

Growth Strategy from the B/S Perspective

Market Valuation- Share Price Trends

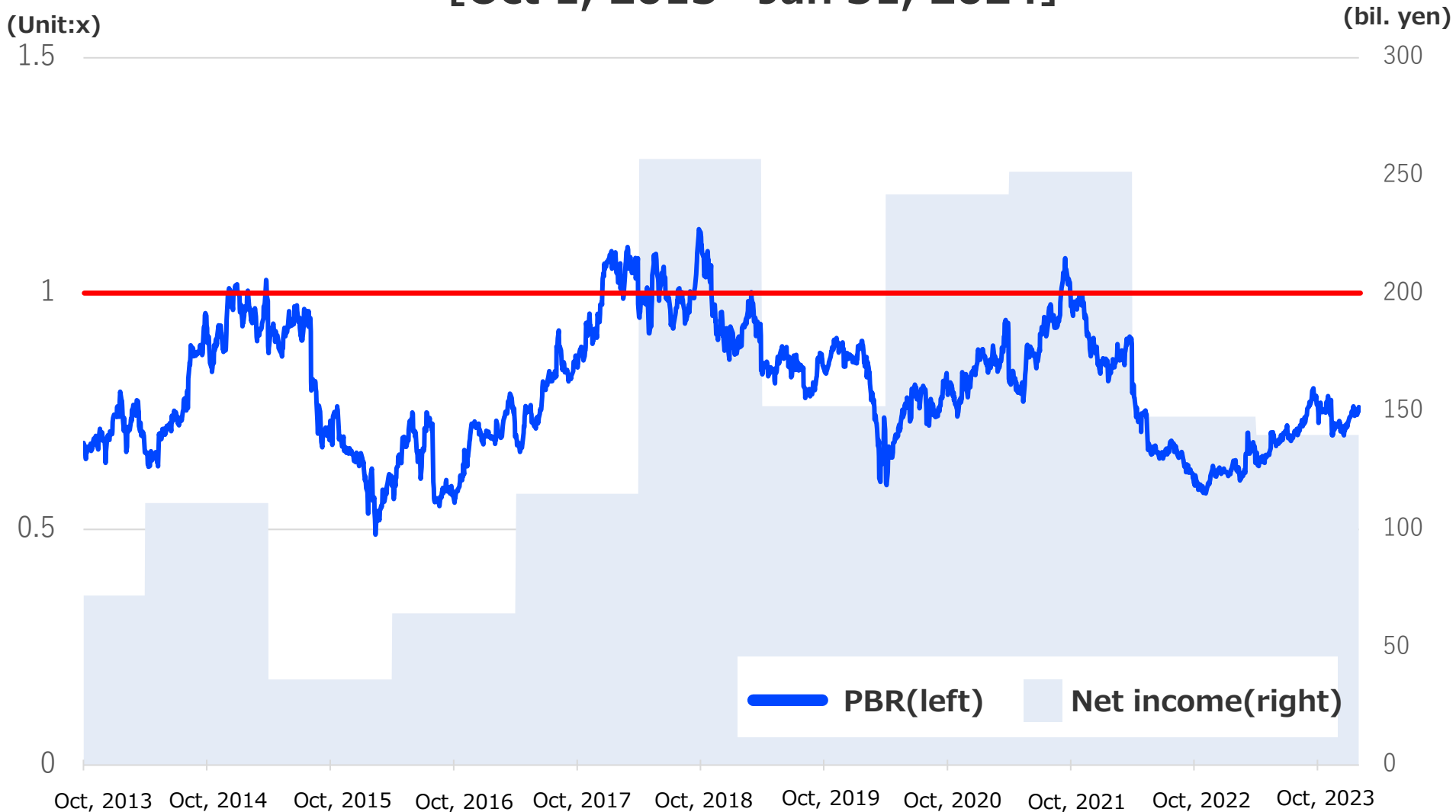
Share Price Trends for the Past 10 years [Baseline October 1, 2013]



