

Nishimatsu – Vision 2027

May 2018

FY2018-FY2020



Medium-Term Management Plan 2020

Successfully Building a Better Future.



Nishimatsu Construction is celebrating its 144th anniversary in 2018. We have been focusing on our Construction Business in recent years, and our performance has been steady. However, we forecast major changes in our business environment and in society going forward, including a decline in construction investment and the working population, rapid progress of ICT and diversification of values.

We have recently formulated **Nishimatsu-Vision 2027** to identify the company we want to become in 10 years so that we can adapt precisely to changes in society and achieve sustainable growth.

Our objective is to expand our business areas and evolve our Construction Business to help establish a sustainable society and environment where people can live with peace of mind. We will provide technologies and services that meet the diversifying needs of our customers. To accomplish this, we want to become a **company with overall capabilities that provides better value.**

Becoming a Company with Overall Capabilities That Provides Better Value

We are transforming Nishimatsu Construction into a company with overall capabilities by **expanding our business areas** and **evolving our Construction Business** to provide **better value** to stakeholders through our business activities.

Further Realize Our Corporate Philosophy

We will help establish a sustainable society and environment by providing better value.

Corporate Philosophy

Providing society with important structures and services using the technologies and experiences we have acquired to help establish a sustainable society and environment where people can live with peace of mind.



Provide Better Value to Stakeholders

We will provide better value from superior environmental technologies, diverse services and appealing work styles through our business activities.

