

Medium-term Management Plan [Fiscal 2021-2026]

Sustainable Growth 2026

~ Human Resources, Heart, and Toward the Future ~

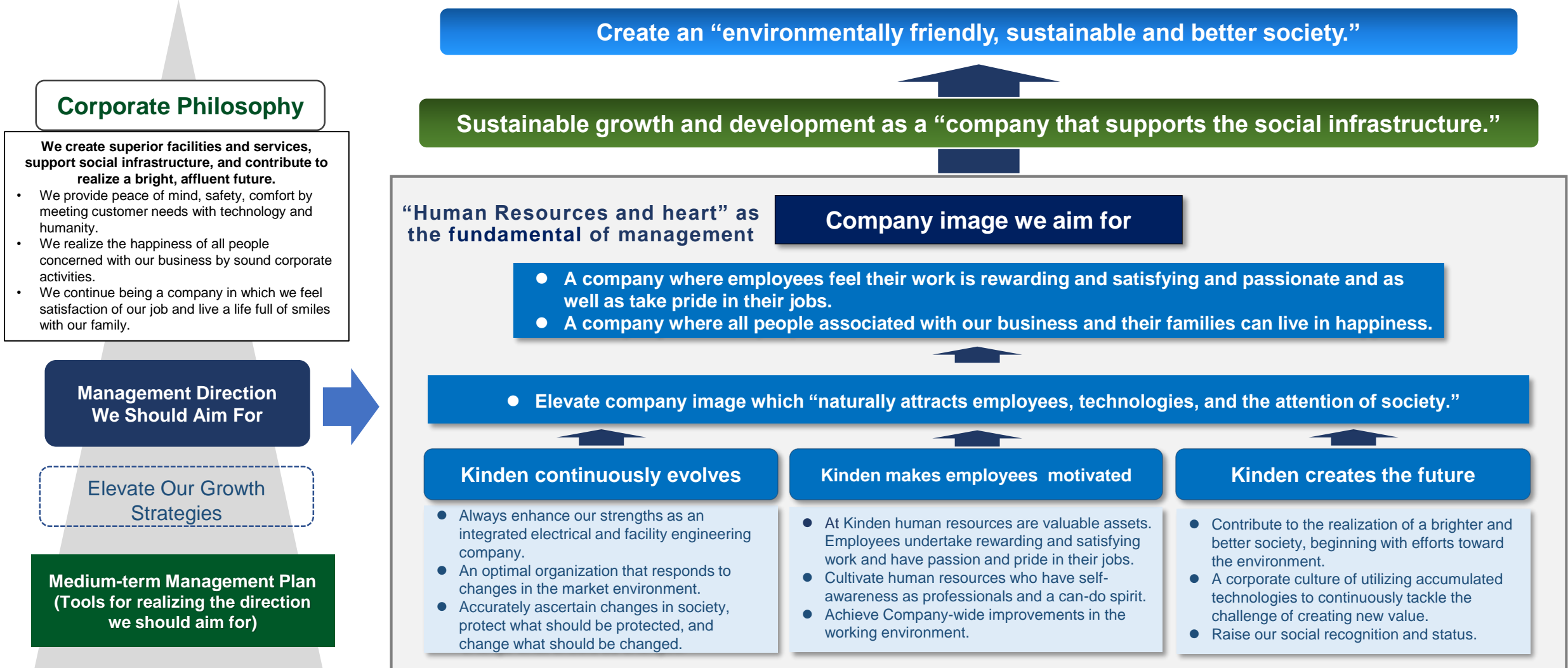
April 28, 2021

KINDEN Group

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* The fiscal year ended March 31,2027 is referred to as fiscal 2026 and other fiscal year are referred to in a corresponding manner.

1. Management Direction We Should Aim For



Kinden will secure appropriate profits through its contributions to society and will return profits to all stakeholders in a balanced manner over the long-term. Kinden will also promote management based on the concept of “good for all three sides,” namely “good for the seller, good for the buyer, and good for the public.”

