



Medium-term Management Plan 2027

[Revised on April 28, 2026]

2023 - 2027

TOENEC CORPORATION



Become an integrated equipment engineering company that continues to grow in tandem with clients, society, and people

There are many issues that should be addressed, including the transition to a carbon-neutral society, the progression of the declining birthrate and aging population, as well as responses to workstyle reforms, and the business environment surrounding the Company is continuing to change rapidly and significantly.

In an era in which the future is difficult to predict, rather than focusing solely on the current conditions, we formulated the Medium-Term Management Plan 2027 by compiling initiatives through to FY2027 under the theme of “**what kind of company we should be in order to continue growing together with our clients and society into the future.**”

In this Plan, we will not only **further enhance the capabilities of our existing businesses**, but we will also accurately ascertain social trends and customer needs and pursue our ability to provide value, and through this, we will **boldly take on challenges in the fields and markets in which growth is expected.**

In order to execute our strategies with great strength, we will work to **secure human resources, which are the driving force behind them, and promote their active participation.**

We will also continue to strive to **ensure safety and quality**, which are essential for the Company to continue as a member of society, as well as **soundness and transparency in management.**

Based on the philosophies, purpose, and management infrastructure that have been passed down to date, we will achieve sustainable growth by taking on challenges and reforms and continuing to provide solid value to clients and society.

1 The Group's Target Vision

- Direction the Group Aims to Pursue (Positioning of the Medium-term Management Plan 2027) P4
- Philosophy P5-7

2 Medium-term Management Plan 2027 (2023-2027)

- Recognition of the External Environment (2023-2027) P9
- Basic Policies P10-11
- Numerical Targets (Consolidated) P12
- Three Drivers to Accelerate Growth P13

3 Reference Materials P15-19

Direction the Group Aims to Pursue

(Positioning of the Medium-term Management Plan 2027)

External Environment (Medium- to Long-Term Trends)

- Declining birthrate and aging population; concentration of population into urban areas
- Transition to a carbon-neutral society ■ Expansion in the use of digital technologies ■ Aging infrastructure and buildings
- Increased frequency and severity of natural disasters ■ Revisions to various laws and regulatory systems, etc.

Incorporated

Medium-term Management Plan 2027 (2023-2027)

Numerical targets (consolidated)

Net sales **¥310.0 billion** (¥270.0 billion)
 Ordinary profit **¥26.0 billion** (¥18.0 billion)
 ROE **10.5 %** (8.0 %)

*Figures in parentheses: Previously disclosed figures (April 28, 2023)

Basic policies

- | | |
|--|---|
| <p>1 Taking on challenges in growing fields</p> <p>2 Deepening existing businesses</p> | <p>3 Further expanding human resource investment</p> <p>4 Strengthening management infrastructure</p> |
|--|---|

The Group's Target Direction

Management Principles

- Create comfortable environments
- Develop excellent technologies
- Become a human-centric corporation

Zero emission goal (2) (2050)

Achieve net zero CO₂ emissions

2050

100th anniversary (2044)

2040

Vision

Become an integrated equipment engineering company that continues to grow in tandem with clients, society, and people

Zero emission goal (1) (2030)

Reduce CO₂ emissions per unit of net sales by 46% or more compared with FY2013

2030

Backcasting

Ongoing Issues (PDCA)

Medium-term Management Plan 2022 (2020-2022)

Subtitle

Further growth through investment in human resources

Numerical targets (consolidated)

Net sales **¥245.0 billion**
Ordinary profit **¥12.0 billion**
ROE **6.5 %**

2023

2027

Management infrastructure: Sound and fair corporate management

1. Create comfortable environments that respond to the needs of society.
2. Develop excellent technologies for the future.
3. Build a human-centric corporation of active people who think and take on challenges.

Develop our business with creation and challenge as our core and contribute to society through the creation of comfortable environments. In addition, in order to respond to the needs of society, strive to enhance our technological capabilities and in addition, pursue towards becoming a company in which our people, who are the driving force, can work with vitality.

