



@KRAFTIA\_OFFICIAL



KRAFTIA Co., Ltd.

ONE FUKUOKA BLDG. 14th Floor,  
1-11-1 Tenjin, Chuo-ku, Fukuoka City, Japan

KRAFTIA Co., Ltd.

KRAFTIA REPORT 2025



KRAFTIA Group Integrated Report

# KRAFTIA REPORT 2025



## 1. Corporate Philosophy

# Corporate Philosophy

**01 Ecology**  
**We contribute to society through providing agreeable environmental solutions.**

**02 Technology**  
**We keep challenging for sustainable development through our engineering strength and create a new value.**

**03 Respect for human**  
**We aim to create a mutual respecting environment in KRAFTIA which utilizes and develops employees' personality.**

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## 3. Message from the President



**Taking on a New Stage as “KRAFTIA.”  
We will achieve sustainable growth by  
continuing to invest in and challenge  
ourselves for the future.**

**Kazuyuki Ishibashi**  
Executive Officer  
Representative President

### Toward the Realization of Our Long-term Vision

Since our founding over 80 years ago, the KRAFTIA Group has developed businesses that support social infrastructure in areas such as electrical contracting work, HVAC and sanitary facility work, and power distribution line work, under our corporate philosophy which includes “We contribute to society through providing agreeable environmental solutions.”

In recent years, the environment surrounding companies has become increasingly complex due to climate change and disaster risk, tight energy supply and demand, digitalization, demographic changes, and diversification of working styles, and even the definition of a “agreeable environment” is changing. Amidst these circumstances, we believe it is essential to always be conscious of the company’s reason for existence—how we will contribute to society and what kind of future we will build.

Our Group has formulated a long-term vision “Make Next. —To Create Smiles for the Future—” in anticipation of our 100th anniversary in 2044. Within this, the three themes of “Solve social problems,” “Realize a carbon-free society,” and “Maintain and

develop local public infrastructure” represent the role we will play to create a sustainable society. We aim to link these efforts directly to our Group’s business activities and solve social issues to achieve “Contributing to the realization of a circular society” (practicing CSV management) that creates both social and economic value.

### What I Place Importance on in Management

What I regard as most important in management is “maximizing employee performance and enhancing corporate value through that strength.” When each employee understands the meaning of their work—why and for whom they work—and approaches it with pride, it energizes the organization and ultimately leads to an increase in corporate value.

I always tell employees, “We do not work solely for profit.” We have a corporate philosophy, a long-term vision, a Mid-term Management Plan, and an annual plan. If we cannot realize our corporate philosophy in pursuit of immediate goals, that is putting the cart before the horse, so I always say we must never reverse this order. On the other hand, needless to say,

profit is necessary to realize our corporate philosophy and continuously enhance corporate value. In order to remain a company where employees feel a sense of purpose and are proud of their work—and to be a company evaluated positively by society, customers, and shareholders—I believe it is important always to return to the foundation of our corporate philosophy and continually build up valuable work.

As a prerequisite, it is essential to create an environment that increases employees’ job satisfaction. It is vital to have jobs that employees can take pride in, a culture where they can passionately take on challenges, and robust support for compensation and career development. As one initiative this year, we relocated our headquarters to the “ONE FUKUOKA BLDG.,” which we constructed, and improved working conditions such as compensation and bonuses. We will continue to promote various initiatives and strive to foster as many passionate employees as possible. From the standpoint of fulfilling our responsibilities to shareholders and investors, investing in human resources is also the source of sustainable growth. By drawing out the motivation and abilities of each employee, we will further enhance our value as a company.

In the past, the construction industry had a strong image of being typified by the so-called “Three Ds (Dirty, Dangerous, and Demanding).” To renew this image, the Ministry of Land, Infrastructure, Transport and Tourism has defined the ideal future for the construction industry as the “New Four Ds”—“Decent Pay, Days Off, Dream, and Dandy (Clean),” working to promote transformation into an attractive industry. We also believe that our Group must become a company where employees can be proud to tell family, parents, and acquaintances that they work here.

### Our Group’s Strengths and Drivers of Growth

The features of our Group are a stable management foundation and high technical capabilities as an integrated utilities engineering service. In addition, I would like to highlight three unique strengths that other companies do not possess.

Our first strength is our track record in both electrical contracting work and HVAC and sanitary facility work. Currently, about 50% of our sales come from electrical contracting work and about 35% from HVAC and sanitary facility work, making us the only facility work company developing both fields at a high level.

### 3. Message from the President

Going forward, the proportion of HVAC and sanitary facility work is expected to increase further, and we are confident that we will truly be a facility work company capable of providing a “one-stop solution.” We believe that our ability to propose and execute projects integrating electrical contracting work and HVAC and sanitary facility work delivers significant benefits to customers, such as cost reduction and energy saving.

Our second strength is the presence of “technicians (directly employed personnel).” We have over 1,000 technicians in total, with around 750 in electrical contracting work and about 280 in HVAC and sanitary facility work on a non-consolidated basis. This scale is exceptional in the industry and gives us a major advantage in terms of high construction quality, robust safety management, and outstanding organizational capabilities. Of course, we are also committed to maintaining and strengthening our partnerships with cooperating companies, and by bringing together the strengths of both our technicians and partner companies, we have built a stable construction framework.

Our third strength is that we are promoting a “stock-based business” that is less susceptible to economic fluctuations. We own approximately 500MW of renewable energy generation capacity, and we believe this potential is extremely great. Even after the end of the Feed-in Tariff (FIT) system, we recognize that with transitions such as the introduction of the FIP system, in which subsidies (premiums) are added to the market price, or mechanisms such as PPAs, where power generation operators supply renewable energy generation electricity directly to end users, there will be strong demand for environmental management, and it will become a valuable source of revenue. Currently, we are earning a stable annual profit of approximately 4 billion yen, mainly from renewable energy generation. Going forward, with capital costs in mind, we will focus on securing more stable earnings through CRE strategies (Corporate Real Estate) that make effective use of our Group assets and investments in data centers and logistics centers. These strengths will work together and come to fruition as the comprehensive strength of our Group.

Additionally, power distribution line work is the origin of our Group, and it will continue to be our core business going forward. When natural disasters occur, our employees who rush to the site immediately and work tirelessly for early restoration are our pride, and this will remain our most important division.

We are confident that these are the driving forces behind our Group’s growth and the sources of our future competitiveness.

#### Mid-term Management Plan “Challenge & Grow 2029”

In April 2025, we launched our Mid-term Management Plan “Challenge & Grow 2029” based on our corporate philosophy and long-term vision. This Mid-term Management Plan is not just a numerical target, but is positioned as a “milestone” for our Group to accumulate innovation (transformation) and challenge toward our 100th anniversary, setting 2025–2027 as the “Challenge Stage” for investment and challenge for the future, and 2028–2029 as the “Grow Stage” aiming for further growth.

My thoughts on this plan are threefold: “growth toward a new stage,” “investment for the future,” and “quality improvement.”

First, “growth toward a new stage” is about accelerating our growth toward our 100th anniversary in 2044. Amid major trends such as social structural changes, technological innovation, and decarbonization, it is necessary to maximize the utilization of the various managerial resources within our Group. While the facility work business will remain our main business, we will build a corporate structure that enables diversified profit generation.

“Investment for the future” includes human capital management through human resources education, business efficiency using construction DX, and investments to secure stable future income. In particular, regarding human capital management, we expect total costs during the Mid-term Management Plan period to be around 50 billion yen, and recognize



this as a necessary cost for continued long-term growth. Because our shareholders are important, I believe we must value our employees even more. With a chronic labor shortage, we will strengthen investment in human resources in order to dramatically improve business performance in the future and to realize sustainable growth.

For “quality improvement,” we have chosen not to set sales targets but will focus on improving employee treatment, strengthening shareholder returns, and meeting the expectations of all stakeholders to clarify our focus on improving profit. We will also proactively consider capital policies such as shareholder returns, improve capital efficiency, and strengthen the foundation for corporate value creation to realize ongoing corporate value enhancement.

The embodiment of these ideas is our new Mid-term Management Plan, “Challenge & Grow 2029.”

Based on these thoughts, the first year of the Mid-term Management Plan, FY2025, will focus on the following four priority initiatives.

First, securing orders and ensuring profits. We will promote strengthening and expanding orders through the best mix of small and medium-sized projects, which support our Group’s management base, and large-scale projects such as data centers and logistics centers, where demand is expected to grow. In particular, I feel strongly that small and medium-sized projects are deeply rooted in the community, essential connections with regional customers, and should never be neglected. To secure profits, we will secure and develop construction management human resources and advanced specialized human resources, optimize staff assignments strengthen on-site management, and further boost profits.

Second, we will invest in construction DX for operational efficiency. We will promote workplace digitization and work reforms by utilizing generative AI and other technologies. We will also invest in R&D for energy saving, cost reduction, and labor saving, thereby reducing fieldwork burdens.

Third, we will promote the creation of an environment that balances work ease and job satisfaction. We will enhance employee engagement, promote further human capital investment including treatment improvements, and connect this to employee skill and productivity improvements.

Fourth, regarding the large-scale solar power plant construction work on Uku Island, we will accelerate progress in panel installation and HVDC building (converter station) construction work.

#### The Determination Embodied in Our New Company Name “KRAFTIA”

In October 2025, we changed the Company name from Kyudenko to “KRAFTIA.” This was due to factors including the increased ratio of HVAC and sanitary facility work and business outside of Kyushu, which made the gap between the image of “a company focused on electrical contracting work in Kyushu” and the actual business scope more apparent.

The decision to change the company name was made top-down, but we emphasized a bottom-up process involving all employees in deciding the new name. Specifically, we held opinion exchange meetings with next-generation employees and idea brainstorming sessions for young and mid-career employees. I feel that even just having the opportunity for many employees to share their dreams and thoughts about the company’s future was extremely meaningful.

The new name “KRAFTIA,” decided through this process, incorporates the dreams and hopes of each and every employee. The name change is not temporary; it represents KRAFTIA stepping onto a new stage. We will work together as one team to ensure KRAFTIA becomes a company that offers a new perspective different from what we see today.

#### To All Stakeholders

Corporate value cannot be measured by financial figures alone. I believe that increasing trust from society, employee satisfaction, partnerships with customers, and sustainability for the future leads to becoming a truly valuable company.

