

FY2026-2030

Medium-Term Management Guidelines 2030

January 2026



今日を支え 明日を創る

株式会社 四電五

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

I -1. Management Philosophy

- We are a General Facility Construction Company engaged in a broad range of facility construction projects, encompassing electric power transmission and distribution facilities as well as electrical, air conditioning, and plumbing systems. By “connecting” facilities across physical spaces, we breathe life into them. These connected facilities, in turn, connect people with one another and link social functions, enabling society itself to carry on into the future. This is what we believe defines our purpose.
- In our Medium-Term Management Guidelines 2030, we set out the policies, strategies, and other initiatives to realize this philosophy in response to changing times.

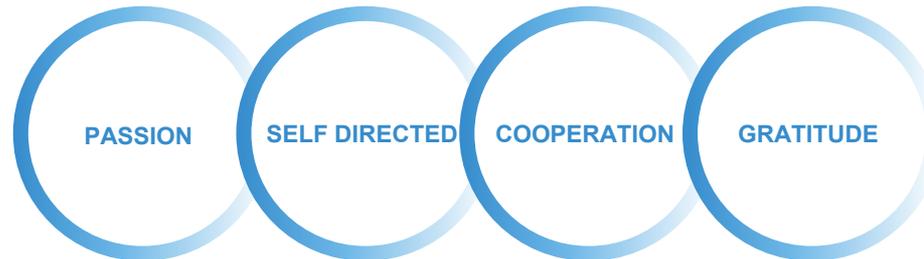
Purpose

**We connect people, society, and the future as an evolving
General Facility Construction Company.**

Mission & Values

- We build resilient infrastructure to sustainably support society.
- We create highly functional facility environments to meet customers’ expectations.
- We value people and continue to refine our technical expertise.

Mindset



I -2. Main Business Domains

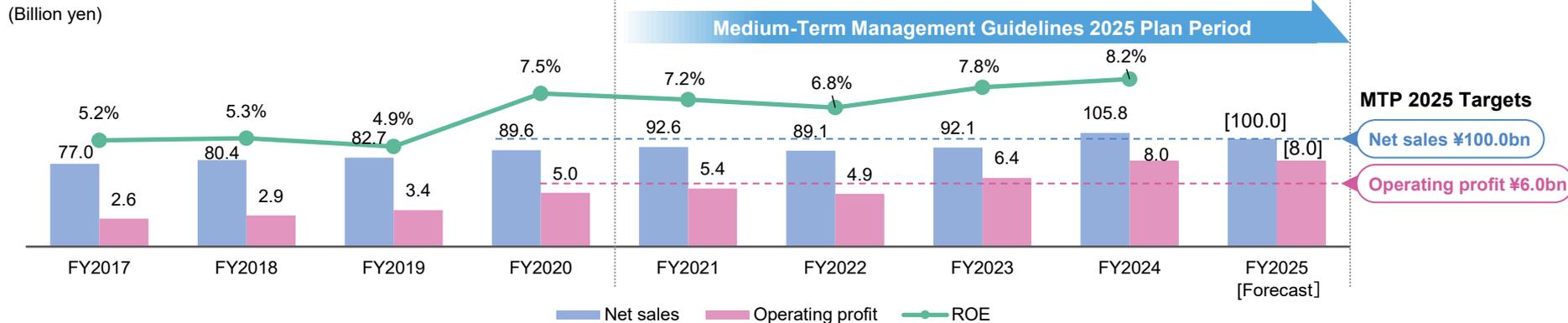
- As a General Facility Construction Company as stated in our management philosophy, we operate our business with two core pillars: electrical facilities construction and electric power transmission & distribution facilities construction. In addition, we leverage the technical expertise and credibility we have built in these businesses to develop related and ancillary businesses.

Electrical facilities construction	<p>Business description Electrical, instrumentation, air conditioning, plumbing, information and communication works</p> <p>Customers (areas) Private companies, government and public agencies, and local governments (Shikoku, the Tokyo metropolitan area, the Kansai area, and other regions)</p> <p>Value chain</p> 	<p>Competitive advantages</p> <ul style="list-style-type: none"> An integrated service covering everything from facilities proposals to design, construction, and maintenance Optimization capability through integrated contracting and construction of electrical, air conditioning, and plumbing works A business model that contributes to achieving a decarbonized society from both electricity supply and demand perspectives Extensive construction track record and expertise across a wide range of building types and facility scales Close coordination among sales, construction, and cost control that enables disciplined order selection and the securing of appropriate profits Strong relationships of trust and mutual growth with customers and partner companies built through past business relationships
Electric power transmission & distribution facilities construction	<p>Business description Electric power transmission and distribution works</p> <p>Customers (areas) Electric power transmission and distribution companies (Shikoku)</p> <p>Value chain</p> 	<p>Competitive advantages</p> <ul style="list-style-type: none"> Specialized expertise in electric power facilities and a construction framework encompassing partner companies to cover the entire Shikoku region An integrated business framework spanning design and construction through maintenance, inspection, and repair Engineers and technicians with abundant experience, extensive knowledge, and advanced skills Strong relationships of trust and mutual growth with customers, partner companies, and other business partners built over many years A rapid electric power supply restoration system in place in the event of a disaster
Related and ancillary businesses	<p>Business description Solar power generation business, leasing business, development and sales of CAD, Public Private Partnership projects, etc.</p> <p>Customers Electric power transmission and distribution companies, private companies, local governments, etc.</p>	<p>Competitive advantages</p> <ul style="list-style-type: none"> Technical capabilities and credibility built through each of the above businesses.

