briefing materials

The cost-of-sales ratio declined slightly from 66.6% in the previous fiscal year to 66.3%. This was mainly because part of the pre-sales activity costs in the technical divisions was reclassified from cost of sales to SG&A expenses; in substance, the cost ratio is estimated to have risen slightly from the previous fiscal year’s level due to higher unit costs for labor and outsourcing. The SG&A expense ratio rose 0.8 percentage point (pp) from 22.9% in the previous fiscal year to 23.7%, and on a value basis it increased ¥1,265mn. In addition to the cost reclassification described above, the full-year recording of TSR’s SG&A expenses, the increase in R&D expenses, and the increase in goodwill amortization (up ¥91mn YoY) were factors behind the rise. As a result, the operating profit margin declined from 10.5% in the previous fiscal year to 10.0%, but the Company secured an increase in profit thanks to the effect of higher sales.

Results trends

The Company has been gradually selling cross-shareholdings since FY5/25 in order to improve capital efficiency, and in FY5/26 it again recorded a gain on sale of investment securities of ¥293mn (¥553mn in the previous fiscal year) as extraordinary income. The Company intends to dispose of its cross-shareholdings over a period of around five years.

Compared with the Company's plan, net sales fell short by 0.9%, operating profit by 6.6%, and ordinary profit by 5.4%, while profit attributable to owners of parent came in 0.6% above plan thanks to the recording of the gain on sale of investment securities. Behind the shortfall in net sales were extensions of the work periods for some projects, including large-scale ones; had the work periods progressed as planned, net sales would likely have been roughly in line with the plan. As for operating profit, in addition to the shortfall in gross profit resulting from lower-than-planned sales, increases in labor costs and outsourcing costs were negative factors, and the cost-of-sales ratio rose 0.8pp to 66.3% against the planned 65.5%.

Orders received also fell 2.6% short of plan. This was affected by a decrease in multi-year contracts as well as delays in the enactment of the supplementary and main budgets. The decrease in multi-year contracts was due to MLIT's trial introduction of a sliding scale system* from FY2025, aimed at strengthening measures for price pass-through in civil engineering consultancy services and the like. Excluding these effects, orders received are estimated to have been roughly in line with the plan.

* A system under which the difference arising from changes in wages and other costs (the slide amount) is reflected in the service contract price. With the introduction of this system, single-year contracts increased.

Looking at results by major subsidiary, Eight-Japan Engineering Consultants posted an increase in net sales of around 6% YoY, but operating profit declined around 10% due to increases in labor costs, outsourcing costs, R&D expenses, and the like. At Kindai-Sekkei Consultant, construction management services for Central Nippon Expressway Company Limited (NEXCO Central) and others were firm, and net sales rose around 6% while operating profit increased in the 10% range, reaching record-high results. As TSR had an irregular accounting period in the previous fiscal year, a comparison over the same period is not possible, but both its net sales and operating profit were firm and its profit margin improved. Progress in passing on higher personnel expenses to prices in projects for private sector companies was a factor behind the improvement in its profit margin.

Orders received in the six priority areas continue to grow at a double-digit pace

2. Trends in orders received and net sales

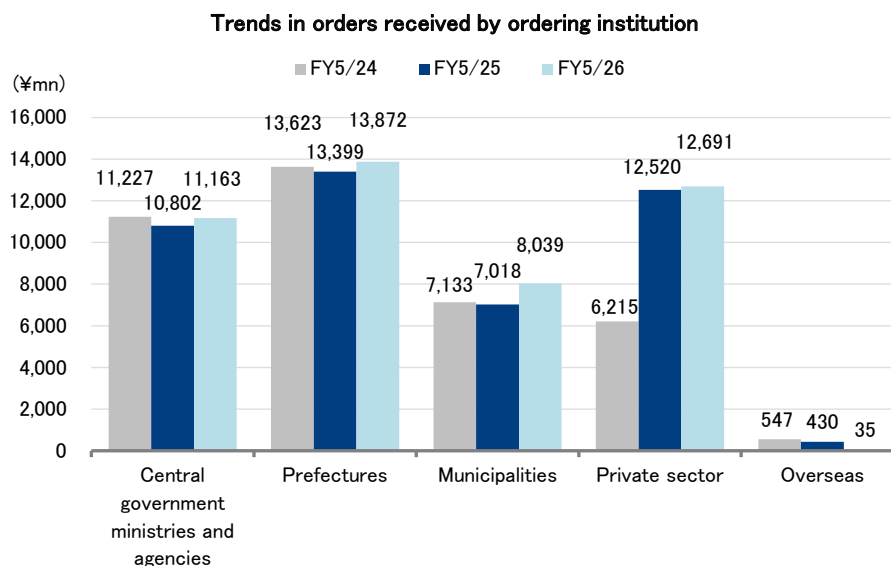
(1) Trends in orders received

In FY5/26, orders received increased 3.7% YoY to ¥45,801mn, a record high for the fourth consecutive fiscal year. The number of orders received increased 6.2% to 4,369, while the order unit price declined 2.4% to ¥10,483,000, affected by the decrease in multi-year contracts. In orders received by business segment, construction consultancy services decreased 4.1% to ¥35,559mn, while survey services increased 44.2% to ¥10,242mn, exceeding ¥10.0bn for the first time.