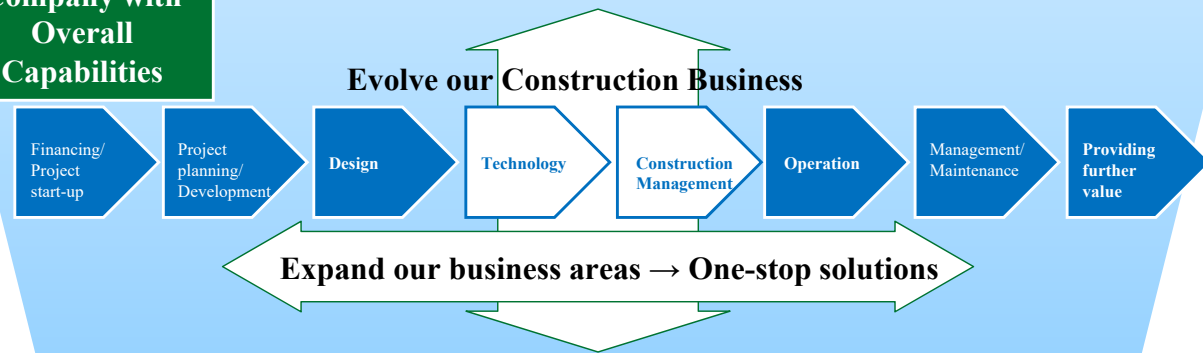
Better Value



Transform into a Company with Overall Capabilities

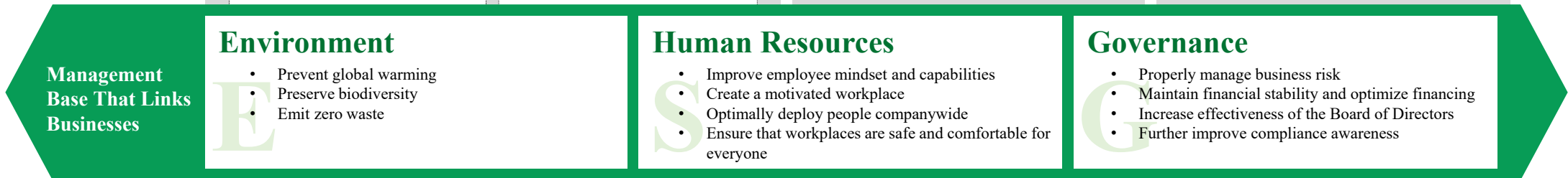
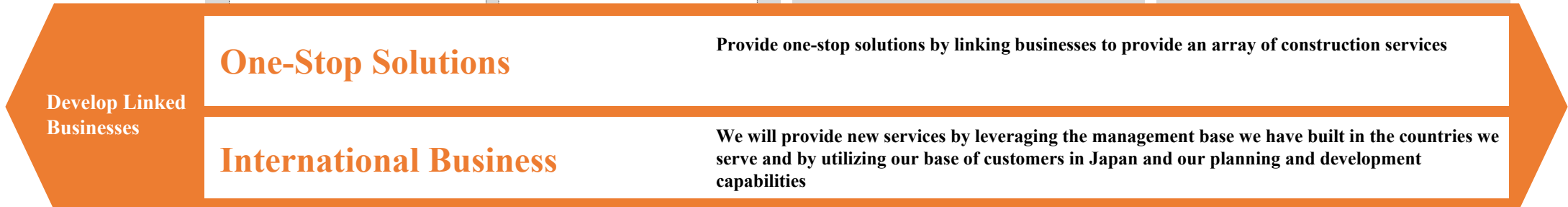
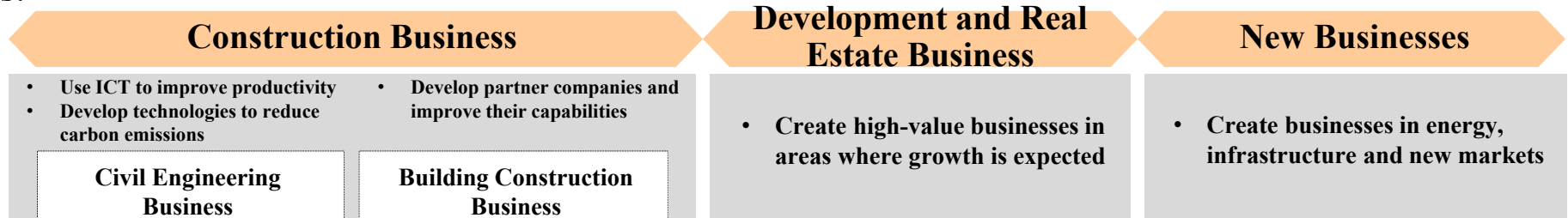
We will invest in growth to expand our business areas and evolve our Construction Business to become a company with overall capabilities.

Company with Overall Capabilities



Business Development to Become a Company with Overall Capabilities

We will become a company with overall capabilities by strengthening individual businesses and linking our businesses.