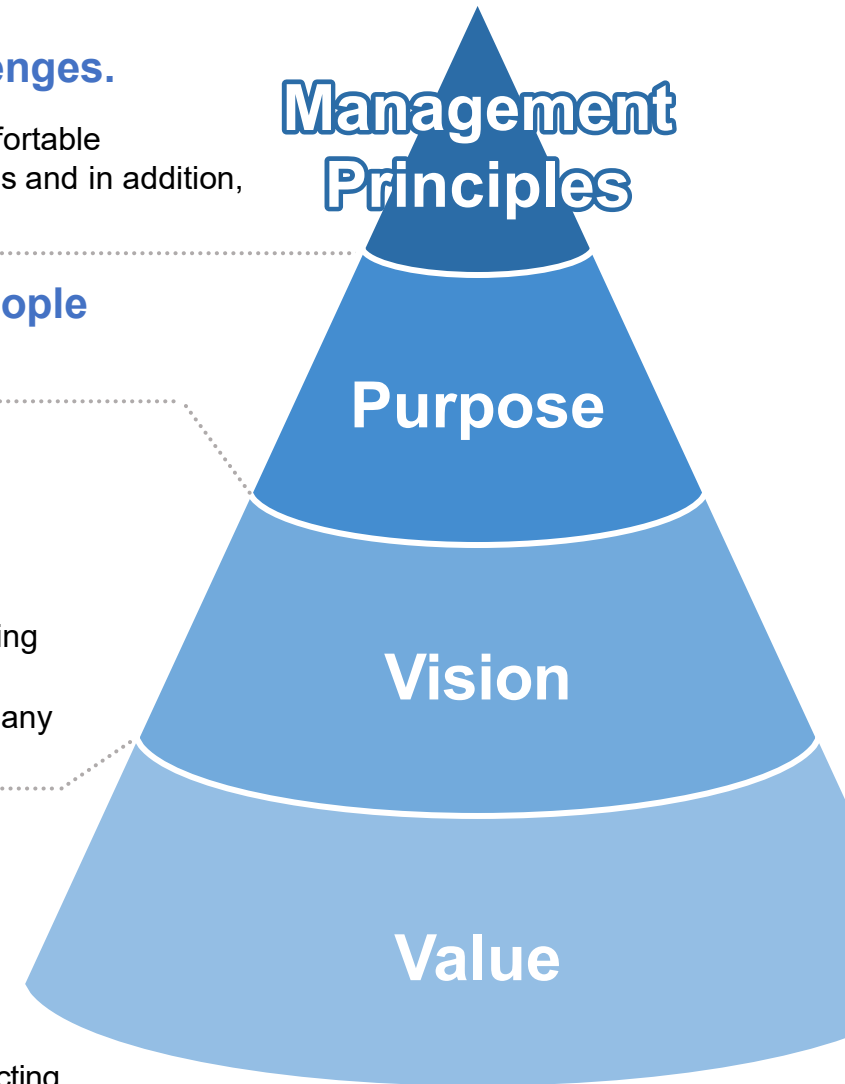
Create and sustain comfortable environments that bring vitality and richness to people and society under any conditions.

Become an integrated equipment engineering company that continues to grow in tandem with clients, society, and people

- With clients
- With society
- With people (colleagues)

Pursue the provision of value to our clients and grow together with them through the provision of the value that is expected and needed
Through business development that makes use of our technologies, contribute to solving social issues and achieve sustainable development together with society
Foster a workplace in which employees can work with vitality, enabling both the Company and its employees to feel growth through a sense of pride and fulfillment in their work

- Pursuit of technology** We strive to acquire and study technology to meet the needs of our clients and society, which change with the times.
- Teamwork** By marshalling strengths with our peers, we demonstrate our collective strength.
- Passion for work** We conduct our work with passion and boldly take on challenges without fear of failure.
- Integrity** We safeguard security and quality controls and enhance trust with stakeholders by always acting with integrity (comply with law, regulations and social norms and be considerate to others).