We will continue to support the challenges and growth of each employee, and strive to remain a company that we can all be proud of for our local communities, business partners, investors, and future generations. With our corporate philosophy in mind, please look forward to KRAFTIA taking its first step into a new stage of growth.

4. New company name, KRAFTIA

Topic!!

From October 2025, Kyudenko will be rebranded as **KRAFTIA**.

Innovate in technology and take action.  
Pioneer frontiers with technology.  
Kyudenko will become “KRAFTIA.”

**K** + **CRAFT** + **I** + **A**

Kyushu

CRAFT

Innovation

Action

Embracing our Kyushu heritage and the spirit of Kyudenko, we sharpen our skills, drive technological innovation, and put technology into action to provide agreeable environmental solutions.  
We want to open up a frontier full of possibilities with the “technical execution power” that responds to trust and the “technical innovation power” that never stops challenging.

The name embodying this determination is “**KRAFTIA**.”

Reason for Company Name Change

The Company was established in 1944 with electrical contracting work as its main business, and in 1989, as our business expanded, we changed our trade name from “Kyushu Denki Koji Corporation” to “Kyudenko Corporation.”  
In recent years, not only in power distribution line work and electrical contracting work, but also in HVAC and sanitary facility work, information and communications, energy, and city planning, we have been expanding our business domains by challenging innovation across diverse areas, and our business area has grown beyond Kyushu to Kanto, Kansai, and even globally.  
Accordingly, with a view to the future and in pursuit of further growth, we have changed our company name.

Process of Company Name Change

In addition to fundamental analyses such as reviewing company history, we conducted interviews where young employees and key current executives shared their thoughts, solicited feedback through more than 4,000 company-wide surveys, and held opinion exchange sessions (World Cafe) led by next-generation employees, respecting the opinions of young and mid-career employees to the fullest while considering the new company name.



5. New Headquarter, ONE FUKUOKA BLDG.

Topic!!



New Head Office  
**ONE FUKUOKA BLDG.**

OFFICE CONCEPT  
**Gather. Connect.  
Create the future.**

The “ONE FUKUOKA BLDG.” grand opened in the center of Fukuoka, Kyushu, on April 24, 2025. Our new headquarters began operations on the 13th and 14th floors on May 19, 2025.

New Headquarter OFFICE CONCEPT

To create new ideas and spark communication, everyone will **gather**.



**Connecting** everyone across departments.



**Creating the future** through new ways of working, improved work environments, and reduced environmental impact.



We foster employees’ **independence** and **initiative**, and create **new value** through their spirit of challenge.



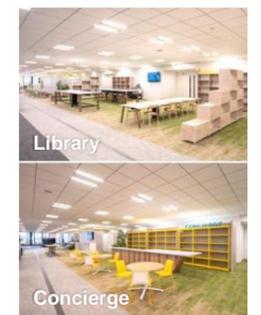
Main Reception

A space that evokes the future. Presents advanced and eco-friendly concepts, shaping a new corporate image



Office Area

Desk seats by the windows  
Interaction between divisions at the core side

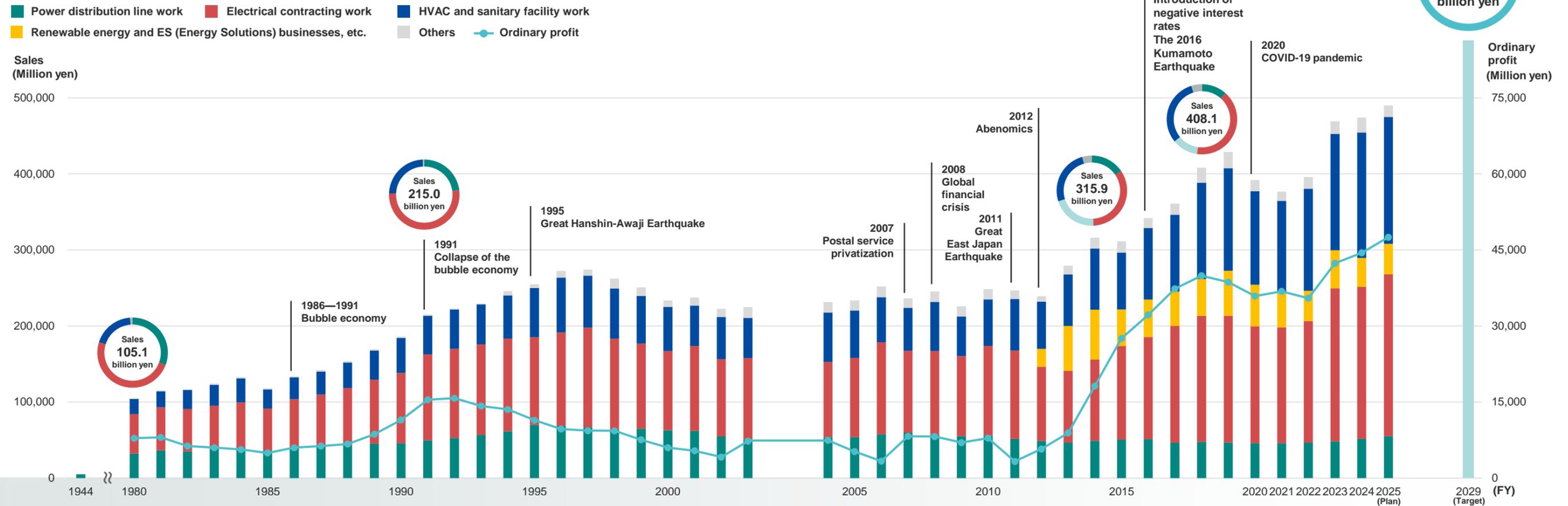


Library

Concierge

Top: Collect essential information  
Bottom: Support daily operations

## 6. Growth Trajectory of KRAFTIA



### 25 years from 1944

**Foundation phase when KRAFTIA was born as a company engaging in electrical and power distribution line work across the Kyushu region**

KRAFTIA was established in December 1944 as “Kyushu Denki Koji Corporation” (former KRAFTIA) by integrating fourteen electric work companies in Kyushu.

- December 1944 Established Kyushu Denki Koji Corporation
- October 1945 Opened Tokyo Satellite Office
- June 1947 Concluded an agreement on contracted power distribution line work with Kyushu Haiden Co., Ltd. (current Kyushu Electric Power Company, Incorporated)
- July 1964 Started operation of HVAC and sanitary facility work
- February 1965 Opened Osaka Office

### 25 years from 1970

**Establishment and growth phase of a firm management base, with stock listing and the 50th anniversary**

The Company was listed on the Fukuoka Stock Exchange and Osaka Exchange (second section) in November 1968, and designated to the first section of the Tokyo Stock Exchange and Osaka Exchange in September 1972. In December 1989, the Company name was changed to “Kyudenko,” and in 1994 we celebrated our 50th anniversary.

- November 1968 Listed on the Fukuoka Stock Exchange and the Second Section of the Osaka Stock Exchange
- September 1972 Designated to the First Sections of the Tokyo Stock Exchange and the Osaka Stock Exchange
- March 1987 Issued the first series of unsecured convertible bond of 10.0 billion yen
- December 1989 Changed the company name to Kyudenko Corporation

### 25 years from 1995

**Growth phase during which the Company expanded its operations in the metropolitan area and entered the renewable energy field**

In July 2008, the Company established Tokyo Head Office and strengthened its management foundation in the metropolitan area. Prompted by the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities (also known as the “FIT law”) that went into effect in 2012, the Company entered the renewable energy field on a full scale.

- June 2008 Introduced the Executive Officer System
- July 2008 Established Tokyo Head Office
- March 2012 Newly established a training center, Kyudenko Academy (Currently KRAFTIA Academy)
- March 2015 Issued the second series of unsecured convertible bond of 10.0 billion yen
- December 2019 Marked the 75th anniversary

### 25 years from 2020

**Acceleration phase to realize sustainability toward the 100th anniversary**

The Company has set out its Long-term Vision toward its 100th anniversary in 2044. In pursuit of this long-term vision, we formulated a new Mid-term Management Plan with goals to be achieved from 2025 to 2029.

- July 2021 Newly established the Green Innovation Business Division
- June 2022 Shift to a company with an Audit and Supervisory Committee
- December 2024 Marked the 80th anniversary
- April 2025 Published the Mid-term Management Plan (FY2025-FY2029)
- May 2025 Headquarters Relocation [ONE FUKUOKA BLDG.]
- October 2025 Changed the company name to KRAFTIA Co., Ltd.

# 1. Value Creation Process

## Make Next: To Create Smiles for the Future

### The Group's Vision for 2044 (100th anniversary)

With an eye on future megatrends and with our corporate philosophy as a pillar of our business, the KRAFTIA Group has formulated its long-term vision with a focus on seizing business opportunities and expanding business in the expected social environment 100 years after its foundation (2044). We have also defined our role in creating a sustainable society (which we call the "Three Contributions") and our basic stance to achieve the vision.

With "corporate governance" and "human resources" as our foundation, we will maximize our sources of value creation to reliably achieve annual business plans. Furthermore, we will strive to achieve the numerical targets set in the Mid-term Management Plan (FY2025—FY2029), while aiming for sustainable growth toward the realization of our long-term vision.

### OUTPUT

#### Corporate Philosophy

1. We contribute to society through providing agreeable environmental solutions.
2. We keep challenging for sustainable development through our engineering strength and create a new value.
3. We aim to create a mutual respecting environment in KRAFTIA which utilizes and develops employees' personality.

### OUTCOME

#### Long-term vision (New Value Creation)

##### The role we will play - Three Contributions

Solve social problems	Contribute to the realization of affluent life by leveraging our engineering strength and taking on the challenge of solving various social problems
Realize a carbon-free society	Contribute to the realization of a carbon-free society through clean energy
Maintain and develop local public infrastructure	Contribute to the maintenance and development of local infrastructure through stable power supply, facility works, urban development, etc.

##### Basic stance toward realizing the vision

<Contribute to realizing a circular society>

Balance both social value and economic value by solving social problems through corporate activities

#### Mid-term Management Plan (FY2025—FY2029)

#### Challenge & Grow 2029

-Challenge toward a new stage for the future-

Overcoming various current challenges and issues, striving for continuous growth and development as KRAFTIA Group!