Market Valuation- PBR Trends

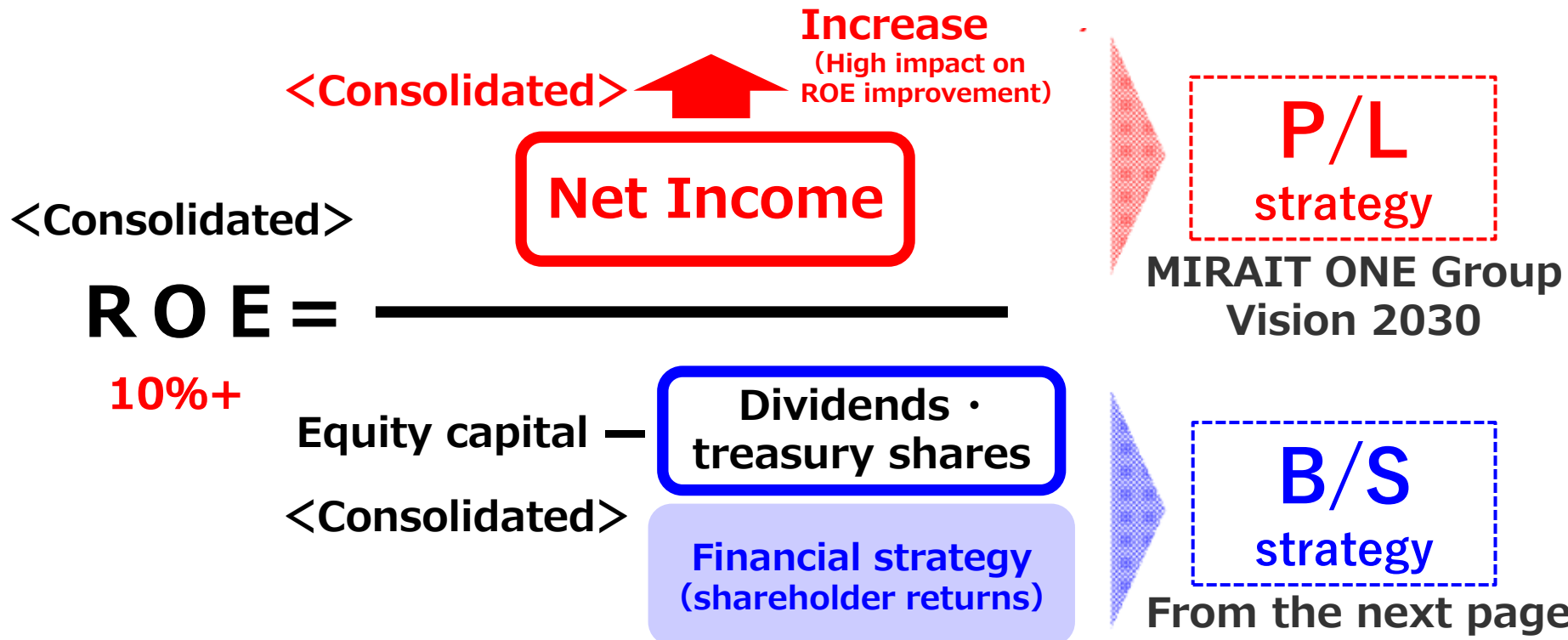
PBR Trends for the Past 10 years (the company)

[Oct 1, 2013 – Jan 31, 2024]