- Expresses **TOENEC's enduring commitment to “useful services for society”** as a company that supports the foundations of day to day life
- We will continue to **create and sustain comfortable environments** that support **a vibrant society** and **enrich people's lives**.

Create and sustain comfortable environments

| Create | Create comfortable environments not only through equipment construction but also through the energy business, etc.

| Sustain | Bear responsibility for maintaining social infrastructure as well as for the upkeep and maintenance of customer facilities

that bring vitality and richness to people and society

Target	Vitality	Prosperity
For people	<ul style="list-style-type: none"> ■ Maintenance of social infrastructure (supporting day to day life) ■ Provision of spaces that provide comfort for both mind and body 	<ul style="list-style-type: none"> ■ Improvement of quality of life through new technologies
For society	<ul style="list-style-type: none"> ■ Development of resilient and stable infrastructure ■ Promotion of renewable energy 	<ul style="list-style-type: none"> ■ Proposal and construction of facilities that respond to needs (supporting the development of clients and society) ■ Implementation of environmentally conscious technology proposals

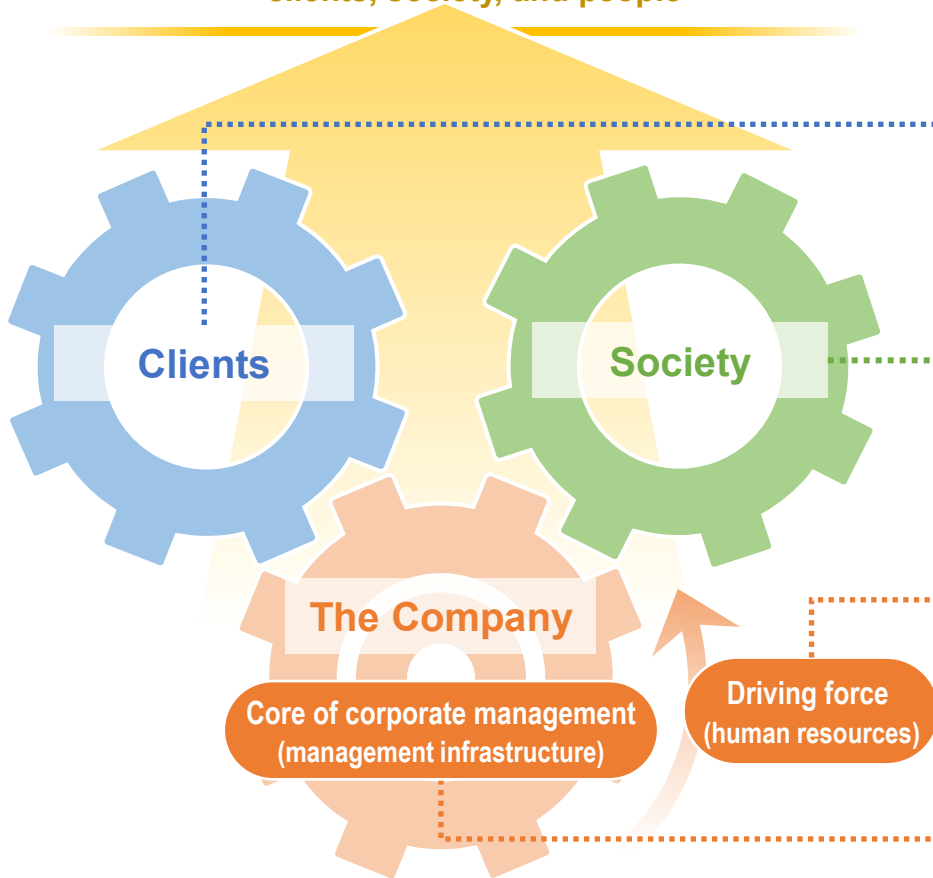
under any conditions.

