

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

We established our “Medium-Term Management Plan (FY3/21–FY3/23)” for the three years from FY3/21 (the beginning year). We strive 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
- Becoming expert in recycling construction-generated soil and dredged soil —Utilizing our strong coastal resources
- Promoting Initiatives for ZEB (Net Zero Energy Building)

4

Governance

## Practicing CSR Oriented Management with Focus on ESG

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

## For Achieving Goals of the Mid-Term Management Plan

In the current mid-term management plan (FY 3/21 to FY 3/23), we aim to become “a genuine global general contractor” with distinctive strengths in port, coastal, and waterfront areas, as well as overseas. “A genuine global general contractor” is a company that has no interdepartmental barriers between Business Units (Civil Engineering/Building Construction, Domestic/International), as characterized by the fact that in universities overseas, when you major in construction engineering, the curriculum includes both civil engineering and building construction. A genuine global contractor does not pursue mere diversity: it promotes Diversity & Inclusion (D&I) in workplace, where diverse employees, regardless of gender or nationality, can work together with mutual respect and enthusiasm.

Accordingly, we aim to be (1) an advanced company in work style reform and productivity improvement, (2) an advanced company in 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). Our ultimate goal is to provide high-quality infrastructure and buildings for our clients and society, with reliable safety and quality as our top priority.

In the final fiscal year of the plan, at the time of the announcement in May 2020, it was originally forecast that consolidated sales will be 605 billion yen and net income will be 25 billion yen, but due partly to the negative impact of COVID-19, we made a downward revision of the forecast, to consolidated sales of 515 billion yen and a net income of 21 billion yen (announced in May 2022).

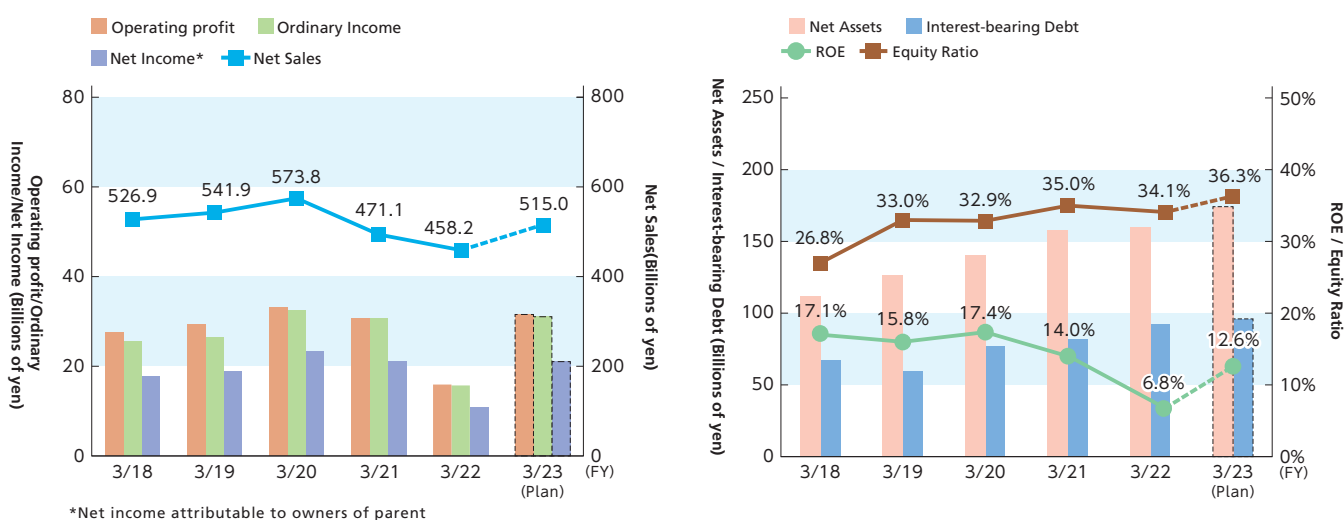
# Management Targets

## Management Targets (Consolidated) (FY 3/23)

\*The figures revised in May 2022 are indicated.

Net Sales	Ordinary Income	Net Income*	ROE	Shareholder return
FY 3/22 Result ¥458.2billion	FY 3/22 Result ¥15.7billion	FY 3/22 Result ¥10.8billion	FY 3/22 Result 6.8%	FY 3/22 Result Payout ratio: 61.1%
▼ ¥515.0 billion	▼ ¥31.0 billion	▼ ¥21.0 billion	▼ 10% or higher	▼ Total return ratio: 40% (Payout ratio: 30% or higher)
At first ¥605.0billion	At first ¥36.0billion	At first ¥25.0billion	At first 10% or higher	At first Payout ratio: 30% or higher

## Trends/Projection of KPI (Consolidated)



## Targets and Basic Strategies by Business Units (consolidated)

\*The indicated figures are after the downward revision in May 2022.

Domestic Civil Engineering	Domestic Building Construction	Overseas
Leverage our strength in coastal and waterfront areas to drive company growth	Aim for sustainable growth with profit through business expansion	Aim for sustainable growth as an attractive global company
<b>Final year targets (consolidated)</b>	<b>Final year targets (consolidated)</b>	<b>Final year targets (consolidated)</b>
<ul style="list-style-type: none"> <li>Net Sales: ¥205.0billion</li> <li>Gross Profit Margin: 16.6%</li> <li>Operating profit: ¥22.5billion</li> </ul>	<ul style="list-style-type: none"> <li>Net Sales: ¥165.0billion</li> <li>Gross Profit Margin: 7.6%</li> <li>Operating profit: ¥5.0billion</li> </ul>	<ul style="list-style-type: none"> <li>Net Sales: ¥135.0billion</li> <li>Gross Profit Margin: 4.1%</li> <li>Operating profit: ¥3.0billion</li> </ul>
<b>Basic strategies</b>	<b>Basic strategies</b>	<b>Basic strategies</b>
<ol style="list-style-type: none"> <li>Demonstrating comprehensive strength by front-loading approach</li> <li>Front runner in offshore wind farm construction field</li> <li>Promotion of productivity improvement (Cross organizational efforts, interdepartmental collaboration)</li> <li>Target-oriented R&amp;D</li> <li>Human resource development -The 7-1 plan* for early development of young employees</li> </ol>	<ol style="list-style-type: none"> <li>Strengthening marketing by front-loading approach</li> <li>Promotion of productivity improvement (Cross organizational efforts, interdepartmental collaboration)</li> <li>Strengthening M&amp;E engineering capability</li> <li>Target-oriented R&amp;D</li> <li>Human resource development -Establishment of Task Support Center* (TSC)</li> </ol>	<ol style="list-style-type: none"> <li>Strengthening sales and marketing by front-loading approach</li> <li>Strengthening on-site and technological capabilities by front-loading approach</li> <li>Promotion of productivity improvement (Cross organizational efforts, interdepartmental collaboration)</li> <li>Strengthening work vessel operation</li> <li>Human resource development -Strengthening human resource through D&amp;I</li> </ol>
*Training program to become a full-fledged engineer within 7 years of joining the company	*Practical human resource development through on-site support work for employees up to their eighth year with the company	