The Medium-term Management Plan (FY 3/27–FY 3/29)

Vision

A Genuine Global General Contractor who Practises Sustainability Management and Builds New Horizons in Construction.
～ Contributes to the sustainable development of society through sustainable construction business activities

Basic Strategies

Sustainability Initiatives Begin on Site



- **Creating Mechanisms to Advance Sustainability Management**
  ・Sustainability Morning Briefings ・Sustainability Awards
- **Strengthening Initiatives on Material Issues**
  ・Respect for human rights ・Sustainable supply chain ・Conservation of biodiversity
- **Enhancement of Sustainability Disclosure**
  ・Promotion of integrated disclosure
  ・Adapting to global standards and enhancement of information disclosure

Sustainable Construction Business Activities



- **Our Greatest Contribution to Society is the Construction of High-quality Infrastructure**
- **Translating Increased Business Volume into Greater Profit**

Front-loading × Technical capabilities × Risk management capabilities × Inter-departmental collaboration × Pioneering spirit

  ・Thorough implementation of front-loading approaches
  ・Strengthening partnership with subcontractors and suppliers
  ・Promotion of collaboration with external parties
- **DX Promotion Utilising AI and Robotics**
  ・Establishment of the Global DX Centre

Creation of a Society Where Diverse People Can Thrive



- **Promotion of DE&I**
  ・Securing and developing diverse talent ・Enhancement of well-being
  ・Support for the empowerment of diverse human capital
  ・Realisation of a healthy work-life balance
  ・Creating a rewarding workplace environment
  ・Fostering a culture that embraces diversity

Creation of a Sustainable and Rich Global Environment



- **Responding to Climate Change Issues**
  ・A front-runner in offshore wind construction ・Promotion of ZEB for buildings
  ・Reduction of CO_2 emissions
- **Nature-Positive Initiatives**
- **Creation of a Resource Recycling-based Society**

Promotion of Effective Governance



- **Revision of the Corporate Governance System (Enhancing the Effectiveness of the Board of Directors)**
  ・Majority of Outside Members of the Board on the Board of Directors
  ・Focus on medium- to long-term management strategy
  ・Delegation of business execution to the Executive Committee
- **Sharing Value with Shareholders and Enhancing Medium- to Long-Term Corporate Value**
  ・Increase in the stock compensation portion of executive remuneration (from 10% to 30%)
  ・Introduction of the Employee Stock Ownership Plan (J-ESOP)

Main Management Targets (Consolidated)

Key Consolidated Numerical Targets (FY 3/29)

Net Sales

FY 3/26 result: JPY 794.3 billion → JPY **880.0** billion

Operating Profit

FY 3/26 result: JPY 55.3 billion → JPY **63.5** billion

Net Income

FY 3/26 result: JPY 34.7 billion → JPY **38.0** billion

ROE (Return on Equity)

FY 3/26 result: 18.7% → **10**% or higher (generally over 16%)

