



Prime Market of Tokyo stock exchange : 1959

KYUDENKO CORPORATION

FY ending March 2024

Results briefing

May 16th ,2024

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Overview of business results

Orders

¥440,864 million Year-on-year 100.1%

Sales

¥469,057 million Year-on-year 118.5%

Operating profit

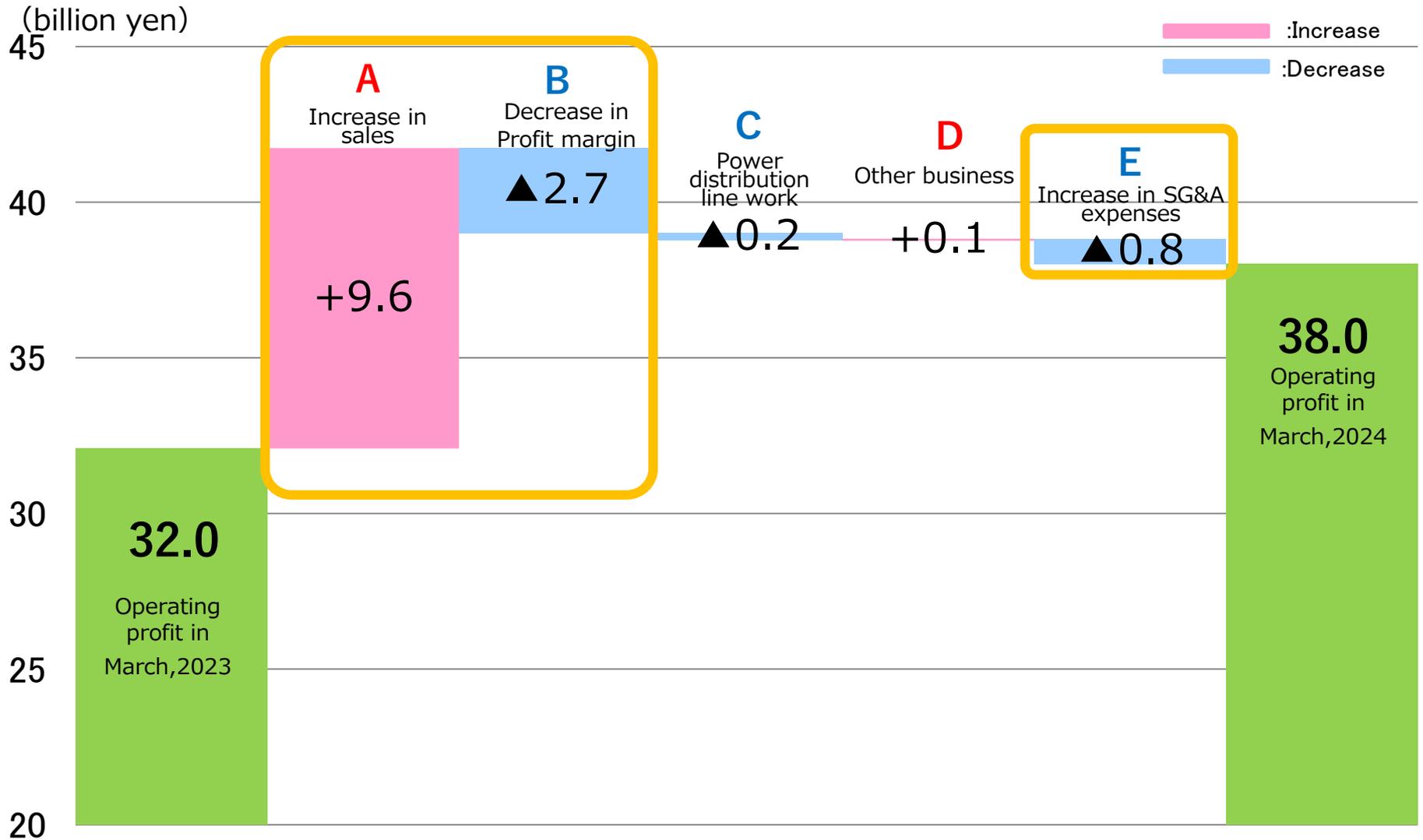
¥38,016 million Year-on-year 118.5%

Outline of P/L March 2024

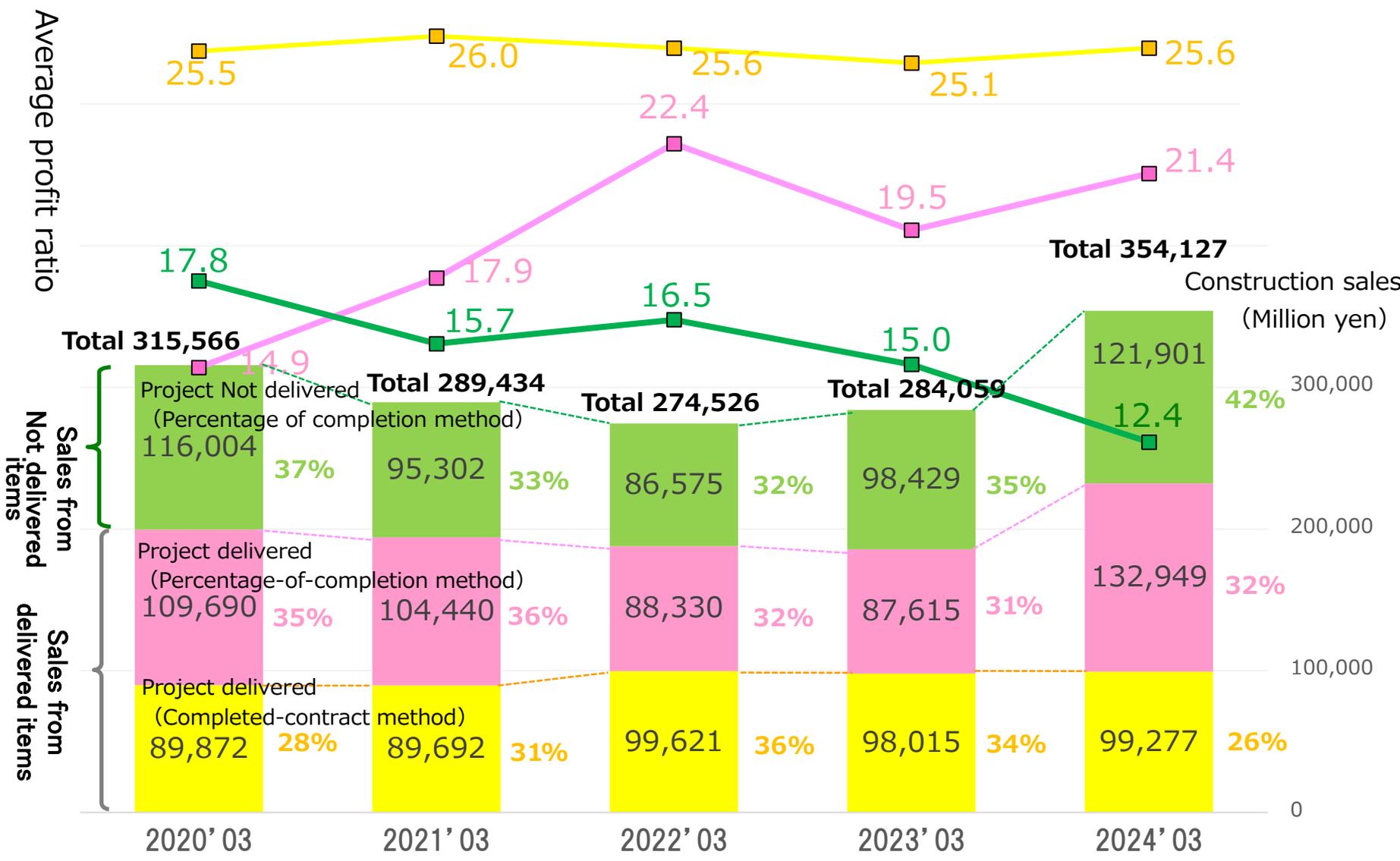
(Million yen)

	March 2023 Result	March 2024			
		Result	Year-on-year	Plan (2023.4.28)	Progress
Sales	395,783 (100.0%)	469,057 (100.0%)	118.5%	460,000 (100.0%)	102.0%
Gross profit	57,889 (14.6%)	64,632 (13.8%)	111.6%	64,500 (14.0%)	100.2%
Operating profit	32,083 (8.1%)	38,016 (8.1%)	118.5%	35,500 (7.7%)	107.1%
Ordinary project	35,462 (9.0%)	42,362 (9.0%)	119.5%	38,000 (8.3%)	111.5%
Net profit	26,349 (6.7%)	28,017 (6.0%)	106.3%	26,500 (5.8%)	105.7%
Net profit per share	¥371.93	¥395.87		¥374.05	

