

**Growth Investments in the Medium-term Management Plan
and Initiatives to Enhance Corporate Value**

January 31, 2024

1. Progress of the Medium-term Management Plan

Progress of initiatives in the first half/Approach to the second half

2. Initiatives to Enhance Corporate Value

Co-creating value with multi-stakeholders

3. Growth Investments Centered on Human Resources

To further strengthen our ability to generate profits

4. Capital Policy

Capital policy approach for sustainable growth and development

5. Message Taking pride in supporting social infrastructure

1. Progress of the Medium-term Management Plan

Progress of initiatives in the first half/Approach to the second half

Sustainable Growth 2026

~ Human Resources, Heart, and Toward the Future ~

Build up our strengths for taking a leap forward

Take on the challenges of making a big leap forward

FY2026 Growth Vision

2021 2022 2023 2024 2025 2026 2027

First half

Second half

Major results of the first half of the Medium-Term Management Plan

- Expansion of existing businesses
 - ✓ Consolidated sales: Surpassed 600 billion yen for the first time
- Challenges in new areas
 - ✓ Established the Renewable Energy Engineering Center.
 - ✓ Made a subsidiary of FEN Co., Ltd.
 - ✓ Introduced EMS-AI.
- Human Resources and Workstyle Strategy
 - ✓ Continued recruitment and training to secure a high level of human resources.
 - ✓ Built an organized on-site support system.
 - ✓ Renovated offices and facilities for comfort and productivity.
- Corporate Strategy
 - ✓ Responded as a company listed on the Prime Market.
- Environmental Strategy
 - ✓ Set CO₂ reduction targets. Non-Consolidated Scope 1 & 2 Emissions -50% (vs FY2020)
 - ✓ Declared support for TCFD.

Changing business environment

- Human capital
- Sustainability
- Corporate governance
- Management conducted in awareness of capital efficiency

These are increasingly important.

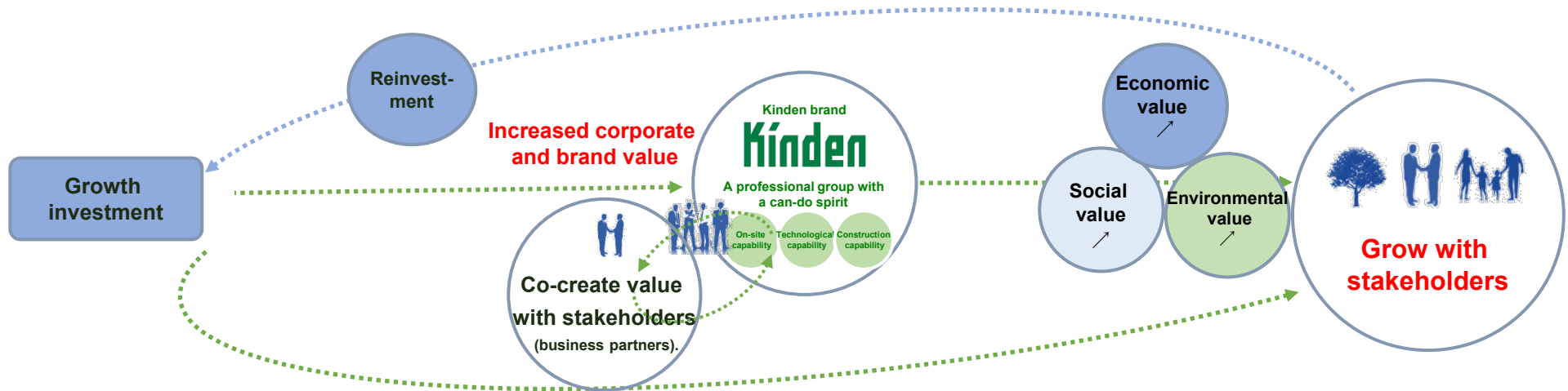
Initiatives to deepen further toward the second half of the Medium-term Management Plan

- Invest in human resources from a long-term perspective.
- Co-create value with multi-stakeholders.
- Spread awareness and raise recognition of the Kinden brand.