Results trends

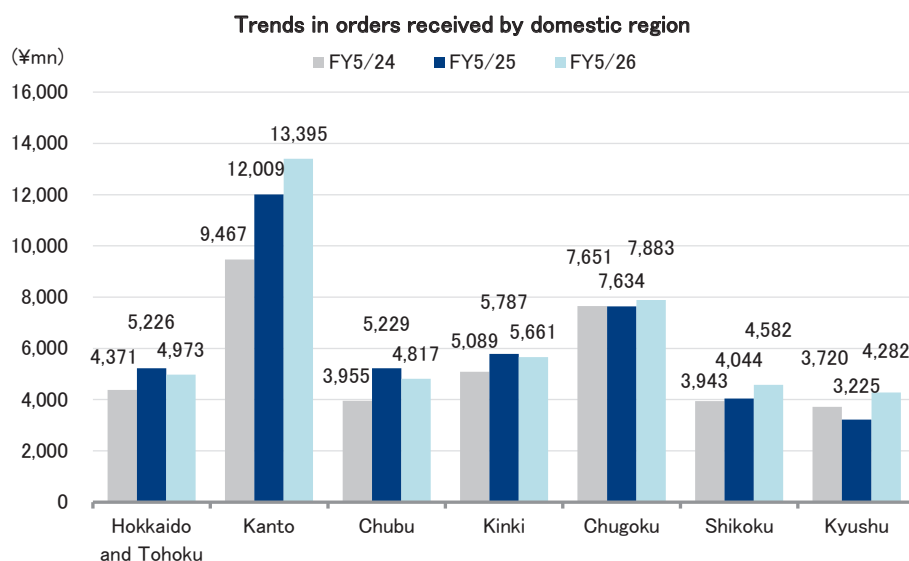
Looking at the YoY change by ordering institution, orders received from central government ministries and agencies increased 3.3%, prefectures 3.5%, and municipalities 14.5%, all turning to increases for the first time in two fiscal years. This was because orders in the environment and energy, natural disaster risk mitigation, and urban and regional revitalization fields, which the Company positions as priority areas, each grew at a double-digit pace. Orders from the private sector were also firm, up 1.4%, and orders received from prefectures, municipalities, and the private sector reached record highs. On the other hand, orders from overseas fell sharply, down 91.9% to ¥35mn.

Looking at the YoY change by region, Kanto increased 11.5%, Chugoku 3.3%, Shikoku 13.3%, and Kyushu 32.8%, while Hokkaido and Tohoku decreased 4.8%, Chubu 7.9%, Kinki 2.2%, and overseas 79.9%, resulting in variation across regions. Of these, the decrease in the Chubu region was due to a pullback following the large number of projects related to the 2024 Noto Peninsula Earthquake received in FY5/25, and the level was still the second highest on record. Kanto, Shikoku, and Kyushu reached record-high orders received.



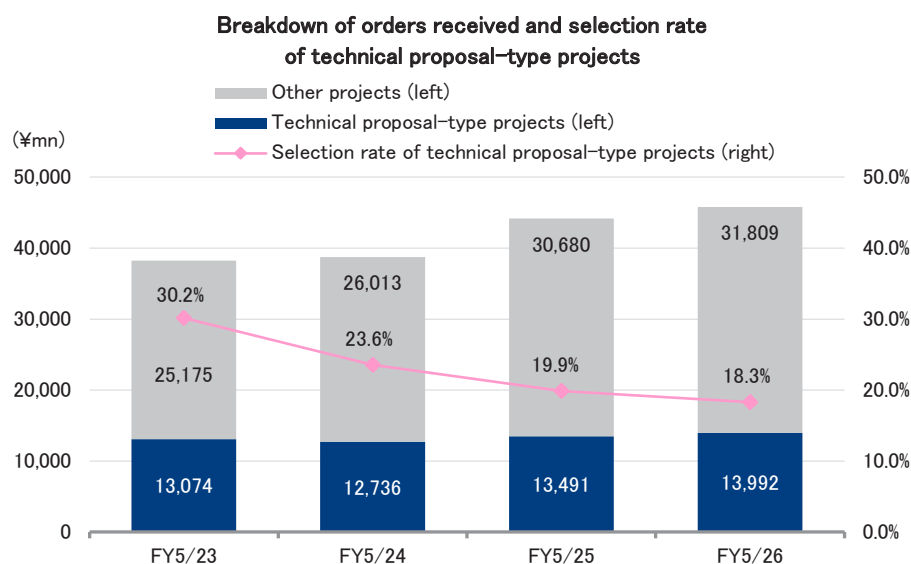
Source: Prepared by FISCO from materials provided by the Company

Results trends



Source: Prepared by FISCO from materials provided by the Company

Among orders received, high value-added technical proposal-type projects increased 3.7% YoY to ¥13,992mn, rising for the second consecutive fiscal year but falling short of the Company's plan (¥16,650mn). Although the number of submissions increased 15.5% to a record high of 1,838, the selection rate declined from 19.9% in the previous fiscal year to 18.3%. The selection rate has continued to trend downward from its peak of 35.6% in FY5/22, with intensifying competition in the market seen as the main factor behind the decline. Since the selection rate also affects overall productivity, improving it will be an issue going forward.



Source: Prepared by FISCO from materials provided by the Company

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Results trends

Orders received in the six areas that the Company has designated as priority areas increased 12.7% YoY to ¥28,922mn, a record high for the second consecutive fiscal year, and also exceeded the Company's plan (¥26,960mn). Their composition ratio rose significantly from 58.1% in the previous fiscal year to 63.1%, indicating that the Company steadily captured public works investment projects on the themes of disaster prevention and mitigation measures and national resilience being promoted by the government. By area, natural disaster risk mitigation increased 20.9%, environment and energy 30.3%, and urban and regional revitalization 49.2%, all growing significantly. On the other hand, digital infrastructure solutions, although relatively small in order size, decreased 32.8%, the only one of the six areas to fall below the previous fiscal year.

