



January 29, 2026

To Whom It May Concern

Company Name: Kandenko Co., Ltd.
Representative: Hirofumi Tamogami, President and Executive Officer
(Securities Code: 1942, Tokyo Stock Exchange Prime Market)
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Notice Concerning Secondary Offering of Shares

Kandenko Co., Ltd. (the "Company") hereby announces that, at a meeting of its Board of Directors held on January 29, 2026, it has resolved to approve the implementation of a secondary offering of shares of common stock of the Company (the "Offering"), as follows.

Under its corporate motto, "*Humanity First*", the Company has provided one-stop engineering business ranging from planning to design, construction, maintenance, and subsequent renewals in the areas of electrical facilities, construction facilities and information and communication facilities, by leveraging technology, expertise and construction methods which the Company has cultivated since its founding.

The Company has established a management vision of becoming "A 100-Year Company Supporting Society" toward the year 2044, which is the 100th anniversary of its founding. The Company aims to contribute to the creation of safe and comfortable communities by integrating its core businesses, construction facilities and social infrastructure facilities, and to become a "Green Innovation Company" that delivers high value to both society and its customers. In April 2024, in pursuit of this, the Company formulated an interim target for fiscal 2030 "Milestone 2030" and "Kandenko Group Medium-Term Management Plan FY2024-FY2026" (the "Medium-Term Management Plan").

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In fiscal 2024, as a result of strategic sales activities amid robust private-sector construction investment, together with organization-wide productivity enhancement measures, the Company achieved record-high results and met the performance targets for fiscal 2026, the final year of the Medium-Term Management Plan, two years ahead of schedule. Accordingly, the Company upwardly revised the targets in the Medium-Term Management Plan in April 2025.

The Company continues striving to enhance corporate value over the medium to long term, through further development of its core businesses, which is promoted under the Medium-Term Management Plan, and proactive growth investments, including M&A, aimed at expanding the scope of its business.

In April 2025, the Company announced initiatives to realize management that takes into account the cost of capital and share price. With a view to enhancing corporate value through improvement of capital efficiency and focusing on further growth, the Company has engaged in ongoing dialogue with TEPCO Power Grid, Incorporated, a major shareholder of the Company, regarding the desirable form of capital relationships.

As a result, the Company has reached an agreement with TEPCO Power Grid, Incorporated that it would be optimal for both parties to reduce its shareholding ratio in the Company to approximately 33.4% (assuming the Greenshoe Option described in <References> 2. below is fully exercised). Having examined methods for sale of the shares, the Company concluded that the Offering is the most appropriate course of action, as it will provide a smooth sale opportunity while enabling the Company to take the lead in restructuring its shareholder base.

Through the Offering, the Company intends not only to further enhance management agility but also to improve the liquidity of the shares of the Company by broadening and diversifying shareholder base, thereby addressing investors' concerns, including the so-called overhang risk. Even after the Offering, as part of fulfilling the social mission of ensuring stable power supply, the Company will continue to work closely with TEPCO Power Grid, Incorporated and its holding company, Tokyo Electric Power Company Holdings, Inc., and pursue enhancement of corporate value.

In addition, in order to strengthen shareholder returns, improve capital efficiency, and mitigate the impact on the supply and demand balance of the shares of the Company resulting from the Offering, the Company, today, resolved matters concerning the

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repurchase of its shares, setting the upper limits for the total amount to be paid for the repurchase as 30 billion yen and the total number of shares to be repurchased as 7,500,000 shares, with the repurchase period from Monday, February 2, 2026 to Friday, February 6, 2026. Please refer to "Notice Concerning Determination of Matters relating to Share Repurchase (Share Repurchase in accordance with the Articles of Incorporation based on Article 165, Paragraph 2 of the Companies Act of Japan)" released today for details of the repurchase.