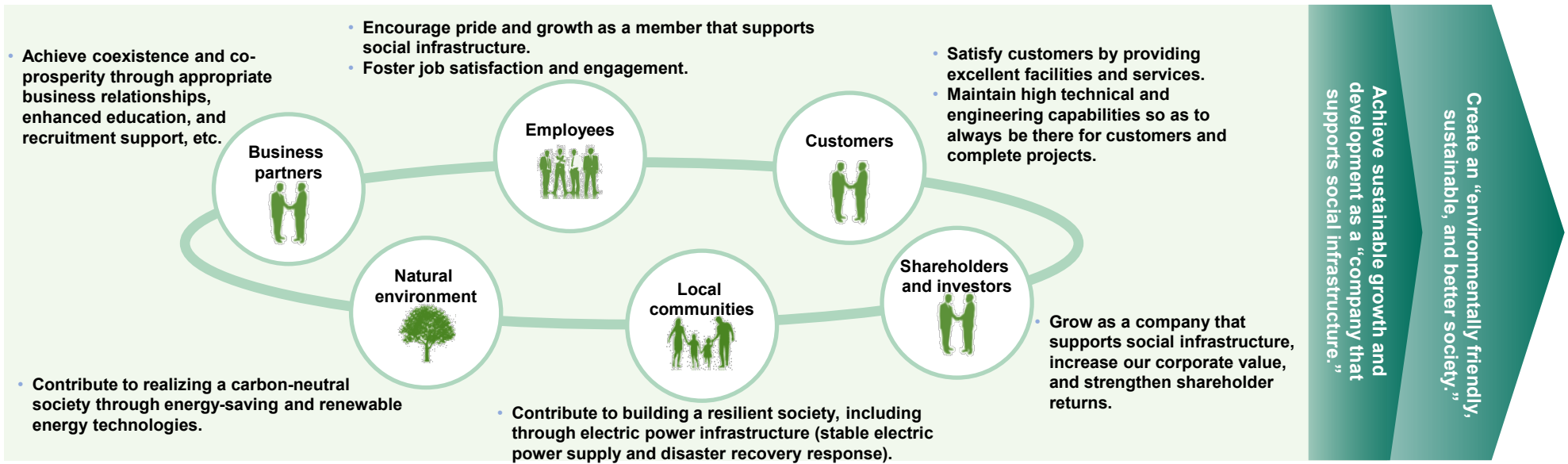
By regarding “Human Resources and Heart” as the fundamentals of our management, we will further promote the development of a business structure that contributes to the management of consolidated sales of about 700 billion yen.

2. Initiatives to Enhance Corporate Value

Co-creating value with multi-stakeholders



Create value for stakeholders by investing in growth centered on human resources. (Social value ↗ + Environmental value ↗ + Economic value ↗) = Increased corporate and brand value → Sustainable growth and development as a “company that supports social infrastructure”