Sustainable Growth 2026

~ Human Resources, Heart, and Toward the Future ~

- At Kinden, human resources are valuable assets.
- We place “human resources and heart” at the core of our management and actively promote the establishment and strengthening of a business foundation based on human resources.
- To constantly evolve under any circumstances and to continuously meet the needs of customers and society, Kinden focuses on long-term growth vision and aims for sustainable growth and development.
- This creates the future for the Kinden Group and contributes for betterment of society.



- ✓ We are in an age of rapid changes. Taking long-term perspectives, Kinden will draw up its growth vision for fiscal 2026 that looks six years ahead.
- ✓ While considering future changes in social and economic conditions, Kinden will move ahead taking flexible approaches to conduct appropriate verifications, respond to changes and undertake necessary re-evaluations.

2. Medium-term Management Plan -Basic Policy-

● Aim for sustainable growth and development by taking long-term perspectives.

- ✓ Kinden ensures customer satisfaction and builds long-term relationships of trust by providing customers with safe and high-quality equipment and services using its “**human resources-based business foundation**” formed through its long-term human resources development. By repeatedly creating new value that is recognized by society, Kinden has expanded and grown its business earnings to be successful in today’s business world.
- ✓ To ensure that human resources possessing high technological capabilities, the source of Kinden’s strengths, can work with vigor, Kinden proactively makes essential “**growth investing**” by **establishing and strengthening its human resources-based business foundation**. These investments focus developing and expanding our business foundation, improving the working environment, developing human resources, raising productivity and enhancing work efficiency, and promoting digitization.
- ✓ Amid the promotion of SDGs and ESG and other major trends, we will fulfill **our corporate social responsibility** through our businesses to create an “**environmentally friendly, sustainable, and better society,**” starting with efforts toward **the environment** such as realizing carbon neutrality environment.

□ **As we firmly maintain our stable financial base** which enables us to gain the trust of customers as well as secure outstanding human resources, we will promote efforts and investments for establishing an even stronger business foundation.



- ✓ We believe that valuing human resources and placing top priority on customer satisfaction, maintaining stable business operations and **pursuing sustainable growth and development** will lead to the reassurance of and **long-term benefits for all stakeholders**, including shareholders, which **will ultimately contribute to society**.

2. Medium-term Management Plan -Management Strategy and ESG-

Create an “environmentally friendly, sustainable, and better society.”

Keyword : Sustainable, Environment · Social · Governance

Sustainable: Sustainable growth and development of the Company

Company’s business: Support the social infrastructure.

- Provide customers with safe, high-quality, environment-friendly and outstanding equipment and services.
- Maintain and strengthen our stable power supply system.
- Maintain infrastructure during natural disaster recovery and in emergency situations (BCP support).

Fiscal 2026 Growth Vision

Management Strategy

Growth investing based on human resources

Business Strategy
Sustainable

Business expansion for achieving Fiscal 2026 Growth Vision

Environmental Strategy
Environment

Human Resources and Workstyle Strategy
Social

Corporate Strategy
Governance

-The Company Image We Aim For- “Human Resources and Heart” as the Fundamental of Management

- ✓ Kinden carries the social mission of supporting social infrastructure.
- ✓ Continuously undertaking our Company business means that **Kinden’s sustainable growth and development itself will contribute to creating an “environmentally friendly, sustainable and better society.”**

- ✓ Under the Fiscal 2026 **Growth Vision**, Kinden will implement its “Business Strategy”, “Environmental Strategy”, “Human Resources and Workstyle Strategy” and “Corporate Strategy” also giving consideration to **ESG (environment, society, governance)**.
- ✓ Furthermore, Kinden will actively make **growth investing based on human resources** and vigorously promote **the development and expansion of its business foundation**.