Shareholder Return

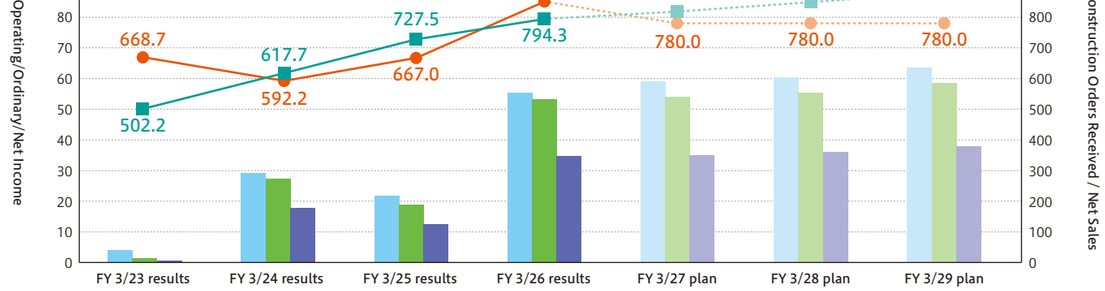
Dividend payout ratio

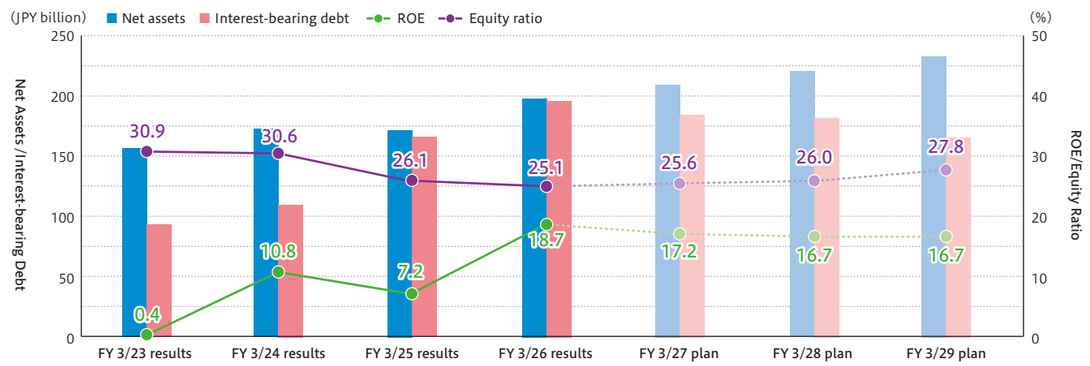
FY 3/26 result: 38.1% → **40**% or higher

Total return ratio

FY 3/26 result: 66.9% → **60**% or higher

Trends in Key Figures (Consolidated)





The Medium-term Management Plan (FY 3/27–FY 3/29)

Investment Plan & Financial Plan (Consolidated)

Investment Plan

Growth investment: JPY 100 billion/3 years

●Offshore wind-related investment: JPY 70 billion/3 years (including newbuilding cost of JPY 67 billion)

- Expanding our fleet portfolio for offshore wind construction
- Heavy lift Vessel (HLV) and Cable Laying Vessel (CLV) are scheduled for completion in 2028
- A new Offshore Construction Vessel (OCV) and a Feeder Vessel (FV) are currently under consideration for construction
- Expanding our human capital and R&D capabilities in preparation for the start of full-scale operations in FY 3/30

●Investment for DX & GX promotion: JPY 25 billion/3 years

- Accelerating DX through the Global DX Centre (newly established in April 2026)
- Promoting construction DX, knowledge DX, and management DX
- Continuing initiatives and R&D toward GX promotion

●Human capital investment: approx. JPY 5 billion/3 years

- Introduction of Japanese Employee Stock Ownership Plan (J-ESOP)
- Promotion of enrolment in the employee stock ownership plan and enhancement of incentives
- Enhancing human resources development and training
- Strengthening support for self-development

Financial Plan

●Balance of interest-bearing debt: JPY 166 billion (FY 3/29)

●Securing funds for further growth investments and enhanced shareholder returns

- Maintaining a high level of operating cash flow
- Ensuring capital for growth investments (construction of offshore-wind vessels and DX investment)
- Securing necessary funding and optimising the management of interest-bearing debt
  - Deploying proceeds from planned corporate bond issuances toward growth investments
  - Utilising interest-bearing debt effectively while maintaining a healthy balance (at around three times EBITDA)

●Addressing increasing working capital needs

- Strengthening cash flow management with a focus on interest costs
- Mitigating the increase in interest expenses due to rising interest rates to the extent possible

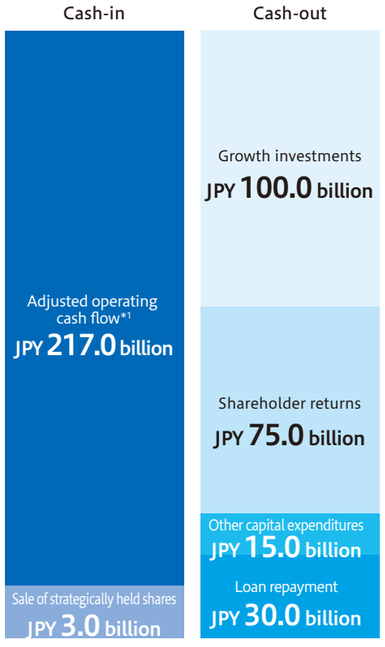
Shareholder Return

●Consolidated dividend payout ratio of 40% or higher (raised from the previous 35% or higher)

●Share repurchase amount of JPY 30 billion (over the three years FY 3/27–FY 3/29)

- We plan to repurchase approximately JPY 5.0 billion of treasury stock shares in the interim period (second half) and the fiscal period (first half of the following fiscal year)

Cash Allocation (Cumulative Total for FY 3/27–FY 3/29)



