



Medium-term Management Plan (2027-2029)

May 14, 2026



Tekka Kuba

Revisions to the Medium-term Management Plan (updated on a rolling basis)

- Factoring in the acquisitions of SUZUTOH CO., LTD. and RYUKYU BRIDGE LTD., and rise in various costs as well as continued relatively high human capital investments and capital investments, KONDOEC implemented a rolling update of its medium-term management plan released on May 14, 2025 and revised the consolidated performance targets in the medium-term management plan.

Million yen		2026	2027	2028
Previous	Net Sales	85,000	89,500	93,500
	Operating profit	4,600	4,950	5,100
	Ordinary profit	4,800	5,150	5,300
	Profit attributable to owners of parent	3,350	3,400	3,450

Million yen		2026	2027	2028	2029
Revised	Net Sales	83,949	91,000	96,000	100,000
	Operating profit	4,644	4,950	5,100	5,300
	Ordinary profit	4,851	5,150	5,300	5,500
	Profit attributable to owners of parent	3,302	3,400	3,450	3,650



Overview of 2026

- In the Industrial Materials and Electrical Equipment segments, sales and profits increased due to the rise in orders from large customers and effective price pass-through.
- In Structural Steel Materials and Scaffolding Construction segments, sales increased but profits decreased due to the rise in personnel and other SG&A expenses despite strength in large properties and large-scale projects.

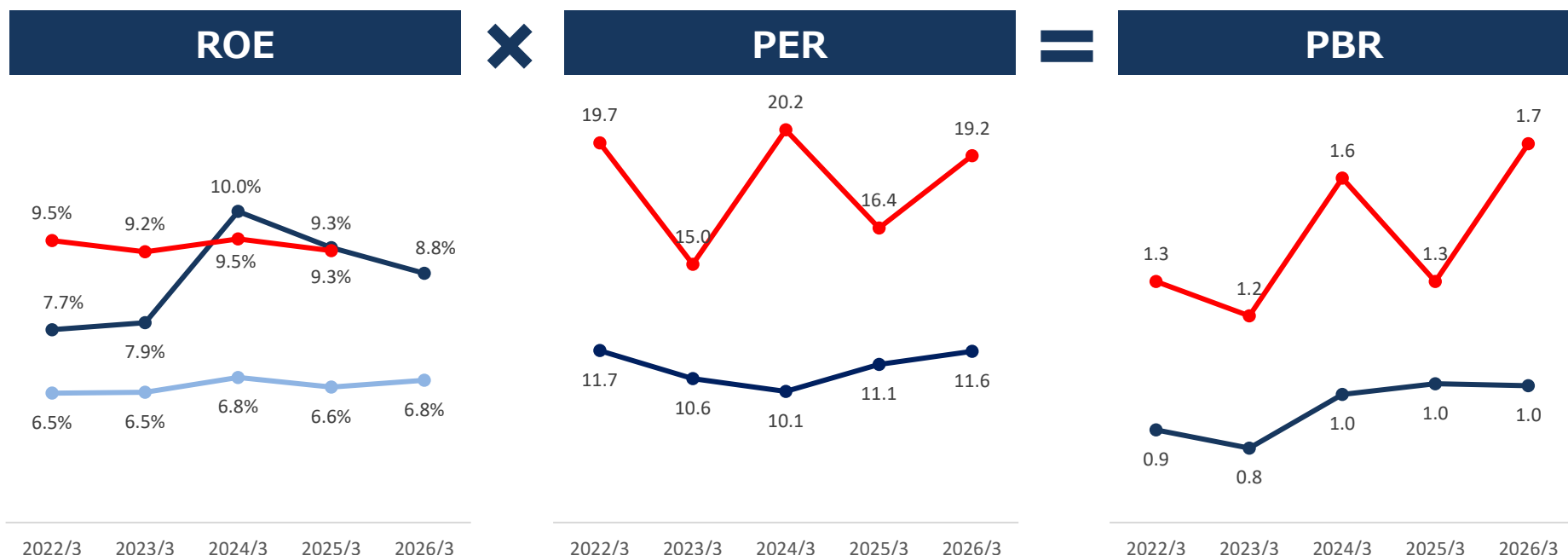
Million yen		2025	2026	YoY	Overview
Industrial Materials	Net Sales	37,328	39,536	+ 2,208	• Sales and profit increased due to the effect of sales growth, including the acquisitions of SUZUTOH CO., LTD. and RYUKYU BRIDGE LTD. and rise in large-lot orders as well as effective price pass-through, offset higher personnel and other SG&A expenses.
	Operating profit	2,454	2,726	+ 271	
	EBITDA(※1)	2,819	3,147	+ 328	
Structural Steel Materials	Net Sales	21,131	21,605	+ 473	• Sales growth could not offset higher personnel expenses, freight and packing costs despite the robust performance in large properties and processed products, resulting in a decline in profit.
	Operating profit	1,394	1,254	△ 139	
	EBITDA(※1)	1,463	1,330	△ 132	
Electrical Equipment	Net Sales	11,335	12,934	+ 1,599	• Sales and profit increased as sales growth, due to higher sales of lighting and electrical wiring and effective price pass-through, which offset the rise in personnel expenses.
	Operating profit	413	560	+ 146	
	EBITDA(※1)	471	617	+ 146	
Scaffolding Construction	Net Sales	9,380	9,872	+ 491	• Sales growth could not offset higher personnel and rent expenses as well as lower gross profit margin from a higher ratio of outsourced construction despite increased construction sales for large properties, resulting in a decline in profit.
	Operating profit	248	132	△ 115	
	EBITDA(※1)	1,027	1,018	△ 8	
Total (Consolidated)	Net Sales	79,175	83,949	+ 4,773	
	Operating profit	4,465	4,644	+ 178	
	EBITDA(※2)	6,580	6,880	+ 299	