2025 - 2027	<b>Challenge Stage</b> Investment for the future & Challenge period
2028 - 2029	<b>Grow Stage</b> Towards further growth

#### Sustainability management (Materiality)

#### Foundation Supporting Value Creation

Corporate Governance

Human Resources

Financial capital

Social relationship capital

### INPUT

#### Sources of value creation (capital)

Natural capital

Human capital

Intellectual capital

#### FY2025 Business Plan

Sales	490.0 billion yen
Ordinary profit	47.5 billion yen
Orders received	485.0 billion yen

Electrical contracting work

HVAC and sanitary facility work

Power distribution line work

Renewable energy generation

By setting financial and non-financial goals, we aim to achieve sustainable growth.

#### Financial target

Consolidated ordinary profit (FY2029)	60.0 billion yen
ROIC <sup>*1</sup> (FY2029)	10% or higher
Total investment (Total for the Mid-term Management Plan period)	200.0 billion yen
Shareholder returns (Consolidated payout ratio)	Approx. 40% Implementing progressive dividends

\*1 ROIC is calculated by using 'post-tax business profit' as the numerator, which appropriately indicates investment efficiency based on our business model. Post-tax business profit = post-tax ordinary profit + interest payments

# 1. Value Creation Process

## Sources of value creation six types of capital

At the KRAFTIA Group, we practice CSV management by efficiently combining various kinds of capital, which are sources of value creation, and work to improve both the “social value” and “economic value” generated through these efforts. By enhancing value, the capital of the KRAFTIA Group becomes stronger, making it possible to create new and even greater value. By repeating this type of cycle, we will continue to enhance sustainable corporate value.

### Human Capital

In the KRAFTIA Group, based on the belief that “people are assets,” we aim for the development of the company and the fulfillment and self-realization of each employee by improving their abilities and providing opportunities to demonstrate the results of education, thereby striving for further employee growth and company development. In recent years, we have also focused on securing employee diversity.

**Breakdown of the number of employees (non-consolidated)**  
(As of March 31, 2025)  
(Unit: persons)

Electricity	HVAC and Sanitary	Power distribution
Administration, Sales, Shared work, etc.	Female (included in total)	

Employee gender ratio **90% men, 10% women**

Number of Group employees (persons engaged)	10,828
<small>(As of March 31, 2025)</small>	
Number of employees (non-consolidated) (persons engaged)	6,620
<small>(As of March 31, 2025)</small>	
Number of female employees (non-consolidated)	635
<small>(As of March 31, 2025)</small>	
Number of women in managerial positions (non-consolidated)	5
<small>(As of March 31, 2025)</small>	
Number of training sessions held	251 (FY2024)
Number of participants (cumulative)	5,019 (FY2024)

**7,241** (Total)

- Electrical & HVAC/Sanitation Division Technician group of approx. **1,000**
- Engineers: 2,062
- Technicians: 1,244
- Others: 1,573
- Administrative/Sales: 1,057
- Power distribution: 265
- Female: 635
- Managerial: 5

### Natural Capital

We construct and operate renewable energy generation plants, thereby contributing to the preservation of the global environment. Moreover, we aim to achieve virtually zero CO<sub>2</sub> emissions from our business activities by 2050

Medium- to long-term goals for environmental management	
- Achieve carbon neutrality by 2050	-Support for TCFD recommendations
Investment in renewable energy generation plants (FY2024)	
- Group operation	55 sites
- Equity investment	61 sites

### Financial Capital

To enhance shareholder value over the medium- to long-term through sustainable growth, we work to make growth investments while maintaining a level of shareholder equity to prepare for future risks. We consider ROIC as one of our management indicators and set a target of 10% or higher.

Total assets	488.4 billion yen (FY2024)
Net assets	312.1 billion yen (FY2024)
Operating profit	41.3 billion yen (FY2024)
Ordinary profit	44.4 billion yen (FY2024)
ROE	9.6% (FY2024)
ROIC	9.0% (FY2024)

### Manufacturing Capital

We believe that our strength lies in the ability to anticipate needs, provide maintenance, and respond quickly in case of emergency by developing community-based business activities and being close to our customers, which affords them a sense of security.

Business locations in Japan (Head office, branch offices, and business offices)	116 (As of April 01, 2025)
Number of Group companies (Note) Number of consolidated subsidiaries	53 (As of April 01, 2025)

## Six types of capital

### Intellectual Capital

The R&D activities of the KRAFTIA Group are mainly conducted by the Technology Development Department. This department is responsible for verifying and introducing advanced technologies and business tools ahead of the Group companies, and for solving technical problems in the worksites and company-wide deployment.

(Registered)	28 patents, 1 utility model
(Pending)	10 patents
	<small>(As of August 2025)</small>
Research and development costs	344 million yen (FY2024)

### Social Relationship Capital

The KRAFTIA Group’s business is built on a relationship of trust based on harmonious coexistence and dialogue with all stakeholders, including shareholders, business partners, and local communities.

Coexistence with Local Communities	
- Refreshing Community Season	Once a year
- Track and field club sports classes	Once a year
Promotion of dialogue with shareholders and investors	
- Individual meetings with investors	268 in total (FY2024)
- Briefings for individual investors	6 (FY2024)

## 2. Long-term Vision Make Next: To Create Smiles for the Future

With an eye on future megatrends and with our corporate philosophy as a pillar of our business, the KRAFTIA Group has formulated its long-term vision with a focus on seizing business opportunities and expanding business in the expected social environment 100 years after its foundation (2044). We have also defined our role in creating a sustainable society (which we call the “Three Contributions”) and our basic stance to achieve the vision.

We will instill and pass on this long-term vision as the “KRAFTIA-ism” philosophy company-wide, and make improvements to it as we evolve with the times and in response to changes in our surrounding environment.



«Three Contributions»

The role we will play to create a sustainable society



### Basic stance toward realizing the vision

#### Contributing to the realization of a circular society

Balance both social value and economic value by solving social problems through corporate activities (practice CSV management)

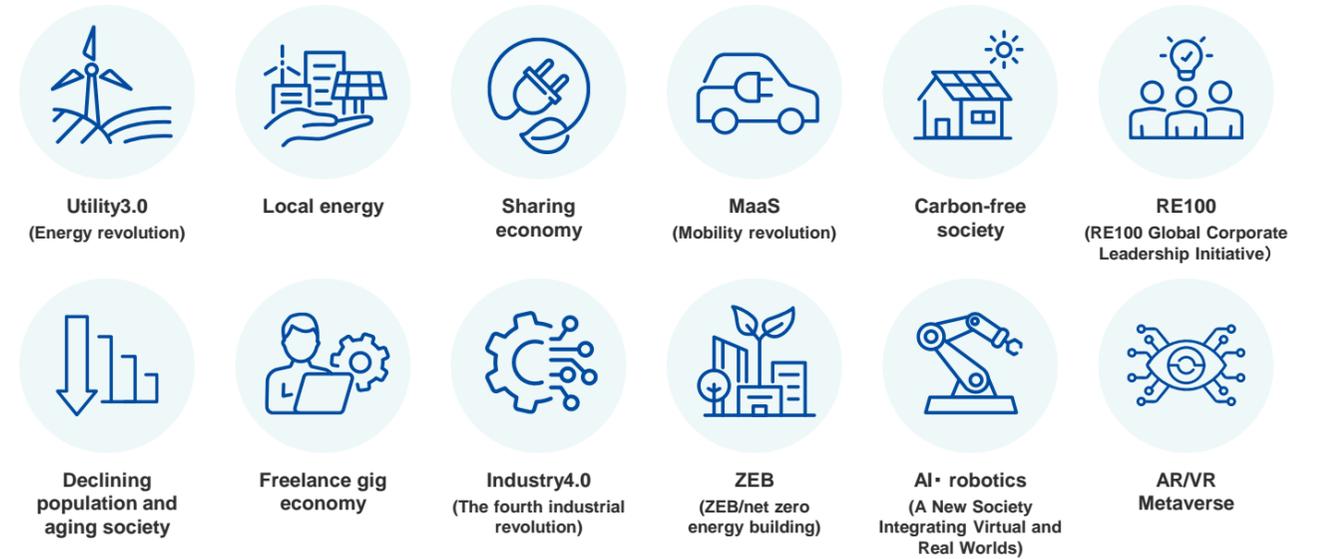
- Explore and enrich our engineering strength
  - Create new value through DX
  - Promoting diversity
  - Reinforce alliances
- Expand and strengthen a wide range of technology fields that meet customers' expectations  
Improve efficiency and sophistication of construction at worksites and create new businesses with digital technology  
Create an appealing company full of diverse employees  
Develop technological innovations and create businesses by promoting open innovation

Mid-term Management Plan (FY2025—FY2029)



— Toward our 100th anniversary —

### Major Megatrends



### Identification of Megatrends

Megatrends	Environment and its impact	Business opportunities
<b>1. Shift toward a decentralized energy society</b> • Utility3.0 • Local energy	(1) Transition from large-scale to local small-scale power transmission and distribution networks (2) The electricity market will go from a monopolistic to a free market (3) Increase in renewable energy generation (4) Increase in importance of developing technology to store electricity (5) Increase in need for EMS know-how	(1) Localized EMS needs (2) Enter urban development business, such as smart cities (3) Roll out local services that include not only power distribution line and facility work, but also electricity sales business, service water, waste water, telecommunications, waste treatment, etc. (4) Battery recycling factory, recycling business (5) New business opportunities as an environmental restoration company
<b>2. Increased environmental awareness</b> • Carbon-free society • RE100	(1) With the increase in demand for the renewable energy business, opportunities will expand where we can take advantage of our accumulated experience and business expertise in renewable energy construction (2) Companies with the goal of procuring 100% renewable energy will increase	(1) Focus more on the renewable energy business field (e.g., wind power and biomass power) (2) Provide complete service that includes installation, maintenance, removal, and disposal of renewable energy facilities (3) Establish technology to reuse/recycle solar panel waste, and translate to business (4) New business opportunities as an environmental restoration company
<b>3. Demographic change and diversified working styles</b> • Declining population and aging society • Freelance	(1) Securing human resources will become more difficult (2) Increase of foreign workers in Japan (3) Reduction of construction market (4) Migration to urban areas and depopulation in rural regions	(1) Acceleration of locally self-sufficient decentralized energy due to depopulation of rural areas associated with population decline and spread of renewable energy, storage batteries, etc. (2) Maintenance of infrastructure in depopulated areas of Kyushu (3) Carrying out projects to resolve challenges such as the increase of foreign workers in Japan, shortage of workers in the agriculture and livestock industry, and increasing aged population (4) Proactively roll out businesses outside Japan with a focus on Asia
<b>4. Advancement of digital technology</b> • AI, robotics • AR/VR, etc.	(1) Construction drawings will be prepared by AI (2) A large portion of manufacturing work will be carried out by robots (3) Education and training with AR/VR will be possible	(1) AI-based design and construction management (2) On-site construction by robot (3) Improvement of education/training and safety management virtual experience using AR/VR (4) Creation of new businesses using digital technology

### 3. New Mid-term Management Plan (FY2025—FY2029) VISION2029

Topic!!