1. Secondary Offering of Shares (Offering by way of Purchase and Subscription by the Underwriters)
 - (1) Class and Number of Shares to be Offered 22,771,400 shares of common stock of the Company
At the meeting of the Board of Directors held on Thursday, January 29, 2026, the Company resolved matters relating to the repurchase of its shares (common stock of the Company) and may repurchase its own shares during the period from Monday, February 2, 2026 to Friday, February 6, 2026, by an off-auction own share repurchase trading (ToSTNeT-3). If the Company decides in the future to repurchase its own shares by ToSTNeT-3 in accordance with the resolution, the selling shareholder described in (2) below may thereupon sell a portion of its shares of common stock of the Company. In such case, the number of shares to be offered above may decrease.
 - (2) Selling Shareholder TEPCO Power Grid, Incorporated
 - (3) Selling Price To be decided. (The selling price will be determined in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Securities, etc., of the Japan Securities Dealers Association, based on the preliminary pricing terms calculated by multiplying by a factor between 0.90 and 1.00, the closing price of the shares of common stock of the Company in regular trading on the Tokyo Stock Exchange, Inc. (with any fraction less than one yen being rounded down), on a certain date

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between Monday, February 16, 2026 and Thursday, February 19, 2026 (the "Selling Price Determination Date") (or by using the closing price on the business day immediately preceding such date, if no closing price was recorded on such date), considering the market demand and other conditions.)

(4) Method of Offering

The offering shall be a secondary offering by way of purchase and subscription by the underwriters (the "Underwriters"). Considerations for the Underwriters in connection with the offering shall be the amount calculated by subtracting the aggregate underwriting value from the aggregate selling price. As part of the offering, shares may be sold to investors in overseas markets such as Europe and Asia (excluding the United States and Canada).

(5) Delivery Date

The fifth business day following the Selling Price Determination Date.

(6) Approval for the selling price and all other matters necessary for the offering by way of purchase and subscription by the Underwriters will be entrusted solely to Mr. Hirofumi Tamogami, President and Executive Officer of the Company.

2. Secondary Offering of Shares by way of Over-allotment (See <Reference> 2. below.)

(1) Class and Number of

Shares to be Offered

3,415,600 shares of common stock of the Company

The above-mentioned number of shares to be offered represents the maximum number of shares to be offered, and the actual number of shares to be offered may decrease, or the offering by way of over-allotment may not be carried out at all, subject to market demand and other conditions. The number of shares to be offered will be determined on the Selling Price Determination Date, considering the market demand and other conditions for the offering.

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In addition to the potential decrease depending on market demand and other conditions, if the actual number of shares to be offered by way of purchase and subscription by the Underwriters decreases due to the repurchase of shares as described in 1.(1) above, the actual number of shares to be offered by way of over-allotment may also decrease.

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| (2) Seller | The designated lead manager (the "Designated Lead Manager") |
| (3) Selling Price | To be decided. (The selling price will be determined on the Selling Price Determination Date. The selling price will be the same as the selling price in the offering by way of purchase and subscription by the Underwriters.) |
| (4) Method of Offering | In connection with the offering by way of purchase and subscription by the Underwriters, the Designated Lead Manager will, in consideration of market demand and other conditions, undertake a secondary offering of shares of common stock of the Company, by borrowing no more than 3,415,600 shares from TEPCO Power Grid, Incorporated (the "Lender"), a shareholder of the Company. |
| (5) Delivery Date | The same delivery date as in the offering by way of purchase and subscription by the Underwriters. |
| (6) Approval for the selling price and all other matters necessary for the secondary offering by way of over-allotment will be entrusted solely to Mr. Hirofumi Tamogami, President and Executive Officer of the Company. | |

<References>

1. Purpose of the Secondary Offering of Shares
The purpose is as stated at the beginning of this press release.

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2. Secondary Offering of Shares by way of Over-allotment, etc.