II -1. Review of Medium-Term Management Guidelines 2025 (Consolidated Targets)

- Under the Medium-Term Management Guidelines 2025, we set consolidated targets of ¥100.0 billion in net sales, ¥6.0 billion in operating profit, and an ROE of 8%.
- As a result of our efforts throughout the medium-term plan period to strengthen cost control and improve order profitability, in FY2024 (the fiscal year ended March 31, 2025) we recorded net sales of ¥105.8 billion, operating profit of ¥8.0 billion, and an ROE of 8.2%, achieving all of the consolidated targets of the medium-term plan one year ahead of schedule.
- For FY2025, we expect a reactionary decline following the strong performance in FY2024. However, supported by robust construction demand, orders received continue to hit record highs, and we believe that our growth trajectory remains intact.

Financial results



Medium-Term Management Guidelines 2025 Key Challenges	Key Results	Remaining Challenges
(1) Strengthening multi-faceted earning capacity as a General Facility Construction Company	<ul style="list-style-type: none"> Increased orders for large-scale projects Deployment of a diverse range of construction projects 	<ul style="list-style-type: none"> Enhancement of construction foundations in air conditioning and plumbing works
(2) Expansion of operations across a wide geographic area	<ul style="list-style-type: none"> Increasing orders and strengthening earning capacity in the Tokyo metropolitan area 	<ul style="list-style-type: none"> Further enhancing the revenue base in the Tokyo metropolitan and Kansai areas
(3) Maintaining the business foundation to ensure the reliability of lifeline infrastructure	<ul style="list-style-type: none"> Systematic response to renewal demand for electric power transmission and distribution facilities 	<ul style="list-style-type: none"> Further improving construction efficiency and reducing workload
(4) Demonstrating comprehensive capabilities as the Yondenko Group	<ul style="list-style-type: none"> Strengthening construction capabilities of subsidiaries acquired through M&A 	<ul style="list-style-type: none"> Identifying promising M&A opportunities
(5) Commitment to environmental and social sustainability	<ul style="list-style-type: none"> Contributing to decarbonization of society Practicing diversity 	<ul style="list-style-type: none"> Further advancing ESG-oriented management

II -2. Review of Medium-Term Management Guidelines 2025 (Stock Price and Capital Profitability)

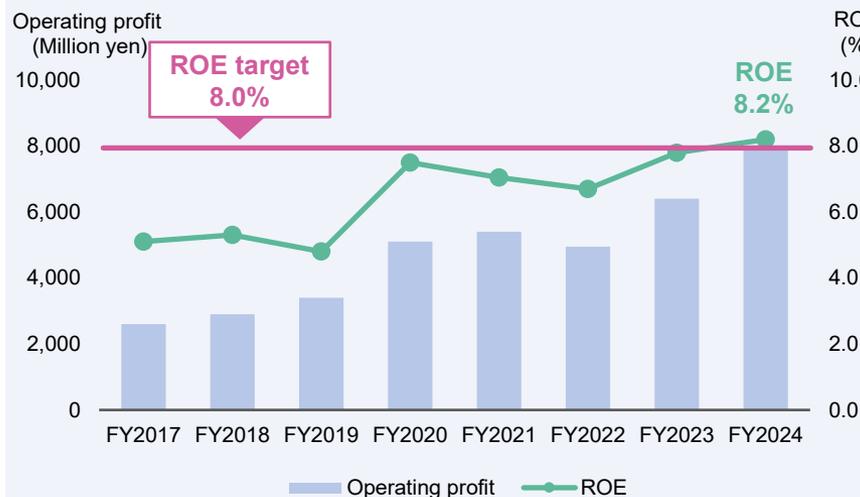
- We have worked to improve capital profitability (ROE) by enhancing business performance and raising our consolidated dividend payout ratio from “30% or more” to “40% or more,” thereby seeking to achieve an optimal capital structure.
- As a result, despite fluctuations in stock price, our PBR has improved significantly, and we will continue to pursue efforts to further enhance corporate value through ongoing improvements in capital profitability and constructive dialogue with the capital markets.

Basic Policy for Improving Capital Profitability (announced in August 2023)

By investing in human resources and other growth initiatives, we aim to achieve sustainable profit growth and establish an appropriate capital structure through enhanced shareholder returns and other measures.

We will promote initiatives focused on improving ROE.