#### Review of the Previous Mid-term Management Plan

During the previous Mid-term Management Plan period (FY2020—FY2024), we faced various unforeseen impacts, such as the COVID-19 pandemic and geopolitical risks. However, thanks to strong construction demand in recent years, although we did not reach the initial targets for the final year, both sales and ordinary profit set record highs.

However, regarding the Uku Island mega-solar power generation plant construction project, progress was delayed in FY2024; but, having recently obtained the necessary permits and approvals from the relevant local authorities, we will move forward with the work as soon as possible.

Issues carried over from the previous Mid-term Management Plan

- Financial safety has improved in terms of equity ratio, but capital efficiency indicators such as ROIC and ROE tend to rise more slowly.
- Building growth drivers for post-FIT solar power
- Implementing investment decisions with greater awareness of capital efficiency
- Strengthening technical capabilities and proposal power for a carbon-free society, and expanding investment in growth sectors
- Expanding investment in stock businesses for stable revenue (energy creation, energy storage, CRE, facility operation)
- Appropriate staff allocation and measures for improving business efficiency, etc., for the highest-ever level of construction work in progress
- Strengthening efforts to secure required personnel by diversifying recruitment strategies, improving working conditions, lowering turnover rate, developing the employment extension system, etc. in response to the declining number of working people in society
- Steady progress on DX projects to increase productivity for construction personnel
- Rebuilding employee education systems and strengthening technical capabilities (construction management capabilities, on-site construction capabilities, technical proposal skills)
- Building highly effective compliance and safety education
- Building strategies and support systems to improve and expand profitability of overseas businesses (overseas subsidiaries)
- Taking action on specific initiatives and efforts to meet TCFD targets for a carbon-free society

**New stage**

Together with the new company name, **KRAFTIA**

**Investment for the future**

Toward our **100<sup>th</sup> anniversary**

**Quality improvement**

To become a **company of choice**

With three core aspirations, aiming for sustainable growth and development

Mid-term Management Plan (FY2025—FY2029) Theme

## Challenge & Grow 2029 — Challenge toward a new stage for the future —

In our new Mid-term Management Plan, we will deepen initiatives such as strengthening technical capabilities, as well as reinforce human capital management to support sustainable growth and enhance our investment strategy for future stable revenues. Now that we have favorable order conditions, we will implement an aggressive investment strategy for

the future, return value to employees through human capital management, further strengthen shareholder returns, and accelerate our growth toward a new stage under the new company name.

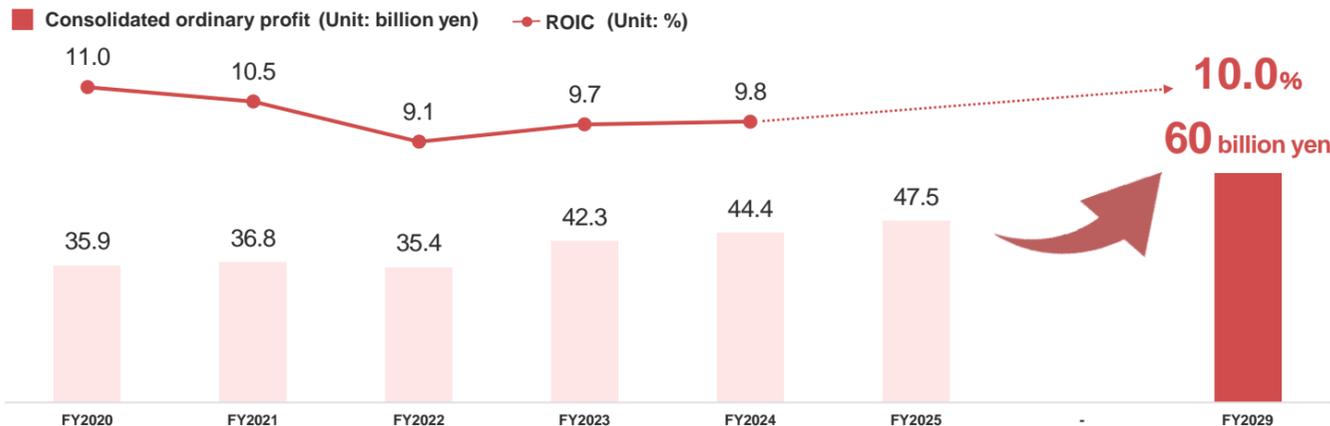
#### Financial targets

**Consolidated ordinary profit**  
FY2029  
**60** billion yen

**ROIC<sup>\*1</sup>**  
FY2029  
**10%** or higher

**Total investment**  
Total for Mid-term Management Plan period  
**200** billion yen

**Shareholder returns**  
Consolidated payout ratio  
**40%** guideline Implementing **progressive dividends**



\*1 ROIC is calculated by using 'post-tax business profit' as the numerator, which appropriately indicates investment efficiency based on our business model.  
Post-tax business profit = post-tax ordinary profit + interest payments

#### Non-financial targets

##### Human capital management

**Number of employees (consolidated)**  
FY2029  
**12,000** employees

**Employee annual compensation level**  
FY2029  
Average annual compensation at age 45 **10** million yen

**Engagement score**  
**72** points or higher

**Education and training expenses**  
FY2029  
Compared to FY2024 **50%** UP

**Anticipated total human capital management expenditures during Mid-term Management Plan period**  
Approx. **50** billion yen

**Increase productivity of sales (per hour) (Electrical, air conditioning pipe)**  
Compared to the average value of previous Mid-term Management Plan period  
Average value during the Mid-term Management Plan period **10%** UP

**New hires of advanced professional human resources**  
By FY2029  
**50** increase in number

**Women in managerial positions**  
FY2029  
Compared to FY2024 **2** times

**Male childcare leave acquisition rate**  
**100%**

##### Safety and governance

**Serious legal violations (Criminal and administrative sanctions)**  
**0** cases

**Serious disasters (Fatal accidents)**  
**0** cases

**Cyber measures Confidential information leakage**  
**0** cases

##### Environmental management

**CO<sub>2</sub> emissions**  
Scope1+2  
**▲50%** or more

### 3. New Mid-term Management Plan (FY2025—FY2029) VISION2029

Topic!!

As key issues to be addressed by the Company, in addition to strengthening technological capabilities, we are also '11 initiatives' and '5 investment strategies' to realize our basic stance toward achieving our medium- to long-term vision

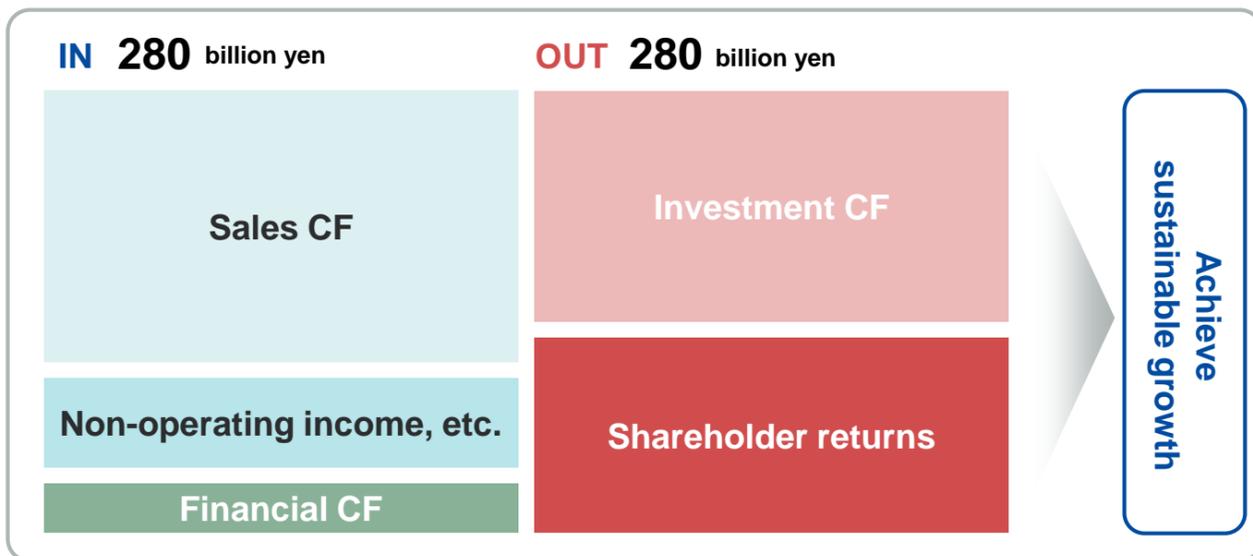
#### Key issues to be addressed by the Company



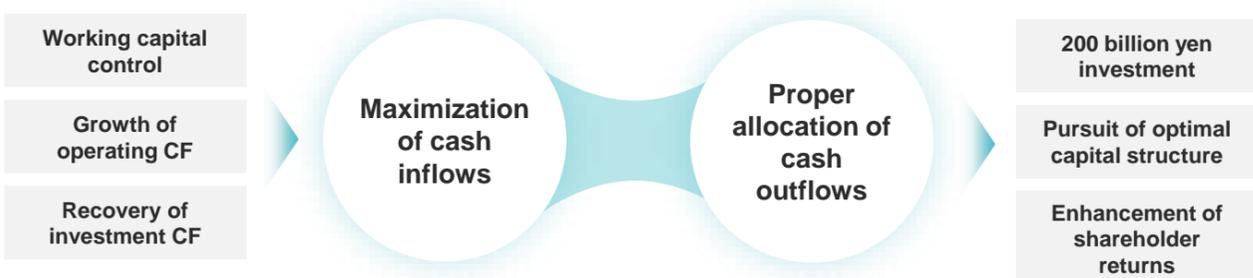
#### Capital and investment strategy

As part of our balance sheet management, the entire total cash inflow of 280 billion yen over five years will be appropriately allocated to investment strategies, shareholder dividends, and share repurchases. In particular, regarding the 200 billion yen investment, we will carefully assess the investment efficiency and synergy effects, taking into account EPC and O&M profits, social significance, and future growth potential. We will rigorously evaluate business viability while actively taking on this challenge.