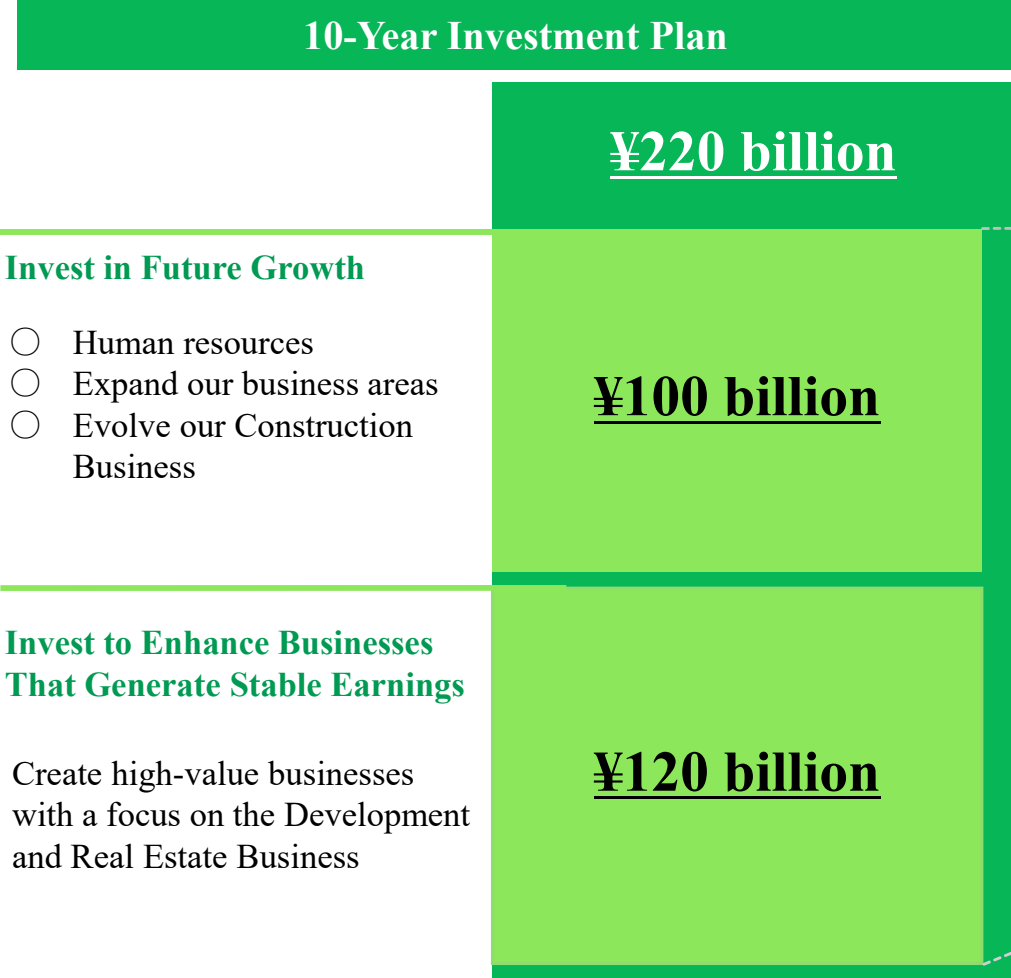
Overall Capabilities

Best proportion between “Flow Business” and “Stock Business”
 In addition to the conventional built-to-order business, strengthen businesses that make efficient use of valuable buildings created through one-stop solutions
 Flow Business: Built-to-order business
 Stock Business: Facility/property management business that enhances long-term relationships with customers

Getting out of the simple built-to-order business
 Accurately identify various needs and quickly provide differentiated services to customers

Investment in Growth to Become a Company with Overall Capabilities

We will enhance our business performance through investment in future growth, and deploy earnings to reinvest in growth.