Trends in operating profit and ROE



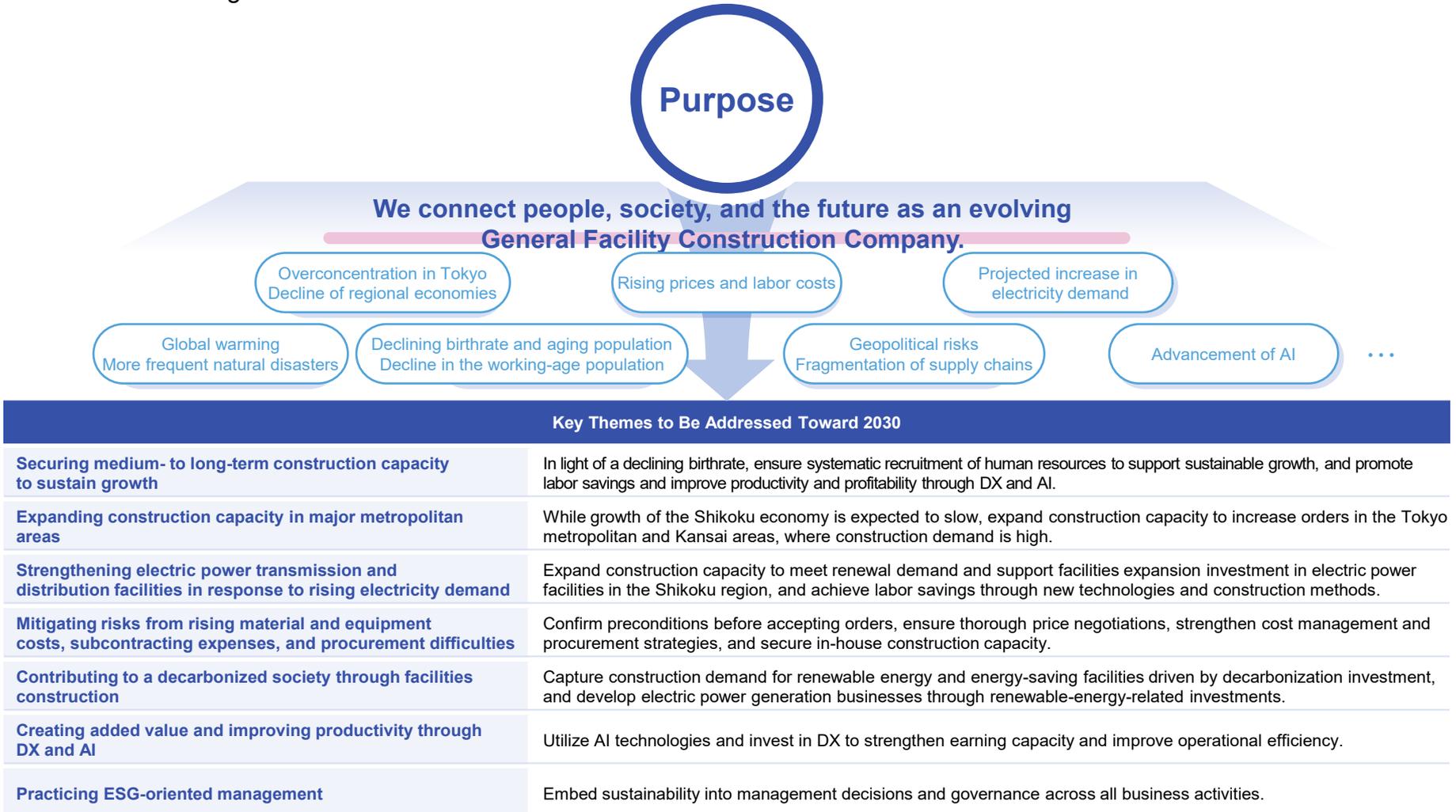
Trends in stock price and PBR *



* Stock split effective October 1, 2021 (2-for-1) Stock split effective October 1, 2024 (3-for-1)

III-1. Key Themes of Medium-Term Management Guidelines 2030

- In the Medium-Term Management Guidelines 2030, we have identified the following key themes to realize our purpose, outlined in our management philosophy, at an even higher level, in light of the current political and economic climate as well as changes in the surrounding business environment.



III-2. Consolidated Targets

- While maintaining a primary focus on strengthening the earning capacity of electrical facilities construction, specifically within the Tokyo metropolitan and Kansai areas, we will aim to expand our revenue by accurately responding to the growing renewal demand expected in electric power transmission & distribution facilities construction.
- Regarding shareholder returns, we will distribute dividends taking into account the level of our net assets over the medium term, based on our ROE targets.

Item	Indicator		FY2025	FY2030	
			forecast	target	
Financial results	Net sales		¥100.0 billion	¥120.0 billion	(+20.0)
	Electrical facilities construction, etc.	Tokyo metropolitan and Kansai areas	¥17.0 billion	¥37.0 billion	(+20.0)
		Shikoku and surrounding areas	¥41.0 billion	¥36.0 billion	(-5.0)
	Electric power transmission & distribution facilities construction	Shikoku and surrounding areas	¥42.0 billion	¥47.0 billion	(+5.0)
	Operating profit		¥8.0 billion	¥11.0 billion	(+3.0)
	ROE		8.9%	10.0%	—
Shareholder return policy			Previous policy	New Medium-Term Management Guidelines period	
			Consolidated dividend payout ratio: 40% or more Maintain dividends without reductions, even in the event of temporary profit declines	Consolidated dividend payout ratio: approx. 60% DOE: approx. 5.0%	

III-3. Business Expansion Outlook and Strategic Challenges under Medium-Term Management Guidelines 2030

- To achieve the aforementioned performance targets, we will increase investment in human capital, the foundation of growth, and carry out our business activities in line with the following basic policies and business-specific strategic challenges.

