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April 28, 2025

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Updates on Initiatives Towards Realizing Management That Is Conscious of Capital Costs and Stock Price

CHUDENKO CORPORATION hereby announces that based on the decisions made at a meeting of its Board of Directors held today, it has updated its initiatives towards realizing management that is conscious of capital costs and the stock price.

For details, please refer to the attachment, “Initiatives Towards Realizing Management That Is Conscious of Capital Costs and Stock Price.”

Attachment: Initiatives Towards Realizing Management That Is Conscious of Capital Costs and Stock Price

Reference: Notice Concerning Formulation of Medium-Term Management Plan 2027 (FY2025–2027)
and Revision of Numerical Targets for CHUDENKO Group 2030 Vision
https://www.chudenko.co.jp/en/press_release/images/pe20250428_02.pdf

Initiatives Towards Realizing Management That Is Conscious of Capital Costs and Stock Price

This is an updated version of the information released on April 26, 2024.

1 Current State Analysis

2. Initiatives for Improving PBR

- (1) Improving Earning Power
- (2) Strengthening & Enhancing Capital Policy
- (3) Strengthening IR Activities

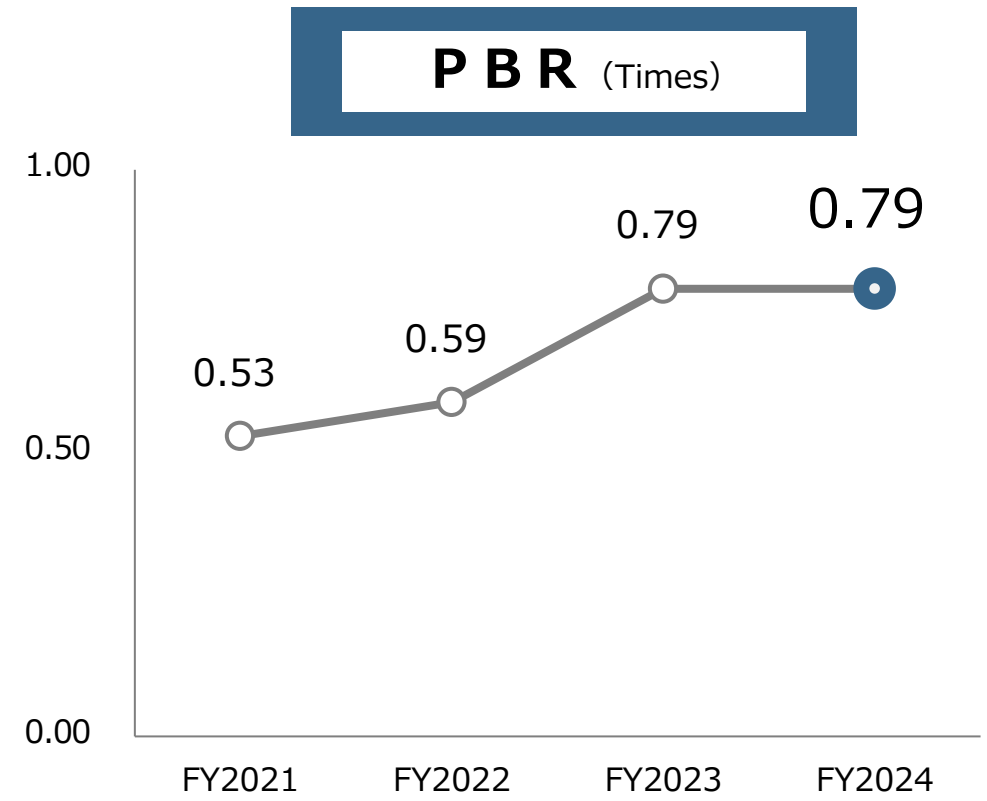
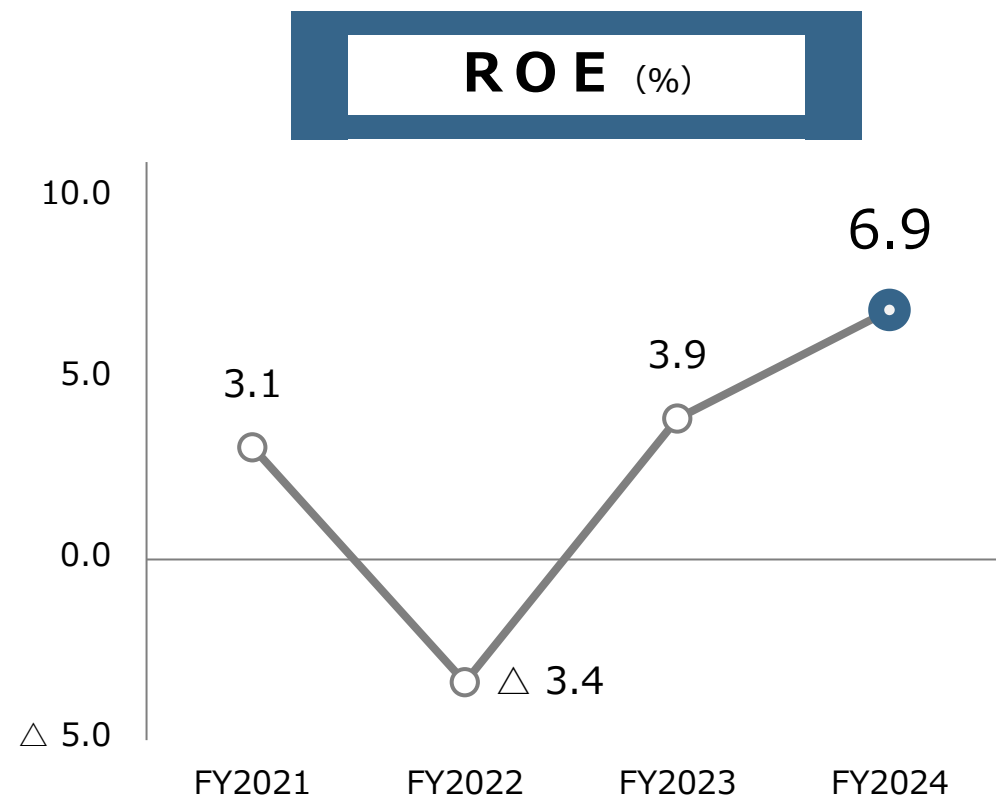
CHUDENKO CORPORATION