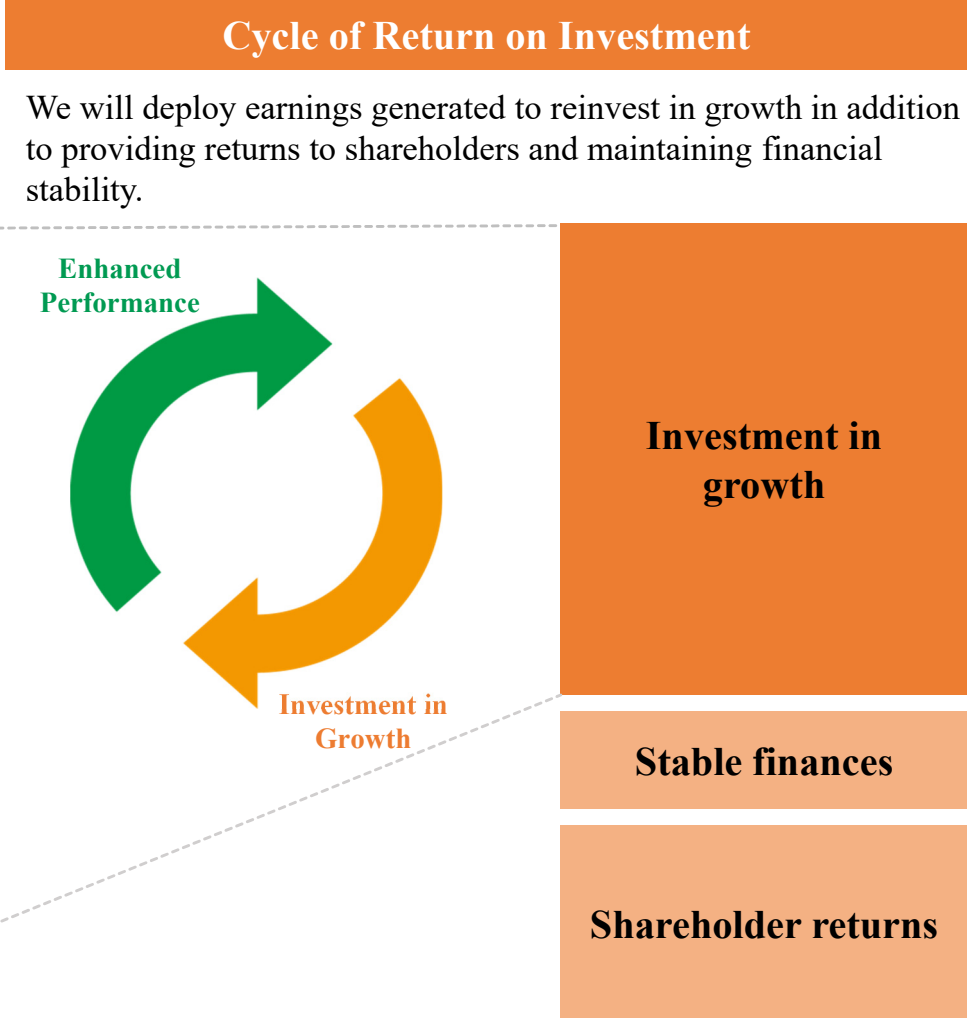


Invest in Future Growth

- Human resources
- Expand our business areas
- Evolve our Construction Business

Invest to Enhance Businesses That Generate Stable Earnings

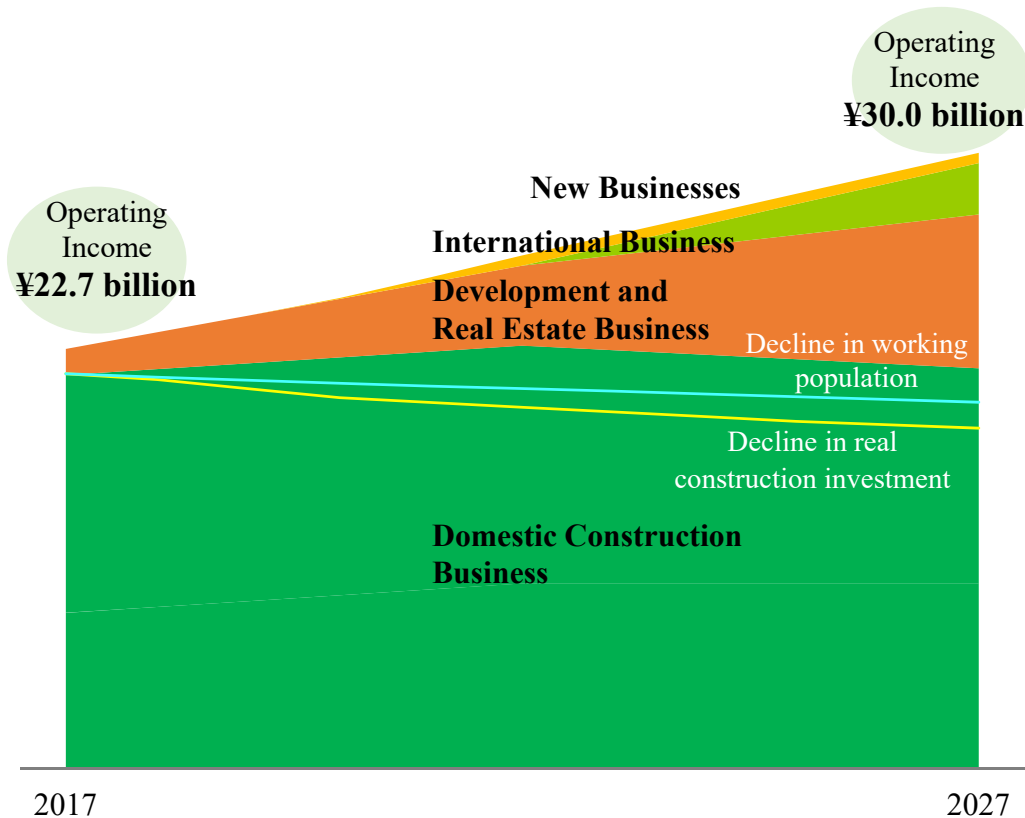
Create high-value businesses with a focus on the Development and Real Estate Business