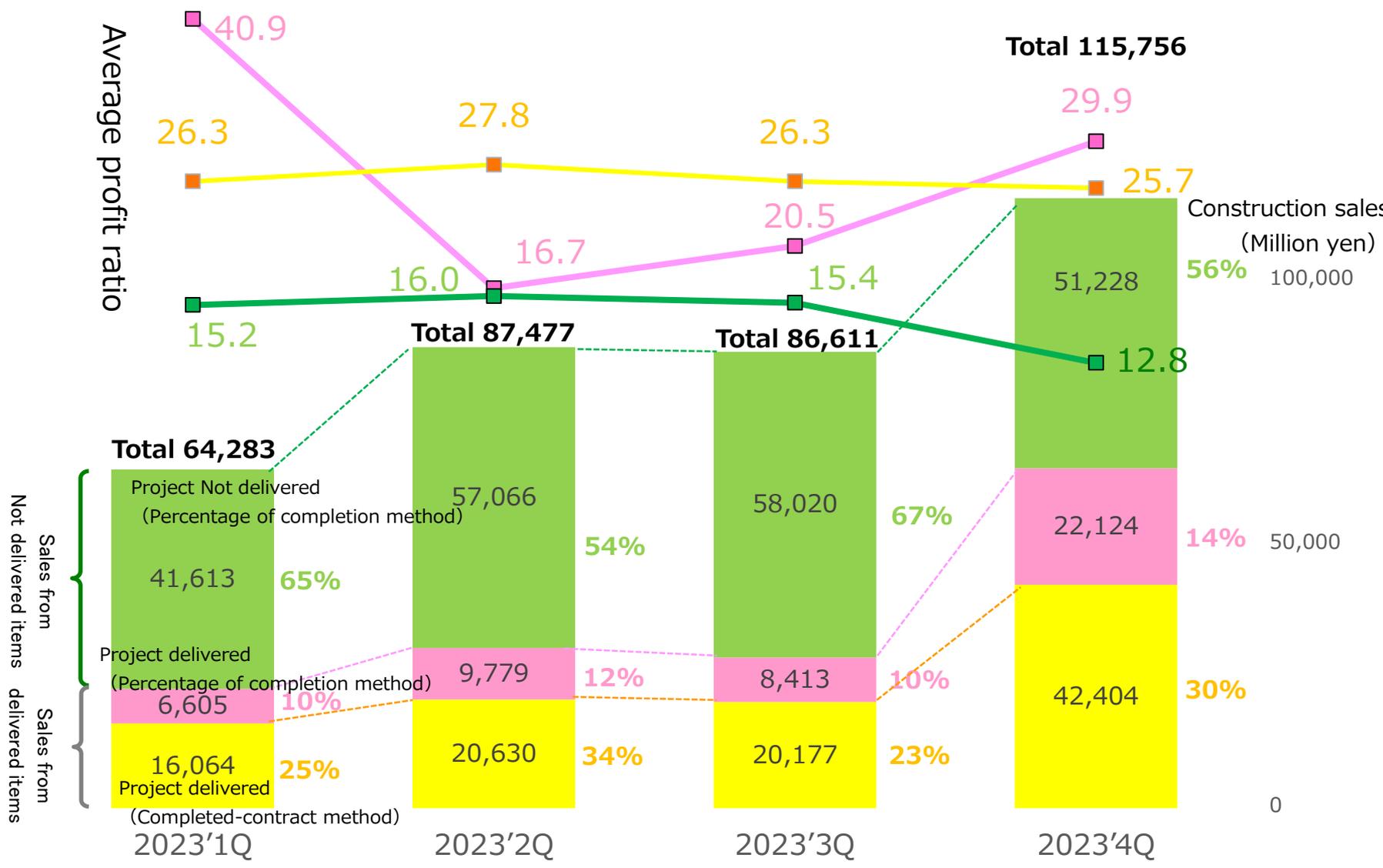
Factors of change in OP March 2024

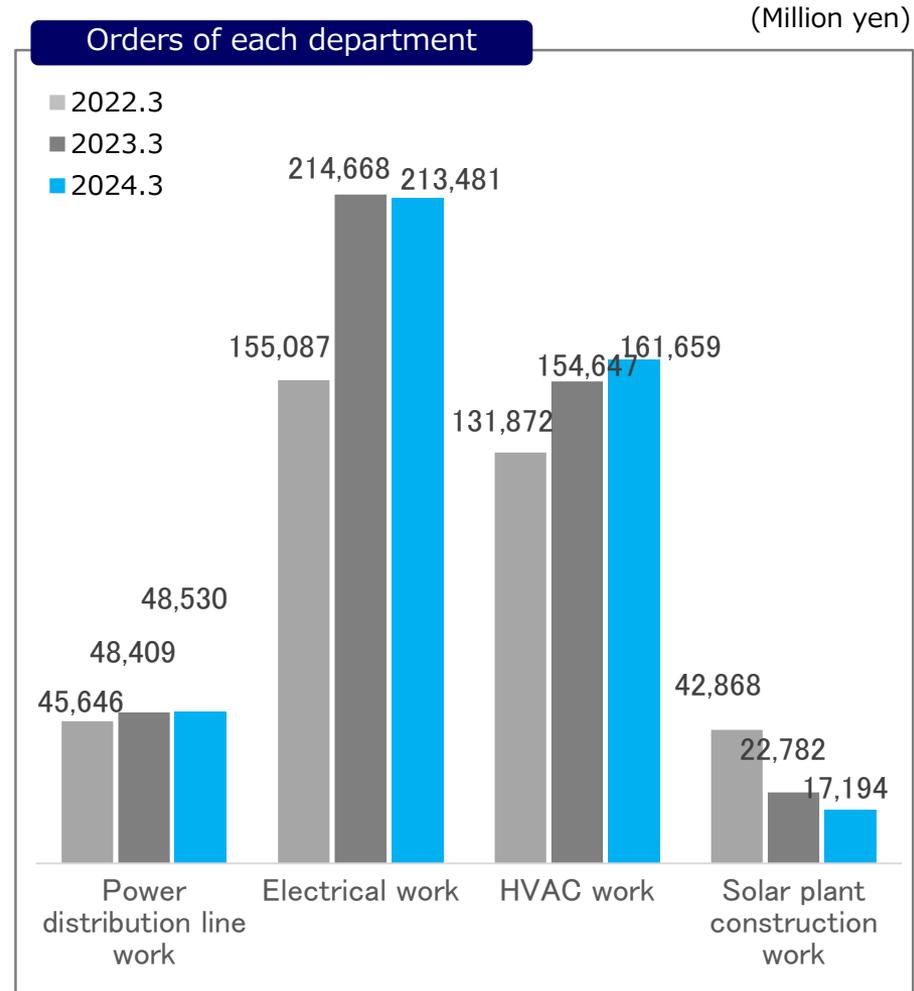
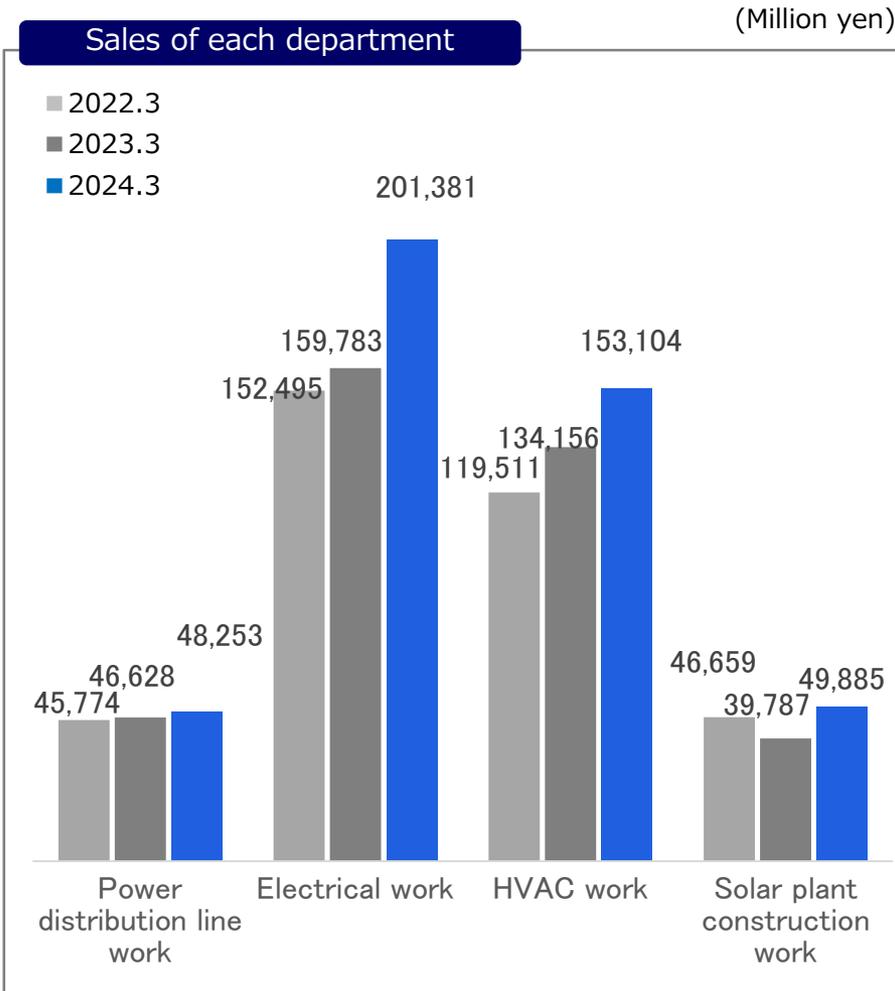


Breakdown of construction sales and average profit margin (Kyudenko individual : excluding power distribution line work)

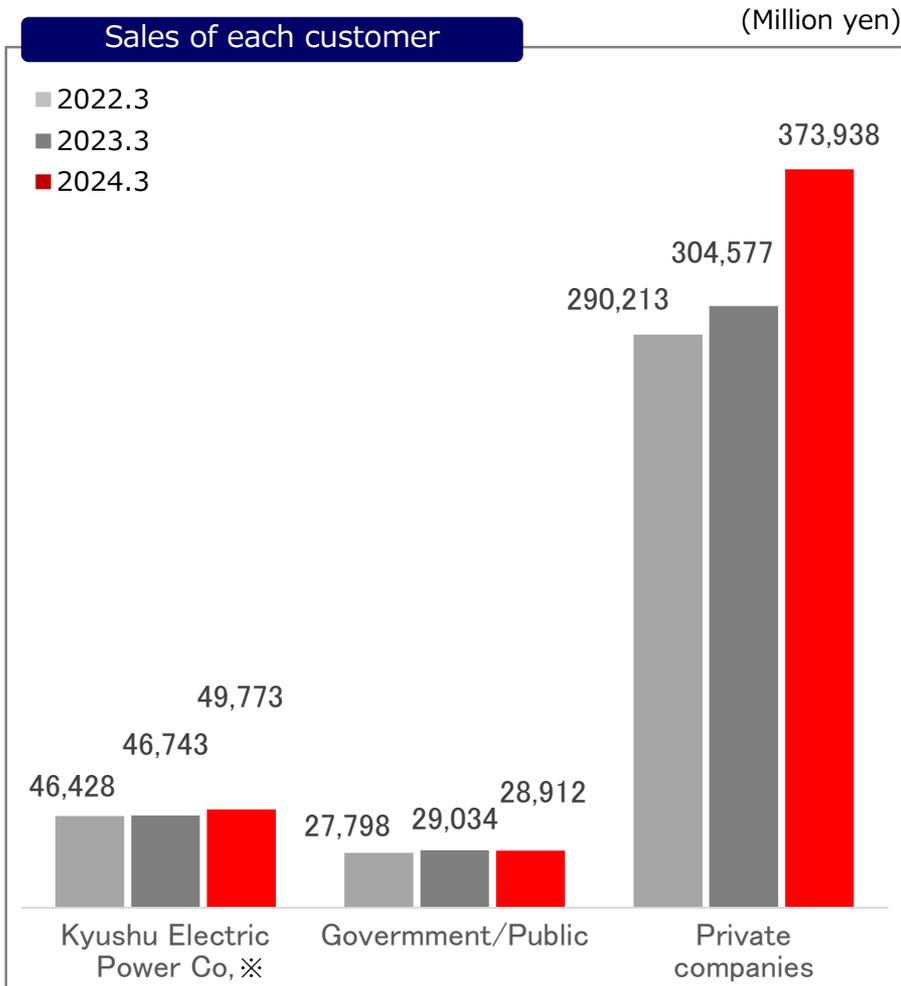


Breakdown of construction sales and average profit margin
 (by quarterly accounting period)
 (Kyudenko individual : excluding power distribution line work)

