

Translated version

~Speedy change of productivity improvement~

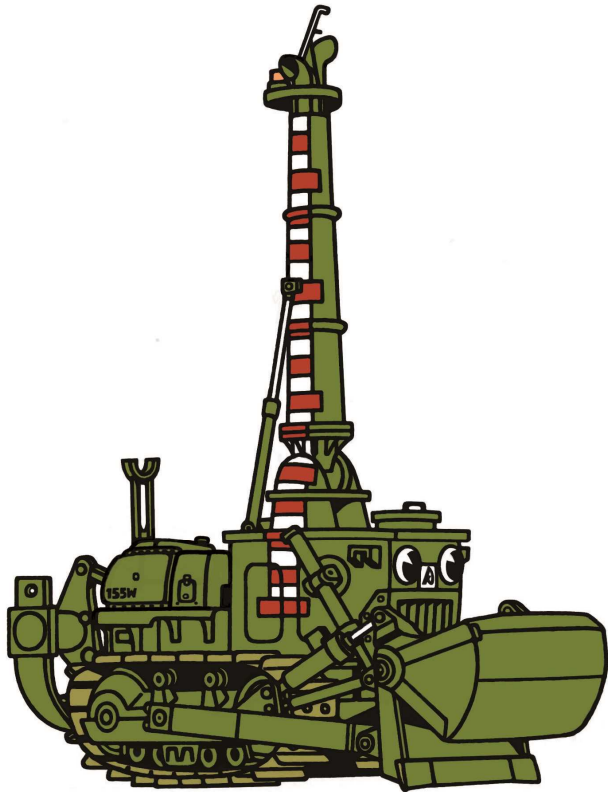
Mid Term Plan to March 2020

May 2017



AsunaroAoki

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Market Environmental awareness and issues

Market Environmental awareness

Positive Factors

- Construction investment continue while 2020
- Infrastructure renewal increases
- Tolerance of the country
- Reform market expanded
- Increase of disaster prevention and disaster prevention measures construction

- The number of newly constructed works decreased
- Construction workers decrease
- Total number of households decreased
- Economic contraction due to declining population
- The economic situation after the Olympic Games is uncertain

Negative Factors

Issues

Positive Factors

- Original technology of disaster prevention and disaster prevention measures construction
- Abundant construction results of new energy construction
- Unmanned remote construction technology
- 5 Amphibious Bulldozer

- Rapid progress of i-Construction
- The number of construction engineers is short
- It is necessary to improve rapid productivity
- Cooperation with partner companies is indispensable

Negative Factors

Basic policy and basic strategy

Basic policy

~We will build a business structure looking ahead ten years~

Make a speedy change to improve productivity

basic strategy

- ❑ We will expand our business area in anticipation of contracting construction investment
- ❑ We will achieve an operating margin of 5% by improving productivity by responding to i-construction

Priority measures

- ❑ We will further enhance efforts for renewal construction
 - ❑ We will expand private non-housing constructions and especially private-sector civil works, we will actively participate in PPP · PFI and concession
 - ❑ We will promote response to rationalization technologies such as ICT, i-construction, unmanned and robotics in all fields
 - ❑ We will strive to receive orders for selection of underlying business
 - ❑ We will pioneer new business following ABDS projects
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- ❑ We will thorough compliance, strengthen internal control system and strengthen corporate governance
 - ❑ We will achieve an operating margin of 5% as a long-term target
 - ❑ We return to the origin of manufacturing and secure safety and quality
 - ❑ We will support women's success

Business strategy of Civil engineering / Architecture

Civil engineering



Kunimiyama Wind Farm

- ❑ We will endeavor to improve our technical capabilities by strengthening the soil environmental division
- ❑ We will consider entry into Wind Power EPC
- ❑ We will consider wind farm replacement technology

Common



Sukagawa area New garbage disposal site

- ❑ We will improve work efficiency and productivity by promoting i-construction
- ❑ We will challenge new forms of business such as PFI and PPP
- ❑ We will strengthen efforts for renewal construction
- ❑ We will strengthen sales of garbage disposal plant etc

Architecture



Folded brace

- ❑ Secure customers by strategic sales activities
- ❑ Evolution of earthquake-resistant technology such as damping brace

Business strategy of ABDS/New business

ABDS Projects



ABDS Tama-plaza

- ❑ We will establish a stable demand securing strategy that is not influenced by private housing demand trends
- ❑ We will select areas that are not affected by the economical environment
- ❑ We will strengthen our sales force

New business



Aquaculture of sturgeon

- ❑ We will enter the stock business utilizing existing buildings including vacant house prevention measures
- ❑ We will enter the agriculture, forestry and fisheries industry such as aquaculture of sturgeon
- ❑ We will consider the sale business of a small wind power plant

Business strategy of subsidiaries

Mirai Construction Co.,Ltd.



- ❑ We will respond to maintenance and repair of port facilities
- ❑ We will promote correspondence to i-construction
- ❑ We will promote correspondence to marine new energy

Toko Geotech Co.,Ltd.



- ❑ We will challenge the development of next-generation construction method
- ❑ We aim to develop a new greening method
- ❑ We will enter the high performance ceramics

Other subsidiaries

Aoki Marine Co.,Ltd.

- ❑ Aim for entry into a big projects

Asunatro Road Co.,Ltd.

- ❑ Aim for productivity improvement by utilizing ICT technology

M's Co.,Ltd.

- ❑ Aim for participation in conversion construction projects

Niigata Mirai Co.,Ltd.

- ❑ Aim for expansion of onshore civil engineering projects

Shimada Gumi Co.,Ltd.

- ❑ aim to strengthen orders in the metropolitan area

Summary of Mid term Plan

	non-consolidated		consolidated	
	Apr. 2017~ Mar. 2018	Apr. 2019~ Mar. 2020	Apr. 2017~ Mar. 2018	Apr. 2019~ Mar. 2020
Net sales	86 billions of yen	92 billions of yen	150 billions of yen	160 billions of yen
Operating income	4 billions of yen	4.5 billions of yen	7 billions of yen	8 billions of yen
operating margin	4.7 %	4.9 %	4.7 %	5.0 %
Ordinary income	5 billions of yen	5.5 billions of yen	7 billions of yen	8 billions of yen
Sales by Segment	<p>Real estate 3 Civil engineering 40 Architecture 43</p>	<p>Real estate 6 Civil engineering 42 Architecture 44</p>	<p>Real estate 3 Civil engineering 103 Architecture 45</p>	<p>Real estate 6 Civil engineering 108 Architecture 46</p>

Policy of Capital

■ Basic policy on profit sharing

We regard returning profits to shareholders as one of important management issues. We strive to enhance necessary shareholders' equity to strengthen our financial standing. The basic policy is to return profits according to corporate performance while continuing stable dividends.

■ Trends in dividends

	Performance of Mar, 2013	Performance of Mar, 2014	Performance of Mar, 2015	Performance of Mar, 2016	Performance of Mar, 2017
Dividend per share	12 Yen	13 Yen	15 Yen	18 Yen	20 Yen
Payout ratio (non-consolidated)	137.1 %	92.4 %	50.6 %	33.3 %	32.2 %
Payout ratio (consolidated)	63.9 %	48.7 %	31.9 %	26.2 %	27.7 %



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