

Midterm Management Plan 2014

FY2012 ~ FY2014

May-10-2012



Nishimatsu Construction Co., Ltd.

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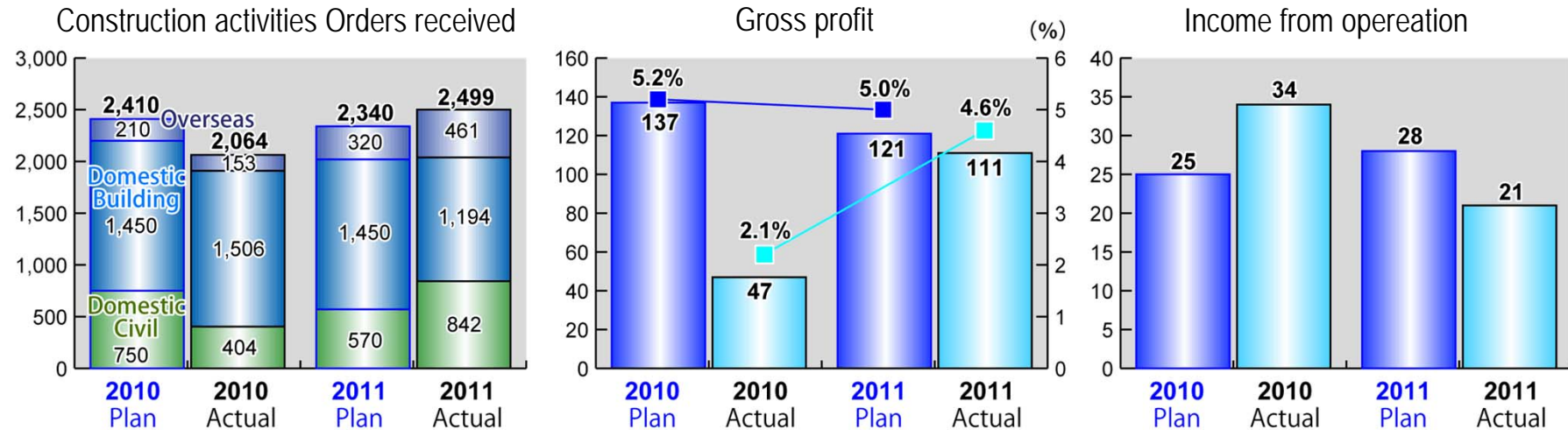
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1.Review the Revised Management Plan FY2010~FY2011

【Non-consolidated results】

Unit : 100Million Yen (Oku Yen)



【Accomplishment objectives】

- Launch the full scale CSR activity.
- Restructure the company organization to suit the business scale.
- Get certain returns from the business in overseas and real estate development etc with proper risk management.
- Start looking for new and growth businesses.

《Civil》

- Increase the percentage of wins in tendered projects which are evaluated by integrated factors.