Basic policy

Based on a sustained effort to strengthen human capital, we will secure stable revenue in the Shikoku region while significantly expanding the revenue base of electrical facilities construction in the Tokyo metropolitan and Kansai areas, thereby aiming to drive business growth and enhance corporate value.

Enhancement and allocation of human capital

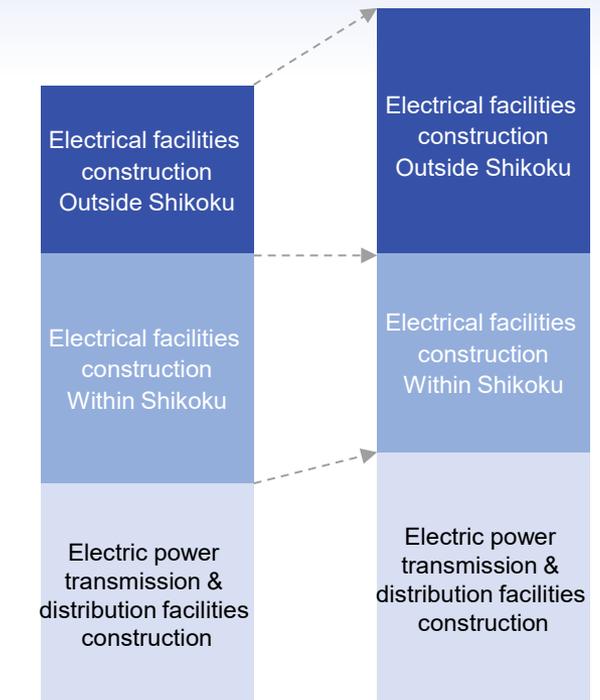
- Implement planned recruitment to strengthen construction capacity, based on long-term workforce projections and changes in age composition
- Enhance training programs and OJT to promote the early development of engineers and raise overall technical skill levels
- Achieve optimal workforce allocation that strengthens the earning capacity of human capital and improves productivity
- Increase employee engagement by improving work environments and through profit returns and reinvestment



Strengthening construction earning capacity

Core area: within Shikoku

Growth/focus areas:
Tokyo metropolitan and Kansai areas



Increasing revenue outside Shikoku

Expand the revenue base of electrical, air conditioning and plumbing works in the Tokyo metropolitan and Kansai areas (expected to serve as the growth engine)

- Expand construction capacity (including local hiring and securing partner companies)
- Establish an order portfolio that contributes to strengthening medium- to long-term profitability
- Establish an order-taking and construction framework for air conditioning and plumbing works
- Develop new customers in information and communication construction

Deepening operations in Shikoku

Secure a certain level of sales and profit over the medium to long term (focusing on promising projects)

- Secure and expand prime contractor orders
- Focus on projects with superior construction profitability
- Build a track record in air conditioning and plumbing works

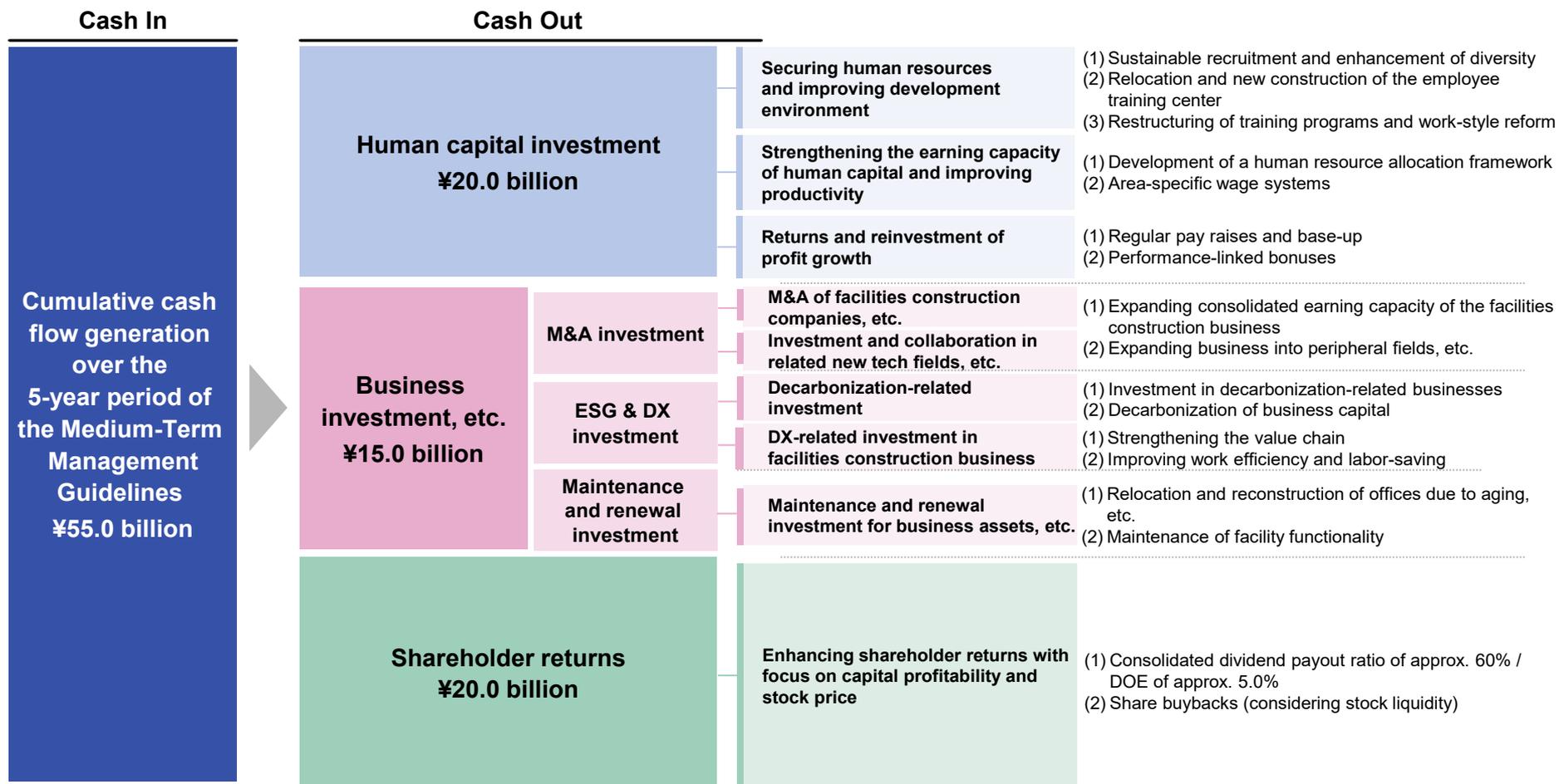
Strengthening earning capacity in Shikoku

