

[Special Feature 1]

Expanding the bridge business domain



[Enhance our comprehensive strength and expand market share](#) ▼

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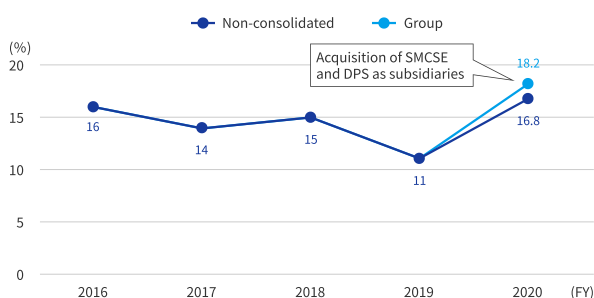
In our Medium-term Management Plan 2019-2021, we have set “expansion of business domains” through aggressive investments and partnerships with different industries as one of our basic policies, making efforts to implement investments for growth.

On October 1, 2020, we acquired the shares of subsidiaries based on the share transfer agreement concluded with Mitsui E&S Holdings Co., Ltd. As a result, Sumitomo Mitsui Construction Steel Structures Engineering Co., Ltd. (SMCSE, renamed after the share acquisition) and DPS Bridge Works Co., Ltd. (DPS) joined the SMCC Group.

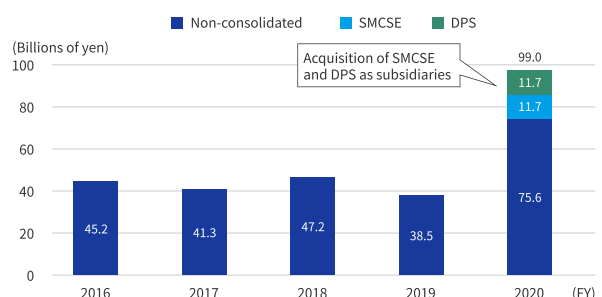
Enhance our comprehensive strength and expand market share

We will create group synergies by collaborating with SMCSE, which excels in the steel bridge business, and DPS, which specializes in the PC bridge business, to enhance our comprehensive strength and expand the bridge business domain. The Group has set two specific goals: “Achieve a 20% share of the domestic PC bridge market” and “Achieve an order scale of 70 billion yen in the domestic bridge business.” For the PC bridge business, we will strengthen sales development in regions and types of construction in which the Company, SMCSE, and DPS excel, aiming to acquire a stable top share by improving our competitiveness on a nationwide scale.

Group Target 1: Achieve a 20% share of the domestic PC bridge market



Group Target 2: Achieve an order scale of 70.0 billion yen in the domestic bridge business



(Note) Estimated by the Company based on data from the Japan Prestressed Concrete Contractors Association

Specific initiatives to create group synergies

Strengthen initiatives for large-scale renewal businesses

Although demand for new construction is shrinking in the bridge business market, demand for renewal to strengthen national land is growing significantly, which is expected to reach the same scale as new construction in a few years. In October 2013, we established the Renewal Promotion Office in the Civil Engineering Division and started full-scale efforts for large-scale renewal businesses. We have acquired a certain level of superiority in terms of track record and construction know-how. To further improve our competitiveness, we will actively form the most appropriate joint venture for each project within the Group and work to win orders for large, high-quality projects by strengthening cooperation and sales, construction, engineering, and design systems.

In recent years, we have also strengthened our support for tunnel lining reinforcement works, bridge stab replacement works, and tunnel invert reinforcement works by developing unique rapid construction technologies such as “[Quick re-invert \(Japanese only\)](#)”¹⁾. In this way, we are working on expanding the range of our renewal business. With the addition of SMCSE, which has strengths in the design and construction of steel bridges, we will handle even steel bridge repair works and further expand the range of variations.

Improve the efficiency of precast production

One of the Group’s strengths in the bridge business is its five precast (PCa) production bases. By adding DPS’s Kakegawa Plant in Shizuoka and Horobetsu Plant in Hokkaido, we will expand our precast production network and develop initiatives to build the SMile Production System, a next-generation construction production system, on a nationwide scale.

We have already planned to produce precast members at some of the Group’s plants. By flexibly selecting such production bases, we will minimize delivery costs and equalize plant operations to promote efficiency in precast production as a group. For efficiency improvement, we are not only focusing on production bases. Still, we have also started efforts to integrate the management of materials and equipment owned by each company. We will improve the productivity of the entire Group by making the most of the resources we have.



(Note) DPS owns Horobetsu Plant and Kakegawa Plant. SMC Preconcrete Co., Ltd. owns Tochigi Plant and Ibaraki Plant.

Improve technical capabilities

The SMCC Group had been developing, implementing, and managing technologies individually. However, with the two companies joining the Group, we have started to build a cooperative system for information sharing, on-site implementation, and research and development within the Group. These initiatives will improve the technical abilities of the entire Group.

We also plan to jointly conduct engineer training and human resource exchange to expand our bridge business domain by maximizing the group synergy.