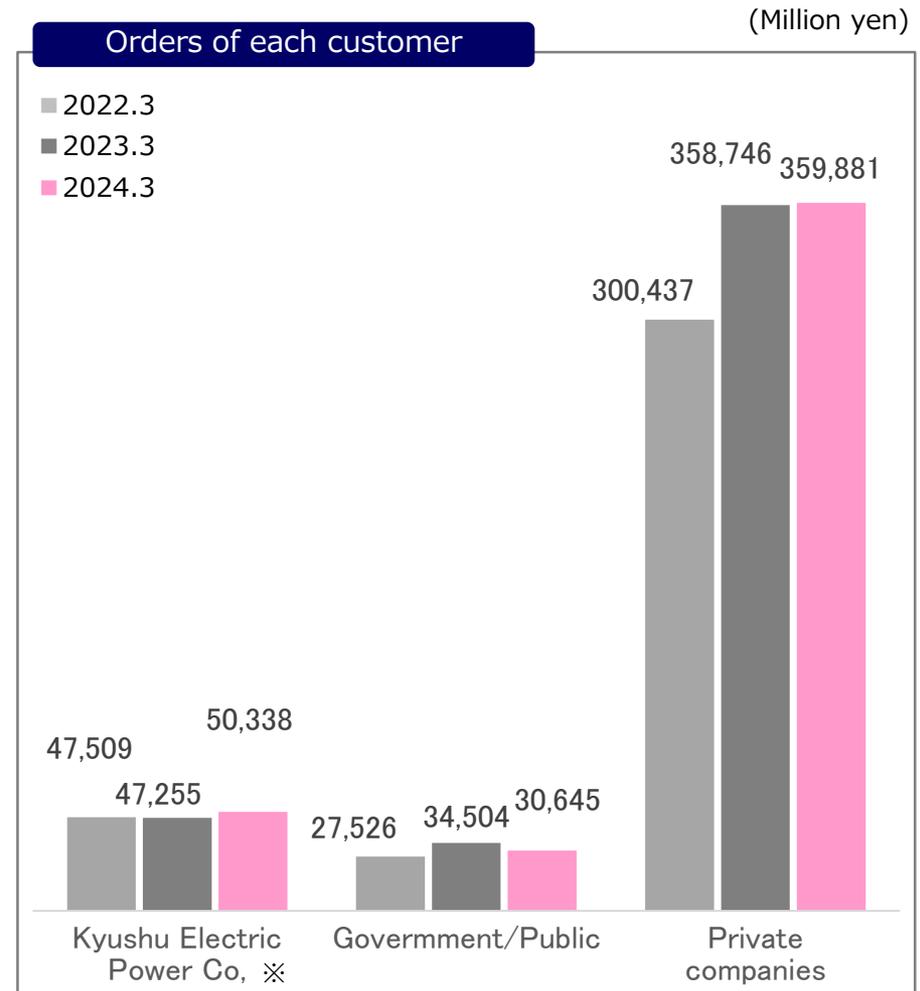




Order received / Sales by customer March 2024



※Including Kyushu Electric Power transmission and distribution



※Including Kyushu Electric Power transmission and distribution

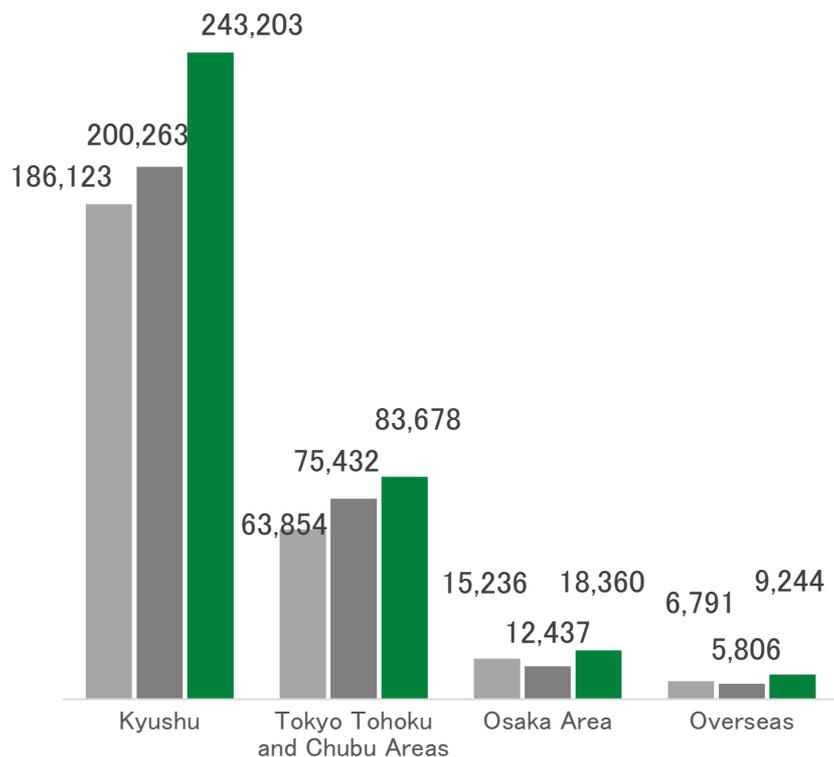
Order received / Sales by region March 2024

(Electrical & HVAC work excluding Solar plant construction work)

Sales of each region

(Million yen)

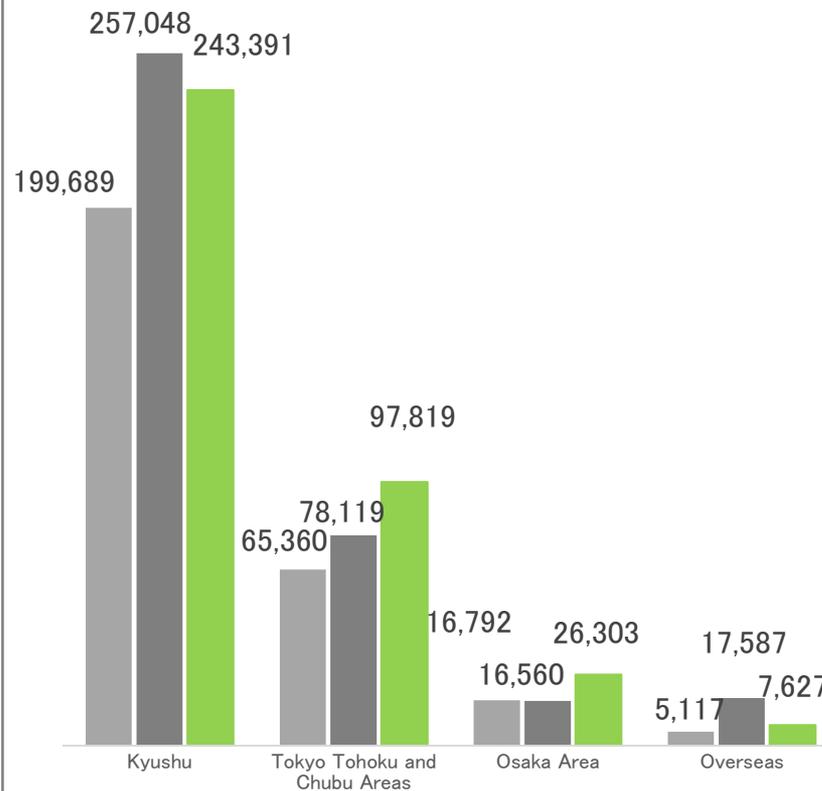
■ 2022.3 ■ 2023.3 ■ 2024.3



Orders of each region

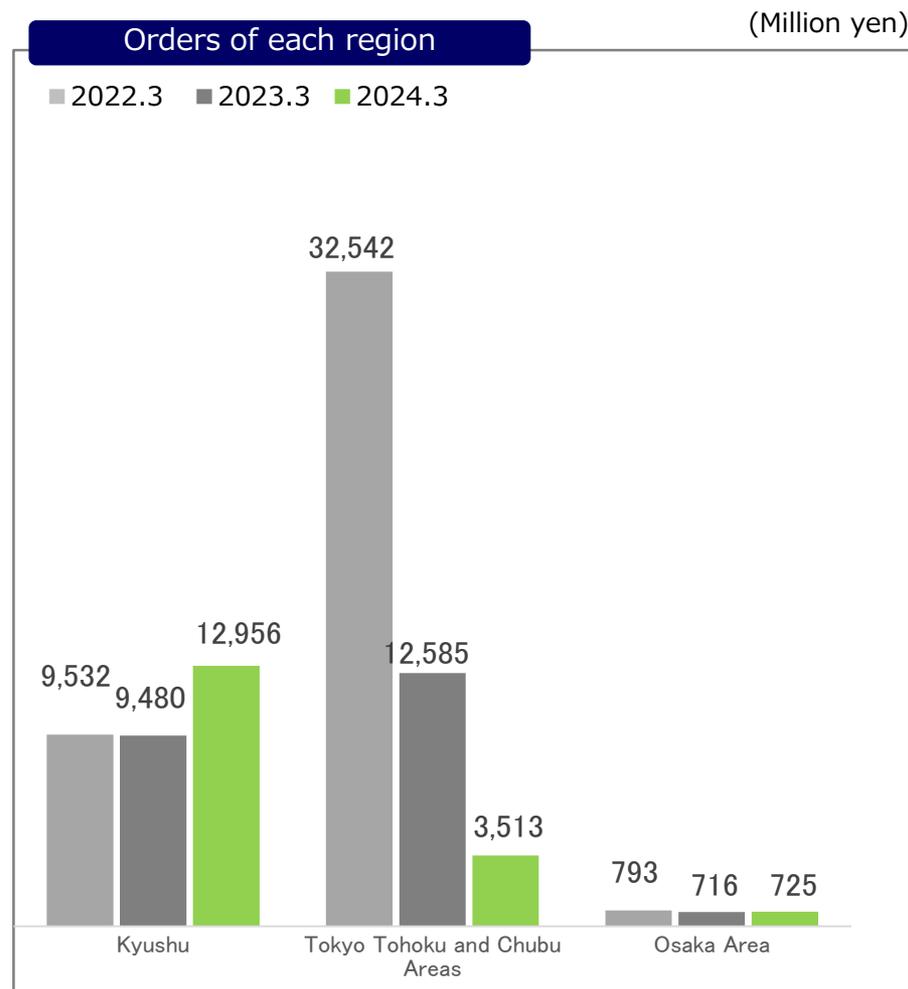
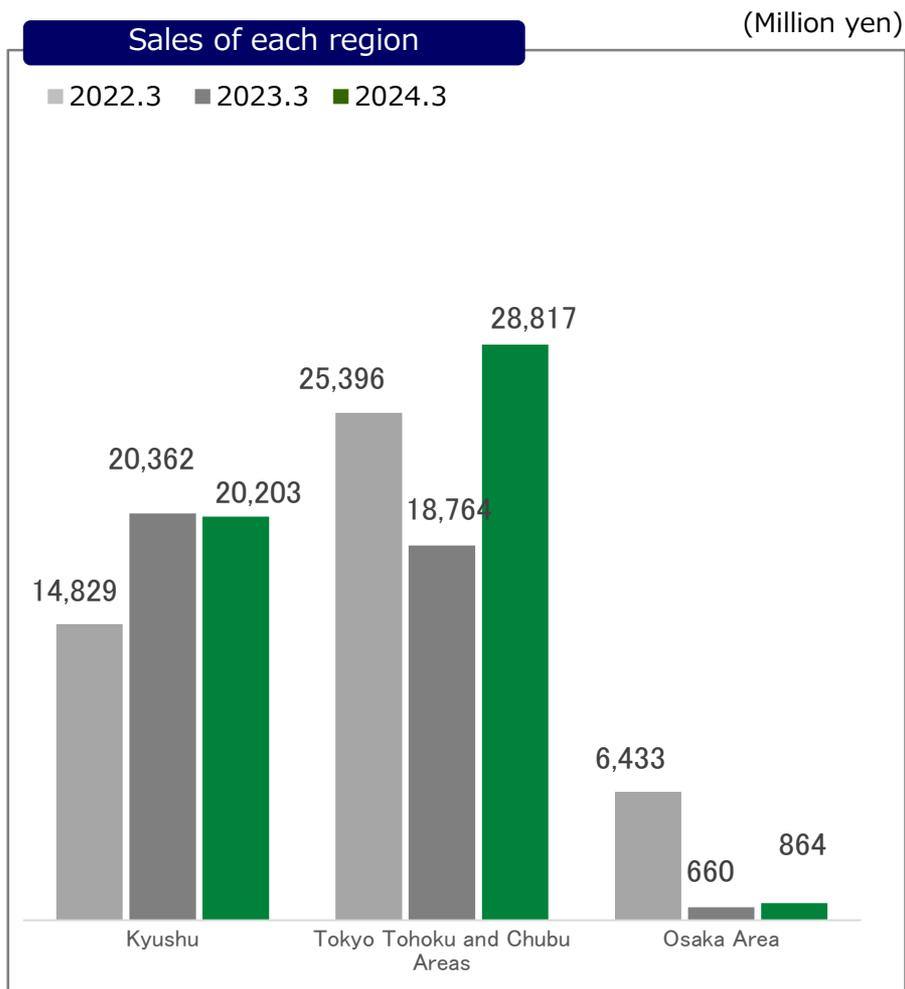
(Million yen)

■ 2022.3 ■ 2023.3 ■ 2024.3



Order received / Sales by region March 2024

(Solar plant construction work)

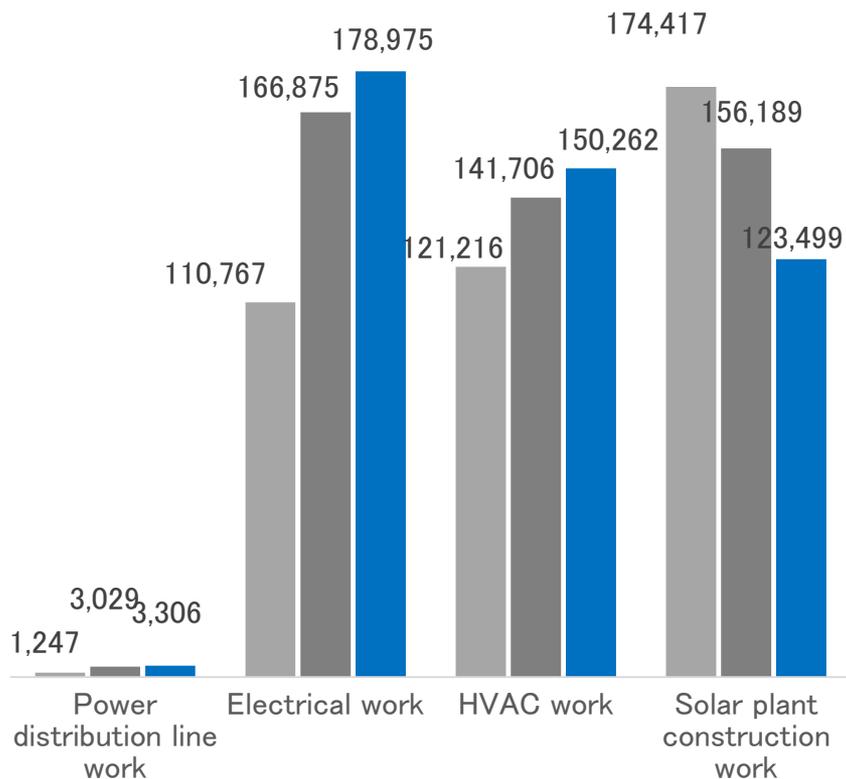


Year-end amount of works on hand

Order stock of each department

(Million yen)