Both in normal times and in times of emergency, strive to maintain social infrastructure
Moving forward, continue to respond to the needs of clients and society as they change over time



- We strive to realize our future vision by practicing ESG management that creates value for all stakeholders in both our business activities and corporate management.

Become an integrated equipment engineering company that continues to grow in tandem with clients, society, and people



Basic Stance toward the Realization of the Company's Vision

We will continue to meet the needs of our clients by pursuing useful services and enhancing our technologies and services.

We contribute to achieving a sustainable society by solving social issues.

We promote initiatives to enhance hiring, development, and use of human resources, who are the driving force and the source of the Company's growth.

We pursue sound and highly transparent corporate management adapted to the times in order to further strengthen the "relationship of trust with stakeholders," which is the foundation of our management.

1 The Group's Target Vision

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Recognition of the External Environment (2023-2027)

- When formulating the Medium-term Management Plan 2027, we took into account the following business environment and incorporated it into the basic policies.

Business environment	<ul style="list-style-type: none">■ Although the state of COVID-19 infections continues to fluctuate, movements toward the normalization of economic activities are being observed thanks to the easing of behavioral restrictions.■ Concerns over geopolitical risks, including Russia's invasion of Ukraine and the situation in Taiwan, are increasing.■ In addition to rising raw material prices and supply chain disruptions, the rapid depreciation of the yen has made downside risks to the economy even more apparent, and the outlook remains uncertain.■ It will be necessary to respond to the upper limit regulations on overtime work that will also be applied to the construction industry from FY2024.■ Due to the progression of a declining birthrate and aging population, as well as the retirement of skilled technicians, it is expected that labor shortages and difficulties in recruitment in the construction industry will further intensify.■ In terms of means to address labor shortages and to improve productivity, the use at construction sites of digital technologies (AI, IoT, BIM), as well as drones and robots, will accelerate.■ Demands on companies regarding carbon neutrality and ESG management are increasing, and there is a need to promote initiatives that take these into account as well as to enhance the disclosure of information.
Power-related construction	<ul style="list-style-type: none">■ Although the new construction of distribution facilities is expected to decline due to reasons such as population decline, the maintenance of distribution facilities and construction related to the undergrounding of utility lines towards the strengthening of energy supply resilience are expected to remain steady.■ Amidst an increasingly competitive environment, it is necessary to thoroughly implement safety measures aimed at achieving zero worksite accidents, to maintain and strengthen construction quality and capabilities that are not inferior to other companies, as well as to further improve productivity.■ Demand for renewable energy-related construction (such as the development of privately owned transmission lines) is expected to increase.■ In response to the increasing frequency and severity of natural disasters in conjunction with climate change, the maintenance and strengthening of disaster recovery systems are required.
General Construction	<ul style="list-style-type: none">■ Government measures for national resilience and investment in the maintenance and refurbishment of facilities are expected to underpin the market, and construction investment is likely to remain firm for the time being.■ Capital investment in digitalization and DX-related facilities by clients is expected to grow across the medium to long term. In addition, as companies accelerate their efforts toward carbon neutrality, demand is expected to increase for ZEB initiatives as well as for proposals related to energy saving, energy creation, and energy utilization.■ Demand is expected for the construction of base stations for the rollout of 5G as well as for facility upgrades in conjunction with their introduction.■ Within the Chubu area, while large-scale redevelopment projects are being planned in urban areas, in addition to the hosting of the Asian Games and the full-scale commencement of the Linear Chuo Shinkansen construction, there are concerns that the market may shrink in certain areas due to the progression of the declining birthrate and aging population, as well as the continued concentration of population in urban areas.■ In major urban areas (such as the Tokyo metropolitan area and the Kinki area), where the market size is expected to be maintained even amidst population decline, competition is expected to continue to intensify in the future.