Capture and expand revenue opportunities by strengthening construction capacity in line with the gradual increase in renewal investment for electric power transmission & distribution facilities

- Planned recruitment of engineers and effective training
- Promote labor savings and enhance productivity through new technologies, new construction methods, and the use of DX
- Ensure appropriate contract unit price
- Support the recruitment of partner companies and develop new partners
- Develop new customers for electric power transmission construction and effectively utilize construction capacity

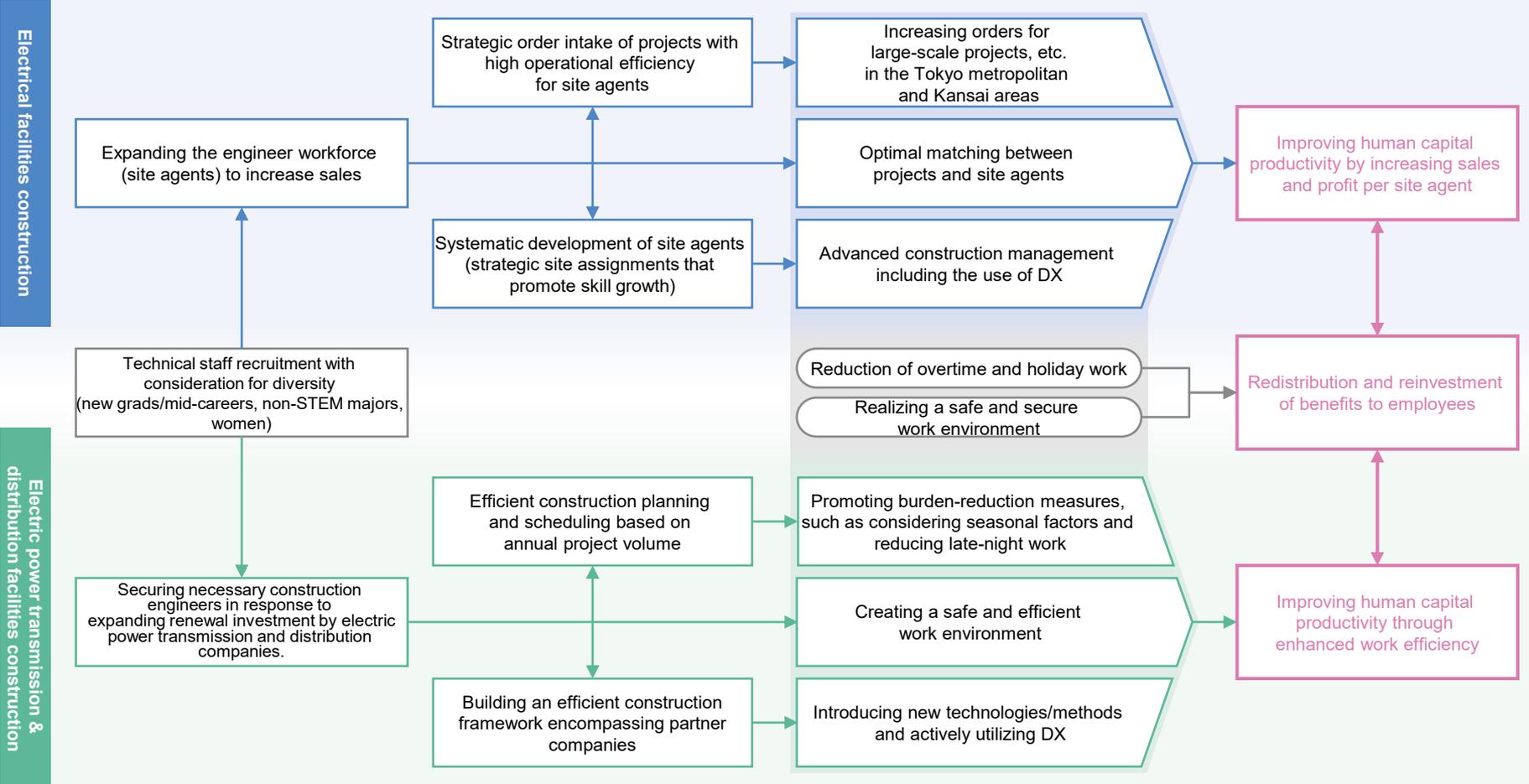
IV-1. Cash Allocation Policy

- To achieve the aforementioned performance targets, we will strengthen the earning capacity of our facilities construction business by making investments for sustainable growth. These efforts will center on investing in human capital, as well as investments for business expansion and ESG/DX initiatives.