#### FY2025—FY2029 Capital Allocation



#### Balance sheet management



addressing social issues and issues carried over from previous Mid-term Management Plan by working on of **contributing to the realization of a circular society**.

#### Specific initiatives

### KRAFTIA

<b>1.</b> Strengthening Group comprehensive capabilities	<b>2.</b> Strengthening technological capabilities/improving productivity (Efficiency improvement through DX, etc.)
<b>3.</b> Procurement company reform (Q-mast)	<b>4.</b> Strengthening GI business headquarters (Carbon neutral)
<b>5.</b> Strengthening overseas business	<b>6.</b> Promotion of strategic order-receiving activities
<b>7.</b> Expansion of Power Distribution Line Services	<b>8.</b> Strengthening governance (Compliance & safety)
<b>9.</b> Human capital management	<b>10.</b> Enhancement of shareholder returns
<b>11.</b> Management of business portfolio	

#### Investment strategy (investment CF)

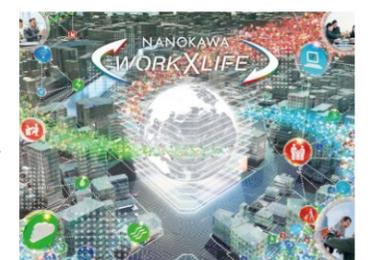
Total investment **200 billion yen**

<b>Growth investment</b>	<ul style="list-style-type: none"> <li>Expansion of investment in carbon neutral-related businesses</li> <li>Investment in energy storage systems (grid-scale storage batteries)</li> <li>Participation in DC (data center)-related businesses</li> </ul>	<ul style="list-style-type: none"> <li>Participation in real estate-related businesses</li> <li>Participation in urban infrastructure businesses (PPP/PFI projects)</li> </ul>	Approx. <b>80 billion yen</b>
<b>M&amp;A investment</b>	<ul style="list-style-type: none"> <li>Strategic M&amp;A for business area expansion (proactive M&amp;A)</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of collaboration in overseas business</li> </ul>	
<b>Stock business investment</b>	<ul style="list-style-type: none"> <li>Utilization of idle real estate</li> <li>Investment in battery storage business</li> <li>Utilization of post-FIT power sources</li> <li>Expansion of PPA businesses such as solar carports</li> </ul>	<ul style="list-style-type: none"> <li>Challenge to environmental value trading (non-fossil certificates, J-Credits, etc.)</li> <li>Strengthening and restructuring of facility operation subsidiaries</li> </ul>	Approx. <b>80 billion yen</b>
<b>DX investment R&amp;D investment and others</b>	<ul style="list-style-type: none"> <li>Investment and research in construction DX for operational efficiency</li> <li>Rebuilding of internal business systems</li> <li>Study of business applications for generative AI</li> <li>Promotion of cybersecurity measures</li> </ul>	<ul style="list-style-type: none"> <li>Research and development on energy saving, cost reduction, and labor-saving</li> <li>Research and development on creation of environmental value and post-FIT initiatives</li> </ul>	Approx. <b>18 billion yen</b>
<b>Facility renewal (Including environmental investment)</b>	<ul style="list-style-type: none"> <li>Renewal and renovation of existing aging facilities</li> <li>Carbon neutralization of in-house facilities</li> </ul>	<ul style="list-style-type: none"> <li>Response to the formation of a circular society</li> <li>Enhancement of educational facilities</li> </ul>	Approx. <b>22 billion yen</b>

Grid-scale storage batteries (Ota Nitta Akahori-Chou Battery Storage System)



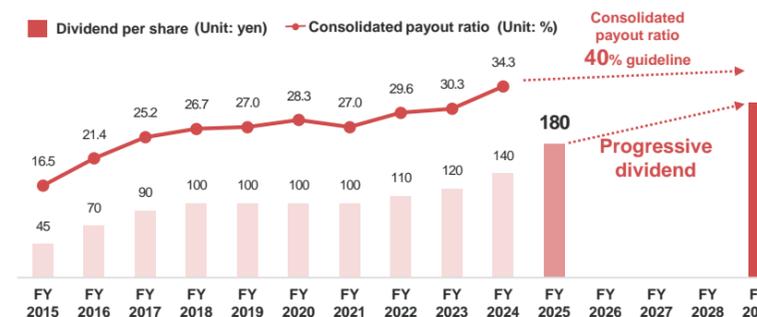
Utilization of idle real estate (Redevelopment project of former Head Office Site)



#### Shareholder returns

**80 billion yen+α**

#### Dividend / payout ratio trends



**During the Mid-term Management Plan period, implement 80 billion yen + α in dividends and share buybacks**  
Implement timely share buybacks in pursuit of the optimal capital structure, balancing growth investments and financial stability

## 4. New Mid-term Management Plan Message from the General Manager

During the period of the previous mid-term management plan, the Sales Division continuously addressed the ongoing initiative of "strengthening and expanding our domestic equipment construction order base," and worked diligently towards achieving its ultimate targets.

To address the strong demand underpinned by robust capital investments such as urban redevelopment, semiconductor factories, and logistics facilities, we thoroughly coordinated personnel between sales and technical teams and advanced planned order-taking activities, resulting in continuous annual growth in orders for electrical and HVAC construction.

In the new medium-term management plan starting this fiscal year, the Sales Division has set forth "promotion of strategic order-taking activities" and "investment in growth areas and stock businesses" as key initiatives and investment strategies. The promotion of "stock-based business," which is less susceptible to economic fluctuations, is a strength of our group and one of the driving forces behind our growth. By achieving the best mix of stock-based business and flow business, we aim to stabilize our order intake. In addition to our ongoing commitment to small-to-medium scale projects, which form the foundation of our business, we will increasingly focus on securing stable, non-cyclical revenue streams. This will be achieved by leveraging our group's assets through Corporate Real Estate (CRE) strategies and real estate investments, including investments in data centers and logistics facilities.

**Yasuhiro Yamamoto**  
Senior Managing Executive  
Officer, General Manager,  
Sales Div.



During the five years of the previous Mid-term Management Plan, our entire company worked together to strengthen our construction capabilities. As a result, sales in FY2019 were 159.6 billion yen for electrical contracting work and 134.7 billion yen for HVAC and sanitary facility work, but by FY2024, both had dramatically increased to 197.2 billion yen and 164.8 billion yen, respectively. The Company is the only one to rank in the top 10 in both electrical contracting work and HVAC and sanitary facility work sales. Our strength lies in being able to simultaneously handle both fields and in employing our own technicians who carry out direct construction. We will leverage these strengths to focus on expanding both sales and profits over the five-year period of our new mid-term management plan. To achieve this, we will intensively promote the following key initiatives: (1) Expanding pair-construction methods and increasing the number of skilled workers. (2) Further strengthening front-loading\* to reduce the workload during the construction period. (3) Enhancing training programs to accelerate the readiness of young technical staff. (4) Ensuring rigorous quality control through strengthened construction review meetings and enhanced site inspections.

We aim to pass on the technologies our company has cultivated over the past 80 years to the next generation, while further advancing the use of DX and our initiatives in BIM, and deliver solid results by the final year of the new medium-term management plan.

\* Front-loading refers to a methodology of proactively conducting diverse assessments and advancing work ahead of schedule, prior to the official start of construction.

**Kazuhiro Suyama**  
Senior Managing Executive  
Officer, General Manager,  
Technology Div.



**Koichi Murota**  
Senior Executive Officer,  
General Manager, Electric  
Power Div.



At the Electric Power Div., driven by a bold mission to protect "electricity," one of the most essential lifelines in daily life, we focus our business activities on the construction and maintenance of power distribution facilities for Kyushu Electric Power Transmission and Distribution Co., Ltd., with "ensuring safety" as our top priority. Additionally, with the aim of "strengthening profitability," we are working to expand new business domains, such as increasing orders for renewable energy interconnection line work nationwide by leveraging our technical capabilities, and expanding power distribution line work to other areas according to demand. As a result of the previous Mid-term Management Plan, in the final year (FY2024), Sales reached 51.3 billion yen (2.6% above target), and orders received reached 52.7 billion yen (5.4% above target), both exceeding the plan.

As concerns grow over a worsening shortage of workers in the construction industry due to factors such as a declining birthrate and aging population, we will promote greater efficiency in construction work and improvements in the working environment through the introduction of new technologies and tools as well as DX. Through these efforts, we will work to create an attractive workplace and foster Human Resources, while responding appropriately to the anticipated increase in power distribution line work resulting from the revenue cap system. Furthermore, we will accelerate initiatives to expand our business domains, such as meeting the growing demand for interconnection line work related to the transition to a distributed energy society, aiming for further growth through the new Mid-term Management Plan.

**Katsuhisa Kinoshita**  
Senior Managing Executive  
Officer, General Manager,  
GI Div.



In the previous Mid-term Management Plan starting in FY2020, we focused on enhancing our stock business (operations) and securing flow business (construction work). As a result, over the past five years, the power generation capacity (in operation) of our owned solar and wind power plants expanded from 278 MW to 430 MW, and orders for solar power plant EPC work reached approximately 120 billion yen.

Meanwhile, the business environment for decarbonization and renewable energy generation is changing—from stable FIT to uncertain market-linked schemes, and stricter lending and insurance underwriting—entering a period to review the conventional business development model. Amid these circumstances, the new Mid-term Management Plan for FY2025–FY2029 will focus on a post-FIT strategy, including the renewal of existing assets (wind turbine replacement, solar repowering, battery storage installation), advanced O&M services, and investment in grid-scale storage battery, aiming to enhance the value of existing assets and expand our asset holdings. Additionally, we will enhance demand-side services (energy services, energy-saving equipment proposals, demand response, etc.) for decarbonizing heat, while tackling the challenge of creating environmental value through initiatives such as J-Credit.

