

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)

	2016 Actual		2017 Plan	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Construction Orders Received	—	¥440.1	—	¥430.0
Net Sales	¥491.6	457.9	¥533.0	500.0
Gross Profit	36.0	32.1	38.3	34.3
Operating Income	20.6	18.1	21.5	19.0
Ordinary Income	19.4	17.8	20.5	18.0
Net Income	7.8	6.9	11.5	10.0
Earnings Per Share (¥)	27.3	24.0	40.2	35.0

Earnings Targets

Consolidated Financial Targets

Equity Ratio (%)	21.3%	24.3%
Interest-Bearing Debt (¥ billion)	¥74.2	¥61.5 or less
Net D/E Ratio (times)	0.1times	0.1times or less
ROE	9.9%	8% or higher
Payout Ratio	22.0%	20~25%

Major Operating Trends/Projection (Consolidated)