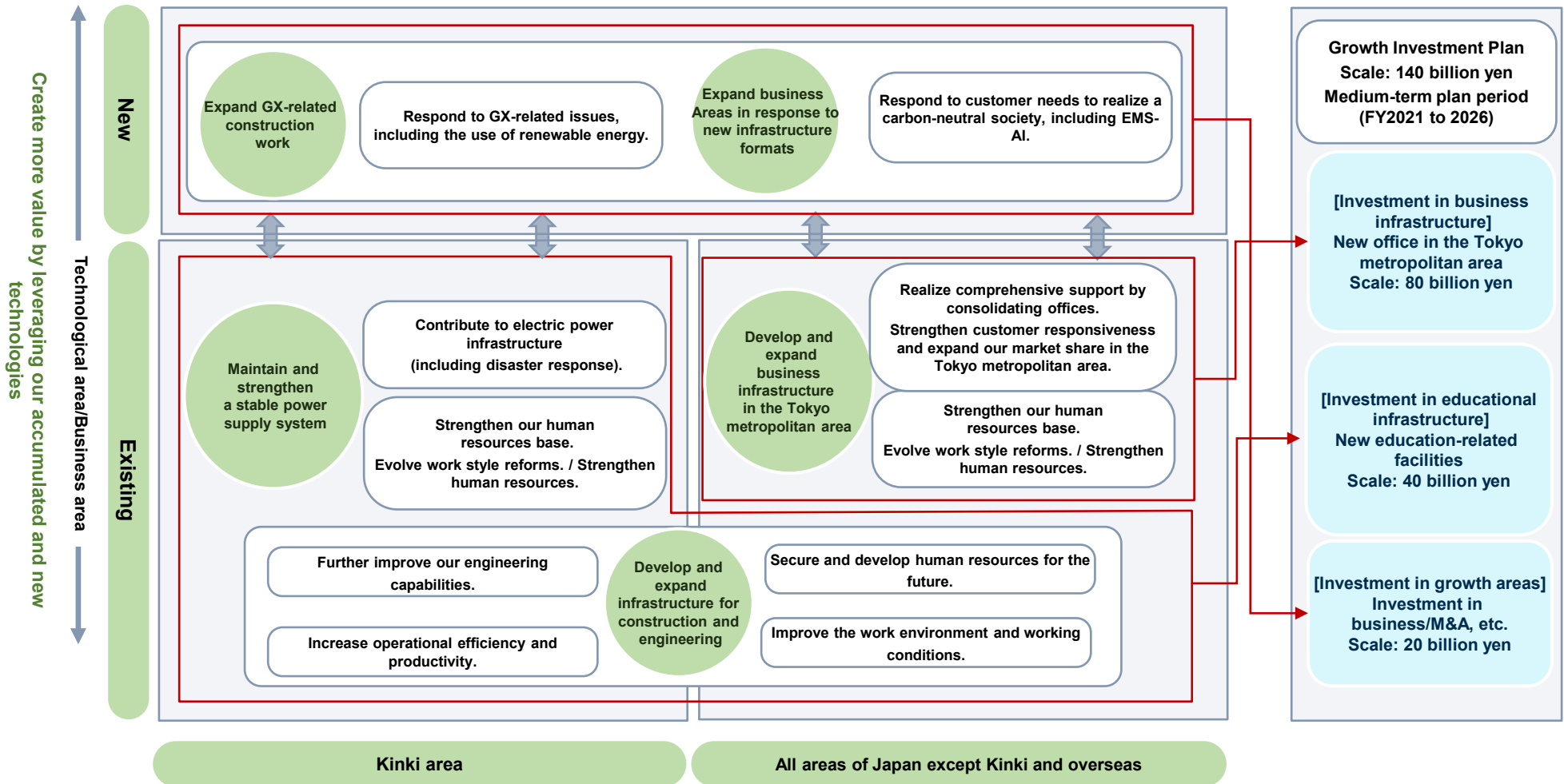
3. Growth Investments Centered on Human Resources

To further strengthen our ability to generate profits

Business Strategies in the Medium-term Management Plan and Growth Investments Centered on Human Resources

Our employees are our most important management resource and asset. Investment in human resources is the core of growth investment.

- Open a new office in the Tokyo metropolitan area to serve as a center for general construction work and increase our market share in this large market.
- Develop and expand construction and technical infrastructure from a medium- to long-term perspective by investing in educational infrastructure in order to secure and develop human resources for the future.
- Consider and execute investments in growth areas, such as GX-related fields, to realize a carbon-neutral society.



Clarify the area framework for strengthening community-based operations and expanding business in the Tokyo metropolitan area.