Through these efforts, we will contribute to achieving carbon neutral by 2050 and enhance our corporate value.

## 5. Business of KRAFTIA

### (1) Technology Division

Electrical Contracting Work

HVAC and sanitary facility work

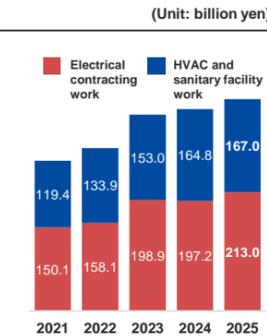
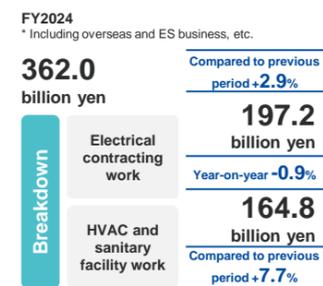
#### Line of business

In both the electrical and HVAC/sanitary fields, we provide facilities that satisfy our customers through construction in all types of buildings where people live and work, such as commercial buildings, offices, hospitals, and factories. Not only for new construction and additions, but also for the renewal of existing facilities, we solve customer issues with proposals tailored to their needs from planning through to completion. Even after construction is completed, our after-maintenance system allows us to stay close to our customers, responding quickly to preventative maintenance and individual requests, and delivering reliable, trustworthy service.

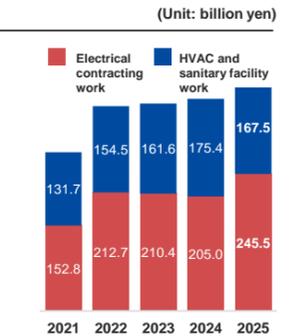
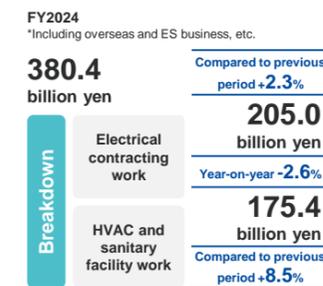
The Company has approximately 100 offices located throughout Kyushu, including branches and sales offices, and we are developing community-based business activities with the mission of safeguarding the region's lifeline infrastructure. We believe that our strength lies in our ability to anticipate customer needs by being close to them, as well as respond quickly in times of trouble with maintenance and other support, thereby providing customers with peace of mind. Furthermore, we have been expanding our business operations beyond the Kyushu area, primarily in the Tokyo metropolitan area, and have already been involved in the construction of numerous symbolic buildings. In recent years, we have seen a growing number of orders and sales in the data center sector. This track record is creating a virtuous cycle, where past successes directly lead to new orders.

#### Business performance trends (Excluding Renewable Energy Projects)

##### Sales



##### Orders received



### Focus

The Technology Headquarters is strengthening the following initiatives.

#### A Further improvement in profit margins

- We have built good relationships with design offices and achieved design changes to match budgets. Through thorough front-loading under our direct construction responsibility, we have reduced work burdens on engineers during the process period.
- Cost reduction through utilization of Q-mast (our subsidiary in charge of materials procurement).
- Reliable implementation of inspections and test operations just before completion.
- From the start of sales operations to construction completion, the site, branch offices, and head office work together as one to practice integrated cost and process management support.

#### B Strengthening of construction capability

- Establishment of educational rotations for the early development of young engineers into productive contributors.
- Strengthening training for technical clerks and building a division of labor system.
- Mutual cooperation with business partners in line with the Partnership Building Declaration.

#### C Promotion of workstyle reform

- When receiving orders for projects, we negotiate after setting sufficient construction periods (including ensuring time for test operation).
- At the construction review meeting right after receiving an order, if there are concerns about delays in the progress of construction work, we propose methods for facilities to be installed ahead of construction work. (Advance construction methods, prefab methods, labor-saving construction methods, etc.)

#### Construction case examples



Grand Green Osaka



Nagasaki Stadium City

## 5. Business of KRAFTIA

### (2) Electric Power Division

Power distribution line work

#### Line of business

In the Electric Power Div., we are contracted by Kyushu Electric Power Transmission and Distribution Co., Inc. to construct and maintain all types of its power distribution facilities (including special high-voltage lines, high-voltage lines, low-voltage lines, and related equipment, service lines, instrumentation, and more). When a natural disaster such as a typhoon occurs, we utilize our advanced technical capabilities and mobilization power to respond quickly for early recovery.

Furthermore, we were pioneers nationwide in adopting advanced technologies such as the “uninterruptible method,” which allows construction work to proceed without interrupting customers’ electricity by utilizing bypass cables and generators, and the “indirect live-line method,” which uses indirect tools called hot sticks to work on high-voltage lines without directly touching them by hand. Through these initiatives, we strive to lead the industry while ensuring safe and secure operations every day.

In addition, by utilizing DX for technological development and work efficiency, we are working to reduce costs and improve safety and construction quality, and have received high acclaim from outside the company, including winning the Shibusawa Award for outstanding tool development.

In recent years, we have also been expanding into new business areas, such as entering the Kansai area for power distribution line work and designing and constructing interconnection lines associated with the construction of renewable energy generation plants, which are spreading nationwide.

#### Business performance trends



#### Focus

The Electric Power Div. is strengthening the following initiatives with the aim of further expanding orders.

##### A Interconnection line work

The global movement toward carbon neutrality by 2050 is accelerating, and a policy to maximize the use of renewable energy generation has been indicated in Japan as well. This situation presents a significant business opportunity for our Company, which undertakes interconnection line work that connects distributed energy sources and power transmission and distribution operators. By fully leveraging the technology and know-how we have accumulated so far, we are expanding orders.

##### B Underground power line construction

Underground installation of power distribution lines in urban and tourist areas has been promoted from the perspectives of securing safe and comfortable pedestrian spaces, preventing urban disasters, and improving cityscapes. Utilizing our extensive experience and technology in underground equipment conduit construction and cable installation and connection work cultivated to date, we are leading to expanded orders.

##### C Entry into other power transmission and distribution areas

The new wheeling charge system (revenue cap system\*) introduced from FY2023 is expected to lead to an increase in the amount of power distribution line work nationwide. Responding to the request of Kansai Transmission and Distribution, Inc., we entered the Kansai area from FY2024. Currently, we are proactively working to increase locations and recruit human resources locally, focusing on further business expansion of power distribution line work while maintaining our construction capacity in Kyushu.

\* Revenue cap system: A wheeling charge system introduced to secure the necessary investments for equipment expansion and upgrades in order to respond to the expansion of renewable energy and ensure a stable power supply



Power distribution contracting work



Disaster recovery support team

### (3) Green Innovation Business Division

Green Innovation

#### Line of business

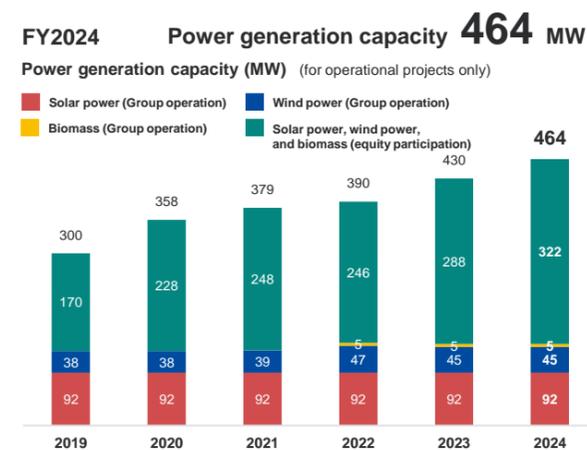
The Company is expanding the development, construction, and maintenance of renewable energy generation plants, including solar power, wind power, and biomass, based on our core business divisions of electrical contracting work, HVAC and sanitary facility work, and power distribution line work.

Since the introduction of the feed-in tariff (FIT) system in 2012, we have focused on receiving orders and constructing mega-solar power plants (EPC projects), extending not only within Kyushu but also into the Chugoku, Kansai, and Tohoku regions. Our cumulative order value to date exceeds 700 billion yen, making this sector one of the major pillars of our business.

In addition to accepting orders for power plant construction, we also participate as an operator in renewable energy generation businesses, with our share of generation capacity expanding to approximately 500 MW (including plants under construction). The government goal of achieving carbon neutrality by 2050 presents a significant business opportunity for the Company. With national policies as a backdrop, we are committed to enhancing the value of existing assets and proactively investing in next-generation technologies to create new value. The main initiatives are as follows.

Enhancement of existing asset value	New investments and the development of new products and services	
<ol style="list-style-type: none"> <li>1. Conversion from FIT to non-FIT</li> <li>2. Asset renewal</li> <li>3. Utilization of post-FIT power sources</li> </ol>	<ol style="list-style-type: none"> <li>1. Investment in renewable energy generation plants and storage batteries</li> <li>2. Introduction of aggregator services</li> <li>3. Provision of advanced O&amp;M services</li> </ol>	<ol style="list-style-type: none"> <li>4. Deepening of demand-side services</li> <li>5. Challenge of trading environmental value</li> <li>6. Business alliances for renewable energy business expansion and introduction of new technologies</li> </ol>

#### Transition of power generation capacity



#### On-site storage batteries for Saga Ouchi Solar Power Plant



#### Focus

##### Initiatives for the storage battery business

In recent years, expectations for storage batteries (renewable energy-combined batteries and grid-scale storage batteries) have been increasing for the efficient use and promotion of renewable energy generation and the stabilization of the power grid.

In July 2025, the Company decided to proceed with a FIP conversion project for solar power plants combined with large-scale storage batteries, in partnership with Itochu Corporation. In this collaboration, we will promote FIP conversion and introduction of storage batteries by combining (1) procurement of competitive and stable storage battery systems by Itochu Corporation and (2) reliable EPC by KRAFTIA to help FIT operators improve profits. As the first initiative, a FIP conversion was decided at Saga Ouchi Solar Corporation (Saga Ouchi Solar Power Plant) jointly invested by the Company and Itochu Corporation, and we entered into an EPC contract with storage batteries with them.