1 Taking on challenges in growing fields

Strengthen business in growing fields (related to carbon neutrality, renewable energy, and DX) as well as in areas (Tokyo metropolitan area, Kinki area, and Asia, etc.). Also, work to create and develop new businesses that meet the ever-diversifying needs of our clients.

- Supporting clients' initiatives to become carbon neutral
- Strengthening of renewable energy-related businesses and construction
- Response to DX-related investment and the post-COVID environment
- Area strategy with a long-term perspective
- Further strengthening overseas business centered on Asia
- Creation and development of new businesses
- Promotion of initiatives for technological research and development that will contribute to the creation of added value as well as to business development

2 Deepening existing businesses

Focus on strengthening the comprehensive structure and value chain to further enhance competitiveness in the Chubu area, which is our base, and at the same time, securing technological capabilities, including business partners, to refine our core strengths as an integrated equipment engineering company, such as one-stop service, while solidifying our business foundation.

- Strengthening of the comprehensive structure for business promotion and construction
- Strengthening of the value chain of the Group as a whole
- Further enhancement of construction capabilities and technological capabilities
- Promotion of initiatives towards the improvement of efficiency and productivity
- Maintenance and enhancement of construction systems towards the establishment of a stable power supply system
- Strengthening of cost competitiveness

3 Further expanding human resource investment

Enhance the quality and quantity of our employees by further accelerating staff investment. In addition, promote initiatives to maximize each employee's diverse abilities.

- Securing human resources towards the realization of sustainable growth
- Further strengthening and enhancement of human resource development
- Ensuring diversity
- Creation of a workplace in which employees can work with vitality
- Promoting workstyle reforms

4 Strengthening management infrastructure

In addition to improving the safety and quality that should be continuously addressed, promote corporate culture reforms and measures to practice sound and fair corporate management, and strengthen trust with stakeholders, which are all the foundation of management.

- Ensuring safety and installation quality control
- Maintaining a sound and highly-transparent corporate management
- Strengthening the relationships of trust with stakeholders
- Steady implementation of initiatives to achieve zero-emission targets

Numerical Targets (Consolidated)

- Numerical targets are set for **three financial indicators** in the Medium-term Management Plan 2027.

Indicator	Numerical targets [FY2027 consolidated]	
Net sales	¥310.0 billion	(¥270.0 billion)
Ordinary profit	¥26.0 billion	(¥18.0 billion)
ROE	10.5 %	(8.0 %)

*Figures in parentheses: Previously disclosed figures (April 28, 2023)



Three Drivers to Accelerate Growth

- By focusing on “carbon neutrality initiatives,” “promoting digitalization and DX,” and “securing and promoting the active participation of human resources,” we will accelerate the execution of the measures stated in the basic policies and aim to achieve the numerical targets published in the Medium-term Management Plan 2027.

Drivers of Growth

Key themes that exist in a cross-sectional way when practicing the basic policies

Carbon Neutrality Initiatives

Promoting Digitalization and DX

Securing and Promoting the Active Participation of Human Resources

Medium-term Management Plan 2027 Basic Policies

- 1 Taking on challenges in growing fields
- 2 Deepening existing businesses
- 3 Further expanding human resource investment
- 4 Strengthening of management infrastructure

Medium-term Management Plan 2027 Numerical Targets

Consolidated net sales	¥310.0 billion (¥270.0 billion)
Consolidated ordinary profit	¥26.0 billion (¥18.0 billion)
Consolidated ROE	10.5 % (8.0 %)