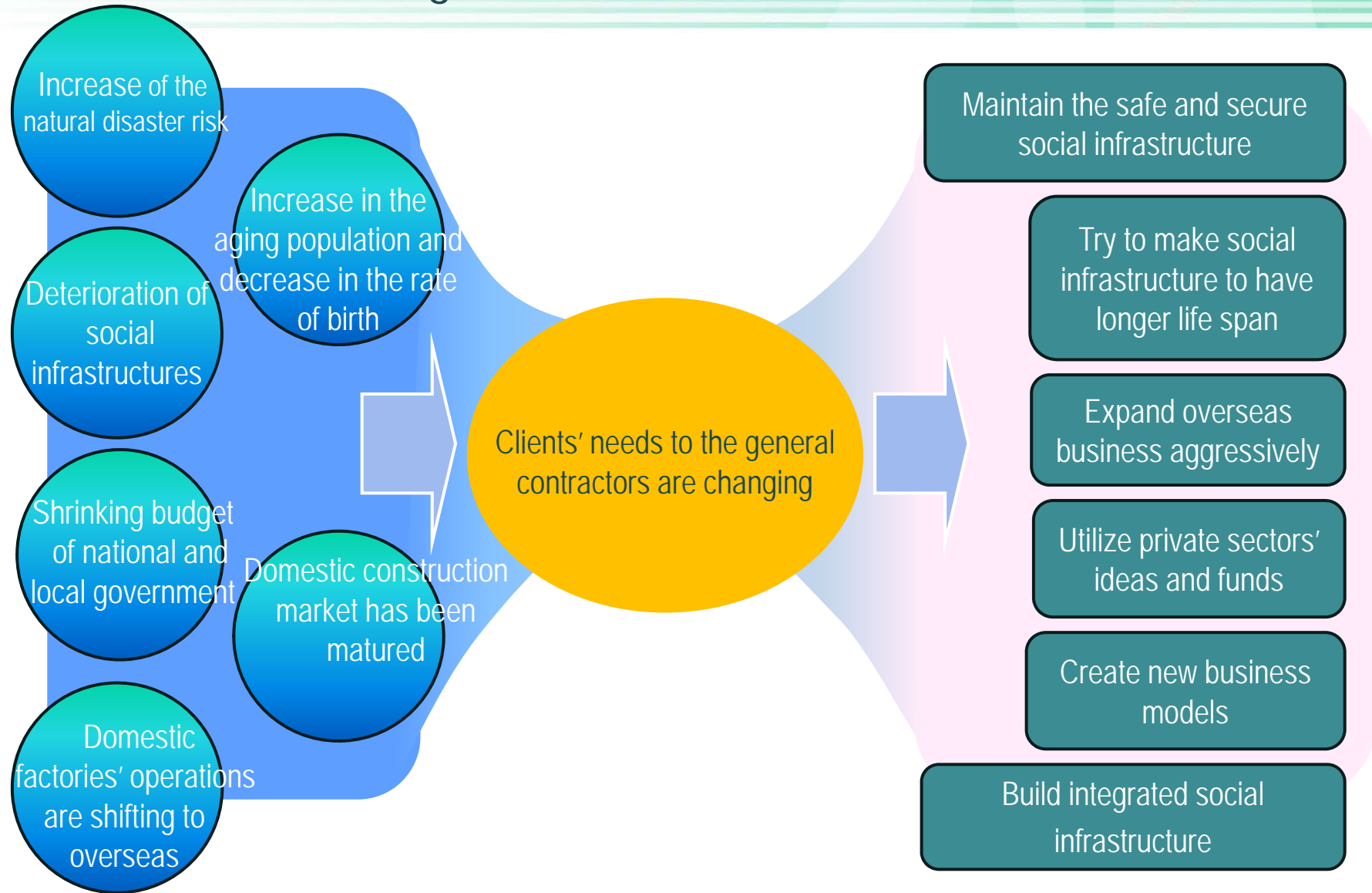
《Building》

- Select projects and eliminate low profitable ones.

【Major issue】 Secure the stable orders received and profit from construction activities



2. Recognize the business environment



3.Management target (Consolidated figures)

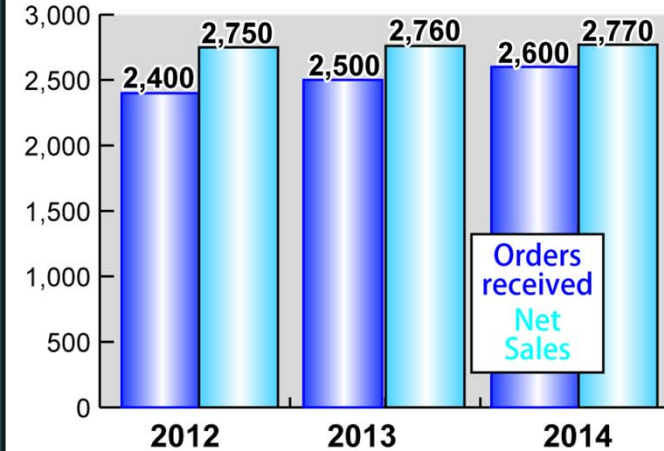
Unit : 100Million Yen / Oku Yen

		2011 Results	2014 Target
Orders received Construction		2,565	2,600
Net sales	Construction	2,466	2,700
	Real estate etc	173	70
Total		2,639	2,770
Gross profit	Construction	114	146
	Real estate etc	34	22
Total		149	168
Income from operations		26	35
Ordinary profit		34	35