Trends in orders received in the six priority areas

	FY5/23	FY5/24	FY5/25	FY5/26	YoY
Environment and energy	2,445	2,817	2,946	3,839	30.3%
Natural disaster risk mitigation	4,458	4,934	4,567	5,521	20.9%
Urban and regional revitalization	1,864	2,051	2,306	3,441	49.2%
Infrastructure maintenance	6,879	7,073	8,974	9,466	5.5%
Public management	5,673	5,040	5,941	6,023	1.4%
Digital infrastructure solutions	851	879	939	631	-32.8%
Total	22,170	22,794	25,673	28,922	12.7%
Priority area ratio	58.0%	58.8%	58.1%	63.1%	

Source: Prepared by FISCO from materials provided by the Company

The six priority areas

Areas	Keywords
Environment and energy	Environmental assessment, global warming, resource circulation and recycling, renewable energy, planning and design of parks and green spaces, etc.
Natural disaster risk mitigation	River flooding, urban flood prevention, slope disaster prevention, BCP, national resilience, storm surge and tsunami countermeasures, earthquake countermeasures, disaster-resistant city planning
Urban and regional revitalization	Transportation planning, master plans for urban development, surveys, planning, and design for base development and urban development, etc.
Infrastructure maintenance	Facility maintenance and useful life extension, seismic diagnostics, repair and reinforcement
Public management	Public-private partnerships, public facility management, administrative (client) support
Digital infrastructure solutions	Information and communication systems, BIM/CIM*, AI, disaster prevention information systems, measurement management, Web GIS (geographic information systems), etc.

* Building information modeling (BIM) is a workflow that helps raise the business efficiency of construction projects through 3D digital models of buildings created on a computer. It is a solution for information-sharing and utilization of building databases with additional attribute data, including costs, finishings and management information, in all phases from building design and construction to maintenance and management. MLIT has created guidelines together with CIM to reduce the costs of public works and other projects. Construction information modeling/management (CIM) is an IT system for construction projects that uses 3D models from the planning, survey and design stages in order to increase the efficiency and sophistication of construction production systems. It allows 3D models to be linked and further developed at the subsequent construction and maintenance/management phases, simplifying the sharing of information among the people involved for the duration of a project.

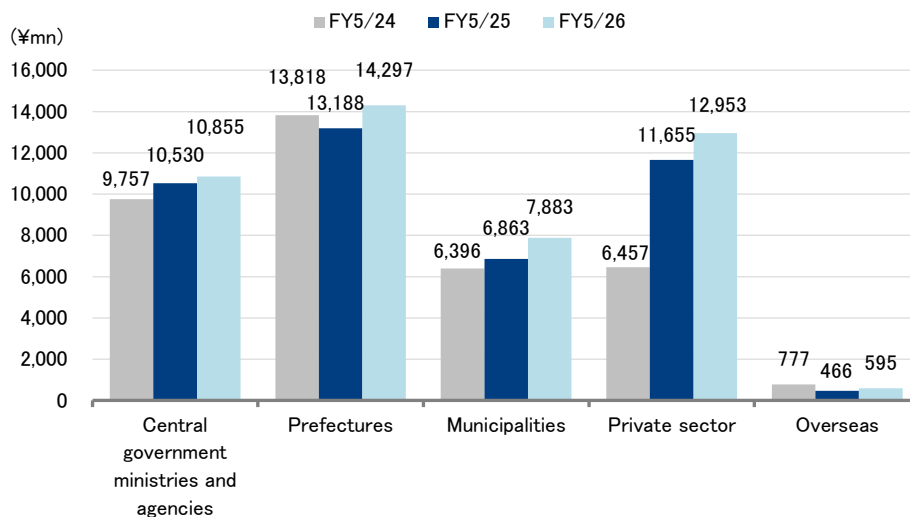
Source: Prepared by FISCO from the Company's results briefing materials

(2) Trends in net sales

In net sales by business segment, construction consultancy services increased 8.9% YoY to ¥36,468mn and survey services increased 9.6% to ¥10,117mn, both reaching record highs. Looking at the YoY change by ordering institution, central government ministries and agencies increased 3.1%, prefectures 8.4%, municipalities 14.9%, the private sector 11.1%, and overseas 27.7%, with sales rising in all categories; of these, prefectures, municipalities, and the private sector reached record highs. In domestic net sales by region, sales increased in all regions except Kanto, which turned to a 3.9% decrease; of these, Hokkaido and Tohoku, Chubu, Kinki, Shikoku, and Kyushu reached record highs. In particular, Chubu grew significantly, up 46.4%, partly due to the contribution of sales from projects related to the 2024 Noto Peninsula Earthquake. As a result, the composition of net sales from government offices and agencies (central government ministries and agencies, prefectures, and municipalities) fell from 71.6% in the previous fiscal year to 70.9%, with their share gradually declining as net sales to the private sector expands.