- ✓ At the core of this initiative is **the Company image we aim for “Human Resources and Heart.”**

2. Medium-term Management Plan -Fiscal 2026 Growth Vision- (1/2)

Aim for “management that generates consolidated sales of on a scale of 700,000 million yen”
as our long-term growth vision for 2026

- Growth indicator Consolidated sales of around 700,000 million yen Operating income: Around 50,000 million yen

- ✓ Even though the construction industry is undergoing structural changes and the domestic market is shrinking, Kinden must steadily move ahead toward sustainable growth and development.
- ✓ As such, Kinden must meet our customers’ expectations by providing safe and high-quality equipment and services while also responding to society’s needs for attaining carbon neutrality which supports the social infrastructure.
- ✓ Kinden will proactively develop, upgrade and expand its foundation based on human resources, set a future vision with higher goals, and make efforts toward growth.
- ✓ These efforts will enable us to **increase the trust of customers and society and become an appealing company that “naturally attracts employees, technologies, and the attention of society.”**



We will strongly promote our “Business Strategy”, “Environmental Strategy”, “Human Resources and Workstyle Strategy”, and “Corporate Strategy” in order to realize the Fiscal 2026 Growth Vision and proceed with the development and expansion of our business foundation for sustainable growth and development.

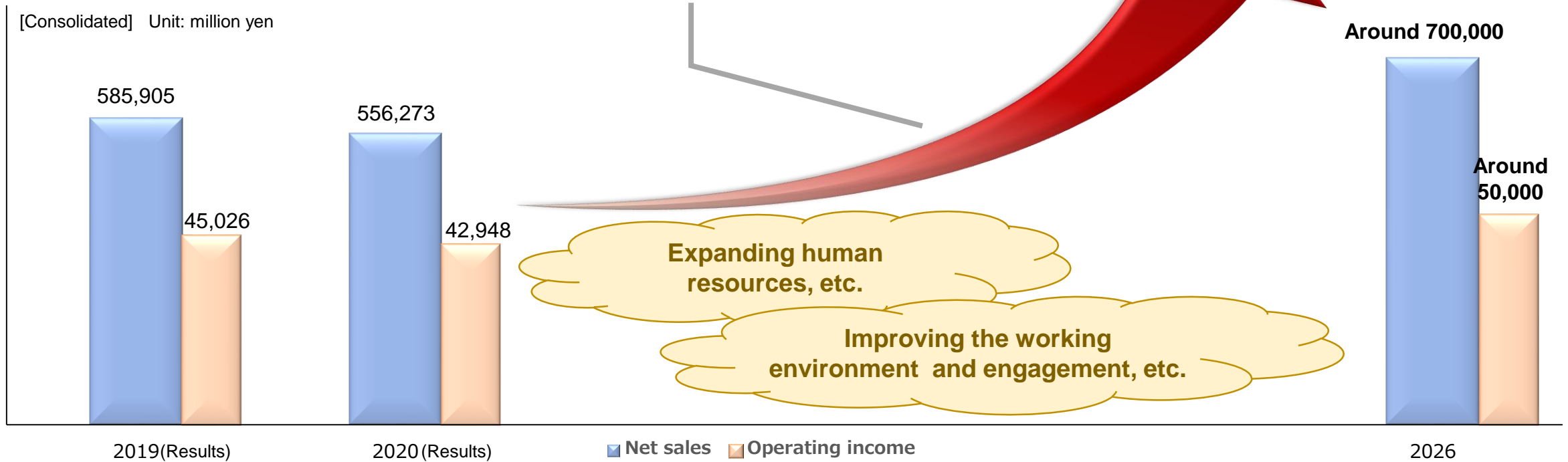
2. Medium-term Management Plan -Fiscal 2026 Growth Vision- (2/2)

✓ Kinden aims to **expand business results as well as improve the working environment and engagement** by executing its “Business Strategy” in conjunction with the individual strategies consisting of its “Environmental Strategy”, “Human Resources and Workstyle Strategy”, and “Corporate Strategy” in addition to growth investing based on human resources.