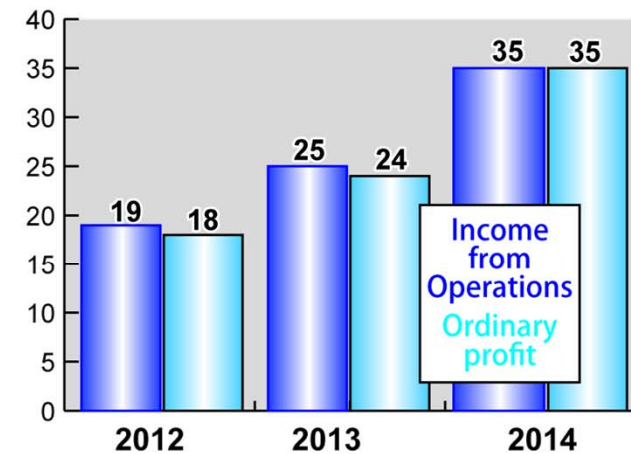
Order
Received

Net sales



Income
from
Operations

Ordinary
Profit



4. Basic policy

The company image which should be aimed at

In order to fulfill our responsibilities to the communities and societies, all directors and staff must always have their missions, and, through our business activities, we are going to be a company which is an essentially need by all stake holders, communities and societies.

The Revised Midterm Management Plan
(Foundation work period)
~FY2011

- Restore the stake holders' trust.
- Establish the organization which fits the company's operation scale.
- Reinforce profitability and volume of orders received.

Midterm Management Plan 2014
(Grow up period)
FY2012~FY2014

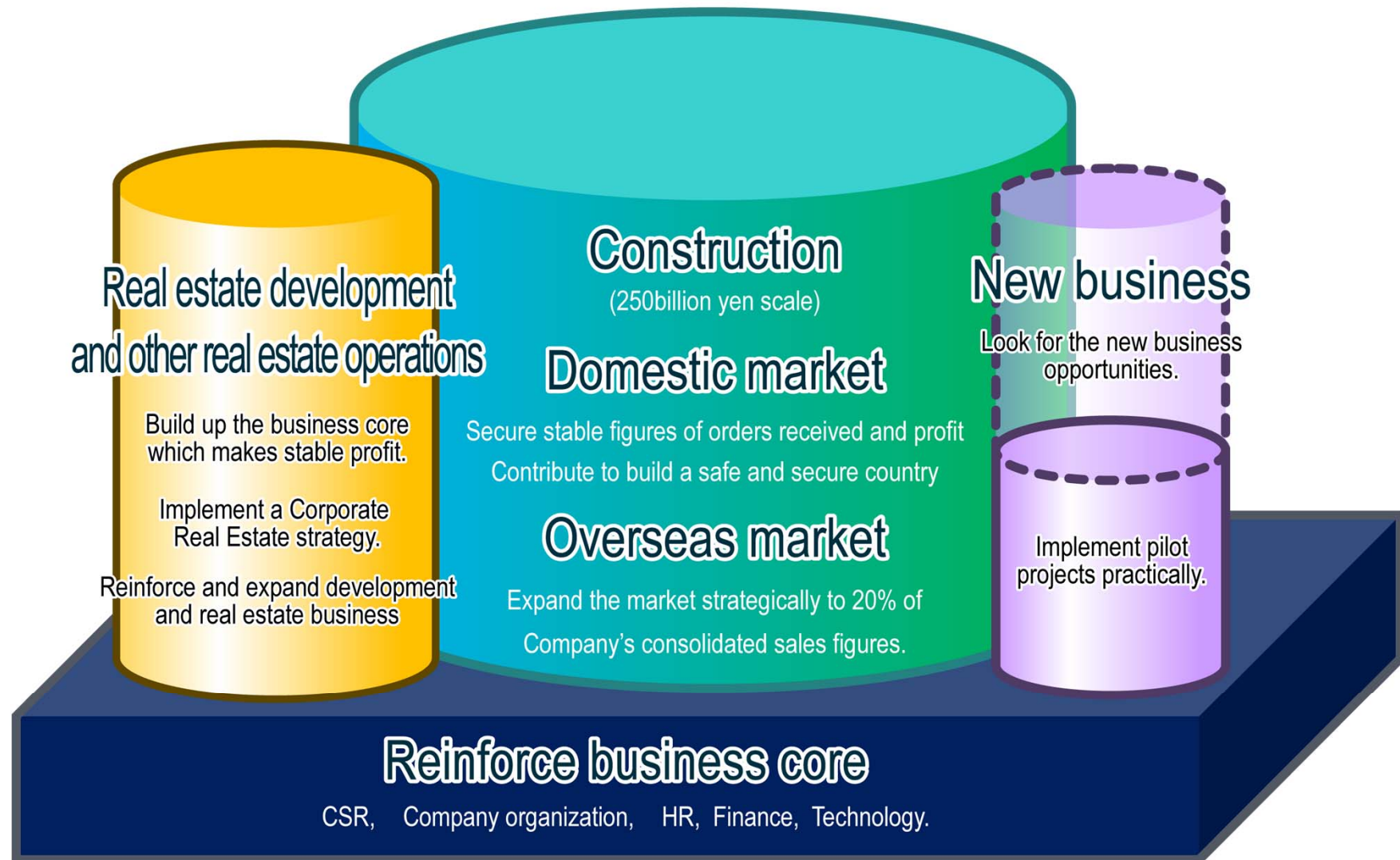
- Build up the business core which brings stable profit.(Clients, Company Organization, Staff)
- Establish new business core.
(Oversea, Development and real estate)
- Consolidate the business model from initial planning to maintenance and management period.