- Furthermore, while maintaining financial soundness, such as by securing the necessary working capital required for the growing scale of recent construction projects, we will provide appropriate returns to our shareholders from the perspective of improving capital profitability.



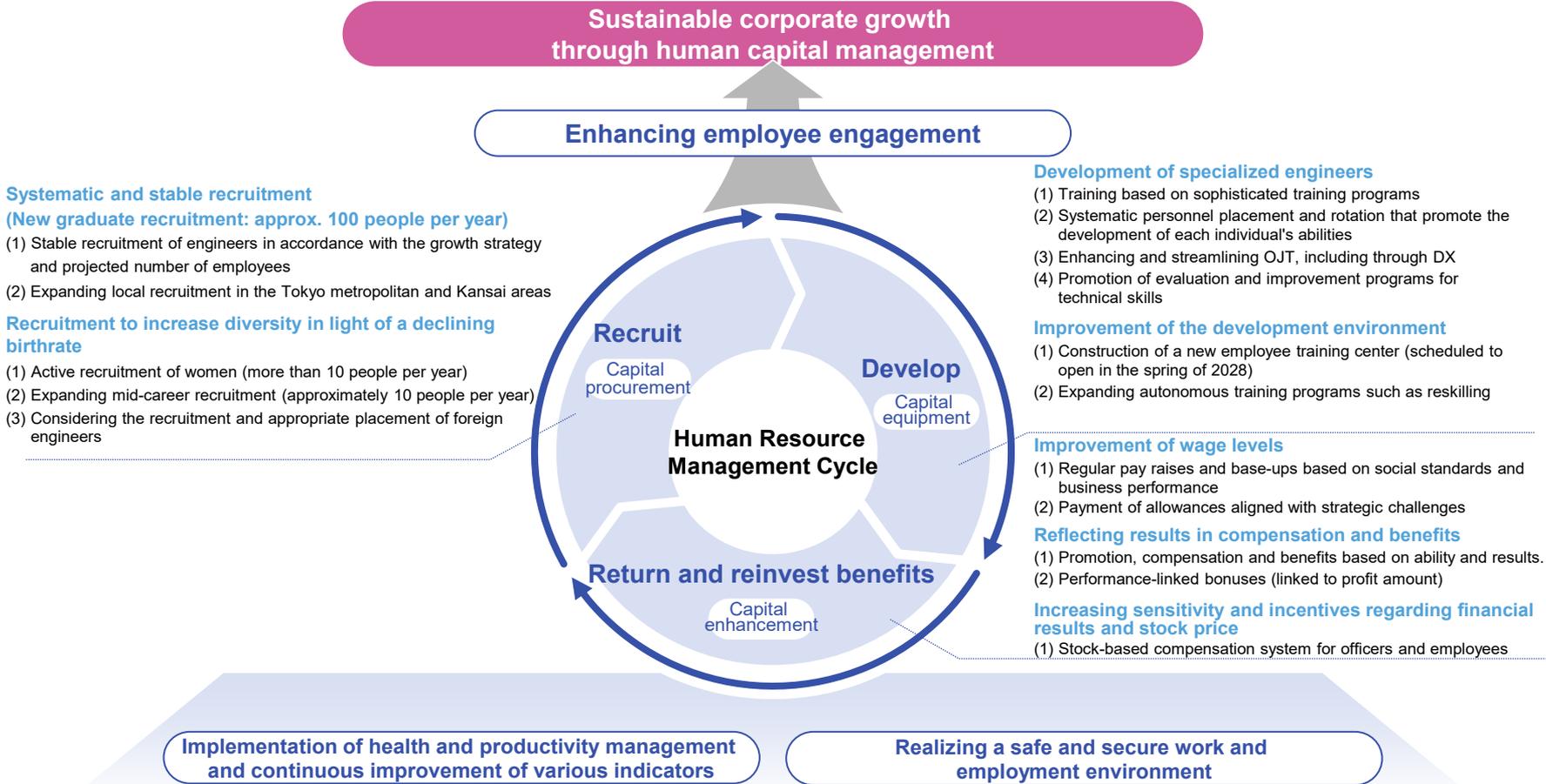
IV-2. Human Capital Investment (Revenue Expansion Scenario)

- As a General Facility Construction Company, our growth driver is our people (engineers). To effectively link investment in people (human capital investment) to revenue expansion, we will promote human resource management tailored to the business environment, revenue models, and strategic challenges of our core businesses as shown below. By doing so, we believe it will be possible to effectively deploy the human resource management cycle, as detailed on the next page, which includes the return of benefits from revenue expansion to employees and further reinvestment.