In August 2025, we also entered into a basic agreement with Japan Storage Battery Co., Ltd. for the development of grid-scale storage battery facilities in the Kyushu region. In the grid-scale storage battery business rolled out nationwide by Japan Storage Battery Co., Ltd., we aim to reliably promote local project development by having Japan Storage Battery with KRAFTIA in areas of development and construction in the Kyushu region. As the first phase of this initiative, a grid-scale battery storage facility is under construction in Karatsu City, Saga Prefecture, and is scheduled to commence operation in the fall of 2025. This project aims to achieve both the expansion of renewable energy generation deployment and stabilization of the power grid in the region, and is expected to become an important model case for future development.

In September 2025, as a grid-scale storage battery business solely by the Company, Joshu Ota Storage Station, a limited liability company (output 5,997 kW, capacity 22,365 kWh) started operation in the Tokyo metropolitan area (one location in Ashikaga City, Tochigi, and two locations in Ota City, Gunma).

Through these initiatives, we will contribute to the expansion of renewable energy generation and stable power supply toward achieving carbon neutrality by 2050.

5. Business of KRAFTIA

Special Feature Toward the future of Uku Island

Uku Island Mega Solar Project  
[solar power plant construction work]



Introduction to Uku Island, Sasebo City, Nagasaki Prefecture, Japan

It is a nature-rich island located at the northernmost tip of the Goto Islands in Nagasaki Prefecture. Blessed with white sandy beaches and blue seas, the fishing and livestock industries are thriving. The population is about 1,800. There is a legend that Taira no lemori, who lost at the Battle of Dan-no-ura in 1187, arrived here.



Line of business

**Purpose** The main goal of this project is to create new industries while coexisting with existing industries in remote islands that are experiencing significant depopulation and aging. In particular, Uku Island has been designated as a specific inhabited border island, and maintaining its local community is considered extremely important as a national policy. In this situation, together with island residents, we aim for compatibility between the major local industries—agriculture (including livestock) and fisheries—and renewable energy generation projects. For that reason, about 20% of the project area will be used for agrivoltaic solar power generation, producing forage grass for livestock feed. The forage grass produced will be offered at low cost to livestock farmers on the island, and we also plan to support the development of young agricultural workers and provide various forms of support for the fishing industry.

**Overview** Multiple companies have invested in “Uku Island Mirai Energy LLC,” established in 2017, and are planning to build one of the largest mega-solar facilities in Japan. The Company has invested in the LLC and is also responsible for the construction of the mega-solar facility.

- |   |   |
|---|---|
| <p><b>Scale</b></p> <ul style="list-style-type: none"> <li>Power generation capacity <b>480 MW</b></li> <li>Panel installation area approx. <b>280 ha</b><br/>*About one-tenth of Uku Island’s total area</li> <li>Annual power generation <b>515,000 MWh</b><br/>*Equivalent to about 173,000 households</li> <li>Total investment approximately <b>200 billion yen</b></li> </ul> | <p><b>Features</b></p> <ul style="list-style-type: none"> <li>Largest power generation capacity in Japan</li> <li>Solar sharing project that combines farming under solar panels</li> <li>Installation of approx. <b>64 km-long</b> submarine cable between Uku Island and the mainland</li> <li>Annual CO<sub>2</sub> reduction approx. <b>274,750 tons</b></li> <li>A fixed amount is spent each year from electricity sales revenue to contribute to the local community.</li> </ul> |
|---|---|

Construction Overview

Panel installation

On Uku Island, which has many slopes, we are planning a panel layout that utilizes the natural terrain. We plan to install panels without extensive land modification, and repair stone walls and ridges damaged by aging as necessary. We will also take measures to reduce reflected light, such as adjusting the orientation of the panels and planting trees, when installing panels near homes or barns, in consideration of the surrounding environment and after prior consultation with relevant parties. To reduce rainwater drainage and soil runoff, the area under the panels will be managed as grassland.



(1) Standard power generation facilities



(2) Agrivoltaic power generation facilities



(3) HVDC converter station under construction

Construction of AC/DC Converter Station and Submarine Cable Installation

The electricity sent from the power generation facility is transmitted via alternating current (AC) transmission, but AC transmission has greater transmission loss over distance compared to direct current (DC) transmission. Therefore, transmission between Uku Island and Kyushu mainland needs to be carried out using “DC transmission,” which has less transmission loss. The substation that converts generated AC electricity into DC electricity is called the “AC/DC converter station.” Power is transmitted by connecting a submarine cable from this AC/DC converter station.

Community contribution

<p><b>Support for agriculture, livestock, and fisheries</b></p> <ul style="list-style-type: none"> <li>Support for forage grass purchases</li> <li>Fuel cost support for Uku-Ojika fisheries</li> <li>Support for the installation of composting facilities for cow manure</li> <li>Support for the regeneration of fishing grounds through expansion of fish reefs and seaweed beds</li> </ul>	<p><b>Conservation of the natural environment</b></p> <ul style="list-style-type: none"> <li>Afforestation projects for depleted forests</li> <li>Nature conservation of national parks</li> <li>Disaster recovery support</li> </ul>	<p><b>Support for community development</b></p> <ul style="list-style-type: none"> <li>Community beautification activities</li> <li>Community support</li> <li>Installation of streetlights and security cameras</li> <li>Establishment of the internet environment</li> </ul>
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The passion behind the Uku Island Mega-Solar Project

With global warming accelerating, the reduction of greenhouse gases has become an unavoidable challenge, and harnessing renewable energy from natural sources such as solar, wind, geothermal, and tidal power is key. Therefore, we have launched a mega-solar project on Uku Island in Sasebo City, Nagasaki Prefecture, Japan, boasting the largest power generation capacity in the country. We want to turn the sunlight that pours onto the island into energy that forges the future, make it a driving force to revitalize the island, and connect it to a future where children can live with peace of mind. With the cooperation of local residents and other stakeholders, we will work to launch the operation as early as possible.

## 6. Initiatives for Digital Transformation (DX)

The KRAFTIA Group will improve its services as a comprehensive equipment company by promoting DX, thereby enhancing its corporate advantage while contributing to communities by solving social issues.

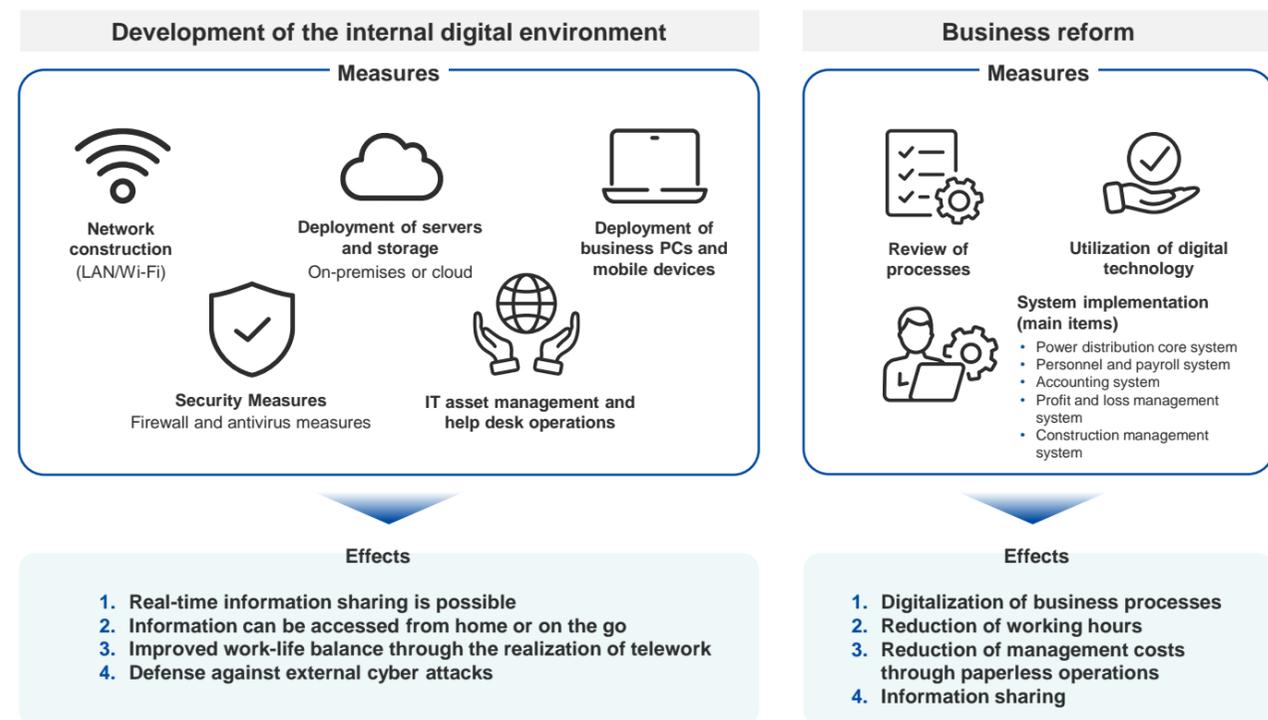


KRAFTIA is certified as a "DX certified operator" by Japan's Ministry of Economy, Trade and Industry.

Starting this fiscal year, we will fully implement the "construction of the next core system" to realize data-driven management. We will promote strategic sales utilizing big data, aiming to build a platform that can flexibly respond to management policies. In addition, we will continue to work on further improving productivity by reviewing business processes, as we have done since the previous Mid-term Management Plan period. At the same time, we will continue to improve employees' digital literacy.

We aim to transform corporate culture and environment, and ultimately adapt to a society that highly integrates cyber and physical spaces (Society5.0), thereby building a strong corporate structure and high profitability.

### DX promotion status during the previous mid-term plan period (FY2020—FY2024)

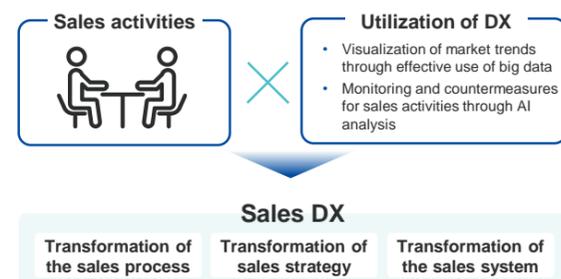


### Promotion of DX in the new Mid-term Management Plan

#### Reconstruction of the sales system

To implement the "promotion of strategic order-receiving activities," we will introduce and build a new sales system to strengthen sales strategy and management. Our objectives are the "visualization of market trends through effective use of big data" and "monitoring and countermeasures for sales activities through AI analysis."