Become an appealing company that “naturally attracts employees, technologies, and the attention of society.”

Fiscal 2026 Growth Vision
 “Management that generates consolidated sales on a scale of 700,000 million yen”



2. Medium-term Management Plan -Business Strategy-

- Further refine and expand the strengths of existing businesses

Strengthen our business foundation and further expand existing businesses

- ◎ Continually strengthen and expand the Electrical, Environmental Management Facilities, Information and Communications Network and Interior Systems businesses that serve as our core businesses as an integrated electrical and facility engineering company
 - Further develop businesses in the Greater Tokyo area and strengthen community-based business.
 - Expand renovation work for a stock-type society.
 - Utilize new technologies to reliably respond to the advanced digitization of the social infrastructure.
- ◎ Contribute to the social infrastructure beginning with electricity
 - Maintain and strengthen a stable power supply system as our social mission.
- ◎ Contribute to the realization of a carbon-neutral society.
 - Proactively make technical proposals to customers for achieving carbon neutrality.
- ◎ Develop overseas businesses taking a long-term perspective
 - Adopt a perspective that also considers new market development based on the market environment of each country.
- ◎ Further utilize Kinden's strengths and comprehensive capabilities.
 - Kinden will meet the expectations of its customers by utilizing its comprehensive capabilities that include undertaking ultra-large-scale work and exposition and IR-related work.
- ◎ Further elevate our engineering capabilities.
- ◎ Expand and upgrade our work implementation structure and strengthen our on-site support structure.
- ◎ Expand human resources and strengthen training and work implementation capabilities.
- ◎ Enhance and strengthen our business foundation.
- ◎ Enhance work efficiency and raise productivity.

- Take on challenges toward new fields

Utilize accumulated technologies and new technologies for further value creation

- ◎ Further expand renewable energy works to meet demands from society and the needs of customers toward the realization of a carbon-neutral society
 - We will tackle challenges in fields where dramatic growth is expected, beginning with the construction of offshore power generation facilities that will be operated under the government's carbon-neutral targets for 2050.
- ◎ Expand business domains that respond to new infrastructure formats and that are compatible with existing businesses
 - Sensitively ascertain social demands accompanying the evolution of social infrastructure technologies in areas related to electricity and communications and proceed with the R&D of new technologies.



Expand business toward the realization of
Fiscal 2026 Growth Vision



2. Medium-term Management Plan -Growth Investing-

- Strongly promote the establishment and expansion of our business foundation through growth investing based on human resources.

Establish and expand our business foundation

- ✓ Establish a business system matched to our business strategy of strengthening community-based business and increasing business in the Tokyo metropolitan area to expand our existing businesses.
- ✓ Establish a business foundation for strengthening organizational functions and improving governance.
- ✓ Proactively promote the renovation of business sites to realize more-comfortable workplace environments.

Strengthen human resources capabilities by enhancing the educational infrastructure

- ✓ The most valuable management resource is human resources.
- ✓ To create the future of our company, we will establish an educational infrastructure (facilities, equipment, systems, etc.) to create an environment suitable for anyone who can receive effective education anytime and anywhere to maximize the educational environment.

Promote digitization

- Enhance work efficiency
- Raise productivity
- Improve the working environment

- ✓ Promote digitization in anticipation of realizing DX (digital transformation) to achieve improvements in the working environment.
- ✓ Digitize corporate departments and focus efforts on core system updates to achieve seamless linkages among data systems, paperless offices, and real-time visualization of information.
- ✓ Digitize field operations.

- Every employees will work energetically and grow within a comfortable working environment and a fulfilling educational environment. This will be a **powerful driving force for the achievement of our “Fiscal 2026 Growth Vision”**.
- Kinden believes that these growth investing will certainly enable it to **earn even higher levels of customer trust and contribute to future increases in profits.**

2. Medium-term Management Plan -Individual Strategies-

- Strongly promote the Business Strategy by implementing each individual strategy.