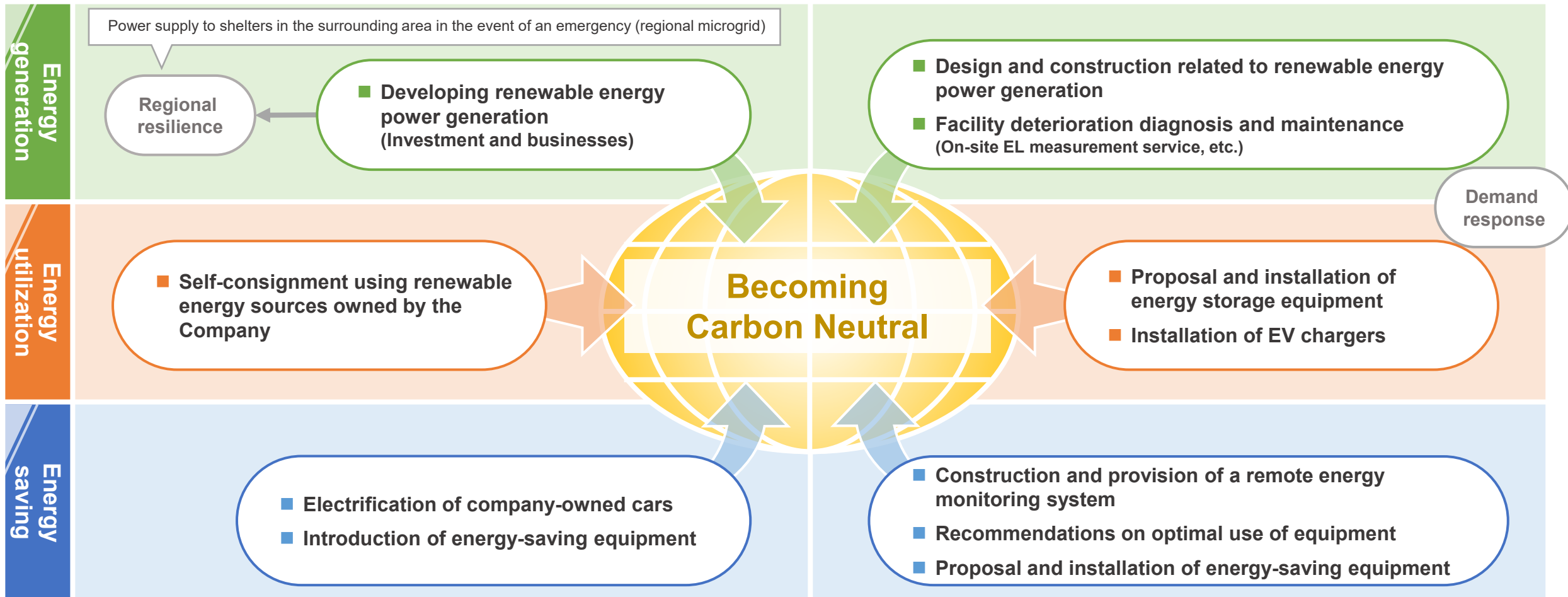
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- In order to realize a sustainable society and corporate activities, **we will steadily advance “carbon neutrality of the Company.”**
- In addition, by making use of our technologies and services, **we will support “carbon neutrality of our clients.”**

Carbon neutrality of the Company

Carbon neutrality of our clients



- By positioning a dedicated DX department as the driver for the entire company and **promoting the digitalization and DX of operations**, we will accelerate initiatives that address management issues. [DX of operations]
- By utilizing big data and pursuing useful services for our clients, we will aim to **transform our business and create new business models**. [DX of business]
- **Through open innovation, we will incorporate external knowledge, technologies, and know-how** so as to promote initiatives toward digitalization and DX.

Open Innovation

Collaboration with external parties (other companies, universities, local governments, etc.)