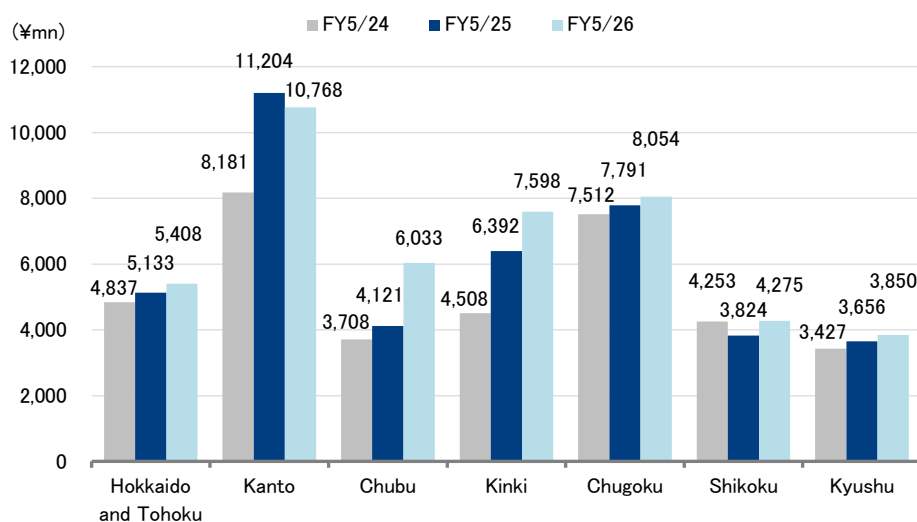
Results trends

Trends in net sales by ordering institution



Source: Prepared by FISCO from materials provided by the Company

Trends in net sales by domestic region



Source: Prepared by FISCO from materials provided by the Company

Funding growth investment, including M&A, through a capital increase

3. Financial position and management indicators

At the end of FY5/26, total assets increased ¥4,741mn from the end of the previous fiscal year to ¥56,752mn. Looking at the main factors behind the change, in current assets, cash and deposits increased ¥3,199mn and inventories ¥389mn, while accounts receivable and contract assets decreased ¥469mn. In non-current assets, intangible assets such as goodwill decreased ¥403mn, while property, plant and equipment increased ¥170mn and retirement benefit asset increased ¥1,484mn.

Total liabilities decreased ¥1,481mn from the end of the previous fiscal year to ¥16,476mn. Deferred tax liabilities increased ¥471mn, while interest-bearing debt decreased ¥517mn, income taxes payable ¥494mn, and contract liabilities ¥1,080mn. Total net assets increased ¥6,223mn to ¥40,276mn. While the Company paid out dividends of ¥1,134mn, it recorded profit attributable to owners of parent of ¥3,371mn, the issuance of new shares increased both share capital and capital surplus by ¥1,569mn each, and remeasurements of defined benefit plans increased ¥827mn. The capital increase was aimed at raising funds for growth investment such as M&A, capital expenditure, and R&D, and the Company is steadily executing this, including the acquisition of all shares of Meteorological Engineering Center at the end of July 2026 to make it a subsidiary.

The equity ratio, which expresses management stability, rose from 65.5% at the end of the previous fiscal year to 71.0% as a result of the capital increase, and the dependency on interest-bearing debt fell from 14.2% to 12.1%, with all safety indicators improving. Net cash (cash and deposits minus interest-bearing debt) remained ample at just over ¥17.0bn, and the Company's financial position is judged to be sound. On the other hand, in terms of profitability, ROA was 8.9%, ROE 9.1%, and the operating profit margin 10.0%, each continuing to trend slightly lower. Behind this is the fact that cost increases accompanying recent high prices and rising personnel expenses have not been sufficiently passed on to order unit prices. The Company is renewing its core system and promoting DX in management, and the results of these initiatives, such as lower indirect costs and higher productivity, are expected to become apparent from FY5/27 onward.

Results trends

Consolidated balance sheet

	FY5/24	FY5/25	FY5/26	(¥mn) Increase/ decrease
Current assets	28,151	33,829	37,083	3,254
Cash and deposits	19,186	21,459	24,658	3,199
Inventories	2,924	3,707	4,096	389
Non-current assets	13,271	18,181	19,668	1,487
Total assets	41,423	52,011	56,752	4,741
Total liabilities	8,831	17,957	16,476	-1,481
Interest-bearing debt	128	7,363	6,846	-517
Total net assets	32,592	34,053	40,276	6,223
<Stability>				
Equity ratio	78.7%	65.5%	71.0%	5.5pp
Dependency on interest-bearing debt	0.3%	14.2%	12.1%	-2.1pp
<Profitability>				
ROA (return on assets – ratio of ordinary profit to total assets)	11.4%	9.9%	8.9%	-1.0pp
ROE (return on equity)	9.7%	9.6%	9.1%	-0.5pp
Operating profit margin	11.7%	10.5%	10.0%	-0.5pp

Source: Prepared by FISCO from the Company's financial results

Business outlook

In FY5/27, the profit margin will increase through productivity improvements

1. Outlook for FY5/27

For FY5/27, the Company plans for consolidated net sales to increase 5.2% YoY to ¥49,000mn, operating profit to rise 13.5% to ¥5,300mn, ordinary profit to rise 9.8% to ¥5,300mn, and profit attributable to owners of parent to rise 9.7% to ¥3,700mn, marking increases in both net sales and profit for the third consecutive fiscal year.