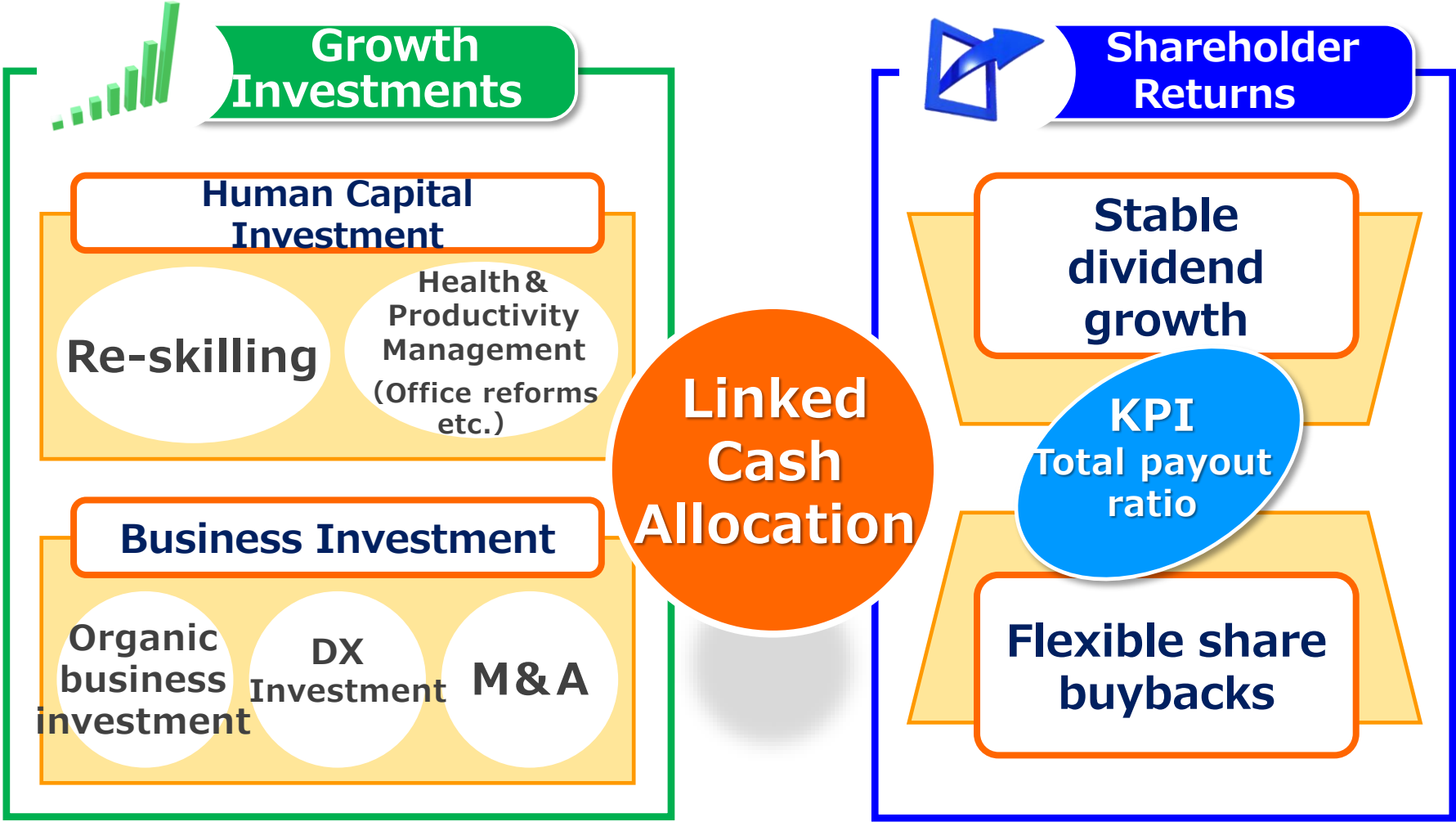
To increase PBR

$$\text{PBR} = \text{ROE} \times \text{PER}$$



Basic Approach

Focusing on growth investments while conducting proactive shareholder returns



Cash allocation plan (2023-2026)

2023

Net Sales

520.0 bil. yen

(forecast)

EBITDA margin

6.6%

2026

720.0 bil. yen

(plan)

8.6%

Cash inflow

(2023-2026)

Cash application

Cumulative total

(unit : bil. yen)

CF creation

Utilize Interest bearing debt

Growth Investment

Shareholder Returns

Under utilized real estate
Strategic shareholdings

10.0

External borrowings

60.0~

CF from business profit

140.0

A

Human capital/
DX/
Growth businesses

50.0+

B

M&A

100.0±

※Kokusai Kogyo M&A
46.0bil. yen
(Nov. 2023)

C

Shareholder Returns

60.0~

Organic business growth

Net Sales 100.0bil. yen ±

M & A promotion

Net Sales 100.0bil. yen ±

※Kokusai Kogyo's Net Sales
49.5bil. yen (FY 2022 Actual)

Strengthen shareholder returns

A Growth Investment

Investment Size

(FY 2023 – FY 2026)

50.0 bil. yen +

Human Capital Investment

- MIRAI College
(Web/in-person training facilities)
- Health & Productivity Management
Investments (office reforms etc.)