※1 EBITDA = Operating profit + Depreciation + Amortization of goodwill

※2 EBITDA = Profit before income taxes + Interest expenses + Depreciation + Amortization of goodwill

- ROE measures the profitability and efficiency of a company. KONDOTEC's ROE exceeds the cost of equity. It means KONDOTEC generates a certain return on capital. However, the ROE fell below the prime section average ROE and continued to be weak in recent years.
- KONDOTEC's PER is lower than the prime section average PER which reflects the market's expectation of future growth. It indicates that the market has lower growth expectations.

Relevant indicators



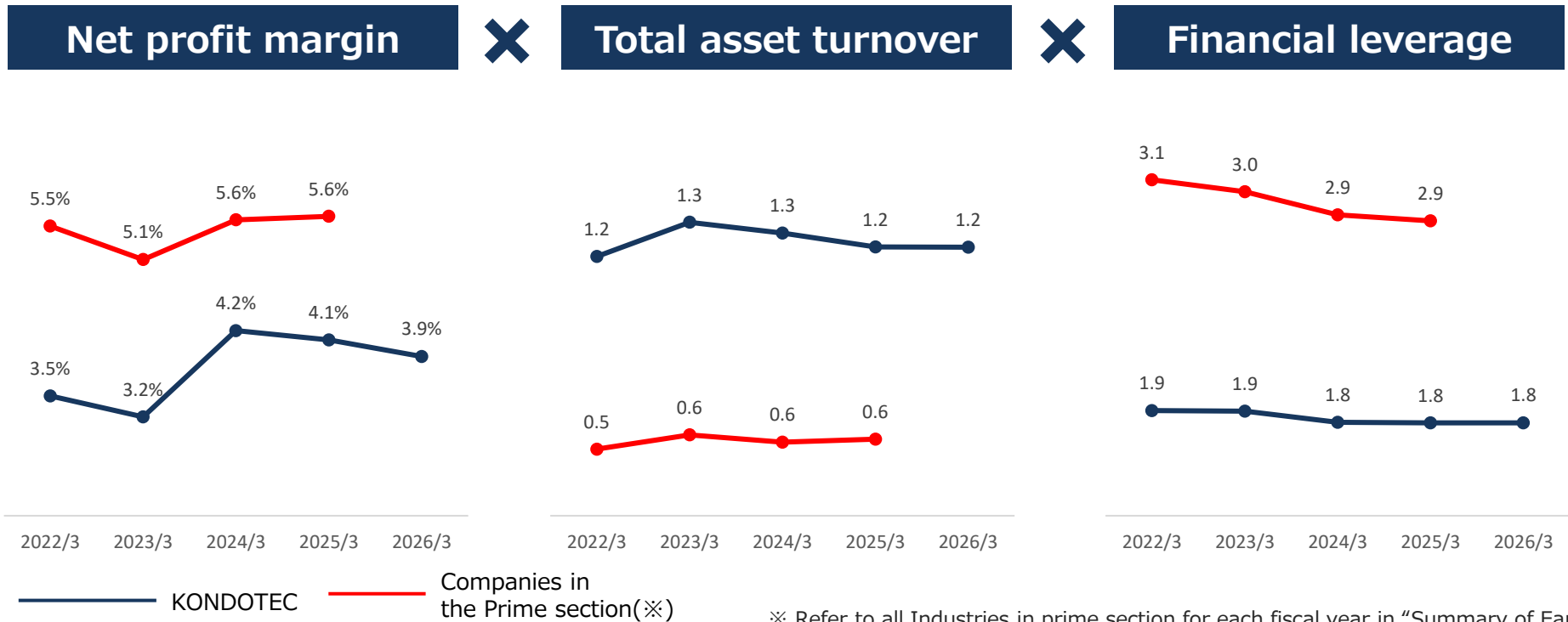
※ROE: Refer to all Industries in prime section for each fiscal year in "Summary of Earnings Digests by Listed Companies" published by Japan Exchange Group, Inc.

※PER・PBR: Refer to Weighted Average PER/PBR of prime section in March each year in "Other Statistics" published by Japan Exchange Group, Inc.

※: Refer to the FY03/2022 dates provided by Japan Exchange Group, Inc.

- Although the total asset turnover and financial leverage have been stable, the net profit margin has been on a downward trend in recent years.
- The downward trend in the net profit margin led to decline in KONDOTEC's ROE in recent years.