FY5/27 consolidated results forecast

	FY5/26		FY5/27		(¥mn)
	Results	Ratio to net sales	Forecast	Ratio to net sales	YoY
Orders received	45,801	-	49,000	-	7.0%
Net sales	46,586	-	49,000	-	5.2%
Cost of sales	30,881	66.3%	32,600	66.5%	5.6%
SG&A expenses	11,035	23.7%	11,100	22.7%	0.6%
Operating profit	4,669	10.0%	5,300	10.8%	13.5%
Ordinary profit	4,825	10.4%	5,300	10.8%	9.8%
Profit attributable to owners of parent	3,371	7.2%	3,700	7.6%	9.7%
Earnings per share (¥)	189.35		205.83		

Source: Prepared by FISCO from the Company's financial results and results briefing materials

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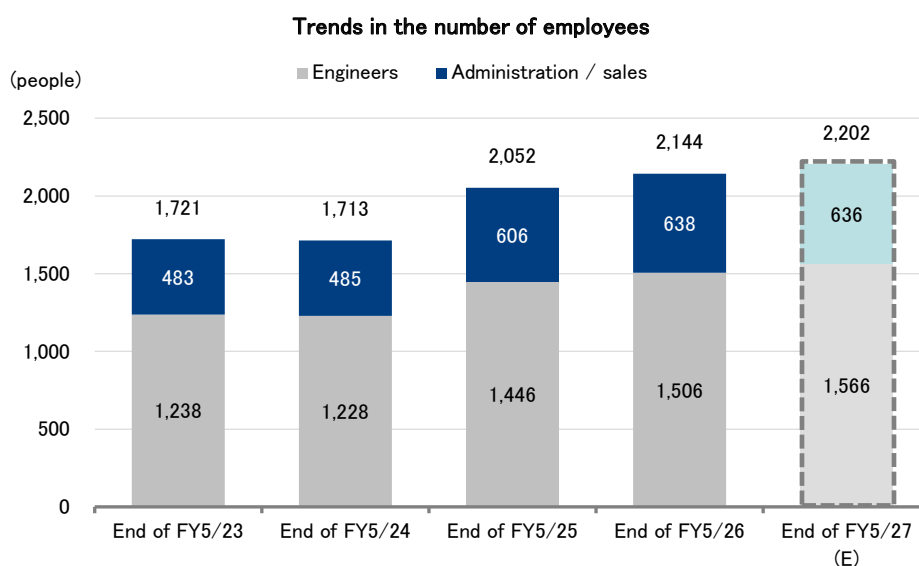
Business outlook

In MLIT's FY2026 budget, which forms the basis of the forecast, public works-related expenses are secured at ¥6.1tn, roughly the same scale as the previous fiscal year, and the ODA budget for overseas projects is also planned to increase 3% YoY. In addition, the rollout of various measures under the 1st Mid-Term Plan for Implementing National Resilience (a project scale of just over ¥20tn over the 5 years from FY2026) is expected, and the business environment surrounding the Company is expected to remain firm.

Against this backdrop, the Company plans for orders received to increase 7.0% YoY to ¥49,000mn, with orders received in the six priority areas expected to increase 9.2% to ¥31,575mn. It will continue to expand orders centered on projects on themes in which it excels, such as disaster prevention and mitigation, social infrastructure establishment, and environmental assessment. The Company will also work to improve the selection rate for technical proposal-type projects, which has been an issue, targeting a 12.9% increase to ¥15,798mn. In addition, it will identify regional issues through public-private approaches such as regional revitalization and GX based on collaboration agreements with local governments, and link these to winning projects. In its overseas business, the Company will expand its areas of strength and promote the localization of bases in strong regions to strengthen its business foundation.

Regarding net sales, the Company will strengthen its workforce while handling its large order backlog (¥30,677mn at the end of the previous fiscal year), and will improve productivity through the use of advanced technologies such as AI and drones. The YoY changes by ordering institution are expected to be an increase of 4.7% for central government ministries and agencies, 5.6% for prefectures, 0.4% for municipalities, 7.5% for the private sector, and 15.1% for overseas.

The Company plans a cost-of-sales ratio of 66.5%, up 0.2pp YoY, mainly due to an increase in labor costs. Although the rate of wage increases for engineers will slow from 5.5% in the previous fiscal year to 4.3%, an increase in headcount (the number of engineers is planned at 1,566, up 4.0% from the end of the previous fiscal year) is expected to raise total labor costs by a little over 8%. On the other hand, the Company plans an SG&A expense ratio of 22.7%, down 1.0pp YoY. While it will continue to invest in human resource development and R&D, it expects indirect costs to decline through the promotion of DX. Thanks to the improvement in the SG&A expense ratio, the operating profit margin is forecast to rise 0.8pp to 10.8%.



Source: Prepared by FISCO from materials provided by the Company

Business outlook

The Company acquired all shares of Meteorological Engineering Center at the end of July 2026 and made it a consolidated subsidiary, but this is not factored into the current results plan. Although the Company describes the impact on FY5/27 results as minor, in FY3/26 Meteorological Engineering Center recorded net sales of ¥1,085mn and operating profit of ¥276mn, and its balance sheet is also sound, with net assets of ¥1,514mn, total assets of ¥1,837mn, and an equity ratio of over 80%. It has strengths in advanced meteorological analysis and forecasting technologies, a research base, and related products, and has built up an extensive track record with electric power companies as well as in the government sector. By integrating these technological resources and know-how into the Group, the Company will provide new solutions in the natural disaster risk mitigation and environment and energy fields, which it positions as priority areas, and expand orders received. Although the amount of goodwill has not yet been determined, FISCO believes the acquisition will contribute to higher profit even after deducting goodwill amortization.

