

Medium-Term Management Plan (For the Fiscal Years Ending March 31, 2015–2017)

Overview of the New Medium-Term Management Plan (2015–2017)

Policy

Pursue customers' trust and contribution to society through high quality and safe operations.

- Strengthen on-site capabilities (technology, site operation, safety and total management)
- Develop our brand value
- Build strong management foundations

No.1 contractor in coastal and waterfront areas

Make our strong competitiveness and profitability in coastal and waterfront areas become our driving force to grow

Strategy

1

Promote becoming a technology oriented company : Return to basics and improve on-site capabilities

- Comprehensively review and strengthen our on-site capabilities (technology, operation, safety and total management).
- Reinforce our advantages in the comprehensive valuation system and proposals (marketing, technology, operation and cost competitiveness).

2

Develop our brand value as the "No.1 contractor in coastal and waterfront areas"

- Aim to expand business to relevant areas with our advantages in coastal and waterfront areas.
- Develop and apply new technologies to strengthen our advantages.
- Start up new business e.g. recycling of construction generated soil, ground purification, improvement of sea area environments and offshore wind farms to prepare for the post-2020 market.

3

Strengthen management and organizational capabilities : Disseminate our management strategy

- Implement our thorough policy "focus on profitability" by preventing project deficits and problems in quality and safety.
- Integrate total resources for marketing and operation under cross-functional cooperation.

4

Build strong management foundations : Establish a foothold toward future growth

- Further strengthen our financial position: Carry out flexible fundraising in terms of enhancing our capital and panning business.
- Secure and develop excellent human resources: Make use of the potential of young employees at an early stage and utilize a variety of human resources e.g. seniors, mid-career employment and women.
- Reinforce total group competitiveness under mutual cooperation and synergy.

Earnings Targets under Management Plan

	Medium-Term Management Plan (2015–2017) (¥ billion)			
	2015 Actual		2017 Plan	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Earnings Targets				
Construction Orders Received	—	¥716.5	—	¥390.0
Net Sales	¥426.2	393.7	¥488.0	454.0
Gross Profit	27.5	23.5	32.7	30.0
Operating Income	12.3	9.7	16.2	15.0
Ordinary Income	11.4	9.0	15.2	14.0
Net Income	6.2	4.5	7.7	7.0
Earnings Per Share (¥)	21.6	15.8	26.9	24.5
Consolidated Financial Targets				
Equity Ratio (%)	21.0%		25.0% or greater	
Interest-Bearing Debt (¥ billion)	¥94.8		¥82.0 or less	
Net D/E Ratio (%)	0.7%		0.5% or less	

Major Targets for 2017 (Consolidated)

- Net Sales : ¥488.0 billion
- Equity Ratio : 25% or greater
- Operating Income : ¥16.2 billion
- Net D/E Ratio : 0.5% or less
- Ordinary Income : ¥15.2 billion
- ROE : 8% or greater
- Net Income : ¥7.7 billion
- Payout Ratio : 20~25%
- Construction Orders Received : ¥716.5 billion (Non-consolidated)
- Interest-Bearing Debt : ¥82.0 billion or less

Major Operating Trends/Projection (Consolidated)