In future
(Prosperous company period)
FY2015~

- Establish Nishimatsu's name brand.
- Each individual department should stand on its own legs and support the company.
- Become a profitable company.



4. Basic policy



5.1 Specific measures in Civil

Sales promotion and orders received

- Reinforce the strategies to tender for the projects which are evaluated with consolidated factors.
- Expand the overseas business activities.
(35 billion Yen order received)
- Shift the management resources to restoration works in Tohoku district.
- Focus its activities' field on fewer numbers.

Be awarded projects with volume suited to the company scale.
Get large scale projects.
Select projects and eliminate low profitable ones.

Construction

- Cooperate with subcontractors.
- Reinforce the risk management in overseas business.
- Provide more support to job sites.
- Improve the quality which fulfills the clients' demand.

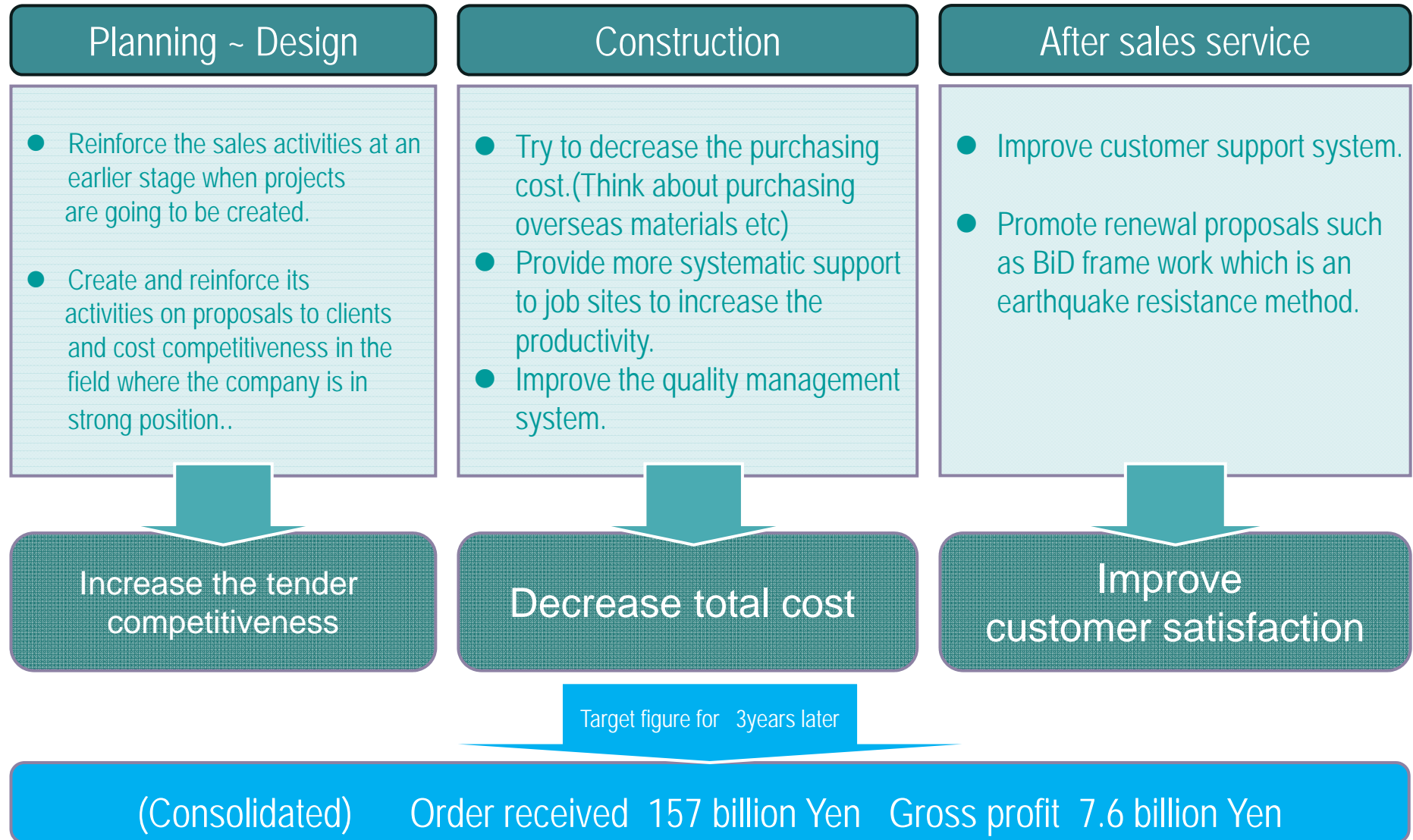
Reinforce supply chain.
Overall cost reduction.
Improve the customer satisfaction.

Target figure for 3years later

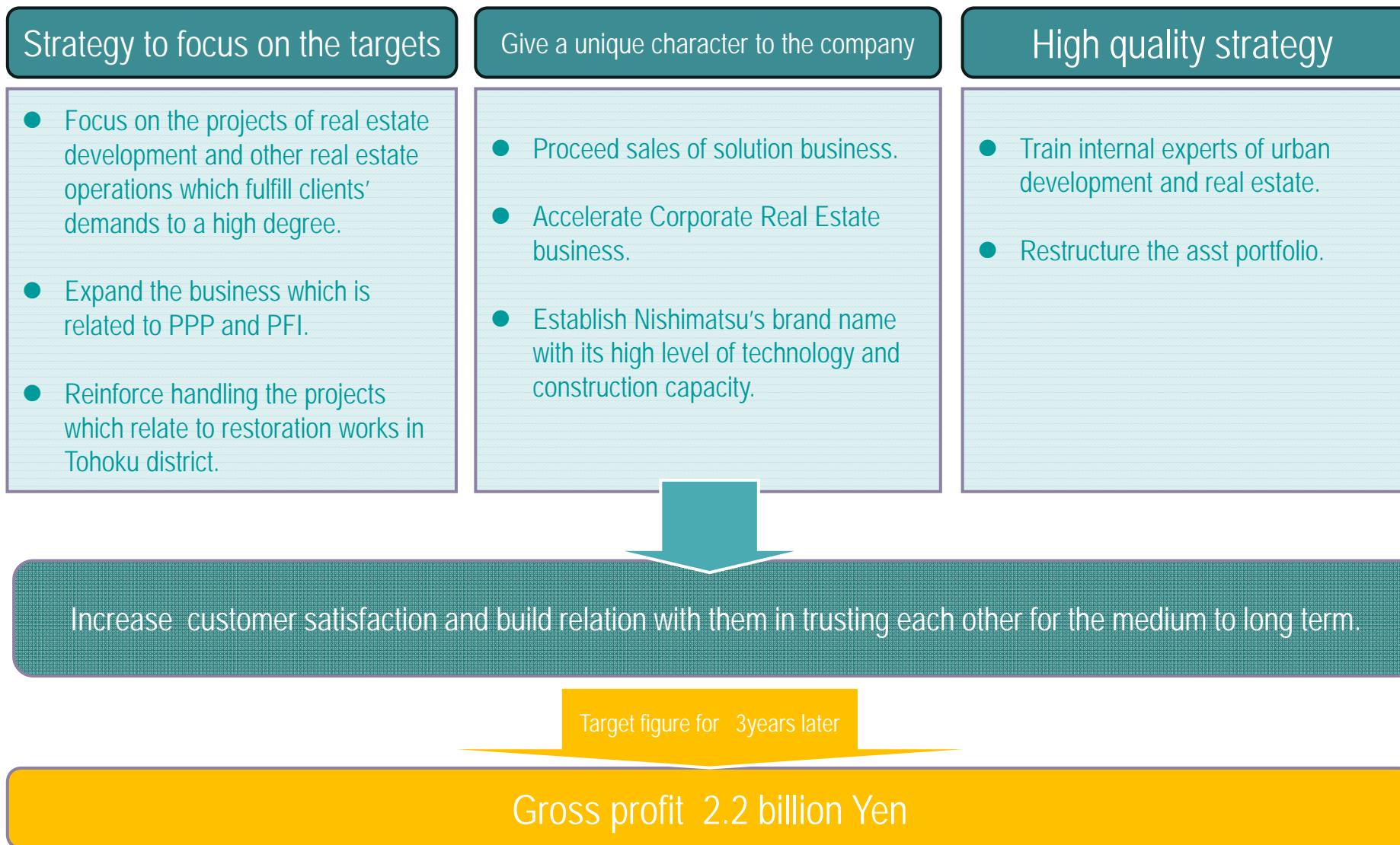
(Consolidated) Order received 103 billion Yen Gross profit 7 billion Yen