In October 2025, the Company concluded a capital and business alliance with Digital Transformation & Wireless Communications Inc., a venture company that builds and provides wide-area Wi-Fi communications infrastructure and services, and acquired around 10% of its shares. By combining Digital Transformation & Wireless Communications' wide-area Wi-Fi technology and related state-of-the-art communications technologies with the Group's businesses such as disaster prevention and mitigation planning for local governments, regional revitalization support, and infrastructure DX, the Company aims to provide more sophisticated solutions and expand orders received. The two companies are already considering joint participation in a wide-area Wi-Fi infrastructure development project for a small municipality in Chiba Prefecture.

Meanwhile, in August 2026, the Company resolved to transfer all 538,000 of its shares in ENZAN KOUBOU, an equity-method affiliate, to Kajima Corporation. The transfer price was ¥2,708mn, and the transfer was completed at the end of August 2026. In FY6/25, ENZAN KOUBOU recorded net sales of ¥3,492mn, ordinary profit of ¥426mn, and net income of ¥317mn. Following the transfer, there will be no further contribution to investment gain or loss under the equity method. The Company has announced that it expects to record a gain on sale of investment securities of ¥1,534mn as extraordinary income in 1Q FY5/27, with an impact of around ¥740mn on profit attributable to owners of parent, while leaving its FY5/27 consolidated forecast unchanged.

Targeting net sales of ¥50.0bn and operating profit of ¥5.9bn in FY5/28

2. Progress of the 6th Mid-Term Management Plan

In the long-term vision "E·J-Vision 2030," the Company aims to become a Future-Oriented Social Infrastructure Group that contributes to mitigating environmental impact, creating a resilient society, and tackling local issues and promoting revitalization. The Company is pursuing a medium-term management plan with three steps starting in FY2021 to realize this vision.

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Business outlook

The 6th Mid-Term Management Plan “E · J-Plan 2027” (FY5/26 to FY5/28), which constitutes the second step, is positioned as a period of “Expansion and Evolution,” and the Company is working on the basic policies of “Enhancing Core Businesses and Exploring New Fields,” “Pursuing Full-Scale Overseas Business,” “Strengthening the Value Chain,” and “Promoting Sustainable Management.” It has also set FY5/28 targets of net sales of ¥50.0bn, operating profit of ¥5.9bn, profit attributable to owners of parent of ¥3.9bn, and ROE of 10% or more. Results for FY5/26, the first year, were as described above, with both net sales and operating profit slightly below target. From FY5/27 onward, however, the Company expects to expand orders received through synergies with TSR and Meteorological Engineering Center and collaboration with Digital Transformation & Wireless Communications, as well as to achieve cost reductions and productivity improvements from the promotion of DX in management accompanying the full-scale operation of the new core system. FISCO believes the FY5/28 targets are achievable, as the profit margin rises and the growth trend in business performance strengthens.

Consolidated numerical management targets

	FY5/26		FY5/27 Plan	FY5/28 Plan
	Plan	Results		
Net sales	47,000	46,586	49,000	50,000
Operating profit	5,000	4,669	5,300	5,900
Profit margin	10.6%	10.0%	10.8%	11.8%
Profit attributable to owners of parent	3,350	3,371	3,700	3,900
ROE	9.1%	9.1%	9.2%	10% or more

Source: Prepared by FISCO from the Company's financial results, results briefing materials, and mid-term management plan materials

The Company has disclosed a self-assessment of its first-year progress on the four basic policies. Under “Enhancing Core Businesses and Exploring New Fields,” the composition of orders received in the six priority areas rose to 63.1%, earning the highest rating, while the exploration of new markets was limited to developing new private-sector clients. Under “Strengthening the Value Chain,” progress was made in trial inspections using inspection support technology robots and in concluding comprehensive technical collaboration agreements with local governments, but process reforms through the use of AI and the promotion of DX are still under way. Under “Promoting Sustainable Management,” the Company showed steady progress in all three E, S, and G items, including obtaining a “B” score in the CDP climate change program and acquiring Information Security Management System certification. On the other hand, all three basic strategies under “Pursuing Full-Scale Overseas Business” received the lowest rating, with orders received falling below expectations due to delays in generating a track record and building a structure, leaving this as an issue going forward. The Company aims to expand overseas net sales from ¥590mn in FY5/26 to ¥1.5bn in FY5/28. As for “Practicing management with awareness of capital costs and stock price,” the Company notes that issues remain, as PBR has stayed in the 0.7–0.9x range and ROE is on a declining trend; its policy for addressing this is described below.

Business outlook

First-year evaluation of the initiatives under the basic policies and the main achievements