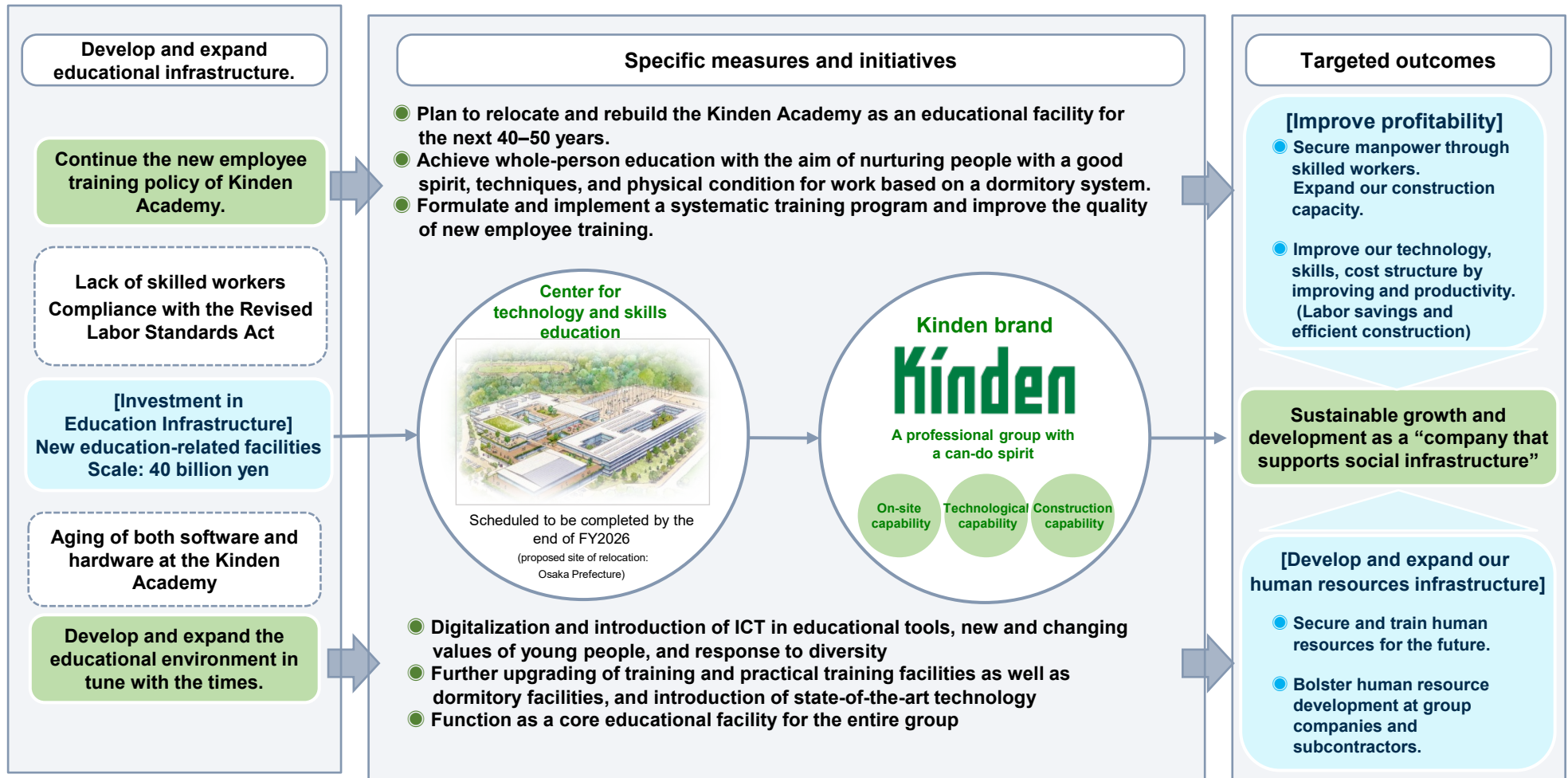
- Open a new office in the Tokyo metropolitan area to serve as a center for general construction work and increase our market share in this large market.
- Maximize our Group's comprehensive strengths by consolidating and integrating the functions of divisions and group company locations that are dispersed throughout Tokyo.
- Introduce new technologies for the future. Environmentally sustainable facilities.
- Improve brand power by establishing advanced office spaces as well as training and research facilities, evolving work style reforms, and building up our human resources.



