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For Immediate Release

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Yokogawa Bridge Holdings Group (“the Group”)

Fifth Medium-Term Management Plan Progress Report

Yokogawa Bridge Holdings Corp. (“the Company”) reports on progress made with Yokogawa Bridge Holdings Group’s Fifth Medium-Term Management Plan (covering the period April 1, 2019 through March 31, 2022; “the Plan”), as well as the outlook for the final fiscal year covered by the Plan (FY2021), and other related matters.

1. Progress overview

1) Bridge Business

Basic policy: Pursue maintenance, expansion, and optimization of the Bridge Business by strengthening responsiveness to the bridge retrofit business in addition to new bridge construction.

Although the Company was concerned about a decline in orders received in the first fiscal year covered by the Plan (FY2019), the Group was subsequently able to secure a number of additional orders for private sector projects and other projects, and orders received for the current fiscal year (FY2020) are expected to reach a record high. New bridge construction and bridge retrofitting business performance has been strong. Overall Bridge Business performance is trending above forecast levels due to a notable boost this fiscal year from the conclusion of a concentrated cluster of major long-term construction projects.

2) Engineered Structures Business

Basic policy: Pursue further expansion of the Engineered Structures Business by establishing a dual-plant production system and strengthening the profit-and-loss management framework.

Establishment of a dual-plant production system is largely proceeding in line with targets in the Plan. Although strengthening of the profit-and-loss management framework has ensured enhanced profitability, the number of orders received has slumped due to the impact of the COVID-19 crisis.

3) Civil Engineering Business

Basic policy: Further grow the Civil Engineering steel structure engineering business, as exemplified by tunnel segments.

Work schedules for shield tunneling projects have generally been pushed back. Orders received and production performance both therefore remain flat year on year.

4) Other Business

Basic policy: Also pursue expansion of the overseas bridge, aluminum products, and precision equipment manufacturing businesses.

Although the COVID-19 crisis has had a considerable impact on businesses such as the overseas bridge business, the situation has not yet become severe. We will work to ensure a recovery and achieve further expansion in these businesses in FY2021.

5) Consolidated business performance

The Plan's target figures, the results for FY2019, and forecasts for FY2020, are as shown in the table below. Although the performance of the Engineered Structures Business is trending below the targets in the Plan due to the slump in orders received, the stronger-than-expected performance of the Bridge Business means that operating profit and earnings per share are now expected to reach their respective targets for FY2021.

	Target	FY2019 (actual)	FY2020 (forecast)
Net sales (billion yen)	160.0	138.1	140.0
Operating profit (billion yen)	14.0	12.8	16.0
Earnings per share (yen per share)	230	217	266

2. Outlook for final year of the Plan (FY 2021)

Engineered Structures Business projects that have been postponed are now also expected to get underway, and the Company will work to ensure a return to growth in FY2021. Meanwhile, although the Company expects Bridge Business net sales in FY2021 to remain at the high levels seen in FY2020, the Company expects it will be very difficult for Bridge Business profits to exceed those achieved in FY2020 (when a concentrated cluster of projects were completed). The Company therefore forecasts increased sales but decreased profits for FY2021 (the forecast for FY2021 is scheduled to be released in May). With regard to the targets for sales and profits in the Plan, while the Company expects that achieving the net sales target of ¥160.0 billion will be somewhat difficult, clearing the operating profit target of ¥14.0 billion should not be problematic, in light of the current situation with existing construction projects.

3. Capital policy and shareholder return policy

The Company's basic capital policy of maintaining a balance between financial soundness and capital efficiency remains unchanged. The shareholder return policy of paying stable dividends and flexibly acquiring treasury stock also remains unchanged. Note, however, that with regard to the three lower limit values that the Company set as target figures in the Plan, since the deviation between the target figures and results is significant, the Company has set new targets for the final fiscal year covered by the Plan (FY2021).

	FY2019 (actual)	FY2020 (forecast)	FY2021 (target)	Initial target (lower limit)
Financial soundness (Equity ratio)	58.6%	Approx. 60%	Maintain at current level as it is sufficient	50% or higher
Capital efficiency (ROE)	10.4%	Approx. 11.5%	Maintain at approx. 10% level	8% or higher
Shareholder returns Dividend payout ratio	17.0%	19.5%	Consider rough target range of 20% to 30%	15% or higher