IV-3. Human Capital Investment (Human Resource Management Cycle)

- For our company, our most vital management capital is our people, particularly our specialized engineers. To enhance this human capital, we will systematically and continuously proceed with recruitment (capital procurement) and development (capital equipment). Furthermore, by returning and reinvesting profits generated through business activities in our employees (capital enhancement), we will increase employee engagement and link these efforts to sustainable corporate growth.



IV-4. Human Capital Investment (Indicators and Targets)

- Developing an engineer takes approximately 5 to 10 years. Therefore, there is a significant time lag before the effects of human capital investment become apparent. In this sense, human capital investment is truly an upfront investment.
- For this reason, based on the current state and challenges of our human capital and our near-term management strategies, we have established medium- to long-term indicators and targets, monitoring progress annually and taking necessary measures.

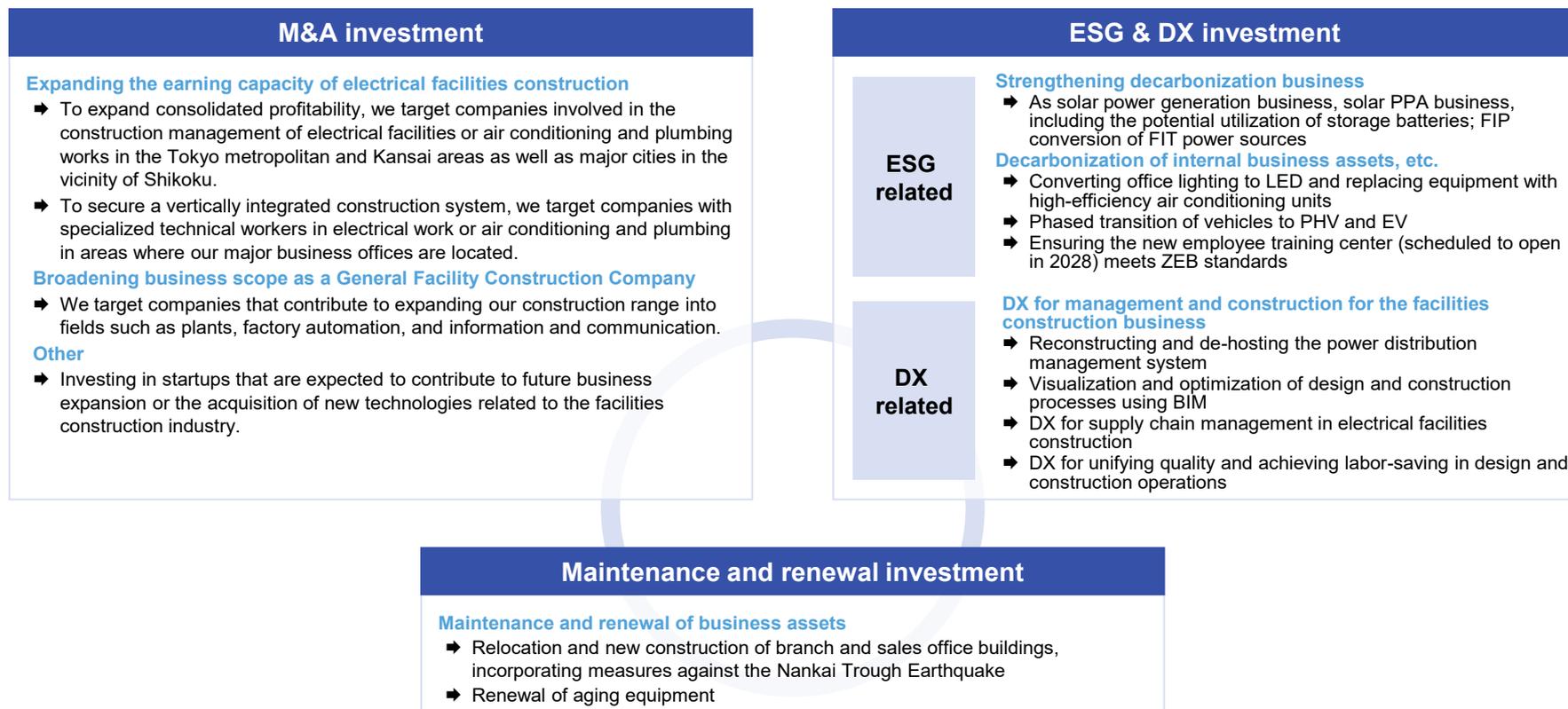
[Yondenko Non-consolidated]