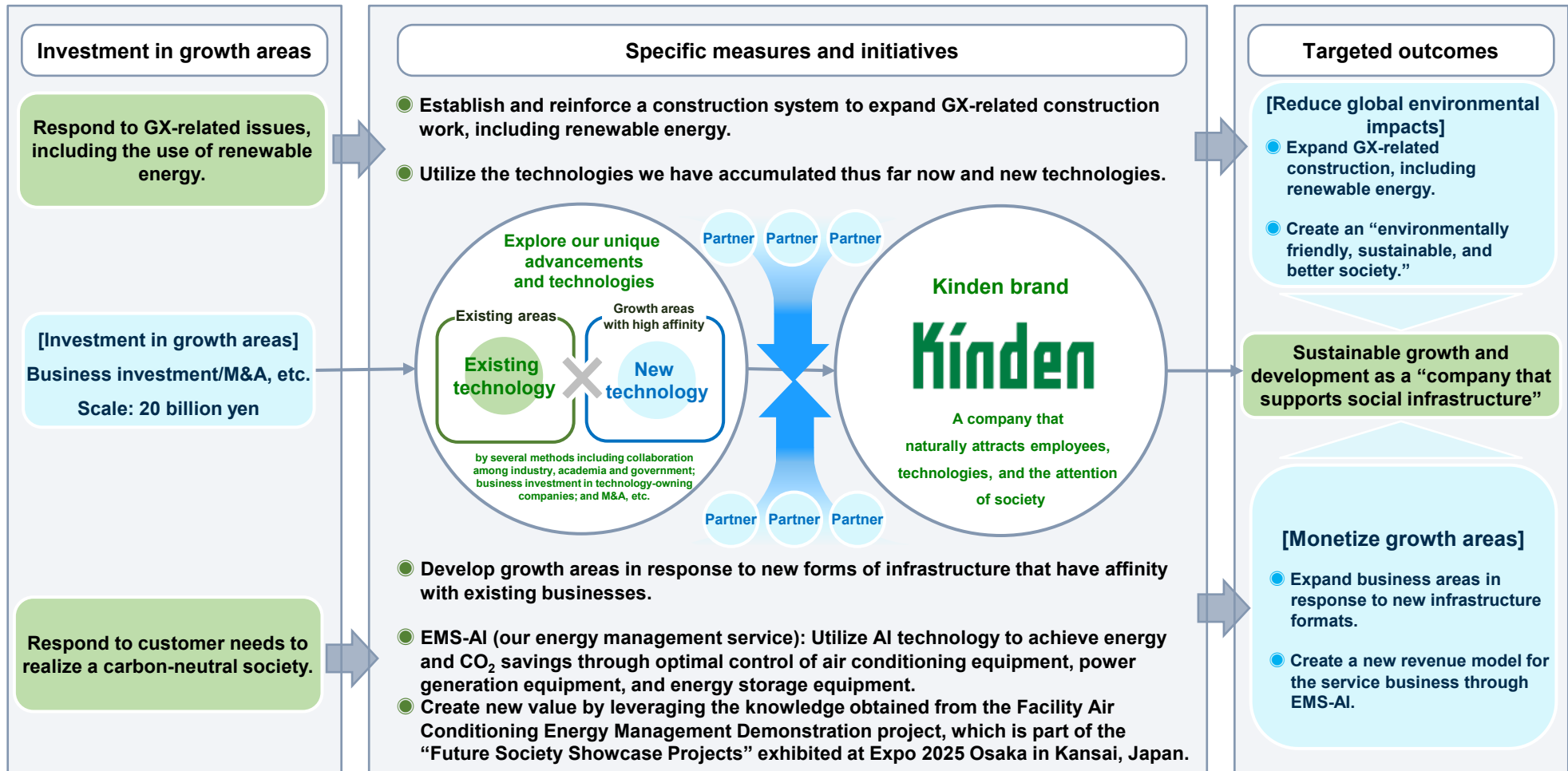
[Investment in Education Infrastructure] New Education-related Facilities

■ The source of our competitiveness is human resources. The Kinden Academy, our core educational facility, has supported human resource development; this will not change.

- Develop and expand construction and technical infrastructure from a medium- to long-term perspective by investing in educational infrastructure in order to secure and develop human resources for the future.
- Relocate and rebuild the Kinden Academy to increase the number of engineers and technicians, to further develop human resources, and to address issues such as undersized and aging buildings.
- The Kinden brand customers prefer is built by our professional group with a can-do spirit. Achieve sustainable growth and development by cultivating human resources with this mindset.



- Consider and execute investments in growth areas, such as GX-related fields, to realize a carbon-neutral society
- Explore our unique advancements and technologies by several methods, including collaboration among industry, academia and government; business investment in technology-owning companies; and M&A.
- Develop growth areas with high affinity to existing areas as a comprehensive facilities engineering company (Energy, Environment, and Information).



4. Capital Policy

Capital policy approach for sustainable growth and development

Capital Policy: Ensure ROE in Excess of Cost of Equity

We will improve the Kinden brand and grow medium- and long-term returns by executing growth investments centered on the human resources necessary for our sustainable growth and development in accordance with the Medium-term Management Plan, while maintaining our financial policy that aims to realize a stable financial base.

We will also ensure ROE in excess of cost of equity by improving the efficiency of equity, such as by gradually increasing the level of dividends.