Individual strategies	Theme	Details of initiatives
Environmental Strategy	Attain SDGs and promote environmental awareness through business activities	Promote initiatives for carbon neutrality such as curtailing energy usage accompanying business activities
Human Resources and Workstyle Strategy	Create comfortable work environments	Realize workstyles that respond to changes in laws and society and create comfortable workplaces
	Improve engagement	Make efforts to raise motivation and employees satisfaction
	Become a professional group with a can-do spirit	Secure, develop, and promote the active participation of human resources who will lead the future
Corporate Strategy	Thoroughgoing management with a keen awareness of corporate governance and compliance	Further deepen compliance and corporate governance
	Appropriate information dissemination to raise our corporate status	Promote effective public relations activities to raise recognition of the Kinden brand

3. Financial Strategy and Shareholder Return Policy

● Maintain a stable financial base

- ✓ Kinden's mission is to support the social infrastructure such as electric power.
- ✓ In addition to maintaining sufficient working capital, Kinden must prepare for various contingencies such as economic recessions and responses to long-term natural disaster recovery.
- ✓ Human resources are Kinden's valuable asset. Long-term human resources development and human resources with accumulated experience serve as the basis of Kinden's technological capabilities and we must also maintain the employment of human resources during times of emergency.
- ✓ As long as construction work is a main business, **we must maintain our financial condition so that all stakeholders can engage business with a sense of reassurance.**
- ✓ From this perspective, **our policy is to firmly maintain a stable financial base and a high capital-adequacy ratio.**
- ✓ This also enables us to **earn the trust of customers and secure excellent human resources**, which are the sources of our competitiveness.

● Investments for sustainable growth and development

- ✓ Beginning with **growth investing based on human resources** such as for establishing and expanding the business foundation (including M&A), enhancing the educational infrastructure and promoting digitalization, we will also flexibly make investments that contribute to ESG that include investments in environmental initiatives such as decarbonization as well as for other social contributions and new businesses.
- ✓ **Taking a long-term perspective, we will continue stable business operations and pursue growth and development. We believe that these efforts will lead to an expansion of business profits and increased corporate value over the long term as well as contribute to the reassurance and long-term benefits of all stakeholders and thereby make social contributions.**

● Shareholder return policy

- ✓ **We have positioned the distribution of profits to shareholders as one of our important management objectives and will implement our basic policy of paying stable and continuous dividends taking into consideration our business results and financial performance.**

4. Materiality -ESG and SDGs-

Meaning of Kinden's Existence	SDGs	ESG	Materiality	SDGs
<p>Environment</p> <p>Contribute to society and the environment by continuing our business of supporting social infrastructure.</p> <ul style="list-style-type: none"> Provide customers with safe and high-quality equipment and services that are outstanding in terms of being environmentally friendly. Maintain and strengthen our stable power supply structure. Maintain infrastructure during natural disaster recovery and times of emergency. (BCP support) 		<p>E Environment</p>	Expand renewable energy works toward realizing a carbon-neutral society	
			Proactively propose energy-saving and environment-friendly equipment to customers	
Expand business domains in response to new forms of infrastructure				
Reduce energy use in business activities				
<p>Society</p>		<p>S Society</p>	Implement measures for respecting human rights	
			Improve working environments and promote diverse workstyles	
			Foster a sense of "rewarding and satisfying work" and "passion and pride"	
			Promote diversity management	
			Secure strategic human resources that match our growth vision through flexible hiring	
<p>Governance</p>		<p>G Governance</p>	Implement efficient and effective education that meets the needs of the times and upgrade educational infrastructure for this education	
			Promote good health for all employees	
			Strengthen our organizational structure that can respond promptly and appropriately to Company-wide issues	
			Thoroughgoing compliance management	
			High-level implementation of the Corporate Governance Code.	

Diligent work for daily lives

Kinden