■ 2022.3 ■ 2023.3 ■ 2024.3



New orders in FY ended March 2024



Actual results of works FY March 2024



Solar Power Plants

Deals operated by group

(make capital investment and record the entire operation to other operations sales)
Depreciated at the declining balance method

	Number of power plants	Generation capacity (the entire operation)	Generation capacity (that equal to the equity)
In operation	49	92MW	87MW
Under construction	-	-	-
Plan	-	-	-
Total	49	92MW	87MW

Deals through investment in equity

(acquire investment securities and record an amount equal to the equity to non-operating revenues)
Depreciated at the straight line method

	Number of power plants	Generation capacity (the entire operation)	Generation capacity (that equal to the equity)
In operation	53	746MW	211MW
Under construction	2	575MW	103MW
Plan	-	-	-
Total	55	1,321MW	314MW

Wind Power Plants

Deals operated by group

(make capital investment and record the entire operation to other operations sales)
Depreciated at the Mainly declining balance method

	Number of power plants	Generation capacity (the entire operation)	Generation capacity (that equal to the equity)
In operation	5	45MW	44MW
Under construction	-	-	-
Plan	-	-	-
Total	5	45MW	44MW

Deals through investment in equity

(acquire investment securities and record an amount equal to the equity to non-operating revenues)
Depreciated at the Mainly declining balance method

	Number of power plants	Generation capacity (the entire operation)	Generation capacity (that equal to the equity)
In operation	5	144MW	48MW
Under construction	1	15MW	4MW
Plan	-	-	-
Total	6	159MW	52MW

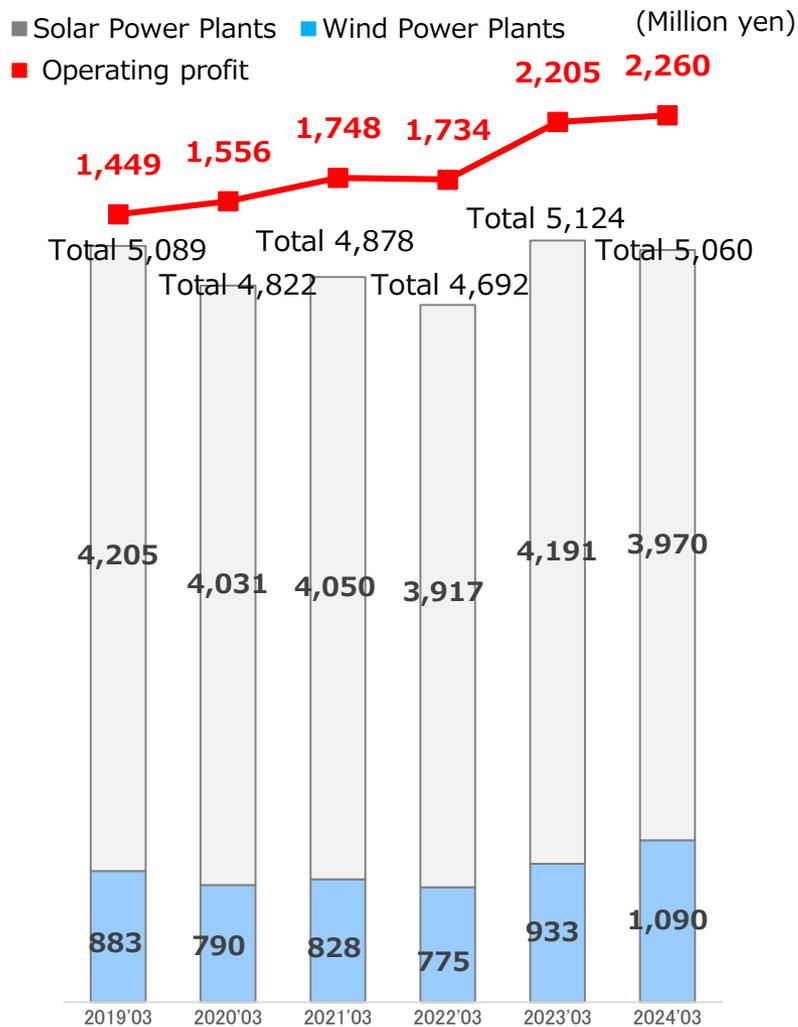
● In this fiscal year, a total of 132 controls on output were issued by Kyushu Electric Power Company.

(In the same period of the previous year, it was 80 controls.)

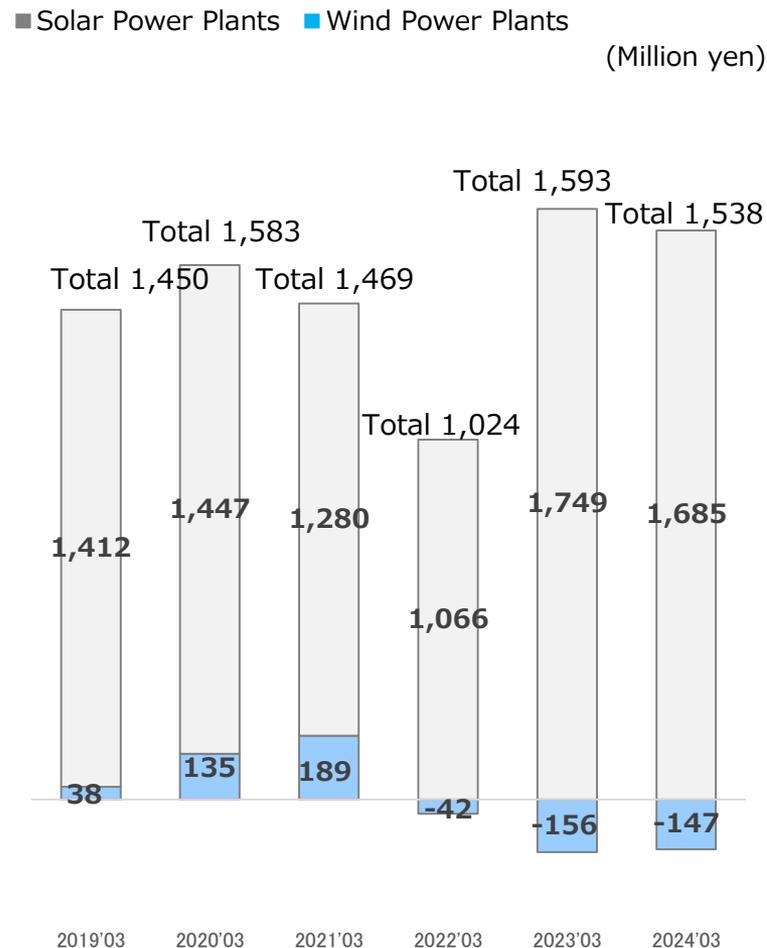
● The number of issued orders has approximately 1.6 times compared to the same period last year, and our power plants have also been affected by the output curtailment.

Investment in Power Operations

Deals operated by group



Deals through investment in equity (Non-operating income)



Outline of balance sheet

(Million yen, composition ratio)

	End of Mar. 2023	End of Mar. 2024	Increase /decrease	Main factors behind increase/decrease
Current assets	278,220 (62.3%)	324,418 (64.4%)	46,197	Cash on hand and in banks+31,013 Trade notes and accounts receivable+15,985 Consumption tax receivable▲4,420
Fixed assets	168,189 (37.7%)	178,865 (35.5%)	10,675	Investments in securities+9,150 Asset for retirement benefits +4,383
Total assets	446,410 (100.0%)	503,284 (100.0%)	56,873	
Current liabilities	141,691 (31.7%)	195,527 (38.9%)	53,836	Electronically recorded debt+19,118 Short-term debt+26,469 Accrued consumption tax+6,105
Fixed liabilities	41,702 (9.3%)	16,630 (3.3%)	▲25,071	Long-term debt ▲27,578 Allowance for loss on business of subsidiaries and affiliates+2,260
Total liabilities	183,393 (41.1%)	212,158 (42.2%)	28,764	
Total net assets	263,017 (58.9%)	291,125 (57.8%)	28,108	Shareholders' equity+19,446 Net unrealized gains on available-for- sale securities+5,381
Total liabilities and net assets	446,410 (100.0%)	503,284 (100.0%)	56,873	

(Million yen)

	Mar.2023	Mar.2024	Details of statement to Mar. 2023
Cash flow from operating activities	17,386	43,969	Profit before income taxes +41,158 Increase in trade payables +20,767 Income taxes paid ▲11,103
Cash flow from investment activities	▲3,113	▲2,314	Purchase of property, plant and equipment ▲1,836 Purchase of investments in securities ▲2,105 Proceeds from sales of investments in securities +3,354
Free cash flow	14,273	41,655	
Cash flow by financial activities	11,615	▲11,032	Repayments of long-term debt ▲1,231 Cash dividends paid ▲8,148
Increase/decrease of cash and cash equivalents	26,060	30,737	
Cash and cash equivalents at the beginning of the period	37,791	63,851	
Cash and cash equivalents at the end of the period	63,851	94,588	

Capital Investment

	FY2023 Mar.	FY2024 Mar.
Capital investment	3.4 billion yen	3.0 billion yen
Facility work	3.0 billion yen	2.8 billion yen
	Replacement of branches , business offices and sanatorium of Kyudenko	Replacement of branches , business offices and sanatorium of Kyudenko
	Machinery and equipment, etc. for constructions	Machinery and equipment, etc. for constructions
Others	Lease contracts on specialized vehicles for construction	Lease contracts on specialized vehicles for construction
	0.4 billion yen	0.2 billion yen
Others	Machinery etc.	Machinery etc.
Depreciation	6.0 billion yen	6.0billion yen

Plan for fiscal year

(Million yen)

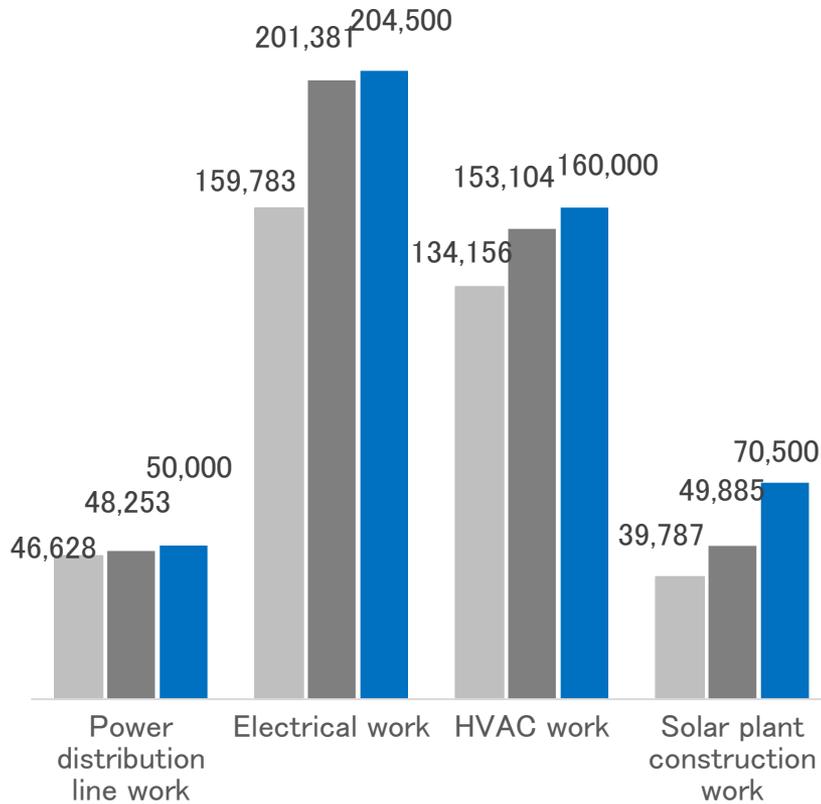
	March 2024 Result	Plan for March 2025	
		March 2025	Year-on-Year
Sales	469,057 (100.0%)	500,000 (100.0%)	106.6%
Gross profit	64,632 (13.8%)	70,500 (14.1%)	109.1%
Operating profit	38,016 (8.1%)	39,500 (7.9%)	103.9%
Ordinary profit	42,362 (9.0%)	43,000 (8.6%)	101.5%
Current (quarter) net profit	28,017 (6.0%)	29,000 (5.8%)	103.5%
Orders	440,864	452,000	102.5%
Current net profit per stock	¥395.87	¥410.02	
Dividends	120円 Interim ¥55 Year-end ¥65	¥130 Interim ¥65 Year-end ¥65	

