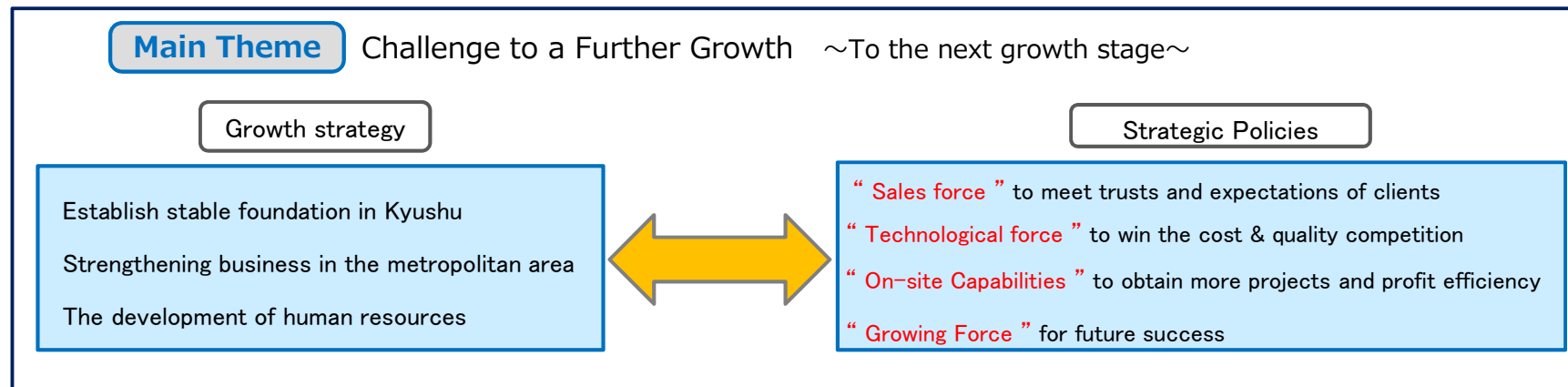


Overview of the previous mid-term management plan (2015~2019)