Item	Investment Amount	Description	FY 3/24–FY 3/26 Result
Offshore wind-related	JPY 70 billion	Capital investment in work vessels for offshore wind projects Construction in progress: Heavy Lift Vessel (HLV) Cable Laying Vessel (CLV) New: Offshore Construction Vessel (OCV) Feeder Vessel (FV)	JPY 88 billion
DX and GX	JPY 25 billion	Promotion of DX (construction DX, knowledge DX, and management DX) GX promotion	JPY 16 billion
Human resources-related investment	JPY 5 billion	Employee stock compensation system, human resources development Strengthening support for self-development, promotion of DE&I	JPY 2.6 billion
Dividend	JPY 45 billion	Dividend payout ratio 40% or higher	35% or higher
Share repurchases	JPY 30 billion	Three years from FY 3/27 to FY 3/29: JPY 10 billion each fiscal year	JPY 17 billion

*1: Adjusted operating cash flow = Operating cash flow + Expensed items
Growth investment amounts include items that have been expensed (personnel costs, research and development expenses, etc.).

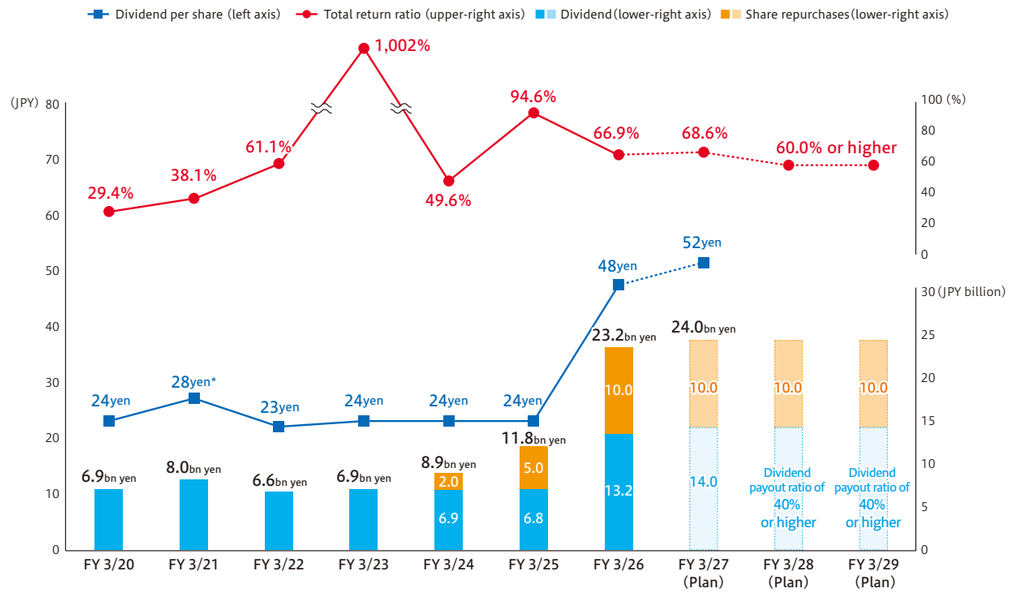
Cash Flows and Interest-bearing Debt Balance

(Unit: JPY billion)

		FY 3/25 results	FY 3/26 results	Medium-term Management Plan		
				FY 3/27 plan	FY 3/28 plan	FY 3/29 plan
Consolidated	Cash flow from operations	-23.3	68.4	56.0	63.0	73.0
	Cash flow from investment	-23.2	-66.3	-31.0	-28.0	-20.0
	Cash flow from financing	43.9	9.6	-37.0	-27.0	-42.0
	Balance of cash and deposits	57.3	71.8	59.8	67.7	78.8
	Balance of interest-bearing debt (Of which, work vessels)	166.5 (37.4)	196.1 (60.7)	185.0 (62.6)	182.0 (59.6)	166.0 (55.0)
	(Change from previous fiscal year)	56.2	29.6	-11.1	-3.0	-16.0
Non-consolidated	Balance of cash and deposits	51.2	64.4	52.3	61.3	74.3
	Balance of interest-bearing debt (Of which, work vessels)	155.4 (28.0)	170.8 (37.0)	157.7 (37.0)	157.7 (37.0)	142.3 (33.0)
	(Change from previous fiscal year)	56.2	15.4	-13.1	0	-15.4

* CF: Consolidated cash flow statement
* Balance of cash and deposits: cash and deposits on the balance sheet
* Borrowings related to work vessels Consolidated: Kajima Corporation, Yorigami Maritime Construction, DEME Offshore
Non-consolidated: JRTT (the Fiscal Investment and Loan Programme)

Shareholder Returns



* The dividend of JPY 28 for FY 3/21 includes the 125th anniversary commemorative dividend of JPY 5.