April 28, 2025



1. Current State Analysis

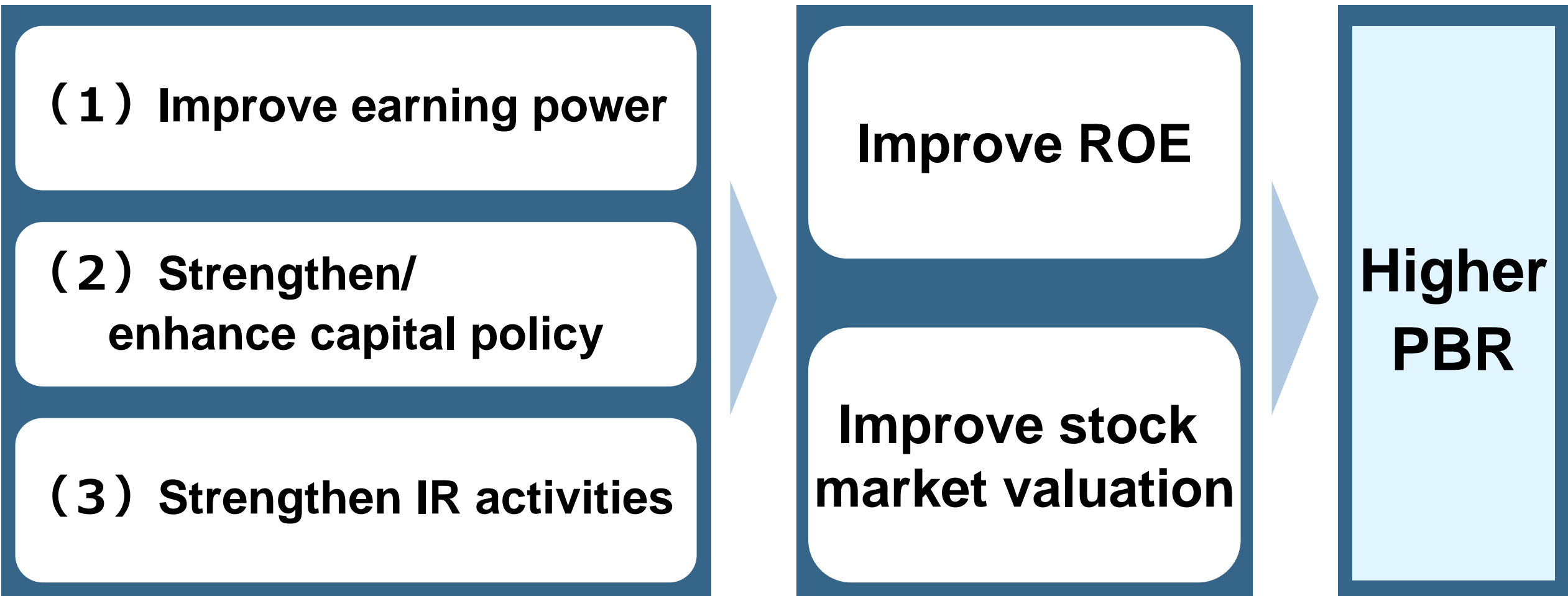
- ROE is trending upward along with a rise in profits, and surpassed 5% of cost of equity in the most recent fiscal year. In order to sustainably grow ROE, we need to further improve our earning power and implement capital policy initiatives.
- PBR has been gradually rising in the past several years, but is currently below 1. We need to step up our IR activities toward shareholders and investors, including by briefing them on our business plans for sustainable growth through actions such as improvement of capital efficiency.



Note: ROE for FY2024 represents our calculated value after excluding the effect of a decrease in corporate taxes, etc. (special factor), from the actual financial result figure of 9.1%, due to the inclusion of past investment losses in deductible expenses.

2. Initiatives for Improving PBR

■ We will strive to increase PBR by improving our ROE and stock market valuation. To do this, we will improve our earning power, strengthen and enhance our capital policy, and strengthen our IR activities.