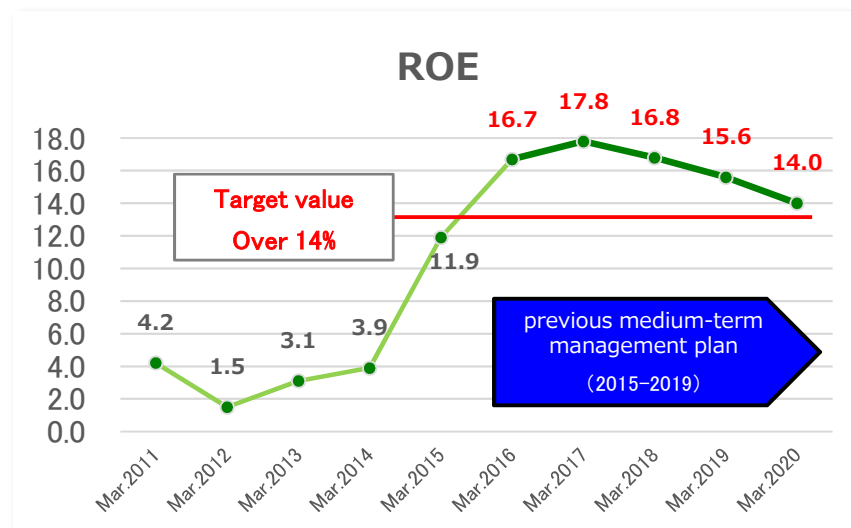
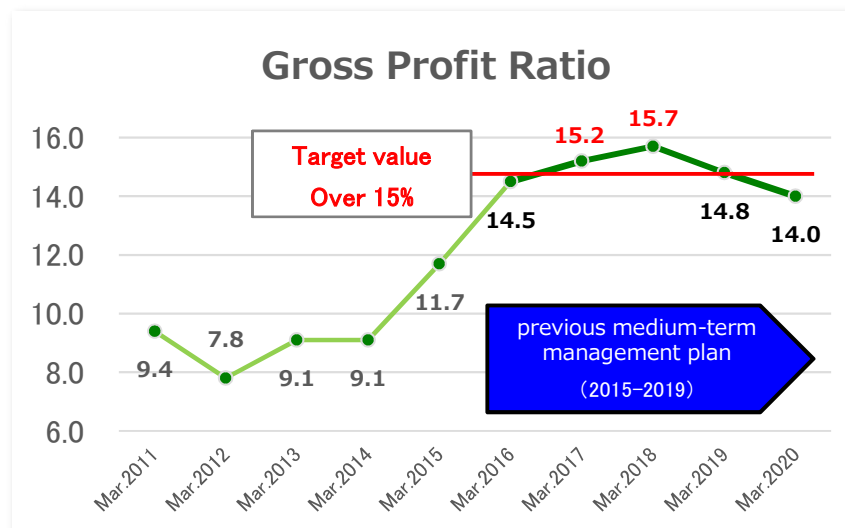
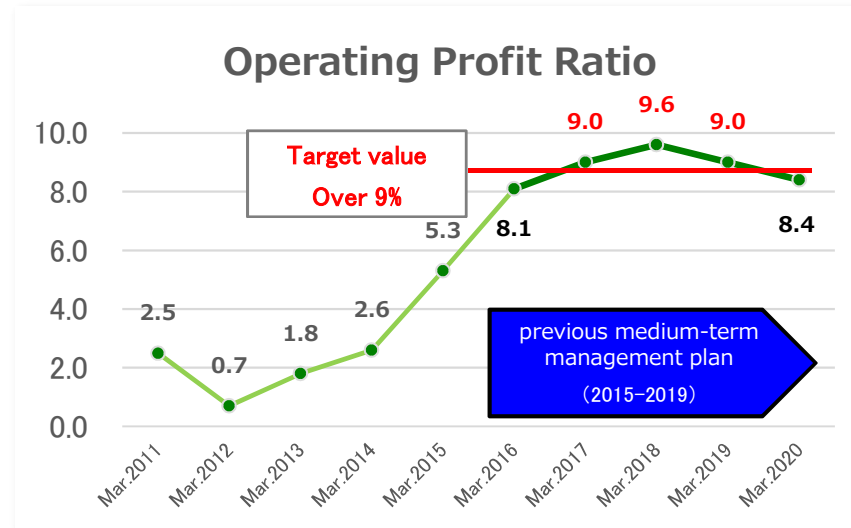
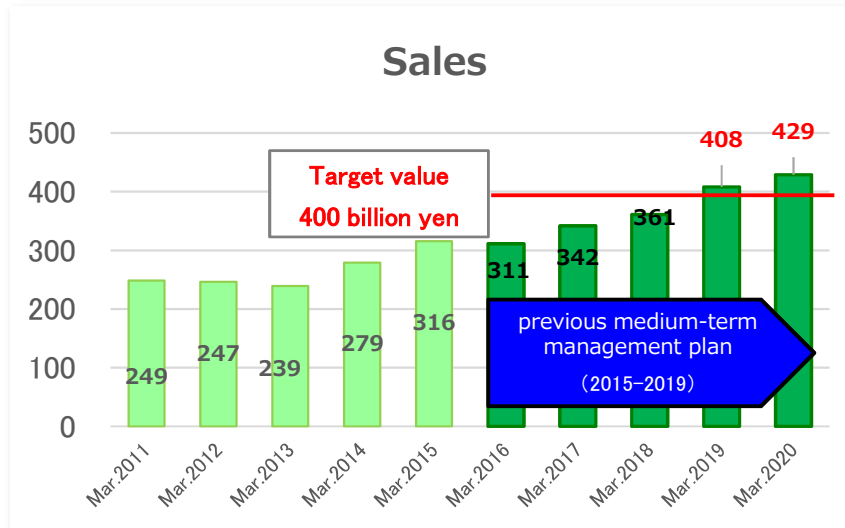
<Outline of the Previous Mid-term management plan>