Orders & Sales plan by department

Sales of each department

(Million yen)

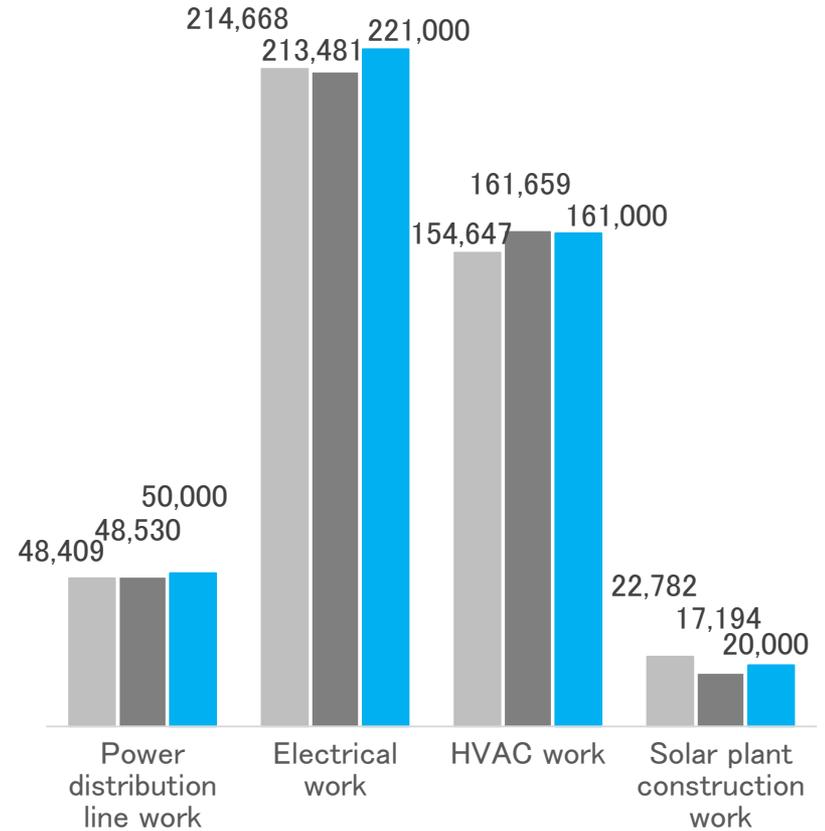
■ 2023.3 ■ 2024.3 ■ 2025.3 (plan)



Orders of each department

(Million yen)

■ 2023.3 ■ 2024.3 ■ 2025.3 (plan)



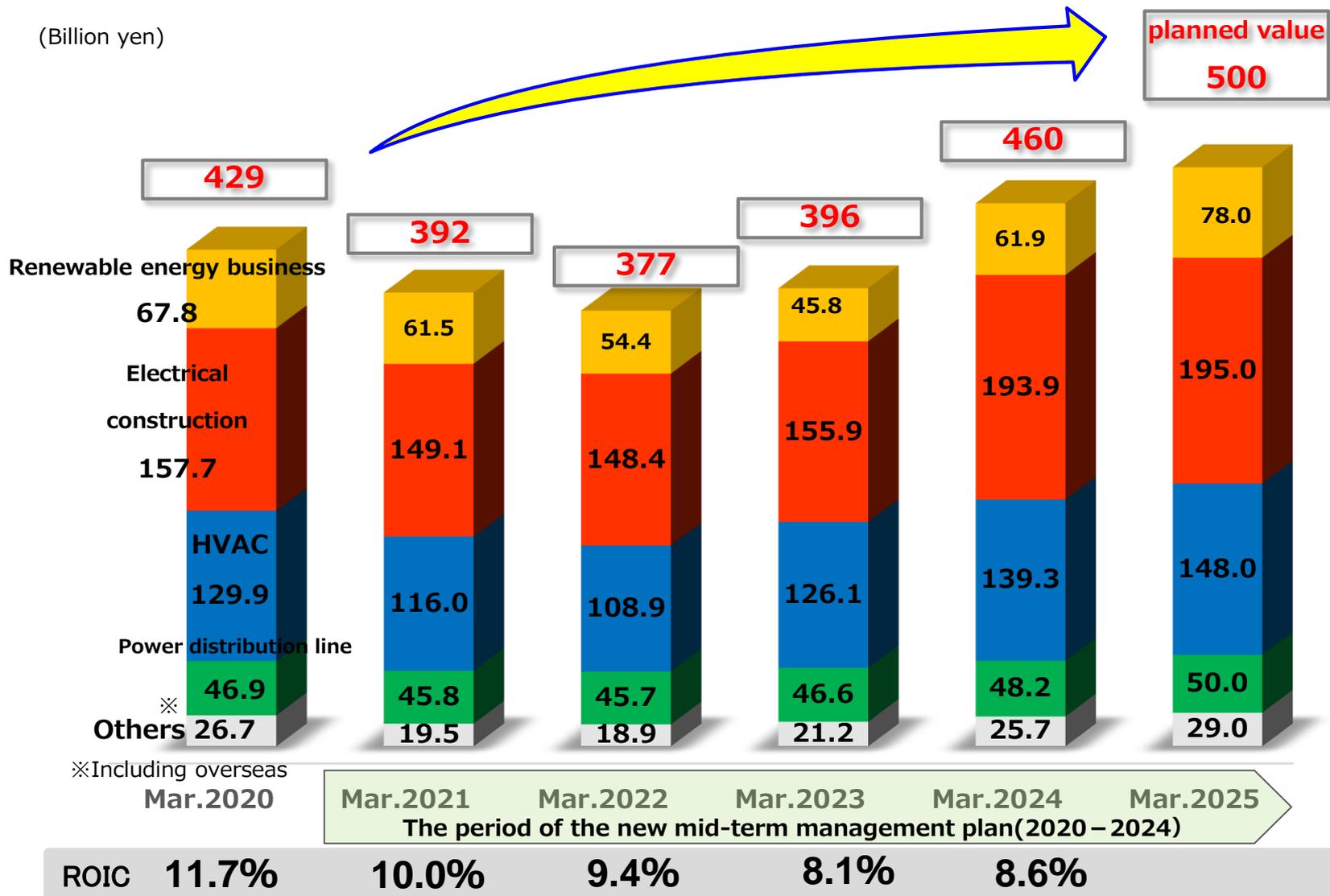
Difference between numerical targets at the time of formulation of the FY2020 Mid-Term Management Plan and the FY2025 Plan

(Million yen)

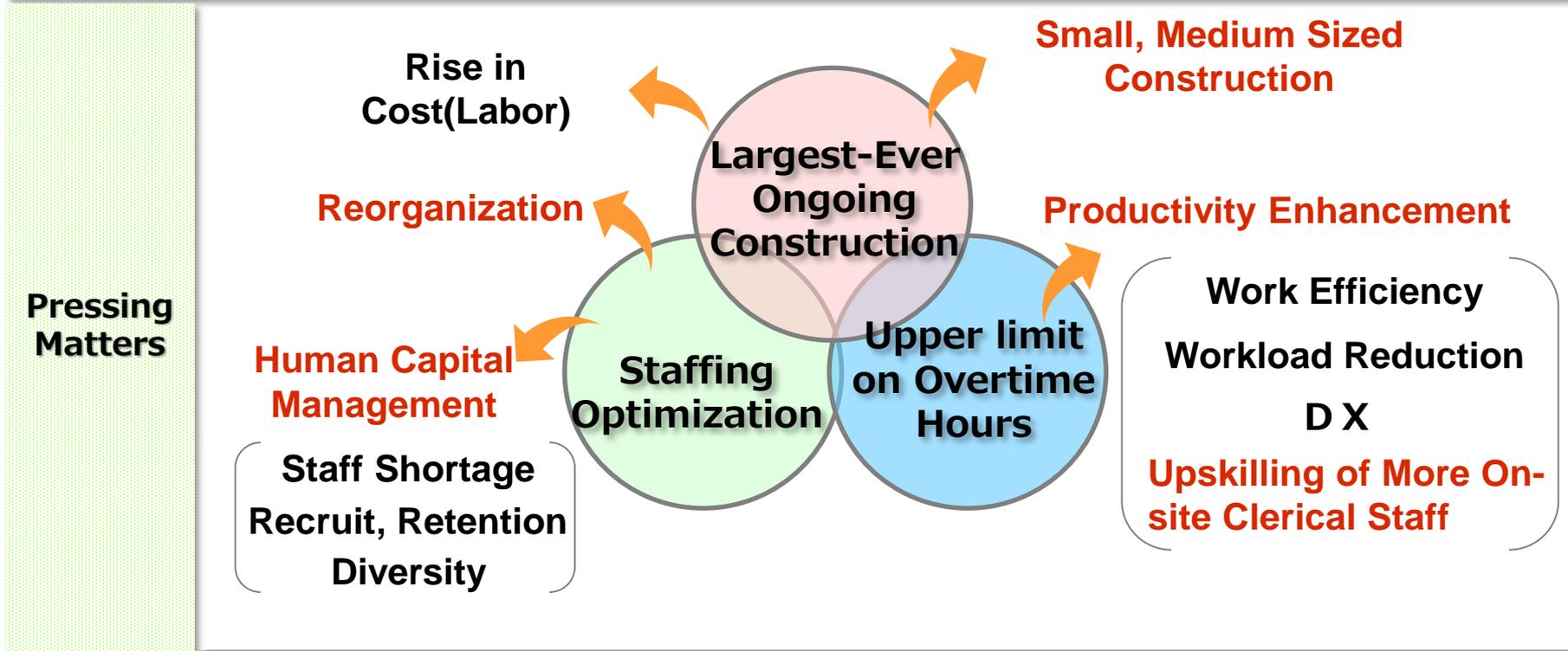
	Numerical targets at the time of formulating the FY2020 Mid-Term Management Plan	The FY2025 Plan	increase and decrease	Note
Sales	500,000	500,000	±0	<ul style="list-style-type: none"> • Decrease in sales in FY2024 due to postponement of orders for large wind power projects ▲50,000 • Due to postponement of full-scale construction of Ukushima Solar, Increase in sales in FY2024 +50,000
Ordinary profit	50,000	43,000	▲7,000	<ul style="list-style-type: none"> • Difference in profit margins between large wind projects and other large solar projects ▲4,000 • Increase in personnel expenses due to compensation improvements, etc, Increase in property costs due to DX-related expenses, etc. ▲3,000
ROIC	More than 10%	-	-	

Road map of sales plan

(Billion yen)



Issues for Final Year



We were working on the above matters in the 4th (FY2023) year but did not solve them at their roots.

These initiatives need to continue to be focused on the 5th (the final) year!!

- The year-end dividend for the fiscal year ending March 31, 2024, is resolved at 65 yen per share, an increase of 10 yen per share from the latest dividend forecast.
- The annual dividend for the fiscal year ending March 31, 2025 is planned to be 130 yen per share.