Basic policy	Basic strategy	Evaluation	Achievements
Enhancing Core Businesses and Exploring New Fields	Strengthen the six priority areas in core businesses	◎	• Orders received in the six priority areas expanded steadily (composition ratio rose to 63.1%)
	Enter new businesses	○	• Received Japan's first public-private partnership project for bridge maintenance management • Business collaboration with Digital Transformation & Wireless Communications and Mitsui Sumitomo Insurance to solve regional issues
	Explore new markets	△	• Developed new private-sector clients
Pursuing Full-Scale Overseas Business	Expand areas of strength by leveraging region x field	△	• Expanded PR aiming to win projects in the waste, construction management, and technical cooperation fields • Presented a paper and operated an exhibition booth at an international 3R conference in Thailand
	Promote localization of bases in strong regions	△	• Developing human resources and building an organizational structure to support the overseas business remain issues
	Strengthen partnerships with Group companies	△	• Concluded a capital and business alliance with Dynamic, a civil engineering consultancy in Thailand • Deepened collaboration with the EJEC International Division and EJEC (Thailand), but building a track record remains an issue
Strengthening the Value Chain	Product innovation	○	• Conducted trial inspections using inspection support technology robots • Held study sessions for government agencies to promote the adoption of DX technologies → strong potential for future business
	Process innovation	△	• Working on the use of AI and the promotion of DX to improve productivity
	Group co-creative innovation	○	• Created projects through collaboration within the Group (underwater drones, etc.) • Concluded comprehensive technical collaboration agreements with local governments → building a base of manufactured capital
Promoting Sustainable Management	E: Environmental impact mitigation initiatives	○	• Obtained a "B" score in the CDP climate change program • Received the Tokushima Environmental Sustainability Award (Nakawood Co., Ltd., a non-consolidated subsidiary)
	S: Social responsibility and human capital initiatives	○	• Diverse hiring, revision of the BCP, and resilience certification • Eruboshi and Kurumin certifications, and an action plan for promoting measures to support the development of the next generation
	G: Governance initiatives	○	• Strengthened risk management and internal control functions • Obtained Information Security Management System (ISMS) certification
	Practicing management with awareness of capital costs and stock price	△	• PBR remained at around 0.7–0.9x. ROE is at around 9% but on a declining trend • Held active dialogue with investors (institutional investors: 27 meetings, vs. 10 in the previous year)

Source: Prepared by FISCO from the Company's results briefing materials

Further growth through the evolution of the value creation model based on six forms of capital

3. Positioning of the long-term vision "E · J-Vision 2030"

In 2021, the Company formulated its long-term vision "E · J-Vision 2030," aiming to become a Future-Oriented Social Infrastructure Group that contributes to mitigating environmental impact, creating a resilient society, and tackling local issues and promoting revitalization. In light of subsequent changes in the market environment since the plan was formulated, such as rising prices and wages and the spread of AI, the Company has updated the positioning of its long-term vision.

The Company positions "E · J-Vision 2030" not as a goal but as a waypoint toward further growth from FY5/32 onward, and will accelerate its efforts on new solutions while expanding its existing businesses. As for the value creation model for achieving growth, the Company will work to achieve the strategic KPIs set for each of the six forms of capital. Since the initially set FY5/31 targets (net sales of ¥50.0bn, operating profit of ¥6.0bn, profit attributable to owners of parent of ¥4.0bn, and ROE of 10% or more) are expected to be achieved three fiscal years ahead of schedule, the Company will set new targets in the 7th Mid-Term Management Plan, to be announced in July 2027.

Business outlook

Looking at the six forms of capital and the strategic KPIs, for “human capital,” the source of value creation, the Company will work to develop and expand its pool of personnel capable of solving social issues as well as project managers. Its KPIs are to increase the number of engineers by 60 per year and to expand the number of employees qualified as Professional Engineers (P.E.Jp) by 30 or more per year.

For “intellectual capital,” which is needed to maintain and improve service quality and enhance reproducibility in order to achieve growth, the Company will standardize its planning and design capabilities and operational know-how. Its KPIs are a ratio of orders received from high value-added technical proposal-type projects of 40% or more (30.5% in FY5/26) and a ratio of orders received in the six priority areas of 67% or more (63.1% in FY5/26). For “manufactured capital,” the Company will work to build mechanisms and operational platforms that keep social infrastructure functioning, targeting a production utilization rate of 75–80% (70–75% in FY5/26)* and net sales growth of 5% or more per year as KPIs.

| * Utilization rate including paid leave. |

For “social and relationship capital,” which is accumulated through building relationships of trust with government and local communities and is the source of competitive advantage, the Company targets a ratio of orders received from prefectures and municipalities of 50% or more (47.8% in FY5/26) as an indicator of regional penetration (project density), and 5 or more regional co-creation projects per year (4 in FY5/26). In its regional co-creation projects, the Company has concluded technical collaboration agreements aimed at improving services for residents and promoting operational efficiency with Ozu City in Ehime Prefecture (concluded in October 2024), Sukumo City in Kochi Prefecture (November 2025), Ochi Town (December 2025), and Tonosho Town in Kagawa Prefecture (May 2026).

For “natural capital” (environmental value), a prerequisite for the Company’s continued existence, the Company is working on decarbonization and resilience, targeting a 42% reduction in CO₂ emissions from the FY2021 level and an environment-related business scale of ¥5.0bn or more (¥3.8bn in FY5/26) as KPIs.

For “financial capital,” the outcome of these initiatives, the Company will build a robust financial base to enhance corporate value while balancing proactive growth investment with long-term shareholder returns. Its KPIs are ROIC of 10% or more (7.1% in FY5/26) and a stable increase in free cash flow.

Targeting a PBR of 1.0x or higher through improved capital efficiency and a more sophisticated value creation model

4. Policy for improving PBR

The Company regards the situation in which PBR has remained below 1.0x, in the 0.7–0.9x range, for the past 5 years as a serious management issue, and has announced a policy of shifting to management that emphasizes capital efficiency and a more sophisticated value creation structure in order to restore PBR to 1.0x or higher. Specifically, in addition to achieving ROE of 10% or more, it will promote improvement of the invested capital turnover ratio, optimization of its business portfolio, and an appropriate balance between growth investment and shareholder returns (capital policy) in order to achieve KPIs such as ROIC of 10% or more and net sales growth of 5% or more, aimed at improving PER. It will also strengthen IR and SR activities aimed at making non-financial capital visible, thereby fostering growth expectations in the market.