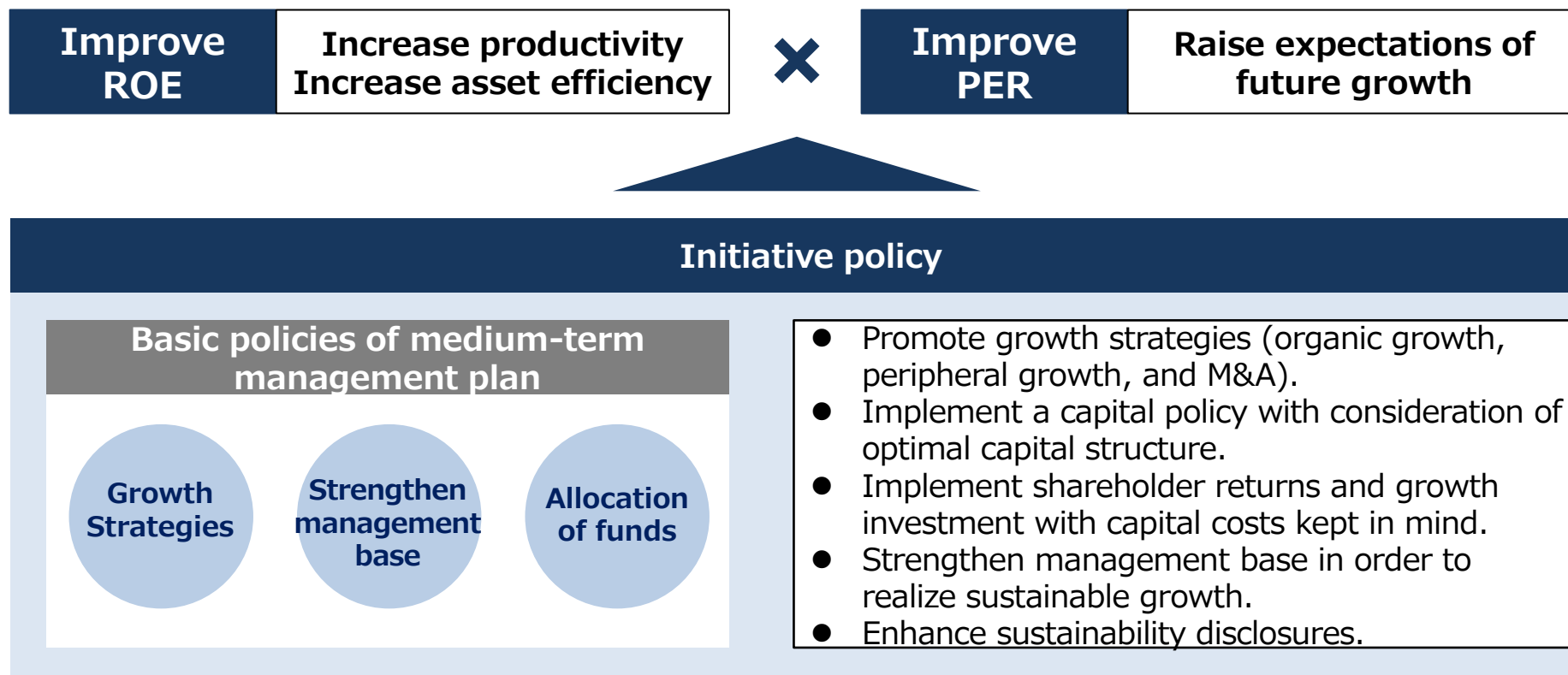
ROE with the DuPont analysis



※ Refer to all Industries in prime section for each fiscal year in "Summary of Earnings Digests by Listed Companies" published by Japan Exchange Group, Inc.
 ※ Refer to the FY03/2022 dates provided by Japan Exchange Group, Inc.

- Aim to improve ROE by increasing profitability and capital efficiency through promoting initiatives of the medium-term management plan.
- Aim to improve PER by promoting better understanding of the KONDOTEC group while promoting initiatives aimed at increasing productivity in the medium- to long-term and realizing sustainable growth.

Initiative policy



- The business environment surrounding the KONDOTEC group has changed and it has affected the KONDOTEC group in various ways.
- Need to deal with risks and opportunities accompanying the changes in the business environment to realize sustainable growth and the long-term vision.

Focus on changes in business environment

Environment/ society

- Decrease in labor force participation
- Responding to climate change
- Transition to a Sound Material-Cycle Society

Economy

- Slump in domestic demand due to the declining birth rate and aging population
- Economic growth in overseas markets

Technology

- Accelerating digital technologies
- Expanding a range of utilization of AI/robotics technologies
- Merging of real and virtual worlds



Impacts on KONDOTEC group

- Slump in the domestic market and increasing size of constructions and buildings
- Increase in the importance of overseas markets