< Results in the final year of the previous medium-term management plan>

	Numerical target at Mar.2020	Results in Mar.2020	Status of achievement	Results	Issue
Sales	400 billion yen	429 billion yen	Achieved	1) Riding the tailwind of booming construction demand •Expansion of orders outside the Kyushu region •Expanding the air-conditioning pipe business by leveraging the strengths of the comprehensive equipment business •M&As of construction companies 2) Thorough cost control by the Technology Management Department. Improving profit margins through the establishment of the Q-mast Company. 3) Strengthen construction capabilities, including increased hiring of engineers ↓ expansion of one's business	1) Challenges in developing human resources and improving productivity in response to the rapid increase in the volume of construction 2) Increased overtime work and turnover ↓ Concerns about future deterioration in quality and the risk of disasters 3) Profit margins declined in the final stages of the fiscal year, although the target was achieved once.
Gross Profit Ratio	Over 15%	14.0%	FY2016&2017 achieved		
Operating Profit Ratio	Over 9%	8.4%	FY2016 & 2017 & 2018 achieved		
ROE	Over 14%	14.0%	Achieved		

Changes in previous years



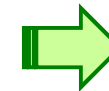
<Premise>

The impact of the new coronavirus infection on the Group's performance is not reflected because it is difficult to estimate the scale and duration of the infection.

<Forecast of the business environment surrounding the group>

(1) Domestic construction market

Large-scale projects in central Tokyo and the Kansai region
Tenjin Big Bang and Hakata Connected in Fukuoka



A sharp decline is unlikely

(2) Solar plant construction work

It is expected to come to an end in the future, but the existence of concrete projects, including the Uku island mega solar



The amount of construction in the next two to three years is expected to be adequate.

(3) working environment

The worsening shortage of skilled construction workers and the use of the latest technology



The movement to reform the way we work is in full swing

Main theme

Establish a management foundation for sustainable growth
~Realization of the three reforms~

Numerical target

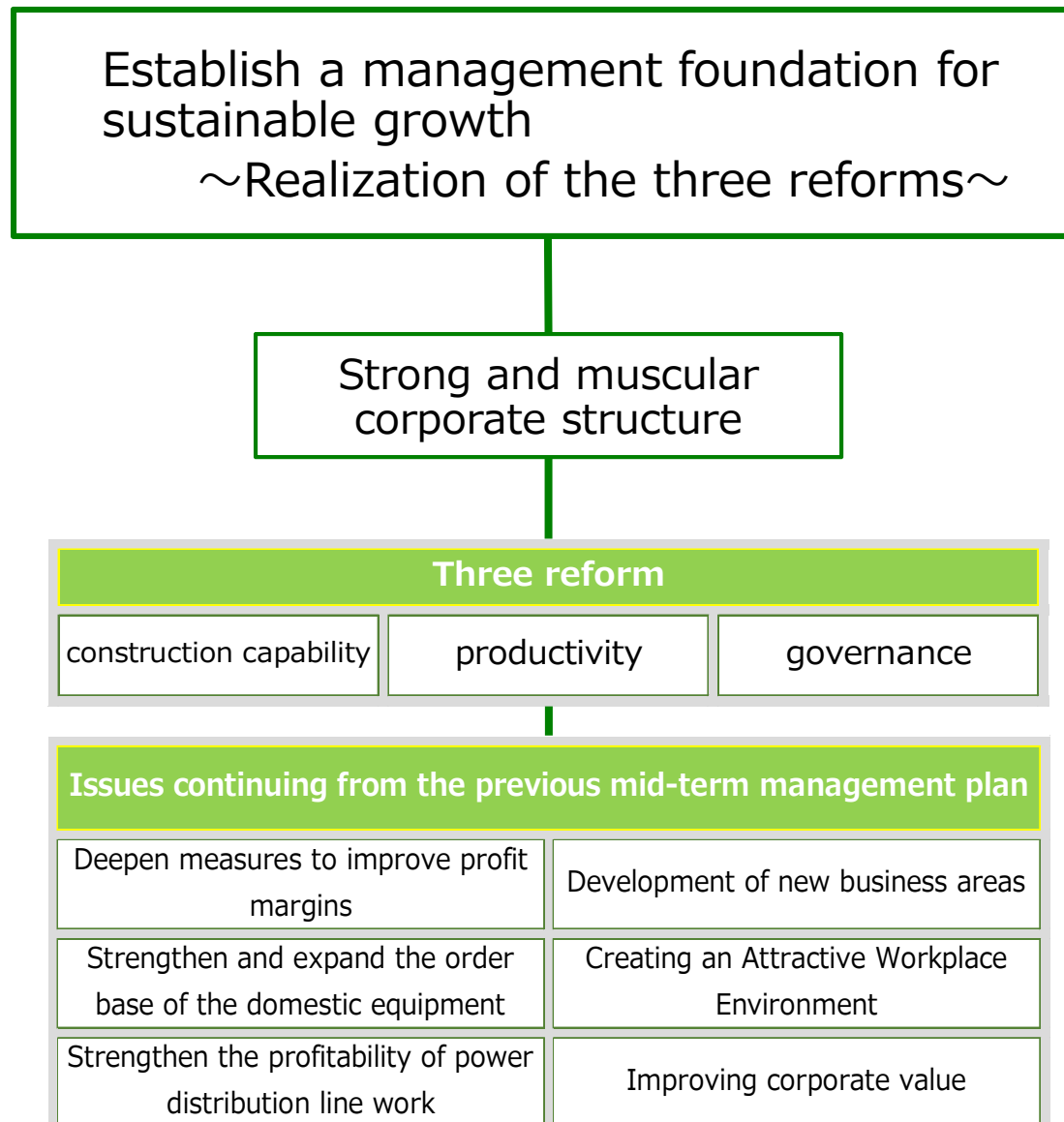
Final year (Mar.2024)