Strengthening our ability to generate profits (Returns)

- Develop and expand business infrastructure in the Tokyo metropolitan area.

Investment in business infrastructure

New office in the Tokyo metropolitan area:
80 billion yen scale

- Develop and expand infrastructure for construction and engineering.
- Maintain and strengthen a stable power supply system.

Investment in educational infrastructure

New education-related facilities:
40 billion yen scale

- Expand GX-related construction work.
- Respond to new forms of infrastructure.

Investment in growth areas

Investment in business/M&A, etc.:
20 billion yen scale

Capital efficiency (Equity)

Shareholder returns

Gradually increase the level of dividends.

Target payout ratio of around **40%** in total during the upcoming period of the current Medium-term Management Plan (FY2023–2026)

Further strengthen shareholder returns in line with financial conditions, etc. (Flexible share buybacks)

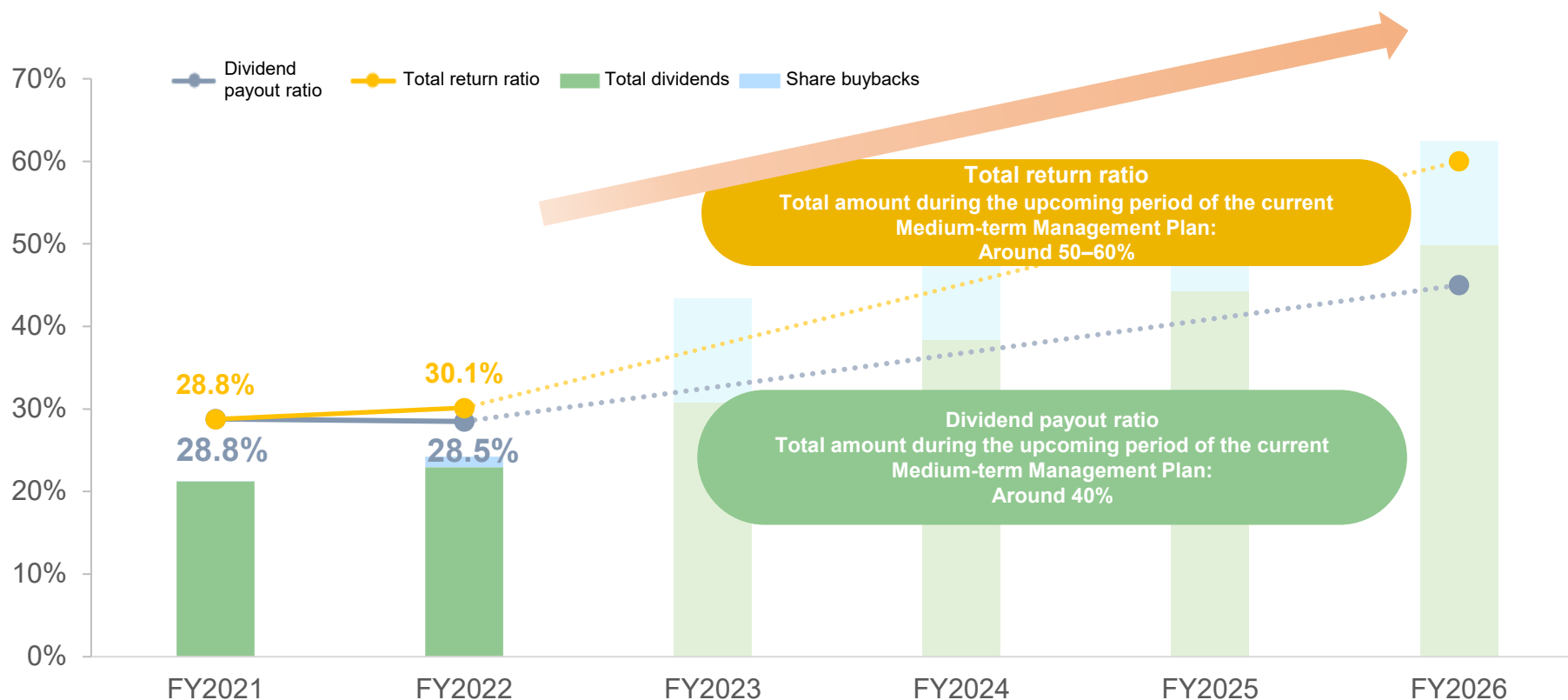
Target total return ratio of **50–60%** during the upcoming period of the current Medium-term Management Plan (FY2023–2026)

Reduce policy stock holdings.