- Increase in National Resilience and disaster prevention and mitigation projects
- Decrease in new construction and increase in maintenance/repair work
- Increase in demand related to labor-saving
- Responding to advances in digital technologies

- Aim for sustainable growth and improvement in corporate value by working to improve profitability and capital efficiency while responding to changes in the business environment.

Sustainable growth and improvement in corporate value

During 2020s
Net sales
100 billion yen

ROE **10.0%** or more
DOE **4.0%** or more



Growth strategy

- Organic growth
- Peripheral growth
- M&A



Reinforcement of management base

- Initiatives for SDGs
- Utilization of digital technology



Appropriate allocation of funds

- Capital investment
- Strategic investment
- Shareholder returns

- Aim to break past sales and profits records, while further enhancing shareholder returns though continued dividend increases.

Final year's target
in the Medium-term Management Plan >>>

FY2029

Net Sales

100 billion yen

Compared with FY2026 +19.1%

Operating profit

5 billion yen

Compared with FY2026 +14.1%

Ordinary profit

5 billion yen

Compared with FY2026 +13.4%

EBITDA

7 billion yen

Compared with FY2026 +11.9%

ROE

10.0 % and more

Compared with FY2026 +1.2pp

- Promote growth strategies and strengthen the management base through the appropriate allocation of funds.
- Aim to accelerate sales and profit growth to achieve consolidated sales of JPY100.0bn in the 2020s.