Business Portfolio

Our goal is **operating income of ¥30.0 billion or more for fiscal 2027** through **sustained growth of over 30% over 10 years.**

Business Portfolio Evolution



We will generate growth primarily in the Domestic Construction Business during the first five years of the plan. We will generate sustainable growth by building a portfolio with emphasis on the Development and Real Estate Business and the International Business during the remaining five years of the plan.

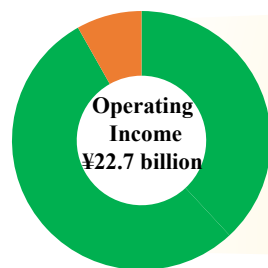
Domestic Construction Business	While we expect a decline in construction investment, we will maintain a certain scale and target a 10% market share increase by enhancing our technological capabilities and expanding our business areas.
Development and Real Estate Business	We will actively create high-value businesses that are linked to our Construction Business. We will complete the business start-up process during the first five years, then expand our new businesses during the remaining five years.
International Business	We will transition from business development centered on large-scale civil engineering projects to businesses that provide valuable services while addressing the needs of the countries we serve in collaboration with our domestic businesses.
New Businesses	We will expand our business areas to support the creation of businesses that will become new strengths. We will focus on and deepen specific projects during the first five years, then develop them during the remaining five years.

2017

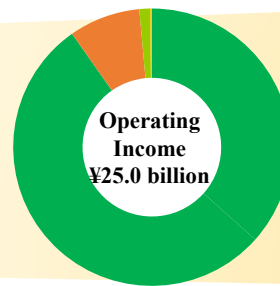
2027

Long-Term Goals

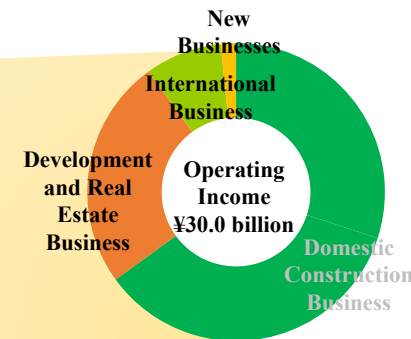
(Consolidated)



FY2017



FY2020



FY2027

Medium-Term Management Plan 2017

Medium-Term Management Plan 2020
Build the foundation for becoming a company with overall capabilities

Realize our vision

Basic policies	<ul style="list-style-type: none"> • Nurture the Human Resources Necessary for Continuous Expansion • Establish a Highly Profitable Core Business • Develop New Business to Achieve Continuous Expansion 	<p>Build the Foundation for Becoming a Company with Overall Capabilities</p> <ul style="list-style-type: none"> • Expand our business areas: <u>Start providing one-stop solutions</u> • Evolve our Construction Business: <u>Improve productivity</u> <p>Goal: Provide Better Value</p>	<p>Overall Capabilities</p> <ul style="list-style-type: none"> • Best proportion between “Flow Business” and “Stock Business” • Getting out of the simple built-to-order business <p>Better Value</p> <ul style="list-style-type: none"> • Superior environmental technologies • Diverse services • Appealing work styles 	
	FY2017 Actual	FY2020	FY2027	
Net sales	¥284.4 billion	¥380.0 billion	¥400.0 billion	
Operating income	¥22.7 billion	¥25.0 billion	¥30.0 billion or higher	
ROE	9.6%	8.0% or higher	Sustained at 8.0% or higher	
Equity ratio	47.7%	Approx. 50.0%	50% or higher	
D/E ratio	0.24 times	Approx. 0.3 times	0.3 times or lower	
Payout ratio	30.8%	30% or higher, and ¥100/per share or higher		



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Future plans, strategies, business forecasts, etc. in this Medium-Term Management Plan 2020 presentation are based on information available at the time this document was prepared. Various factors may cause actual results to differ materially from stated targets.