Internal transformation

- Transformation of business processes
- Promoting workstyle reforms
- Reform of systems aimed at improving engagement



Transformation of construction sites

- Promotion of automation and labor saving
- Design and cost estimation utilizing BIM
- Acceleration of engineer development
- Improvement of safety and quality



Creation of business models

- Strengthening of the value chain
- Improvement of capacity to make recommendations on optimal use of equipment

Securing and promoting staff dealing with DX

Reform of employee awareness and improvement of IT literacy

Collection of big data (remote monitoring, monitoring, field surveys, etc.) and its utilization

Strengthening of information security

DX Promotion Basic Policy and Basic Plan

Securing and Promoting the Active Participation of Human Resources

- Through proactive recruitment, **we will secure the “quantity” of human resources that will create added value** toward medium- to long-term business expansion.
- Through the development of education and training systems, etc., **we will secure the high-quality professional human resources** that are needed by our clients and society.
- Through development, workstyle reform, and the creation of an open workplace environment, **we will realize a highly satisfying workplace in which employees can demonstrate their abilities and feel their own growth.**



Strengthening of human resources, which form the foundation of our business and the source of our growth, in terms of both quality and quantity

Long-term Workforce Plan

Human Resource Development Policy

Safety and Health Policy, Code of Conduct

Diversity, Equity & Inclusion (respecting diversity and creating a workplace environment in which everyone can actively participate and grow together)

Management Principles and TOENEC Group Human Resource Strategy Policy

Underlying policies and concepts

Area strategy with a long-term perspective

- Upon having considered external factors (demographic projections, large-scale events and redevelopment plans, etc.) as well as our management resources (human resources, business locations, brand strength, etc.), we will evaluate the importance and future potential of each area.
- Based on medium- to long-term area strategies, **we will promote strategically allocating personnel and strengthening collaboration among Group companies.**

Chubu area

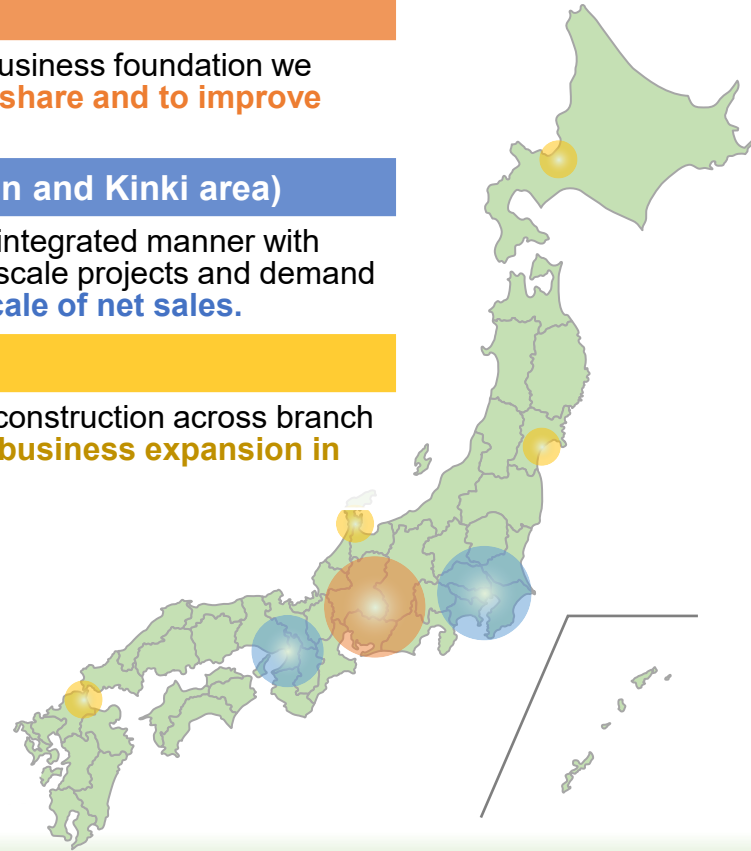
Making use of our local recognition and the business foundation we have built, we will aim to further **expand our share and to improve profitability.**

Metropolitan areas (Tokyo metropolitan and Kinki area)

By strengthening construction systems in an integrated manner with Group companies as well as capturing large-scale projects and demand for renovations, we will aim to **expand the scale of net sales.**