Sales	500 billion yen
Ordinary profit margin	50 billion yen Over 10.0 %
ROIC	Over 10.0 %

(Breakdown of construction sales)

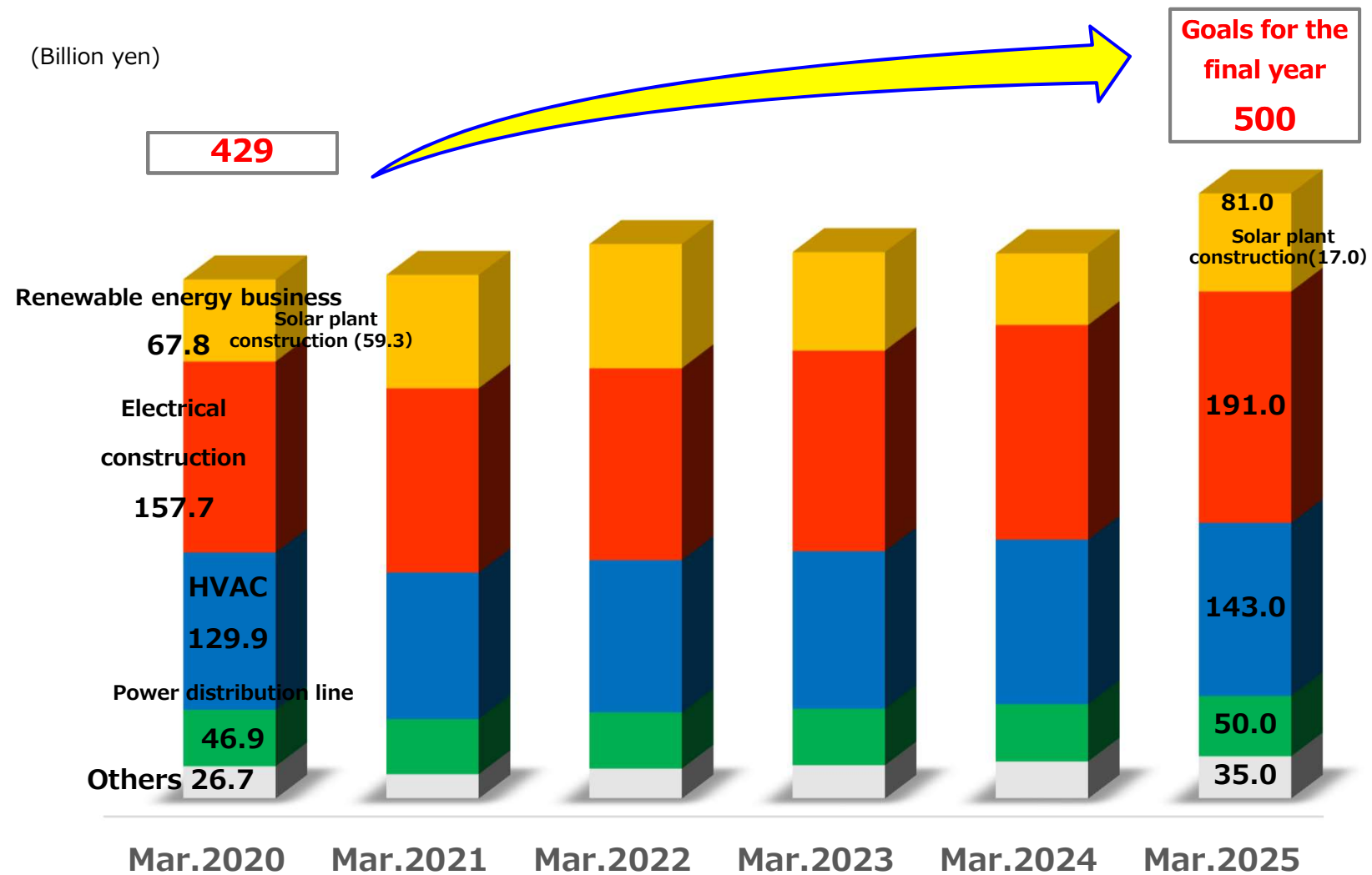
Power distribution line work	50 billion yen
Electrical·HVAC work	334 billion yen
Renewable Energy Business,etc.	81 billion yen
Other business	35 billion yen