	Management strategies and challenges	Indicators (KPI)	FY2024 results	FY2030 targets
Voluntary disclosure items	Building a foundation of human capital for sustainable corporate growth	Total number of employees	2,158	2,450
	Expanding order intake capacity for electrical facilities construction, etc.	Number of qualified first-class electric works execution managers	696	750
	Ensuring the management system for the construction business	Number of qualified management operation managers	61	65
	Improving human productivity, including administrative operations	Operating profit per employee	3,145 thousand yen	3,700 thousand yen
	Improving operational efficiency and productivity	Average monthly overtime hours [hour/month]	21.9 hours	18 hours
	Optimizing construction order volume and construction periods through work-style reform	Average number of paid leave days taken	13.4 days	15 days
	Utilizing female talent and expanding diversity	Number of female employees (ratio)	193 (8.9%)	250 (10%)
Statutory disclosure items	Recruiting ready-to-deploy talents and expanding diversity	Number of mid-career hires (ratio)	7 (5.8%)	10 (8.9%)
		Promoting women's active participation and eliminating gender discrimination	Ratio of female managers [Female managers / Total managers]	3.4%
		Male childcare leave uptake rate (Including leave for childcare purposes)	34.5% (89.7%)	85% (100%)

(Note) The FY2030 target for the ratio of female managers factors in the personnel gap arising from volume zone retirements and new manager appointments, based on employee age demographics.

IV-5. Business Investment, Etc.

- To date, we have engaged in M&A activities focused on facilities construction companies in the Tokyo metropolitan and Kansai areas, adding seven companies to our group. We will continue to implement our growth strategy as a General Facility Construction Company through ongoing M&A investment.
- Furthermore, leveraging our technology and expertise as a facilities construction firm, we have built a revenue base in decarbonization sectors such as the solar power generation business. Moving forward, we will pursue multi-faceted decarbonization businesses, including the creation of added value through the utilization of storage batteries.
- Meanwhile, we anticipate that the impact of a declining birthrate and an aging population will become more pronounced in the construction industry, which is a labor-intensive sector. Accordingly, we view the utilization of DX, including rapidly evolving AI technology, as vital. By expanding our DX investment, we will work to improve the productivity and profitability of our facilities construction business in preparation for future challenges in talent acquisition.



IV-6. Shareholder Return Policy

- To achieve an ROE of 10%, we will revise our shareholder return policy to one designed to optimize capital.
- Furthermore, as it is currently necessary to strive to increase liquidity of our stock, we will focus primarily on dividends; share buybacks, including timing and methods, will be a subject for future consideration.

As capital accumulation is expected to increase in line with profit growth, further improvements in capital efficiency will be required.

Shareholder Return Policy

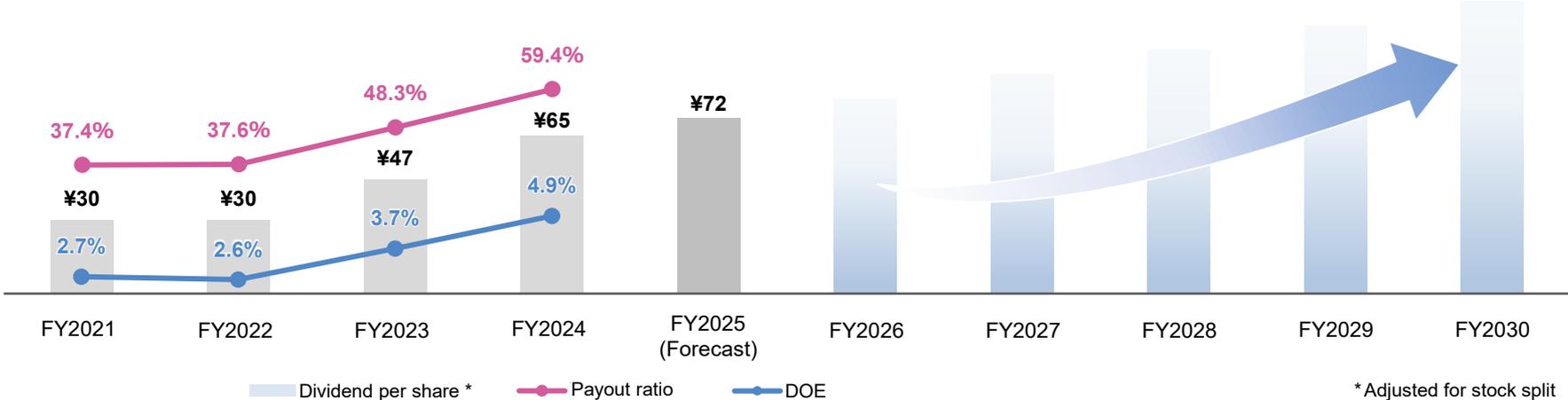
The shareholder return policy will be reviewed to restrain the accumulation of net assets and to optimize the capital structure.
Target a consolidated dividend payout ratio of approx. 60% and DOE of approx. 5.0%

Dividend track record

Shareholder return policy under Medium-Term Management Guidelines 2025
 Consolidated dividend payout ratio: 40% or more
 Maintain dividends without reductions, even in the event of temporary profit declines

Dividend policy

Shareholder return policy under Medium-Term Management Guidelines 2030
Consolidated dividend payout ratio: approx. 60%
DOE: approx. 5.0%



Memo

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- The forward-looking statements contained in this document are based on the Company's judgment and the information currently available, and involve inherent risks and uncertainties.
- Actual results may differ materially from those expressed herein due to various factors.
- The information contained in this document does not constitute a solicitation for investment.
- Investment decisions should be made at your own discretion.



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株式会社 四電五

Corporate Planning Department

E-mail : hnkikaku@mail.yondenko.co.jp