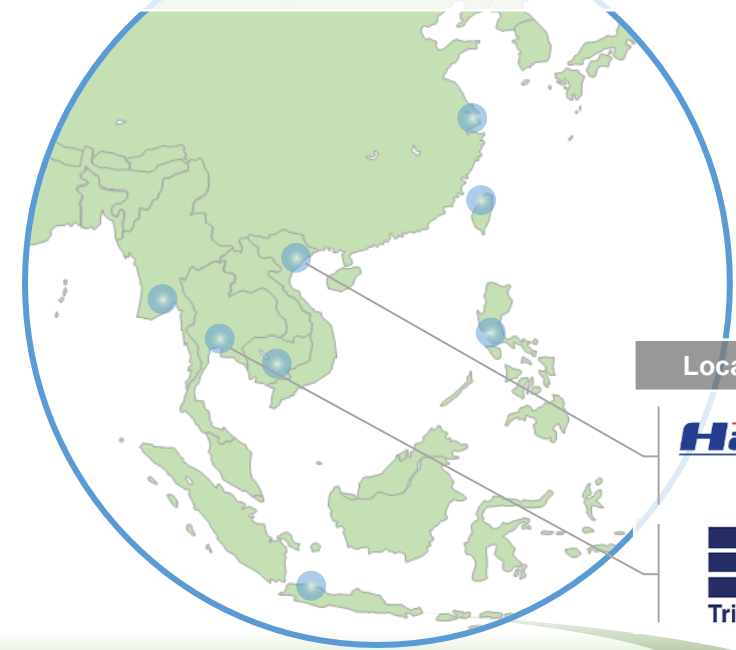
Major cities

By establishing a flexible support system for construction across branch offices located in major cities, we will pursue **business expansion in each area.**



Overseas markets

We will pursue business development and expansion in countries, with a focus on those in Asia, where growth is expected. In addition to providing construction services to Japanese-affiliated clients locally, **we will also work to enter local markets in which growth is expected.**



Local partners



Strategically allocating personnel | Strengthening of TOENEC's integrated structure

Our Material Issues and Key Initiatives

	Material Issues	Key Initiatives	Relevant SDGs
Environment	Becoming carbon neutral	<ul style="list-style-type: none"> Investment, business, and construction related to renewable energy Proposal and promotion of the optimization of energy management Initiatives to achieve zero-emission targets 	
	Recycling-based society	<ul style="list-style-type: none"> Thorough reduction and proper management of waste Promotion of the 3Rs (Reduce, Reuse, Recycle) Technological research and development aimed at reducing the impact on the environment (wastewater treatment, etc.) 	
Social	Safe and secure social infrastructure	<ul style="list-style-type: none"> Electrical, air conditioning, and telecommunications infrastructure construction Participation in overseas ODA projects 	
	Regional resilience	<ul style="list-style-type: none"> Disaster recovery response (power and telecommunications) Response to maintenance and renovation construction work 	
	Diversity and inclusion	<ul style="list-style-type: none"> Promotion of the recruitment of experienced personnel and the employment of foreign nationals Promotion of the active participation of women and persons with disabilities Promotion of work-life balance 	
	Worker health and safety	<ul style="list-style-type: none"> Ensuring occupational safety and health in the workplace Initiatives aimed at the promotion of employee health 	
	Opportunities for capacity building	<ul style="list-style-type: none"> Strengthening of recruitment and development of human resources Provision of educational and workplace experience opportunities for students 	
	Harmony with local communities	<ul style="list-style-type: none"> Implementation of social contribution activities (participation in food bank activities, community beautification activities, etc.) 	
Governance	A sound and highly-transparent management system	<ul style="list-style-type: none"> Thorough compliance Strengthening of corporate governance systems 	
	Relationships with stakeholders	<ul style="list-style-type: none"> Implementation of IR activities (dialog with investors, etc.) Appropriate disclosure of information and ensuring transparency 	

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