

Medium-Term Management Plan (FY3/21–FY3/23)

We have established our “Medium-Term Management Plan (FY3/21–FY3/23)” for the three years from FY3/21 (the beginning year). We will make the effort to achieve the goals in this plan.

The Goal to Aim for

“A Genuine Global General Contractor” with distinctive features in port, coastal and waterfront areas as well as overseas

1

Social

An Advanced Company in Work Style Reform and Productivity Improvement

- Acceleration of Work Style Reform —Company-wide reform (including overseas) driven by the Work Style Reform Promotion Committee
- Promotion of Productivity Improvement —Promotion of reforming construction and production systems in order to realize Work Style Reform
- With the highest priority on safety and quality, promotion of quality management activities and implementation of measures to prevent occupational accidents —Application of Penta-Ocean Standard

2

Social

An Advanced Company in Diversity & Inclusion (D&I)

- Securing and training diverse human resources —Rapid development of young staff
- Promotion of active participation of women
- Promotion of active participation of non-Japanese employees

3

Environment

A Company that Challenges New Frontiers with Pioneering Spirit

- Entering the field of offshore wind power —Leveraging our strengths of marine civil engineering
- Expert in recycling construction-generated soil and dredged soil —Utilizing our strong coastal resources
- Initiatives for ZEB (Net Zero Energy Building)

4

Governance

Practicing CSR Oriented Management with Focus on ESG

- Social contribution through our core business, with a focus on stakeholders
- Sustainable improvement of corporate governance and meticulous risk management
- Timely, appropriate and fair information disclosure

For Achieving the Goals of the Mid-term Management Plan

In the mid-term management plan (FY 2020 to FY 2022), we aim to become “a genuine global general contractor” with distinctive strengths in port, coastal, and waterfront areas, as well as overseas. One meaning of “a genuine global general contractor” is a company that can operate business beyond the barriers between the civil engineering and building construction and the barriers between domestic and overseas, based on the cooperation among business units. In overseas universities, civil engineering is not distinguished from construction in construction engineering. Another meaning is a company that pursues not merely diversity, but diversity & inclusion (D&I), where diverse human resources, regardless of nationality or gender, can work together with vigour and enthusiasm as well as mutual respect.

Accordingly, we aim to be (1) an advanced enterprise in terms of workstyle reform and productivity improvement, (2) an advanced enterprise in terms of D&I, (3) a company that challenges new frontiers with pioneering spirit and (4) a company that practices CSR management with focus on ESG (E: environment, S: society, G: corporate governance). Then, we will provide high-quality infrastructure and buildings for our clients and society, with reliable safety and quality. In the final fiscal year of the plan, we aim to achieve consolidated sales of 605 billion yen and a net income of 25 billion yen, hitting record highs for net sales and net income.

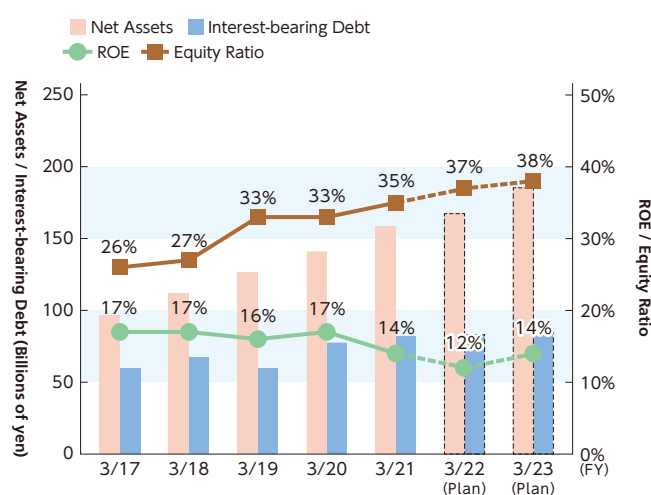
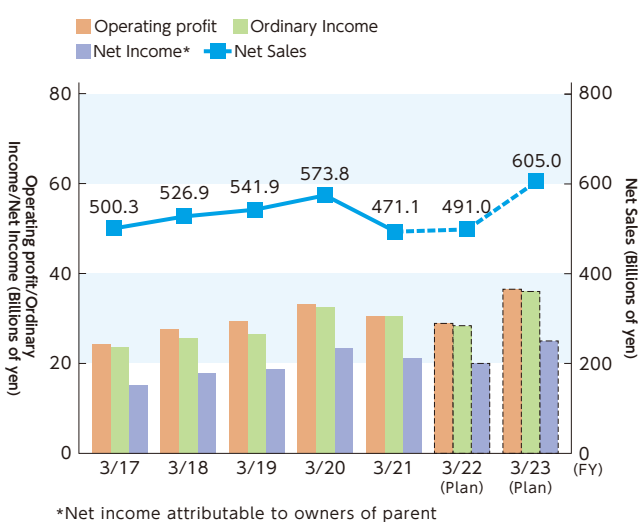
Management Targets

Management Targets (Consolidated) (FY 3/23)

Net Sales	Ordinary Income	Net Income*	ROE	Payout ratio
FY 3/21 Result ¥471.1billion	FY 3/21 Result ¥30.5billion	FY 3/21 Result ¥21.0billion	FY 3/21 Result 14.0%	FY 3/21 Result 38.1%
▼	▼	▼	▼	▼
¥605.0 billion	¥36.0 billion	¥25.0 billion	10 % or higher	30 % or higher

Dividends to shareholders

Trends/Projection of KPI (Consolidated)



Targets and Basic Strategies by Business Units (consolidated)

Domestic Civil Engineering

Leverage our strength in coastal and waterfront areas to drive company growth

Final year targets (consolidated)

- Net Sales: ¥222.0billion
- Gross Profit Margin: 14.3%
- Operating profit: ¥20.1billion

Basic strategies

1. Demonstrating comprehensive strength by front-loading approach
2. Top runner in offshore wind farm construction field
3. Promotion of productivity improvement (cross organizational efforts, interdepartmental collaboration)
4. Target-oriented R&D
5. Human resource development -The 7-1 plan* for early development of young employees

*Training program to become a full-fledged engineer within 7 years of joining the company

Domestic Building Construction

Aim for sustainable growth with profit through business expansion

Final year targets (consolidated)

- Net Sales: ¥194.0billion
- Gross Profit Margin: 7.6%
- Operating profit: ¥7.5billion

Basic strategies

1. Strengthening marketing by front-loading approach
2. Promotion of productivity improvement (cross organizational efforts, interdepartmental collaboration)
3. Strengthening M&E engineering capability
4. Target-oriented R&D
5. Human resource development -Establishment of Task Support Center* (TSC)

*Practical human resource development through on-site support work for employees up to their eighth year with the company

Overseas

Aim for sustainable growth as an attractive global company

Final year targets (consolidated)

- Net Sales: ¥178.5billion
- Gross Profit Margin: 5.4%
- Operating profit: ¥7.3billion

Basic strategies

1. Strengthening sales and marketing by front-loading approach
2. Strengthening on-site and technological capabilities by front-loading approach
3. Promotion of productivity improvement (cross organizational efforts, interdepartmental collaboration)
4. strengthening work vessel operation
5. Human resource development -Strengthening human resource through D&I