

To All Stakeholders:

May 11, 2018

Name of Company: Asanuma Corporation
Stock Exchange: Tokyo Stock Exchange,
Listing: First Section
Stock Code: 1852
Representative: Title: Representative President
Name: Kenichi Asanuma
Contact Person: Title: Accountants Manager and
IR Manager
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Notice Regarding Our Three-Year Medium-Term Plan (FY2018~FY2020)

Details of the numerical and other targets for the Three-year Medium-Term Plan (FY2018~FY2020) approved on April 2, 2018 are as follows:

1. Numerical targets (consolidated)

	FY2017 (Actual)	FY2018 (Plan)	FY2019 (Plan)	FY2020 (Plan)	Note
Orders received	¥138.7bn	¥130.0bn	¥133.0bn	¥136.0bn	
Net sales	¥143.4bn	¥129.5bn	¥136.6bn	¥138.9bn	
Completed construction contracts	¥142.1bn	¥128.3bn	¥135.4bn	¥135.7bn	
Other	¥1.2bn	¥1.2bn	¥1.2bn	¥3.2bn	
Operating income	¥7.9bn	¥4.9bn	¥6.2bn	¥7.2bn	
Ratio of operating income to sales	5.5%	3.8%	4.6%	5.2%	
Return on Invested capital (ROIC)	11.4%	7.0%	8.4%	9.2%	
Profit attributable to owners of parent	¥5.2bn	¥3.2bn	¥4.0bn	¥4.7bn	
Return on Equity (ROE)	16.0%	9.0%	10.6%	11.4%	
Equity ratio	33.9%	36.0%	41.0%	47.0%	
Cost of capital	5.0%	5.0%			

- Compared to the previous fiscal year, the amount of completed construction contracts are expected to decline in FY2018 as major construction projects associated with reconstruction in the Tohoku region and major warehouse construction projects were completed in FY2017
- The ratio of operating income to sales is projected to **exceed 5%** in FY 2020. The return on invested capital (ROIC) is projected to **exceed the cost of capital** in all the three years of the plan period.
- Return on equity is forecast at **higher than 10.0%** in FY2020
- Equity ratio is to be maintained at the **40% level** in order to assure a stable financial base.

2. Capital injection

We plan to actively invest 20 billion yen over the three-year plan period in order to realize the ideal company image we envision and for funding requirements.

Investment breakdown by major investment categories:

■ Investment plan

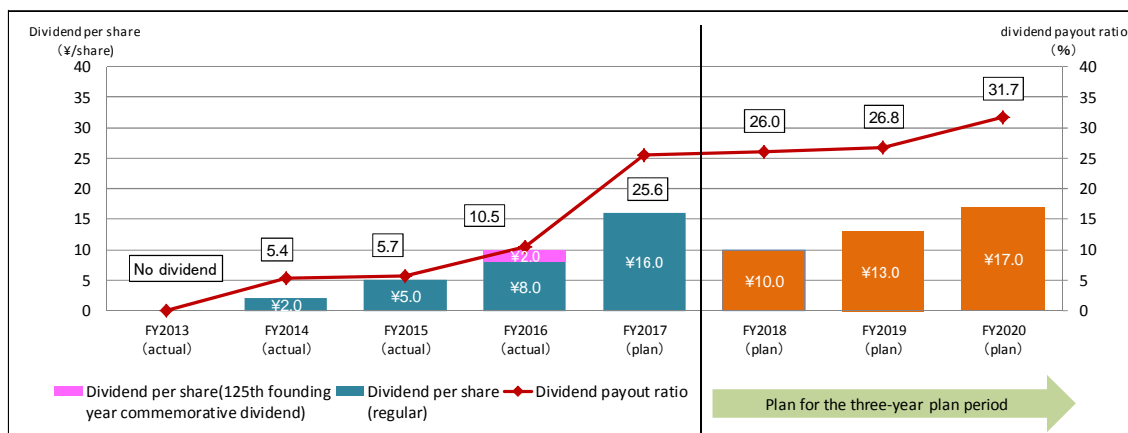
- Technology and research, information communications technology (ICT) and backbone systems **¥5.0bn**
 - Reinforcement of concession and overseas business (including M&A) **¥5.0bn**
- * Aim at achieving return on investment exceeding the cost of capital for the Company

■ Application of funds (plan)

- Switch to cash payments to subcontractors to strengthen partnership **¥10.0bn**
- * The above represents an active response to requests from government authorities and the funds are for switching to cash payments to subcontractors

3. Shareholder return

Providing returns to our shareholders is one of our most important management goals. Our basic dividend policy is to provide stable and appropriate dividends linked to performance to shareholders while improving our financial position and maintaining sufficient retained earnings for future requirements. We are aiming at **consolidated dividend payout ratio of more than 30%** in FY2020, the final year of the three-year plan.



* FY 2017 Dividend amount: To be approved at the General Shareholders Meeting scheduled for June 2018

* FY 2018 Dividend amount: As per forecast released on May 11

* FY2019 and FY2020 dividend amount: Estimate based on profit attributable to owners of parent forecast in "1. Numerical targets (consolidated basis)."