Organic business investment

- MIRAI(Future) Domains business
project
- Green Energy business
- Global business
- Software business

DX Investment

- Existing business efficiency
improvement (Value chain reforms)
- Utilizing AI etc.
- Information system reform

A Business Growth through Human Capital Investment

Net sales
720.0 bil.yen

Net sales
520.0 bil.yen

Human Capital Growth Strategy

Flexible HR system

Health Management (office reforms)

M&A, etc
100.0 Bil. yen +

CDP Matching
MIRAI College
*CDP : Career Development Plan

JOB type/side-job Utilizing diverse human resources

Improved engagement
Vibrant office

Corporate/Environmental and social infrastructure domain

Telecommunications infrastructure domain

6,400 employees

1,000 employees +

7,400 employees

Sep.2023 current **100+**
(2023 forecast **200**)

6,800 employees

Human capital mobility

5,800 employees

FY2023 (forecast)

FY2026 (plan)

B Growth Investment (M&A)

Promote M&A which accelerates growth of MIRAI(future) Domains

Investment size

(FY 2023 – FY 2026)

100.0bil. yen+

- ▶ Business synergies that will cover and exceed the level of goodwill
- ▶ EBITDA (amount, ratio) also a KPI

MIRAI(future) Domains

- 1 Urban and regional development / Corporate DX and GX



 KOKUSAI KOGYO (FY2023)

(FY2021)