Consolidated target (Million yen)	2026 (Actual)	2027 (Plan)	2028 (Plan)	2029 (Plan)
Net sales	83,949	91,000	96,000	100,000
Operating profit	4,644	4,950	5,100	5,300
Ordinary profit	4,851	5,150	5,300	5,500
Profit attributable to owners of parent	3,302	3,400	3,450	3,650
EBITDA	6,880	7,200	7,400	7,700

The Medium-term Management Plan adopts the rolling method which responds to changes in the business environment while verifying the outcome and issues every year in an effort to realize the long-term vision.

1. Organic growth strategies

Improve a supply system of products, merchandise and services to further strengthen the existing businesses

Cultivation of new customers

- Expand into fields with potential for growing demand
- Develop distribution channels

Offer of new products and merchandise

- Develop and cultivate products and merchandise with added value in consideration of customer needs and social issues

Diversifying Sales Methods


- Increase services other than material sales such as installation works and rental sales

Expansion of operating sites


- Opening new operating sites with warehouse and yard space
- Expanding the warehouses and yard space of existing operating sites

Response to natural disasters

- Respond to demand for materials that are generally urgently required in the wake of natural disasters
- Sales of items related to disaster prevention/mitigation



Aim to expand earnings of existing businesses by developing markets with growth prospects and expanding lineup of products and merchandise.



Aim to expand earnings of existing businesses by improving customer satisfaction through expansion of sales area and improvement in supply system of products, merchandise and services.

2. Periphery-strengthening strategies

Aim to actively invest in the future to strengthen efforts in areas outside of existing businesses

Entering into overseas markets

- Expand markets in the ASEAN region
- Develop and cultivate products and merchandise for overseas markets

Entering into neighborhood

- Expand distribution channels in areas outside of its existing businesses

Utilizing digital technologies

- Increase in brand reach
- Expand the KONDOTEC group's range of services

Aim to expand business performance over the medium to long term by creating profitable businesses in the future

3. M & A Strategy

Accelerate growth through existing business growth and periphery-strengthening strategies by transforming funds into profitable businesses.

Four perspectives in pursuing M&A

① Neighboring industries	Pursue M&A with companies associated with industries other than the construction industry
② Deepening the business	Pursue M&A with material manufacturers
③ Expansion of business area	Pursue M&A with companies that maintain Japan and overseas sites in priority areas
④ Amplifying sales patterns	Pursue M&A with companies that operates different sales patterns from those of KONDOTEC

Recent M&A

● October 2021	KURIYAMA ALUMINUM Co., Ltd.	Expand the range of aluminum products
● October 2024	UEDA CONSTRUCTION CO., LTD.	Expand the business in the scaffolding construction sector for plant construction sites
● November 2025	SUZUTOH CO., LTD.	Enhance the manufacturing functions of temporary construction materials
● December 2025	RYUKYU BRIDGE LTD.	Capture construction-related demand in Okinawa

- Proceed with initiatives aimed at strengthening the management base to promote growth strategies

E Contribution to the global environment

Business activities paying attention to the environment

- Expand the range of environmentally friendly products and merchandise
- Initiatives to reduce greenhouse gas emissions and waste



G Reinforcement of governance

Driving sustainability into management operations

- Strengthen risk management system
- Enhance sustainability disclosures



S Development of HR/promotion of DE&I

Improving a diverse work environment

- Recruit diverse talent through year-round recruitment and experienced hires
- Develop the necessary skills to implement the strategies through training programs
- Improve the workplace environment in tangible and intangible aspects to increase employee engagement