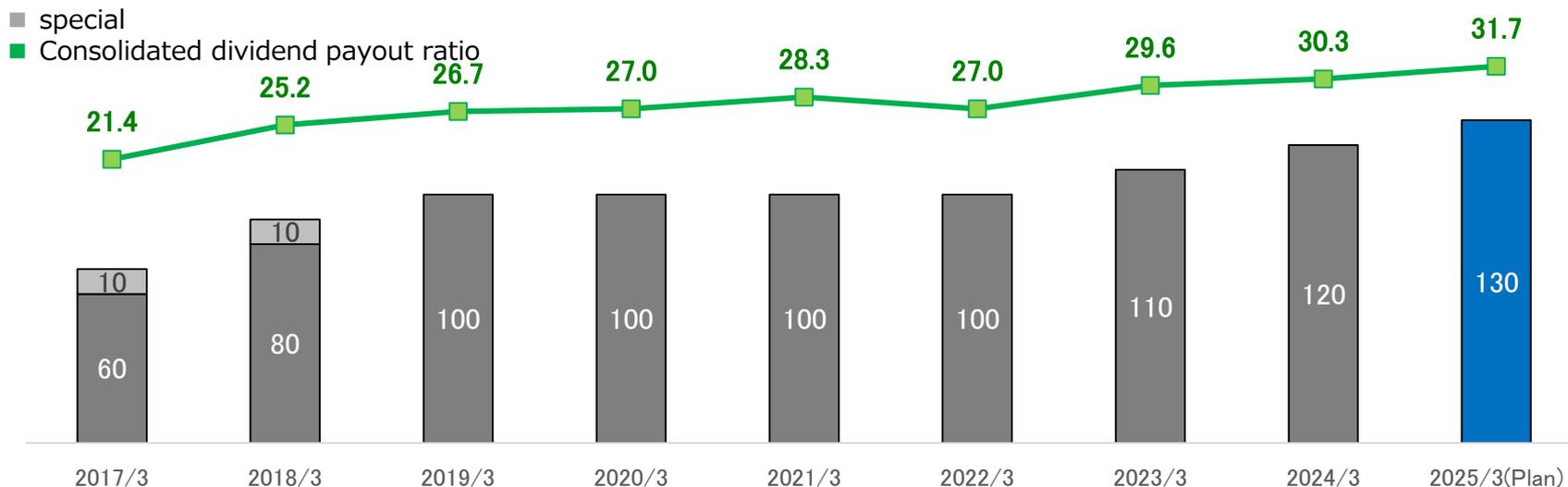
Dividend Policy and Reason for Dividend Increase

With regard to distribution of profits, we seek to keep appropriate financial strength and appropriately return profits to shareholders with an awareness of the cost of capital with strengthening management base for improving operating results and securing internal reserve necessary for further business expansion.

To satisfy expectations of shareholders, we continuously pay a stable dividend with the use of consolidated payout ratio 25% as a guide, comprehensively taking into account business environment, operating results and financial position.

Based on this basic policy, the year-end dividend for the current fiscal year will be increased from the previously announced 55 yen per share to 65 yen per share from the perspective of business performance and shareholder return for the fiscal year ending March 31, 2024.

For the fiscal year ending March 31, 2025, we plans to pay an annual dividend of 130 yen per share (including an interim dividend of 65 yen per share) based on the current earnings forecast and other factors.



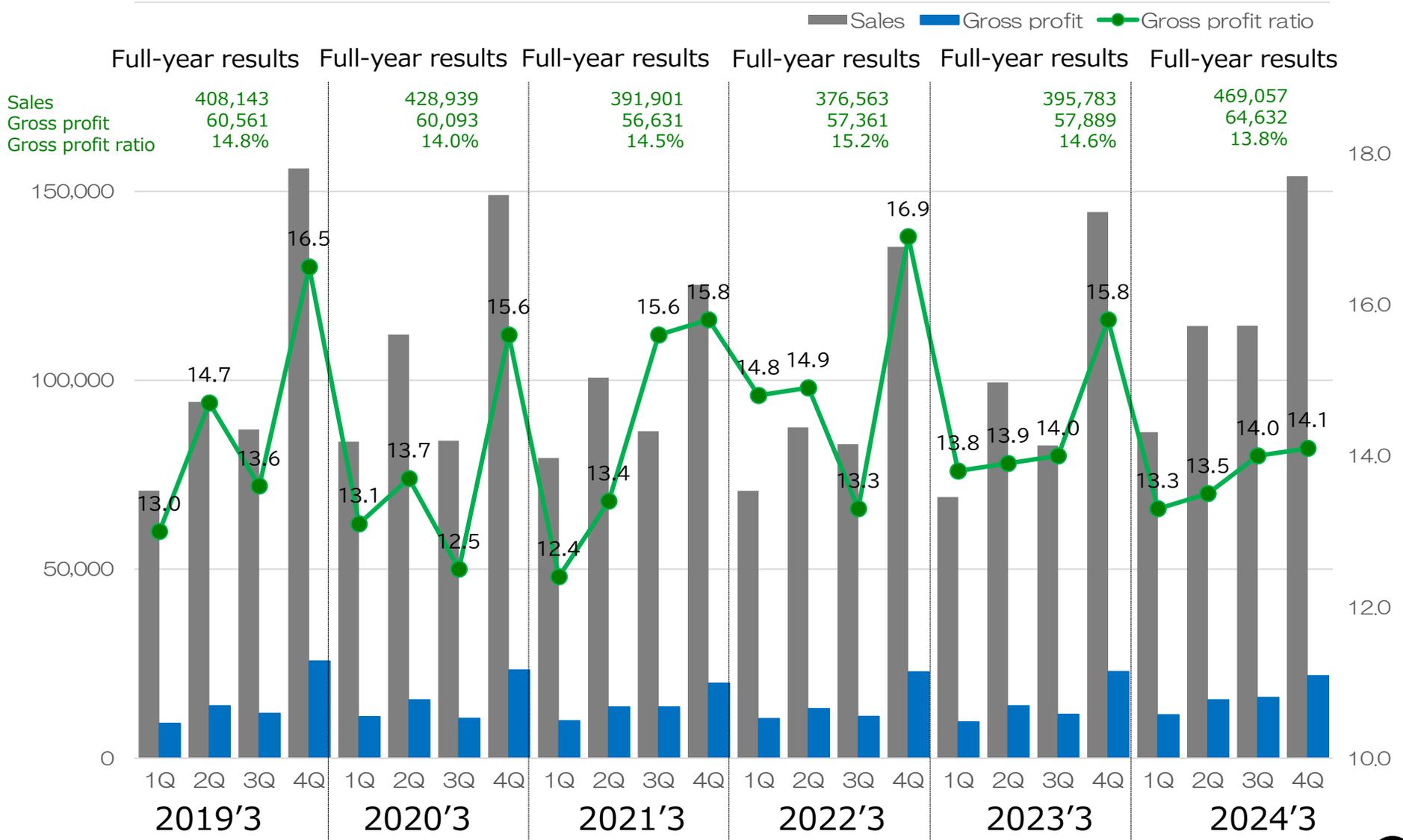
Appendix

Company name	Kyudenko Corporation
Established	December 1, 1944
Capital	¥ 12,561 million
Listed market Code	Prime Market of Tokyo Stock Exchange, Fukuoka Stock Exchange 1959
Head office	1-23-35 Nanokawa, Minamiku, Fukuoka city
Tokyo head office	Sunshine 60 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo
Bases	Head office, Tokyo head office, 13 branches in Japan, 105 sales offices, / 5 overseas subsidiaries
Approval for construction	Approved by Minister of Land, Infrastructure, Transport and Tourism (Sp. 29) No. 1659
Number of employees	Consolidated: 10,687persons (March 31, 2024)

Sales and gross profit (quarterly accounting period)

(Sales , gross profit : million yen)

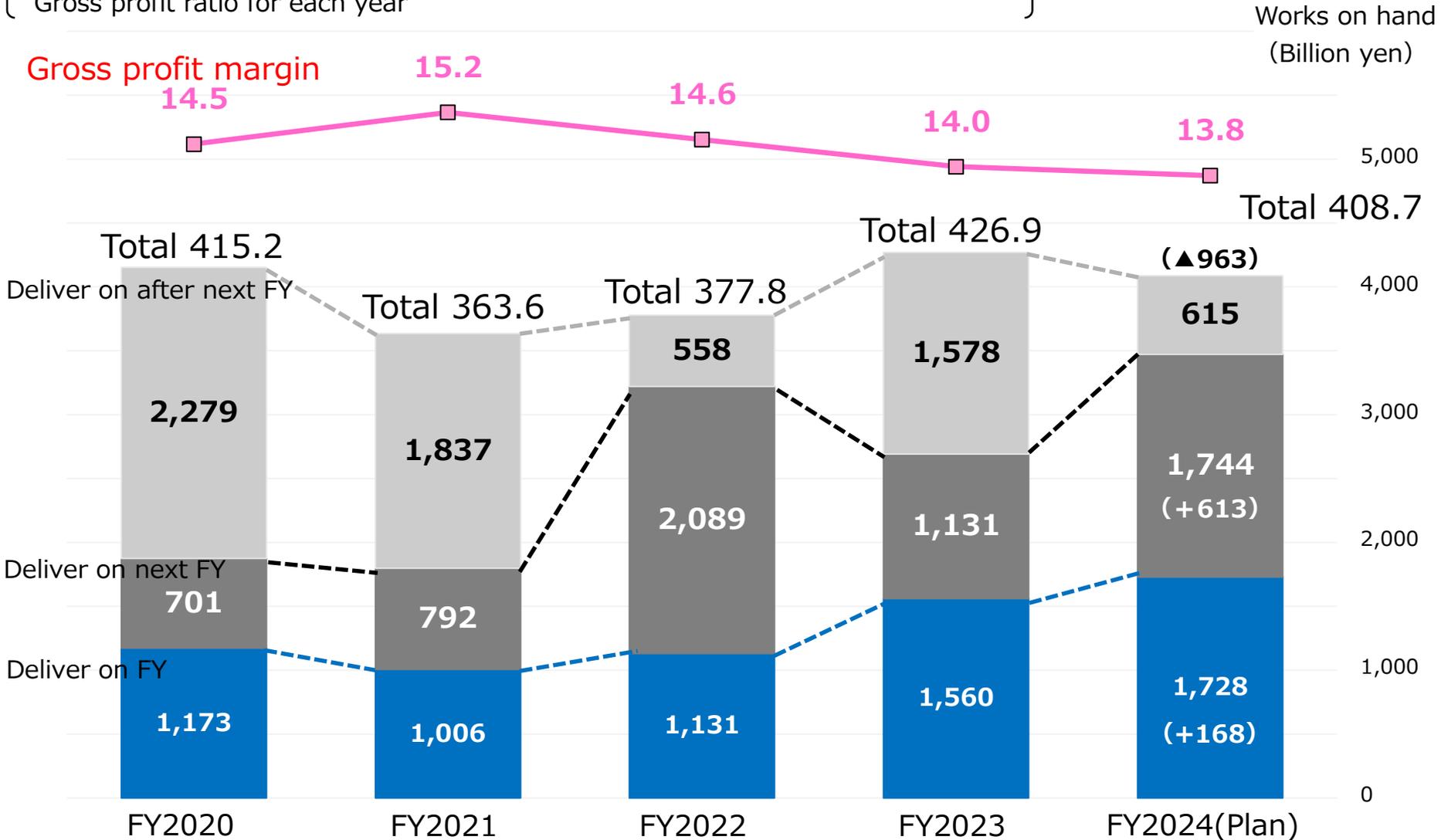
(Gross profit ratio : %)



Analysis of works on hand

(Kyudenko individual : excluding power distribution work)