Plan to reduce holdings from 117 issues in FY2022 to 88 issues in FY2026
(Amount reduced: Approx. 11 billion yen * Estimated at current stock prices.)

Increase shareholder returns during the upcoming period of the current Medium-term Management Plan (FY2023–2026).

- Dividends** Dividend payout ratio of around 40%
- Total return ratio** Total return ratio of around 50–60%



* This graph is for illustrative purposes only

5. Message

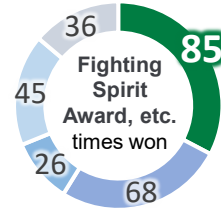
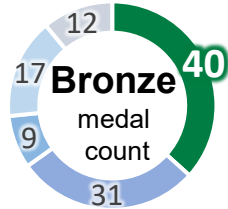
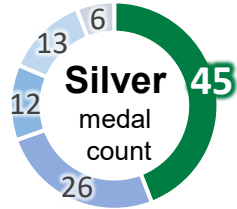
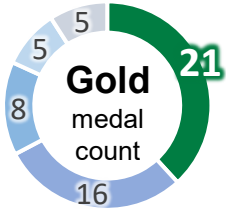
Taking pride in supporting social infrastructure

We Are a Group of Professionals Who Support Social Infrastructure

WorldSkills Competition Results (Peer comparison)

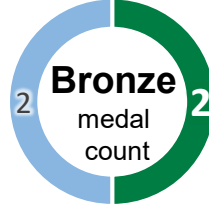
Commercial Wiring

National Competition *Participated since the 3rd competition (in 1965).



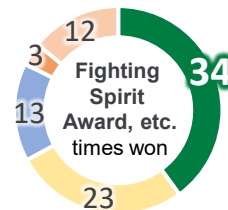
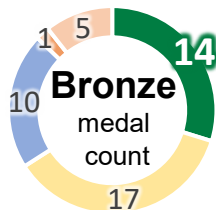
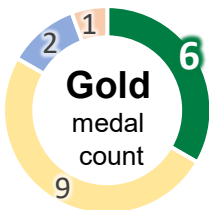
Commercial Wiring

International competition



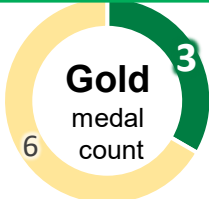
Information Network Cabling

National competition *Participated since the 43rd competition (in 2005)



Information Network Cabling

International competition



Renewable Energy

International competition

● Special event in 2022 Won the Gold.

- Kinden
- Company A
- Company B
- Company C
- Company D
- Company E
- Company F
- Company G

Awards received by our employees

(Selected excerpts)

November 2007

39th WorldSkills Competition [Shizuoka, Japan]
Commercial Wiring

Gold



September 2009

40th WorldSkills Competition [Calgary, Canada]
Commercial Wiring

Gold



July 2013

42nd WorldSkills Competition [Leipzig, Germany]
Commercial Wiring
Information Network Cabling

Gold Gold



August 2015

43rd WorldSkills Competition [Sao Paulo, Brazil]
Information Network Cabling

Gold



August 2019

45th WorldSkills Competition [Kazan, Russia]
Information Network Cabling

Gold



October 2022

46th WorldSkills Competition (special event) [Kyoto, Japan]
Renewable Energy

Gold



Our Mission of Supporting Social Infrastructure



Management creed
Harmony and Cheerfulness
Research and Hard Work
Sincerity and Service



We were established as an electrical distribution construction company in 1944.

In the 1950s, we expanded overseas.

In the 1970s, we worked on skyscrapers, which became widespread in society.

And in the 1980s, we began working on intelligent buildings.

**In this way, we have constantly refined our technology
while following the trajectory of society's growth,
and we have provided extensive support for social infrastructure.**

**Our mission, unchanged since our founding,
is to support people's irreplaceable lives from a foundation that goes unseen.
We keep our mission in mind and continue to protect people's usual lives every day.**



Corporate Philosophy
We create superior facilities and
services, support social
infrastructure, and contribute to
realize a bright, affluent future.



Diligent Work for Daily Lives

Kinden