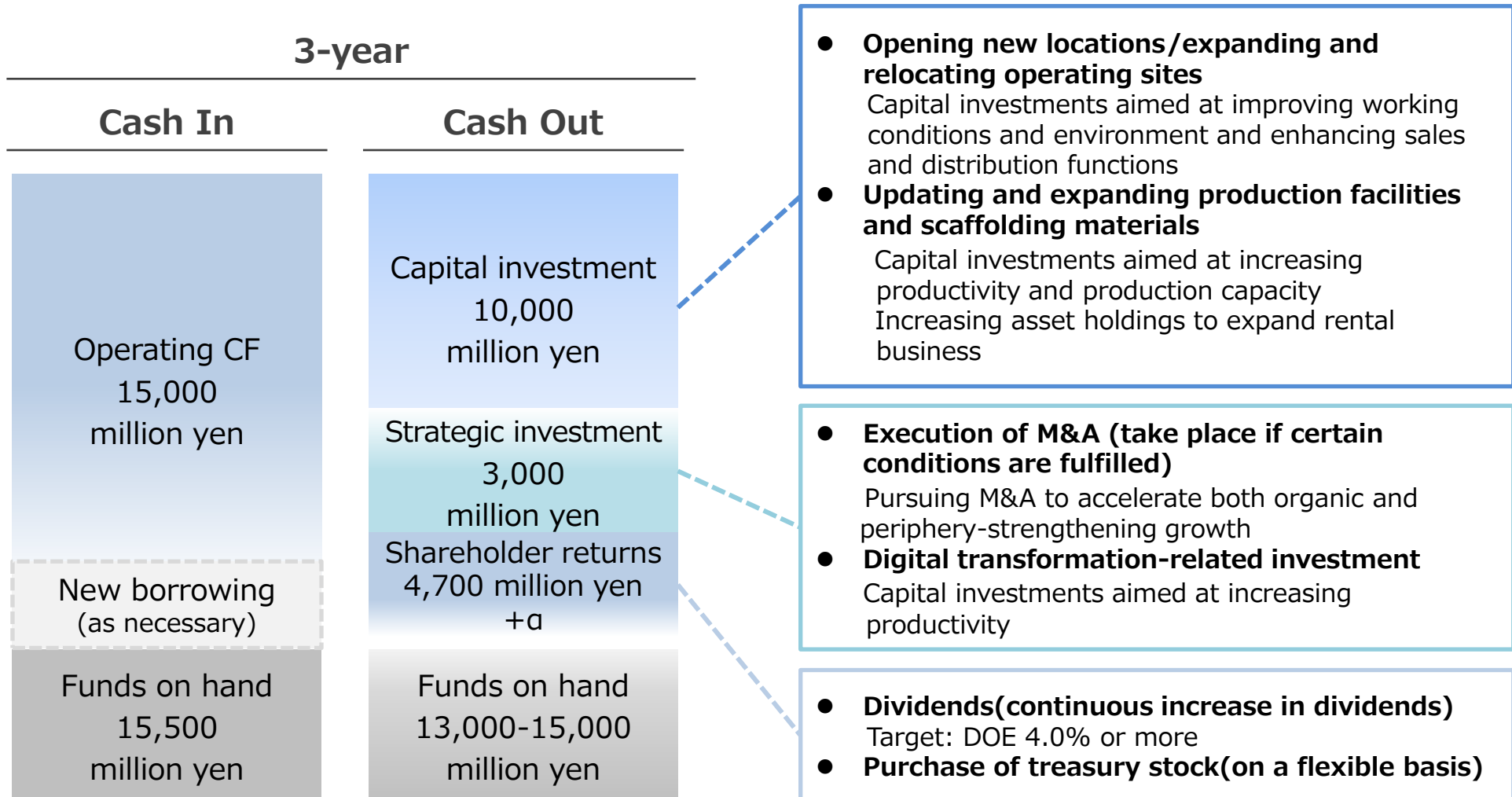
DX Response to advances in digitalization

Expanding a range of utilization of digital technology

- Improve productivity by automating and consolidating tasks and processes
- Strengthen a structure that promote the utilization of digital technology