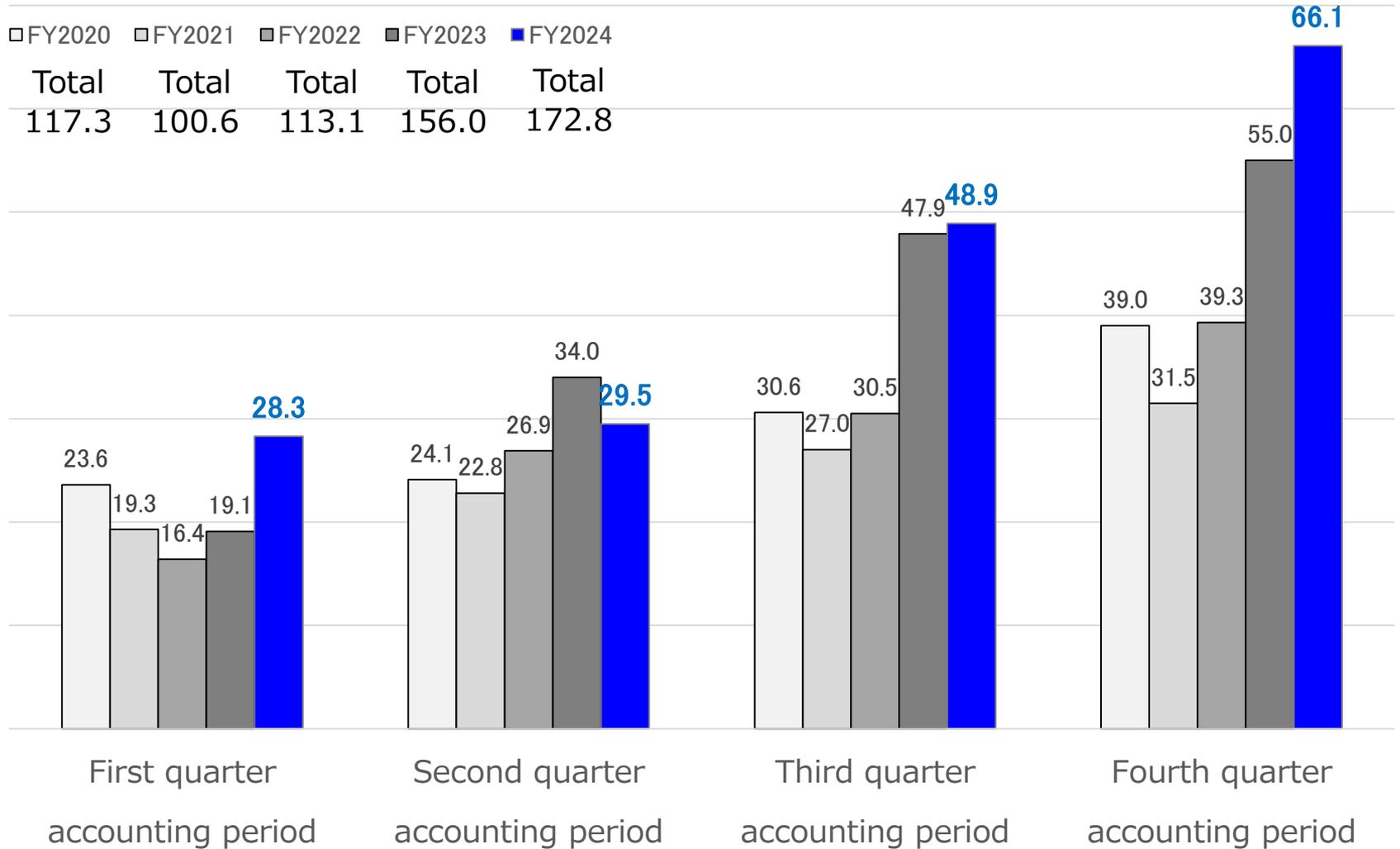
Opening amount of construction works on hand by delivery schedule timing and
Gross profit ratio for each year



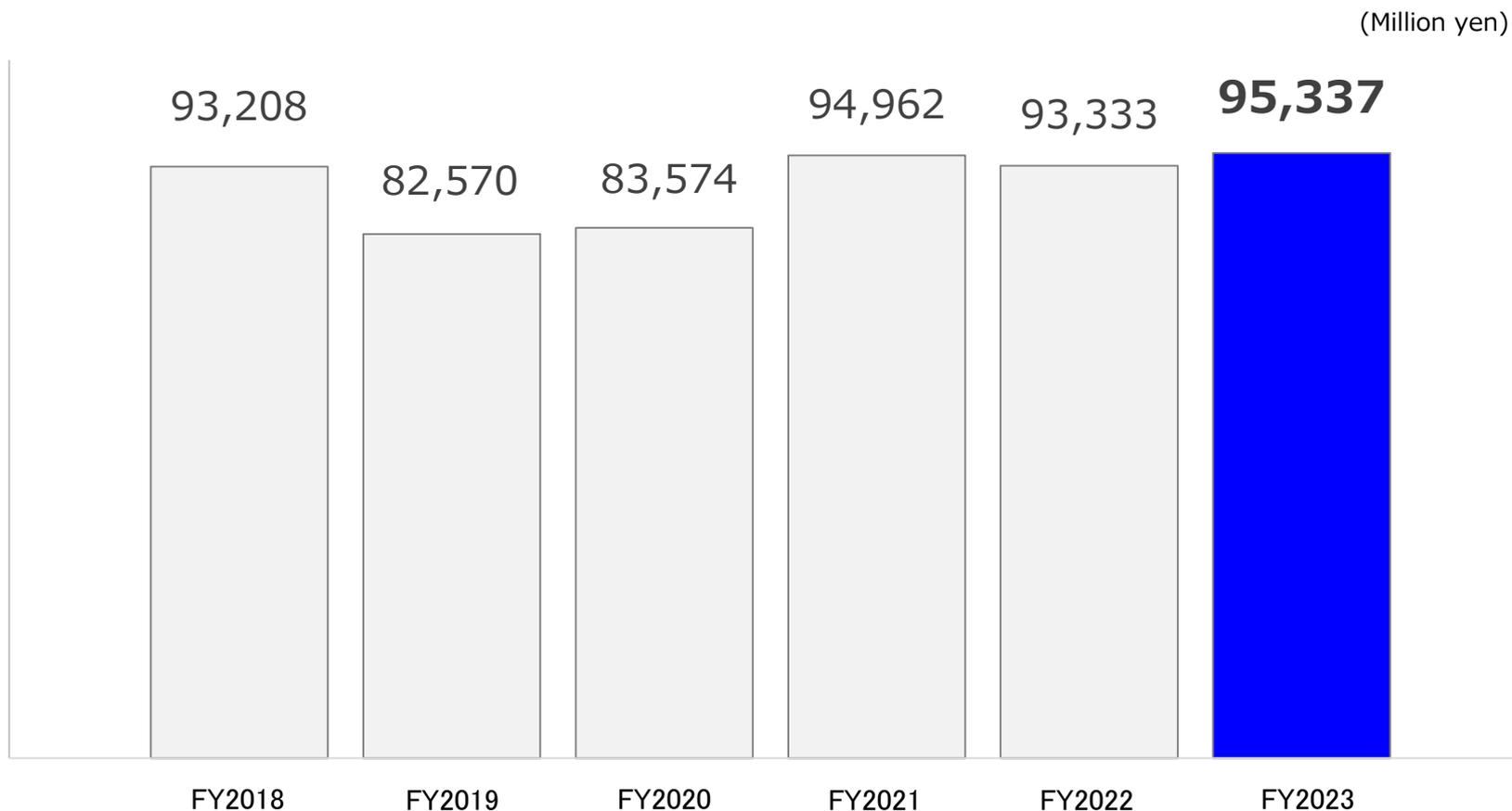
Scheduled delivery amount by quarterly accounting period [Opening time] (Kyudenko individual : excluding power distribution work)

{
}
 Opening amount of construction works on hand of quarterly accounting period
 Scheduled delivery amount
 (Billion yen)

	FY2020	FY2021	FY2022	FY2023	FY2024
Total	117.3	100.6	113.1	156.0	172.8



- Orders for small- and medium-sized projects (contract amounts of less than 100 million yen), which have short construction periods and relatively high profit margins, are shown.



- **"Promotion of Environmental Management"** was added as a new issue to be addressed. While incorporating environmental management and CSV management into our management strategy, we will adapt to an environment that is changing at an unprecedented pace.

Three reforms



Reform of construction capability

- Strengthen hiring of engineers based on a long-term workforce plan
- Reduce the turnover rate of young engineers by reviewing technical education
- Establish a system to ensure the timely and optimal deployment of all technicians
- Review the construction management system by strengthening and utilizing the Technology Management Department
- Promote multifunctional workers



Reform of productivity

- Review the 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
- Realize business reforms



Reform of governance

- Strengthen and thoroughly implement a governance system

Issues continuing from the previous Mid-term Plan

- Deepen measures to improve profit margins
- Strengthen and expand the order base of the domestic facility work industry
- Strengthen the profitability of power distribution line work
- Develop new business areas
- Create an attractive workplace environment
- Increase in corporate value

New Issues to be addressed

- Promotion of Sustainability Management
- Thorough management of progress in major projects

Actual results of recruitment of human resources (Kyudenko individual) and actual number of personnel at the end of the fiscal year

《 Actual results of periodic recruitment of engineers and skilled persons 》

	2017	2018	2019	2020	2021	2022	2023	2024
Total engineers and skilled persons	344	384	342	336	387	306	259	292
High school graduates	248	271	253	253	263	225	187	196
University graduates	96	113	89	83	124	81	72	96

《 Comparison in actual results of recruitment for April 2024 with other companies 》

	Kyudenko	Large electrical construction companies	Large HVAC companies	Super general constructors
Total in all professions	329	330~420	50~130	360~430
High school graduates	205	Around 240	Around 10	Around 60
University graduates	124	90~190	40~130	340~400

《 Actual number of personnel at the end of the fiscal year through March 31, 2024 》

	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023	Mar. 2024
Electrical work department	2,274	2,359	2,468	2,519	2,563
HVAC work department	1,138	1,188	1,212	1,202	1,216
Year-end workforce of electrical and HVAC	3,411	3,547	3,680	3,721	3,779
Power distribution line department	1,642	1,566	1,519	1,471	1,437
Other	1,446	1,469	1,508	1,516	1,514
Employees of single Kyudenko	6,500	6,582	6,707	6,708	6,730
Employees of group	10,018	10,198	10,528	10,626	10,687

■ Total 8,700 employees in technical field of total 10,700

(Kyudenko)

(Subsidiaries)

Number of site technicians

About 2,100

+

About 2,100

=

About 4,200

Number of construction managers

About 3,200

+

About 1,300

=

About 4,500

Acceleration of Work Style Reform

■ In April 2023, "Work Style Reform Department" was established as an organization directed by the President.

- (1)Based on the Workplace Reform Action Plan, scrutinize the contents of the implementation plans and manage some progress.
- (2)Establish a support system for construction personnel belonging to sales offices.
- (3)Plan and execute staffing some administrators to large job sites.

< Work Style Reform Action Plan (excerpt) >

項目	対策	実施内容	
Personnel Measures	①Deploy staff to large job sites	①-1 Deploy technicians	<ul style="list-style-type: none"> • Deploy head office technical staff to branch offices ahead • Deploy materials staff • Deploy technical staff • Deploy safety management staff
		①-2 Deploy administrators	<ul style="list-style-type: none"> • Deploy administrative staff from head and branch offices to large job sites
	②Assign staff to sales offices (to handle small and medium-sized construction projects)	②-1 Deploy technical staff ②-2 Deploy, train, and hire clerical employees	<ul style="list-style-type: none"> • Deploy clerical employees belonging to branch offices to technical work • Switch clerical work in branch offices to temporary employees
Work Improvement	③Revise the policy to secure personnel	③-1 Work location selection ③-2 Contract rehiring ③-3 Mid-career hiring	<ul style="list-style-type: none"> • Establish area type: new scheme • Extend reemployment period • Ease hiring criteria
	④Transfer task	④-1 Transfer construction manager's tasks to other departments	<ul style="list-style-type: none"> • Safety (ex. Training, etc.) • Sales (ex. receive order sheet, and issue invoices, etc.) • Affairs (ex. manage materials, subcontracting, expenses, etc.)
	⑤Reduce workload	⑤-1 Engineer's workload ⑤-2 Administrator's workload	<ul style="list-style-type: none"> • Review business processes (ex. Preparing documents, etc.) • Review the number of meetings and their members • Review Kyudenko Academy's training programs (ex. enrich and streamline the contents) • Review how engagement surveys should be conducted
	⑥Improve productivity (ex. paperless, etc.)	⑥-1 Operational efficiency through DX	<ul style="list-style-type: none"> • Use electronic official seals and review payment process. • Introduce and utilize P/L management system. • Digitize construction project documents (including contracts with subcontractors)

Basic Policy on Diversity Promotion

Based on our Corporate Philosophy and Charter of Corporate Behavior, we believe that our greatest management resource is our human resources. By respecting and utilizing diversity as a strength of our organization, we aim to create new value and enhance our competitiveness. We are committed to promoting diversity by setting the following goals. Through these efforts, we will contribute to the achievement of the SDGs (Sustainable Development Goals).

Corporate Philosophy

1. We contribute to society through providing agreeable environmental solution.
2. We keep challenging for sustainable development through our engineering strength and create a new value.
- 3. We aim to create mutual respecting environment in Kyudenko which utilize and develop employees' personality.**

Charter of Corporate Behavior

1.
- 4. By realizing employee comfort and affluence, we will ensure a safe, easy-to-work-in, and open workplace environment, and create a bright and energetic corporate culture that respects the personality, individuality, and diversity of our employees.**
10.