(1) Improve earning power

**(2) Strengthen/
enhance capital policy**

(3) Strengthen IR activities

Improve ROE

**Improve stock
market valuation**

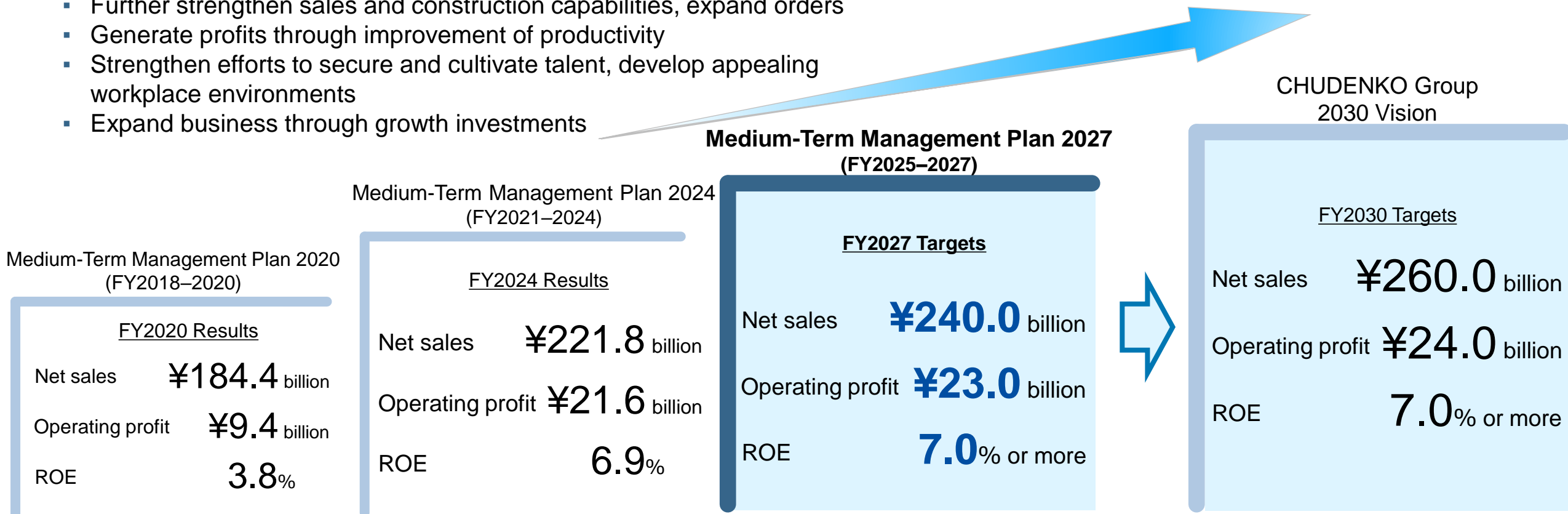
**Higher
PBR**

(1) Improving Earning Power

■ Generate further profits by steadily executing the actions in our Medium-Term Management Plan 2027 (FY2025–2027) to achieve the performance targets for FY2027, and thus pave the way for realizing CHUDENKO Group 2030 Vision

[Medium-Term Management Plan 2027 Core Actions]

- Thoroughly practice safety and compliance, improve quality
- Further strengthen sales and construction capabilities, expand orders
- Generate profits through improvement of productivity
- Strengthen efforts to secure and cultivate talent, develop appealing workplace environments
- Expand business through growth investments



Note: ROE for FY2024 represents our calculated value after excluding the effect of a decrease in corporate taxes, etc. (special factor), from the actual financial result figure of 9.1%, due to the inclusion of past investment losses in deductible expenses.

(2) Strengthening & Enhancing Capital Policy

■ During three years of the Medium-Term Management Plan 2027, we will fund growth investments and shareholder returns with around ¥95.0 billion raised from our business activities, the sale of cross-shareholdings, and other sources.

- We will expand growth investments by ¥60.0 billion, investing ¥30.0 billion in DX and other initiatives for strengthening our business foundation, and ¥30.0 billion in business expansion, including environment-related businesses.
- To enhance shareholder returns, we will revise our target DOE to around 3.0% and pay dividends totaling around ¥20.0 billion during the three-year period, and we will set a share buyback quota of approx. ¥15.0 billion.

Expand growth investments

¥ 60.0 billion (approx.)

Investment for strengthening business foundation

¥30.0 billion (approx.)

- DX promotion
- Expanded capital investment, including for developing the work environment
- Securing and cultivating talent
- Technical R&D and others

Investment for business expansion

¥30.0 billion (approx.)

- Environment-related businesses
- Strengthening and expanding equipment work business
- Strengthening and expanding Group companies' businesses
- New businesses and others

Enhance shareholder returns

¥ 35.0 billion (approx.)

Sustainable, stable dividends

¥20.0 billion (approx.)

- Change target DOE of dividend policy from around 2.7% to around 3.0%
- Dividend forecast for FY2025: ¥130/share per annum

Share buybacks

¥15.0 billion (approx.)

- Set share buyback quota

(3) Strengthening IR Activities

■ We will seek to improve our stock market valuation by promoting dialogue with our shareholders and investors, including through financial results briefings and timely and appropriate information disclosures.

Enhance dialogue with shareholders & investors

- Hold financial results meetings
- Hold briefings about the Company for individual investors
- Hold individual meetings with institutional investors as needed

Enhance provision of information

- Post financial results meeting materials on the corporate website
- Publish CHUDENKO Integrated Report
- Disseminate appropriate information as needed

**Higher
stock
market
valuation**



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Cautionary Note on Forward-looking Statements

The data and forward-looking statements pertaining to earnings forecasts and other matters in this document are based on information available to and certain assumptions judged reasonable by the Company at the time of publication. As such, actual earnings and other outcomes may differ materially from the content of this document due to a variety of factors.