

### Basic Policy

Practicing of honest corporate activities

Endeavor to establish a technology-oriented company

Strengthening of engineering abilities at construction site

Intending to win in a technological competition era as the leading contractor in coastal and waterfront areas

### Basic Strategies

#### ■ To strengthen management capability

Establishing and implementing effective internal control systems

1. Routine practicing of CSR
  - Practicing of honest corporate activities and social contribution through main lines of business
2. Promotion of risk management
  - Steady observation of corporate compliance, communication of negative information without delay, and detection of risk at earlier stages and taking appropriate countermeasures
3. Reinforcing corporate governance
  - Keeping the whole company and group well informed of the management strategies to secure most appropriate results

#### ■ To reinforce earning abilities of the main business

Expanding business volume gradually with profits secured

1. Endeavoring to establish a technology-oriented company: Strengthening of engineering abilities (technological, safety-securing, and managerial capabilities) at construction site from a fundamental viewpoint  
Further improvement of technological capabilities (to propose higher technologies, better projects and improve construction technologies and cost competitiveness)
2. Keeping to the policy to give top priority to profitability: Eliminating possibilities of falling into deficit at receiving order and avoiding quality and safety troubles while engaging in construction
3. Expanding favorite fields and areas: Giving priority to projects at coastal, waterfront and urban areas
  - To better cope with a new bidding system based on integrated evaluation
  - To reinforce proposal-oriented sales (by giving priority to private construction projects and assuring collaboration between civil engineering and construction)
  - To improve strategic handling of construction and land civil engineering projects (by selecting and concentrating on priority projects)
4. Securing and bringing up human resources
  - Securing new human resources in anticipation of mass retirement of baby boom generation employees and utilizing them to utmost
5. Reinforcing Group's competitiveness
6. Challenging innovative businesses and prospective fields (including environment, renewal, and consulting activities)

#### ■ To continue efforts to make financial position healthier

Consolidating the foundation for future growth

1. Continuing efforts to reduce interest-bearing debts
2. Increasing capital and improving capital efficiency
3. Securing profitable disposal of real estate

## FY 2010 Targets of Advance 21

(Millions of Yen)

	Medium-term Management Plan Evolution 21 (FY 2007 Results)		New Medium-term Management Plan Advance 21 (FY 2010 Targets)	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated
<b>Business Performance Targets</b>				
Construction Orders Received	¥373,595	¥395,083	¥340,000	
Net Sales	317,857	352,809	346,000	¥380,000
Total Gross Profit	22,695	26,528	27,000	29,700
General Expenses	15,915	17,688	15,000	16,700
Operating Income	6,780	8,840	12,000	13,000
Ordinary Income	3,081	5,097	9,000	10,000
Net Income	1,390	2,571	3,500	4,000
Net Income per Share (Yen)	5.66	10.46		16 or more
<b>Financial Targets (Consolidated)</b>				
Interest-bearing Liabilities		¥109,098		¥82,000 or less
D/E Net Ratio		1.4		1.0 or less
REO (%)		4.6		6.0 or more

## Consolidated Management Targets

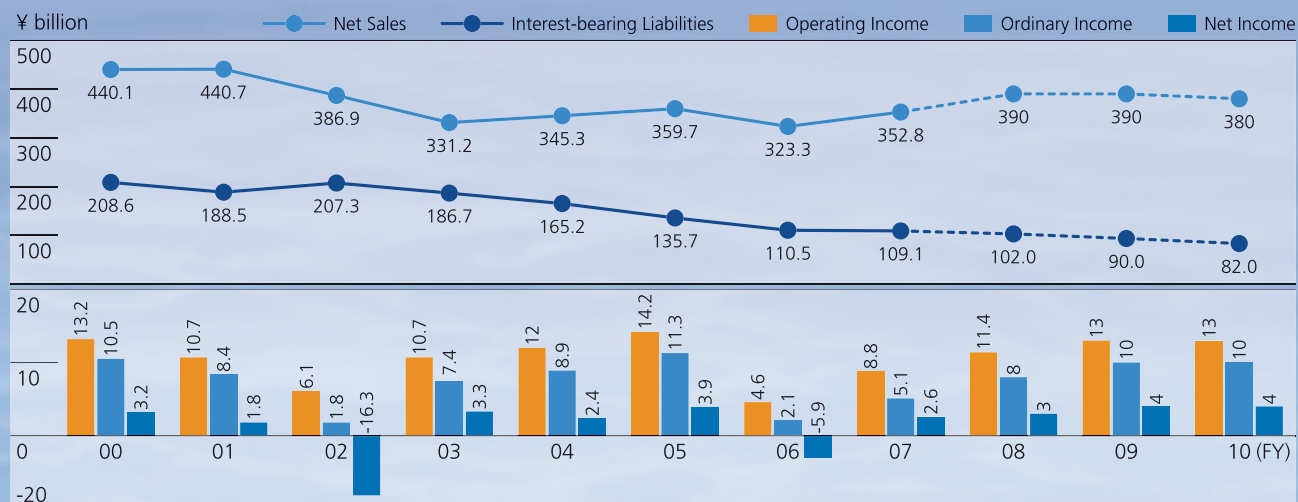
- **Realizing resumption of dividend**

Intending to resume dividend payment at the end of fiscal 2008 first in the 8 terms  
¥2 per share (consolidated dividend payout ratio: 16.4%)

- **Main targets of consolidated figure (FY 2010)**

Ordinary income: ¥10 billion or higher

D/E ratio (net): 1.0 or less \* D/E ratio (net) = (interest-bearing debt - cash and deposits) / net assets



Challenge 21

Evolution 21

Advance 21