Basic Policy on Diversity Promotion



What we aim for

- 1. We will create a corporate culture that respects and utilizes diversity.**
We will create a corporate culture that respects and recognizes diversity in terms of gender, age, disability, race, ability, values, sexual minorities, etc., and maximizes its use as an organizational strength.
- 2. Fostering diverse human resources and promoting their activities.**
We will promote the hiring, training, and promotion of diverse human resources, and support diverse career development and skills development.
- 3. We will create an attractive work environment that is rewarding and challenging.**
We will strive to improve engagement by creating a workplace environment in which employees want to work and continue to work, including an environment in which each employee can maximize his or her abilities and in which diverse and flexible work styles are possible.

Basic Policy

Based on the corporate philosophy, the Kyudenko Group will create a sustainable society and improve the corporate value of the Group by solving social issues through its business activities.

■ Important issues (materialities)

Social Issues		Important issues (materialities)	SDGs	Orientation of measures
Environment (E)	Climate change Decarbonized society Energy	Contribute to the spread and expansion of clean energy		Promote energy creation related construction and projects (solar, wind, biomass, PPA, EMS, etc.)
		Contribute to energy conservation		Promote energy saving related construction (proposals for energy efficiency improvement (ES) construction, EV charging equipment, ZEB, energy saving equipment, etc.)
		Kyudenko to achieve carbon neutrality by 2050		Respond to TCFD and reduce our own CO ₂ emissions
Society (S)	Diversity Labor practices Employment Human rights	Create an environment that embraces diverse values and maximizes individual capabilities		Promote diversity and inclusion, build diverse and flexible ways of working, and respect human rights
		Occupational safety and health		Eliminate critical disasters, promote health and productivity management, improve employee engagement
	Education and training	Strengthen the overall human capacity (business performance, human capacity, creativity (thinking skills))		Strengthen human resource development and build diverse career maps
	Communities	Maintain and develop local infrastructure through stable supply of electricity and facility work, etc.		Maintain and develop social infrastructure through existing businesses
	Disaster prevention	Use our technical capabilities to contribute to infrastructure development that is resistant to natural disasters		Disaster-resistant urban development, disaster recovery, support for areas affected by disasters, community contribution activities
	Innovation	Create new value through technical development and active collaboration		Create new business areas, improve productivity, promote investment in DX and technology development, promote open innovation, promote M&A
	Waste	Contribute to the formation of a circular society		Promote 3R (reduce, reuse, recycle), promote green purchasing
Governance (G)	Organizational governance Anti-corruption Compliance Fair business practices Anti-competitive behavior	Implement fair and transparent business practices		Enhance corporate governance, ensure compliance, implement information security management, strengthen risk management, ensure fair transactions in the supply chain

Medium- and Long-term Objectives for Environmental Management



2030 : Reduce CO2 emissions intensity per sales of completed construction by at least 50% (compared to 2013)

2050 : Achieve carbon neutrality

[Action items toward achieving these goals]

- Introduction of EMS into Kyudenko Academy
- Environmentally friendly capital investment in equipment related to office buildings
- Deployment of EVs and chargers (special vehicles for construction that cannot be replaced are not eligible)
- Utilization of graduate feed-in tariffs (FITs) (assets at the end of project period)
- R&D through industry-academia collaboration

CO2 emissions volume

	Unit	FY2013(1)	FY2019	FY2020	FY2021	FY2022(2)	(2) - (1)	FY2030
Scope 1	t-CO2	9,059	7,670	6,816	6,947	7,454	▲1,605	—
Scope 2	t-CO2	5,677	5,094	5,163	5,262	6,080	+403	—
Kyudenko (non-consolidated) / total	t-CO2	14,736	12,764	11,979	12,209	13,534	▲1,202	—
Net sales	100 million yen	2,597	3,651	3,374	3,226	3,330	+733	—
Intensity	t-CO2/100 million yen	5.67	3.50	3.55	3.78	4.06	▲1.61	2.83
Intensity unit reduction rate (compared with FY2013)	%	—	▲38.2%	▲37.3%	▲33.3%	▲28.3%	—	▲50%

Scope1: Direct greenhouse gas (GHG) emissions generated by business activities

Scope2: Indirect emissions resulting from the use of electricity, heat, and steam supplied by external entities

Scope3: Indirect emissions other than Scope 1 and Scope 2 (emissions by other companies related to the activities of the Company)

Intensity: (Scope 1 + Scope 2) / Kyudenko's non-consolidated net sales (t-CO2/100 million yen)

*The Company will work to expand the scope, including Scope 3

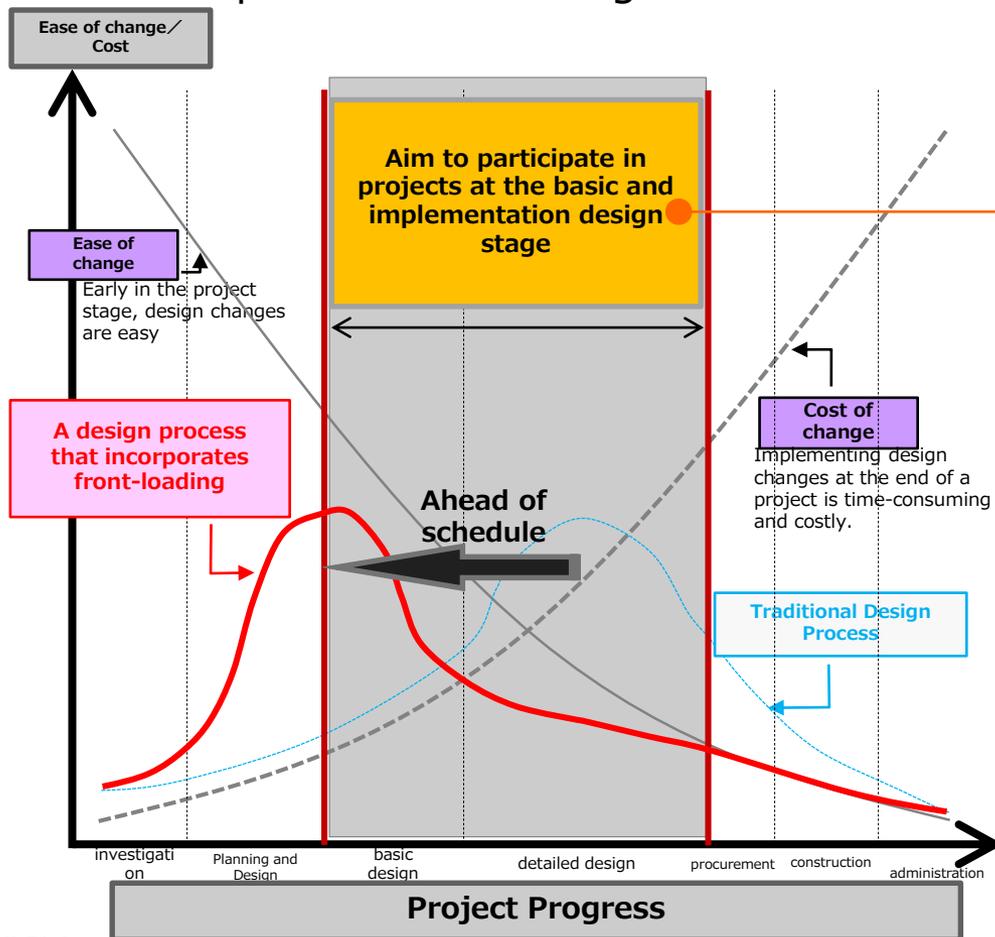
Specific measures to improve the profit margin (excerpt)

Factor	Measures	
1 .Cost increase caused by exceeding the planned labor and material cost after receiving an order.	A. Forecasting the busyness peak of construction	<ul style="list-style-type: none"> Forecasting the peak of busyness in the whole construction period, make an input plan for workers early and start the arrangement. Review the plan in a timely manner and make adjustments throughout the company.
	B. Measures for increase of construction cooperation companies' labor costs.	<ul style="list-style-type: none"> Close relationships with construction cooperation companies planned order and allocate appropriate personnel, suppress labor costs increase. (Branch executives present annual order amount, and exchange information with cooperation companies directly.)
	C. Establishment of team supporting construction.	<ul style="list-style-type: none"> Establishment of a team specialized for supporting construction by employee technicians.
	D. Material ordering linked to design change and further utilization of "Q-mast" which affiliated company specialized for purchasing material.	<ul style="list-style-type: none"> Technical department check whether each branch and affiliated company uses Q-mast for purchasing materials, in cooperation with "Q-mast". When utilization does not advance, technical department and Q-mast investigate the cause and solve.
2 .Cost increase due to the compression of facility construction process caused by building construction delay.	E. Approach to "Front Loading"	<ul style="list-style-type: none"> Make design changes possible based on budget by building a good relationship with design office.
	F. Sales representative's help to construction site after construction starts.	<ul style="list-style-type: none"> For additional work, the sales representative and the construction manager cooperate, and before starting construction, be sure to submit each estimate and negotiate the price
	G. Dealing to delays in the progress of building construction work	<ul style="list-style-type: none"> Confirming the delay in building construction work process would be happen at the first construction study meeting after receiving an order, and teaching the method which make the facility construction possible in advance of building construction.

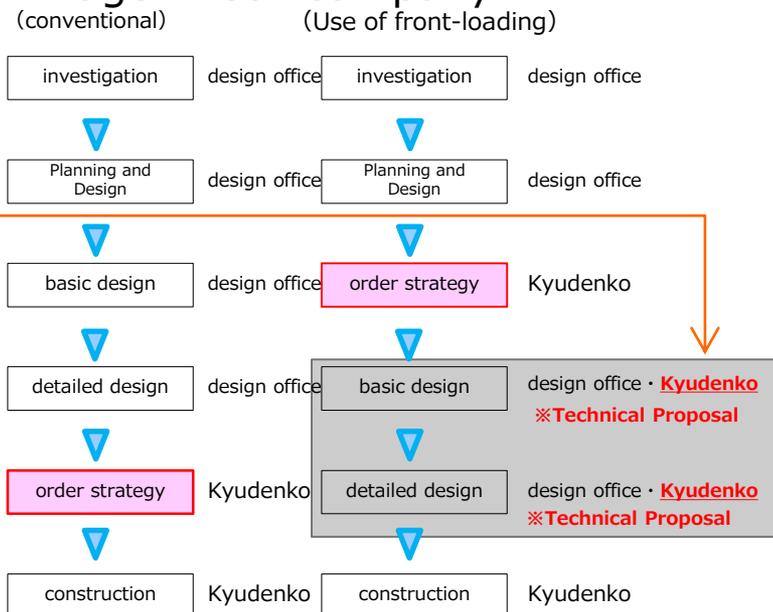
Benefits of being involved from the design stage

- [Design Phase] Design changes can be made from the initial design stage
(Effective suggestions and cost savings can be anticipated.)
- [Contract Stage] Orders can be received with cost savings factored in
- [Construction Phase] It allows for a smooth handover to the field

<The Concept of Front Loading>



<Image in our company>



Details of diverse business models (facility work)

business model item	Ⓐ Proposal and original contract type(Local based)	Ⓑ Sub-contract type	Ⓒ Capital participation type
① Feature	<ul style="list-style-type: none"> • Mainly small- and med-sized deals • Order directly from the owner (prime contractor) 	<ul style="list-style-type: none"> • Large sized deals • Subcontractor of a general contractor 	<ul style="list-style-type: none"> • Capital participation in a project of collaboration with different industries, and receiving an order for construction • Construction profit + Business profit according to the amount of investment
② Business area	Mainly Kyushu	Urban areas such as Kanto and Kansai	Nationwide development
	To Kanto and Kansai by M & A	Fukuoka urban area Business area expansion to the whole country	
③ Sales	Sales by project are small	Sales by project are large	Sales by project are large
④ Profit rate	Relatively higher (Order directly from the owner)	Relatively lower (Mainly subcontracted)	Different for each project
⑤ Differentiation strategy	By having 110 sales offices throughout Kyushu and Okinawa, we develop local-based sales by engineers	Overwhelming ability to collect workforce and ability of direct construction	By participating from the project planning stage, we definitely receive an order for construction
⑥ Rival	Local small and medium-sized enterprises	Major competitors	General contractor and developer
⑦ Composition ratio	about 40%	about 50%	about 10%