5.2 Specific measures in Building



5.3 Specific measures in Real estate development and other real estate operations



5.4 Specific measures in new business

Business policy

- Expand the business which is not yet covered by the company in the subjects of environment ,safety and relief.
- Collaborate with other industries by using the company's technology.

Specific issues working on

1. Plant factory project which is operated in collaboration with Tamagawa University.

- Going to launch farming vegetables using "Direct cooling style high power LED" which is created by Tamagawa University.(Scheduled on Jan-2013)
- We plan to develop this business which would be valuable in the need to provide safety food and support to revive industries at the Great East Japan Earthquake devastated area and to contribute to give a regional vitalization with agriculture activities.

2. Provide total support to the clients who are going to install photovoltaic systems.

- Cooperate with photovoltaic panel makers.
- For clients who are considering to purchase photovoltaic systems, provide them with the services from planning stage, through to the build, operate and maintenance periods.

3. Public Private Partnership business, collaboration with other industries.

- Deal proactively with restoration works and infrastructures construction projects, by using PPP method in collaboration with other industries.



5.5 Specific measures to reinforce business activity base

CSR

- We are going to proceed with CSR management which will build the Win-Win relationship with all stake holders.
 - Planned implementation would be done to achieve N-Vision 2020.

Company organization

- Establish an organization which takes progressive measures to deal with clients' needs.
 - We introduced business headquarters systems which combine sales and construction departments to establish the organization operating from initial planning stage to taking care of maintenance services after construction work..

Human Resources

- Train high level staff with professional knowledge.
 - Provide training to the staff in variety of positions and fields to improve construction capacity.
 - Organize overseas training and employ foreign students.

Financing

- Maintain sound financial position.
 - Secure stable fund resource.
 - Use company assets effectively.

Technology

- Develop new technology which would create customer satisfaction.
- Collaborate with other industries, and cooperate with schools and government bodies for research and development.



Disclaimer

Future plans, strategies, targets etc in this Midterm Management Plan 2014 are based on the information available at the time this document was prepared.

Various factors may change the actual results from the stated targets.

This document is an English translation and if there is any discrepancy between this translation and original Japanese version, the Japanese original will prevail.

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