※ROIC is used as an accurate measure of a company's capital efficiency.



Road map of sales plan

(Billion yen)



The period of the new mid-term management plan(2020—2024)

1) Reform of construction capability

« Specific issues to be addressed »

- Strengthen hiring of engineers based on a long-term workforce plan
- Reduce the turnover rate of young engineers by reviewing technical education
- Establishment of a system to ensure the timely and optimal deployment of all technicians
- Review of the construction management system by strengthening and utilizing the technical management department
- Promotion of multifunctional worker

2) Reform of productivity

« Specific issues to be addressed »

- Review of company-wide and departmental training systems
- Achieve optimal personnel rotation for the entire company
- Promote rationalization and labor saving through the use of cutting-edge technology and IT
- Realization of business reforms

3) Reform of Governance

« Specific issues to be addressed »

- Implement measures to prevent recurrence of fraud
- Strengthening and Thoroughly Implementing a Governance System Based on the Kyudenko Corporate Governance Guidelines

Issues continuing from the previous mid-term management plan

- 1) Deepen measures to improve profit margins
- 2) Strengthen and expand the order base of the domestic equipment construction industry
- 3) Strengthen the profitability of power distribution line work
- 4) Development of new business areas
- 5) Creating an Attractive Workplace Environment
- 6) Improving corporate value

New mid-term management plan(2020~2024) (Relevance to the SDGs)



We will steadily advance the initiatives set forth in the Medium-Term Management Plan and contribute to the realization of the SDGs, which have a high degree of affinity with the businesses of the Group, through our business activities.

Specific Initiatives in the Mid-Term Management Plan	key issue	SDGs
<ul style="list-style-type: none"> ○Strengthen initiatives for concessions, PPP and PFI businesses (Participation in waterworks, waste treatment plants, airports/ports, public facilities, etc.) ○Develop new business areas (real estate, agricultural revitalization, etc.) 	1) Promotion of Environmentally Conscious Town Planning	
<ul style="list-style-type: none"> ○Expansion of the renewable energy power generation business ○Expand energy services (ES) business ○Strengthening of Kyudenko EMS Business (Indonesian) 	2) Enhancement of energy-saving and energy-creating technologies	
<ul style="list-style-type: none"> ○Maintain a stable power supply through the construction of power distribution lines ○Increased productivity ○Promotion of research and development of advanced technologies and IT (promotion of labor saving and rationalization) ○Eliminate significant work-related injuries 	3) Ensuring construction quality and safety	
<ul style="list-style-type: none"> ○Strengthen recruitment of engineers (diversify recruitment) ○Reconstruct a development plan that leads to dreams, a sense of achievement, and confidence ○Development of executives and next-generation leaders 	4) Continue stable recruitment and promote human resource development	
<ul style="list-style-type: none"> ○Reduce the turnover rate of young engineers ○Securing holidays and reducing overtime work through thorough work style reforms ○Promoting Diversity 	5) Creating a challenging and rewarding work environment	
<ul style="list-style-type: none"> ○Implement measures to prevent recurrence of fraud ○Strengthening and Thoroughly Implementing a Governance System Based on the Kyudenko Corporate Governance Guidelines 	6) Strengthening and implementing compliance management	