Business outlook

(1) Measures to improve ROE

a) Improving profitability

As measures to improve profitability, the Company aims to raise its profit margin by 1–2pp from the current level by expanding orders received in the six priority areas and in technical proposal-type projects and by working to improve productivity.

To improve productivity, the Company will promote greater efficiency in indirect divisions through DX and cost reductions through productivity improvements. For efficiency in indirect divisions, it will reduce labor requirements through the efficient use of BPO and the use of AI and RPA tools. It will also consider establishing a new company specializing in back-office functions in order to consolidate functions shared across Group companies. As cost reduction measures, it will improve and renew business processes, use ICT and AI, and develop the underlying information infrastructure to improve productivity.

b) Improving the invested capital turnover ratio

The Company aims to raise the invested capital turnover ratio from 1.0x in FY5/26 to 1.2x or higher. Specific measures include standardizing and digitalizing processes, shortening production lead times through supply chain efficiency, and optimizing its asset composition through a review of non-current assets, financial assets, and the like.

For non-current assets, the Company will consider selling owned real estate and equipment and pursuing sale and leaseback arrangements, as well as disposing of aging equipment and replacing it with energy-saving equipment and consolidating Group company bases. For example, at Eight-Japan Engineering Consultants, which holds a large amount of its own real estate, one idea is to sell its own real estate and move to leased premises with the aim of improving the working environment (relocating to a better location). For financial assets, it will proceed with the phased sale of cross-shareholdings and will optimize Group funds and reduce interest-bearing debt through the introduction of a cash management system (CMS).

(2) Measures to improve PER

a) Improving capital efficiency

To improve PER, the Company will work to improve capital efficiency. It aims to raise ROIC, its KPI, from 7.1% in FY5/26 to 10% or more. To this end, it will introduce investment discipline (a target ROIC-WACC spread of 4% or more) and clarify the standardization of decision-making processes for investment and withdrawal as well as its policy for allocating surplus capital. It will also set ROIC targets for each operating company, incorporate ROIC into its management processes, and implement improvement actions through regular monitoring. As for its capital allocation policy, it will maintain a sound financial base while balancing proactive growth investment with long-term, stable shareholder returns (DOE of 3.0% or more).

b) Growth potential

The Company has set net sales growth of 5% or more as a KPI for growth potential. It aims to achieve net sales growth of 5% or more by expanding the business scale of the six priority areas through further strengthening its core competencies of “environment, disaster prevention and conservation, and administrative support,” as well as by pursuing M&A and alliance strategies aimed at entering new businesses and new markets and providing new solutions.

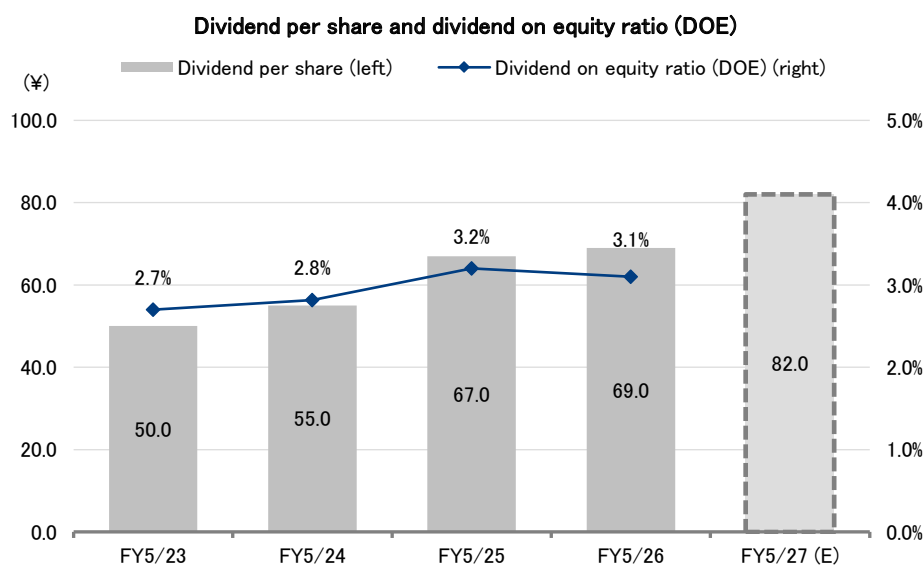
c) Fostering growth expectations

To improve PER, it is important to foster growth expectations for the Company among a wide range of domestic and overseas investors. To this end, the Company will increase the number of meetings with investors, share the insights gained through active dialogue within the Company and reflect them in measures to improve PBR, and deepen constructive dialogue with investors through integrated disclosure of financial and non-financial information.

Shareholder return policy

In FY5/27, the Company plans to pay a dividend of ¥82.0 per share, including a commemorative dividend

As its dividend policy, the Company has set out a policy of paying progressive dividends based on a stable and continuous upward trend in dividends, with a target dividend on equity (DOE) of 3% or more. Based on this policy, in FY5/26 it increased the dividend per share by ¥2.0 YoY to ¥69.0 (DOE of 3.1%), raising dividends for the ninth consecutive fiscal year. In FY5/27, it plans a dividend of ¥82.0 per share, comprising a ¥3.0 increase in the ordinary dividend plus a commemorative dividend of ¥10.0, marking the 20th anniversary of the Company's founding. The commemorative dividend will fall away in FY5/28, but the Company has indicated that it will decide whether to maintain the dividend level in light of conditions at that time. Given its dividend capacity, maintaining the level is entirely feasible.



Note: FY5/27 includes a commemorative dividend of ¥10.0

Source: Prepared by FISCO from the Company's results briefing materials

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