M&A 46.0bil. yen

SEIBU
CONSTRUCTION
M&A

- 2 Green energy business



- 3 Software business

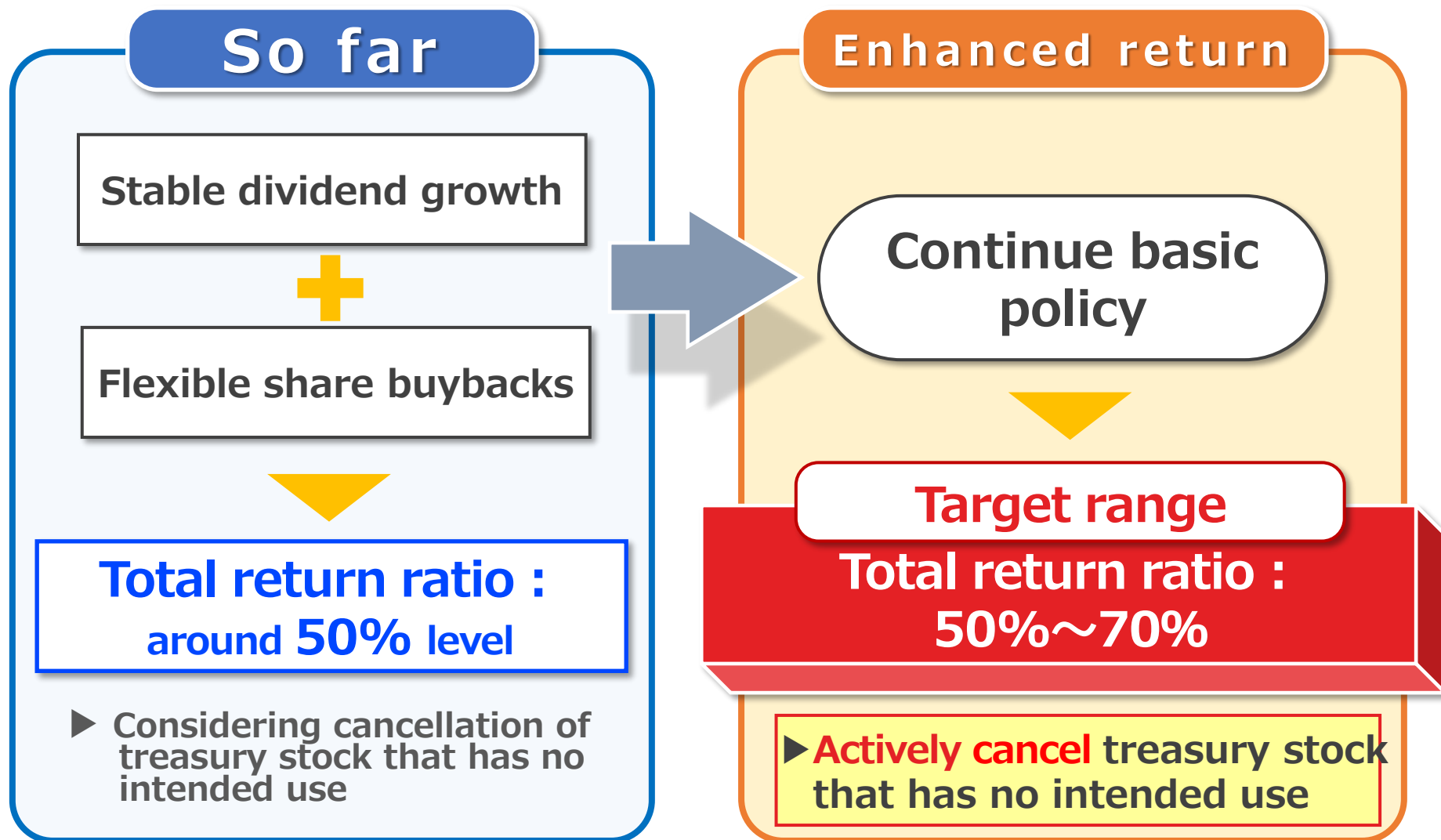


- 4 Global business

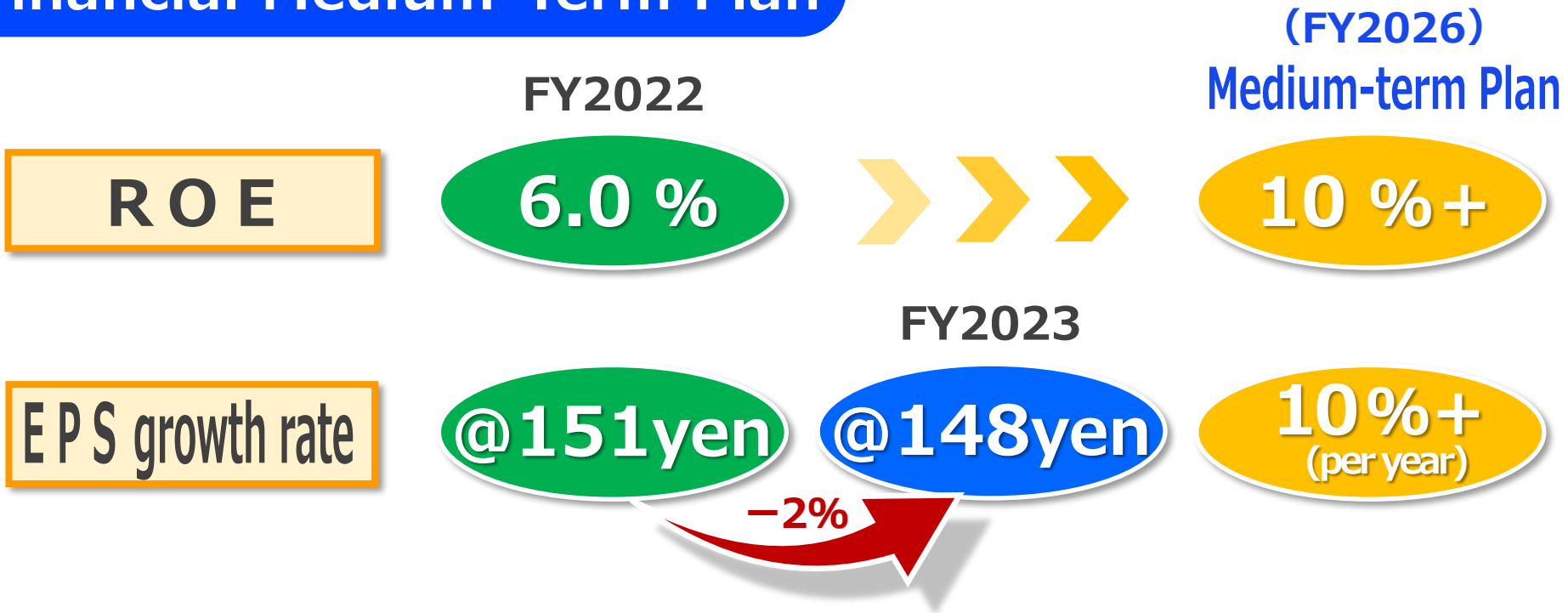


C Shareholder return policy

Shareholder returns linked to the presence or absence of major investments



Financial Medium-Term Plan



Shareholder returns

Dividend per share (Forecast)	65 yen (5 yen dividend increase)
Share repurchase	6.0 bil. yen ※
	Including 1.0 bil. yen implemented in April 2023

Business portfolio and positioning of each domain

Strengthen our business portfolio with the aim of becoming “Beyond a Telecommunications Construction Company” that contributes to society with full-value

Beyond a Telecommunications Construction Company