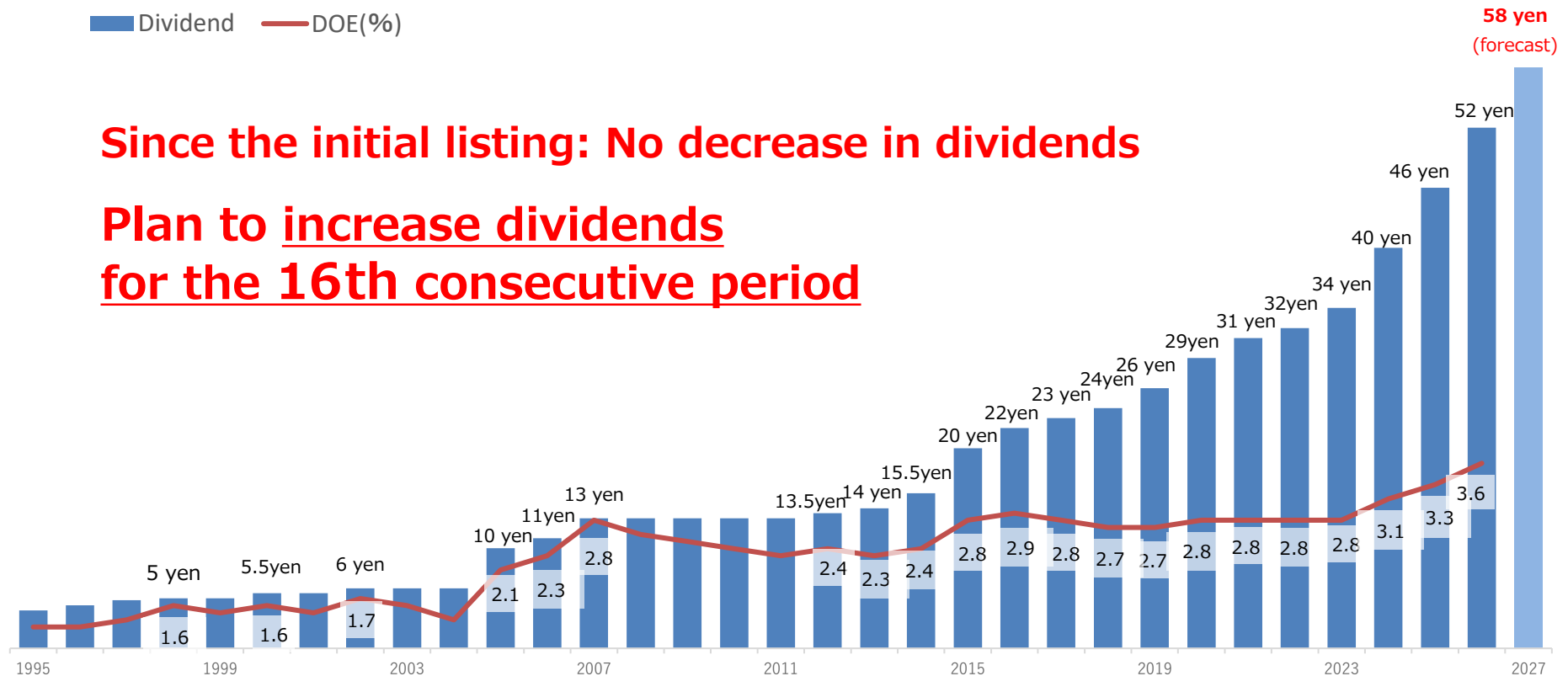


- Aim to improve profitability and capital efficiency through growth investments with conscious of capital costs and stable shareholder returns.



- KONDOTEC targets consolidated DOE of 4.0% or more and ROE of 10.0% or more and looks to pay shareholders ongoing increases in dividends(progressive dividend).

Transition in dividends



Since the initial listing: No decrease in dividends

Plan to increase dividends for the 16th consecutive period

※Note: We executed a 2-for-1 stock split of common stock on January 1, 2012. Dividend per share have been retroactively adjusted to reflect the impact of the stock split

◆ Notes on forward-looking statements

This document contains forward-looking statements including operating forecasts and business plans.

These statements are based on information available at the time of the release.

Actual results may differ considerably from projections due to various factors and changes.