The secondary offering of shares by way of over-allotment refers to an offering, in connection with the offering by way of purchase and subscription by the Underwriters, in which the Designated Lead Manager will, in consideration of market demand and other conditions, carry out the secondary offering of shares of common stock of the Company, by borrowing no more than 3,415,600 shares from the Lender. While 3,415,600 shares are scheduled to be offered under the secondary offering of shares by way of over-allotment, such number of shares represents the maximum number of shares to be offered, and the actual number of shares to be offered may decrease, or the secondary offering of shares by way of over-allotment may not be carried out at all, subject to market demand and other conditions. In addition to the potential decrease depending on market demand and other conditions, if the actual number of shares to be offered by way of purchase and subscription by the Underwriters decreases due to the repurchase of shares as described in "1. Secondary Offering of Shares (Offering by way of Purchase and Subscription by the Underwriters) (1) Class and Number of Shares to be Offered" above, the actual number of shares to be offered by way of over-allotment may also decrease.

If the secondary offering of shares by way of over-allotment is carried out, the Lender will grant the Designated Lead Manager the right to acquire additional shares of common stock of the Company, separately from the shares subject to the sale through the offering of shares by way of purchase and subscription by the Underwriters, up to the number of shares to be sold by over-allotment (the "Greenshoe Option"), with the period starting from the delivery date of the offering of shares by way of purchase and subscription by the Underwriters and the secondary offering of shares by way of over-allotment and ending on Thursday, March 19, 2026.

Furthermore, the Designated Lead Manager may perform the purchases of shares of common stock of the Company, up to the number of shares to be sold by the secondary offering of shares by way of over-allotment on the Tokyo Stock Exchange, Inc., with the purpose of returning the borrowed shares from the Lender (the "Syndicate Cover Transaction") from the day following the last day of the subscription period for the sale through the offering of shares by way of purchase and subscription by the Underwriters and the secondary offering of shares by way of over-allotment until Thursday, March 19, 2026 (the "Syndicate Cover Transaction Period"). All the common stock of the Company acquired by the Designated Lead Manager through the Syndicate Cover Transaction will be allocated for the return of the borrowed shares. It should be noted that during the Syndicate Cover Transaction Period, the Designated Lead Manager may decide to discontinue the Syndicate Cover Transaction entirely or terminate the Syndicate Cover Transaction with a

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number of shares that does not reach the number of shares to be sold through the secondary offering of shares by way of over-allotment.

In addition, the Designated Lead Manager may conduct stabilization transactions in connection with the offering of shares by way of purchase and subscription by the Underwriters and the secondary offering of shares by way of over-allotment and may allocate all or part of the shares of common stock of the Company acquired through such stabilization transactions for the return of the borrowed shares.

The remaining borrowed shares after being acquired through the Syndicate Cover Transaction and stabilization transactions and allocated for the return will be returned by the Designated Lead Manager by exercising the Greenshoe Option.

Whether or not the secondary offering of shares by way of over-allotment will be conducted and the number of shares to be sold through such offering will be determined on the Selling Price Determination Date. In the event that the secondary offering of shares by way of over-allotment is not conducted, neither the borrowing of shares of common stock of the Company from the Lender by the Designated Lead Manager, the granting of the Greenshoe Option from the Lender to the Designated Lead Manager nor the Syndicate Cover Transaction at the Tokyo Stock Exchange, Inc. will be conducted.

The Designated Lead Manager will carry out the transactions described above in consultation with the other joint lead managers.

3. Lock-up

In connection with the offering by way of purchase and subscription by the Underwriters, TEPCO Power Grid, Incorporated, the selling shareholder, has reached an agreement with the joint lead managers that the selling shareholder will not carry out a disposal, etc. of shares of the Company (excluding the offering by way of purchase and subscription by the Underwriters, etc.) during the period starting from the Selling Price Determination Date and ending on the 180th day following the delivery date of the offering by way of purchase and subscription by the Underwriters (the "Lock-up Period") without the prior written consent of the joint lead managers.

Furthermore, the Company has reached an agreement with the joint lead managers that it will not carry out an issuance of shares of the Company, an issuance of securities that are convertible into or exchangeable for shares of the Company or an issuance of securities representing rights to acquire or receive shares of the Company, etc. (excluding an issuance of new shares by share splits, etc.) during the Lock-up Period without the prior written consent of the joint lead managers.

For either of the aforementioned circumstances, the joint lead managers, at their discretion, are authorized to partially or wholly waive such agreements even during

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