In conjunction with this, we will integrate technical systems (such as the estimation system and construction support system), and promote strategic order-receiving activities while improving business efficiency.



#### Further improvement of operational efficiency in construction-related tasks

While incorporating a wide range of opinions from the field, we are gradually introducing effective digitalization measures, particularly in construction operations, to reduce the workload on site.

Going forward, in order to further reform operations related to construction, we will promote digitalization by reviewing business workflows and other measures.

### Realizing data-driven management

#### Development of the next core system to realize data-driven operations

The Company is working to build an information system that analyzes accumulated data and uses the results for strategic and policy-based management decisions, as one means to realize DX.

We will continue to build optimal systems for more efficient business operations and rapid adaptation to business changes.

By also organizing existing operational data and optimizing the database, we aim to refine management indicators.



#### Utilization of advanced technologies (such as generative AI) in our business

In recent years, generative AI has demonstrated high effectiveness in various business operations such as writing documents, data analysis, brainstorming, and preparing materials. The Company will also promote the use of generative AI for the following purposes.

Purpose of use	Examples of use
<ul style="list-style-type: none"> <li>Business efficiency: Shortening time for routine work and document preparation</li> <li>Knowledge sharing: Organizing internal information, improving search accuracy, and utilization</li> </ul>	<ul style="list-style-type: none"> <li>Creation and summarization of business documents</li> <li>Automatic generation of meeting minutes</li> <li>Internal inquiry handling (consideration of help desk AI automation)</li> <li>Brainstorming and planning support</li> </ul>

### Strengthening and development of digital infrastructure (security measures)

#### Comprehensive approach to information security

We position information security as the foundation of our corporate activities and promote comprehensive measures across four axes: technical, organizational, human, and physical. After completing the infrastructure development in FY2023, in FY2024 the "Cybersecurity Office" was newly established. Currently, we are advancing security measures not only for the Company but also for our affiliates, working to maintain and continuously strengthen a stable security environment throughout the Group.

#### Specific measures

<p><b>Technical measures</b></p> <ul style="list-style-type: none"> <li>Virus countermeasures (including early detection of ransomware)</li> <li>Unauthorized access countermeasures</li> <li>Measures against information leakage and falsification</li> <li>Strengthening monitoring systems</li> </ul>	<p><b>Human measures</b></p> <ul style="list-style-type: none"> <li>Security education and training</li> <li>Awareness-raising activities</li> </ul>
<p><b>Organizational measures</b></p> <ul style="list-style-type: none"> <li>Development of information security promotion measures (such as CSIRT, SOC system)</li> <li>Development of internal regulations</li> </ul>	<p><b>Physical measures</b></p> <ul style="list-style-type: none"> <li>Disaster measures</li> <li>Access control</li> </ul>

### Initiatives for developing digital human resources

Since FY2021, to respond to the rapidly advancing digital society, we have been working to develop "digital human resources" who can utilize digital technologies and contribute to the advancement of operations and the creation of new value. We assign digital managers and implementation promoters at each site to promote company-wide DX penetration through regular information sharing, etc.

From this fiscal year onward, looking toward further promotion of generative AI, we will strengthen digital literacy training for employees, including generative AI training, and continue to encourage IT-related certifications (such as IT Passport) to further improve each employee's digital literacy.



# 1. Initiatives for Promoting Sustainability Management

## Basic Sustainability Policy

"1. We contribute to society through providing agreeable environmental solutions." "2. We keep challenging for sustainable development through our engineering strength and create a new value." "3. We aim to create a mutual respecting environment in KRAFTIA which utilize and develop employees' personality." We operate our business based on this corporate philosophy. In addition, we have formulated a long-term vision for our 100th anniversary (2044), under which we aim to deliver both social and economic value by working to solve social problems, realize a carbon-free society, and maintain and develop local public infrastructure.

In accordance with this corporate philosophy and long-term vision, we have established a Basic Sustainability Policy and materiality (important issues) in order to focus more on improving corporate value from a long-term perspective while taking into consideration factors such as the global environment, society, and the economy.

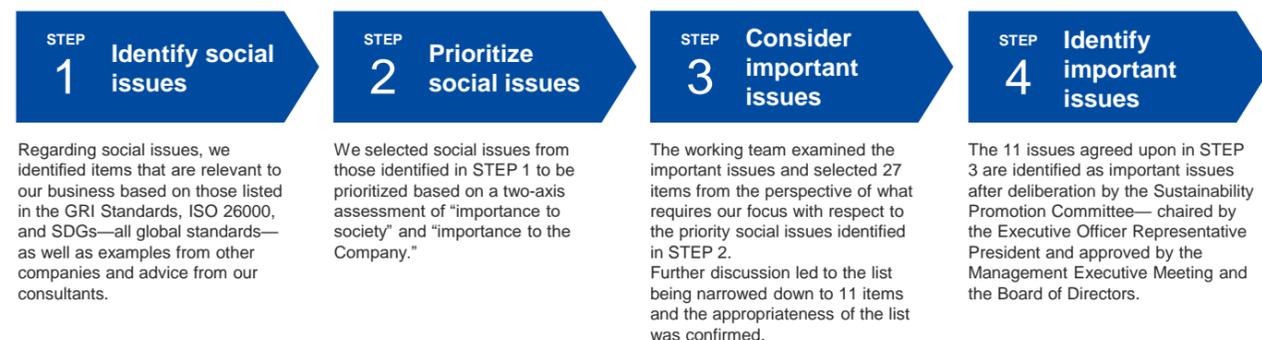
In the future, the Group will contribute to the creation of a sustainable society by promoting a planned and proactive approach to Materiality (Important Issues) under the Basic Sustainability Policy.

**Basic policy** | Based on the corporate philosophy, the KRAFTIA Group will create a sustainable society and improve the corporate value of the Group by solving social issues through its business activities.

## Sustainability Promotion Structure



## Materiality (Important Issues) Identification Process

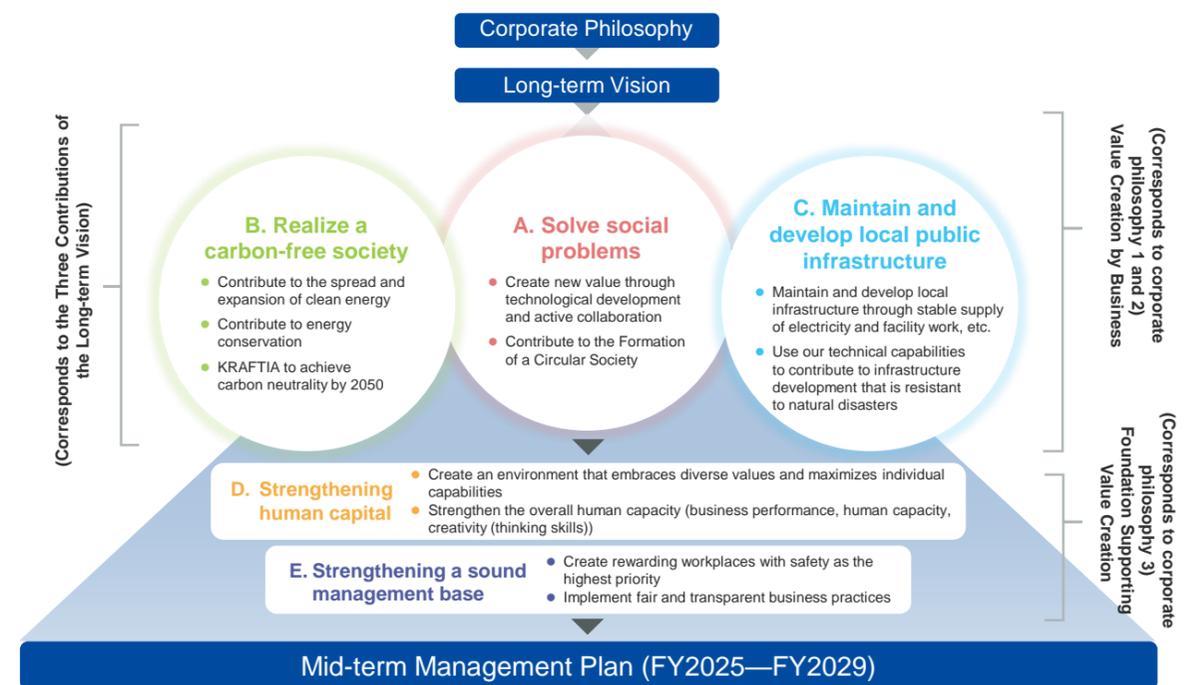


## Materiality (Important Issues) and Orientation of Measures

Social issues	Materiality (Important Issues)	System diagram	SDGs	Orientation of measures
Environment	Climate change	Contribute to the spread and expansion of clean energy*	B	Promote energy creation related construction and projects (solar, wind, biomass, PPA, EMS, etc.)
	Carbon-free society	Contribute to energy conservation*	B	Promote energy saving related construction (proposals for energy efficiency improvement (ES) construction, EV charging equipment, ZEB, energy saving equipment, etc.)
	Energy	KRAFTIA to achieve carbon neutrality by 2050*	B	Respond to TCFD and reduce our own CO <sub>2</sub> emissions
Society	Diversity / Labor practices / Employment / Human rights	Create an environment that embraces diverse values and maximizes individual capabilities	D	Promote diversity and inclusion, build diverse and flexible work styles, and respect human rights
	Occupational Safety and Health	Create rewarding workplaces with safety as the highest priority	E	Eliminate significant work-related injuries, promote health and productivity management, improve employee engagement
	Education and Training	Strengthen the overall human capacity (business performance, human capacity, creativity (thinking skills))	D	Strengthen human resource development and build diverse career maps
	Communities	Maintain and develop local infrastructure through stable supply of electricity and facility work, etc.	C	Maintain and develop social infrastructure through existing businesses
	Disaster Prevention	Use our technical capabilities to contribute to infrastructure development that is resistant to natural disasters	C	Disaster-resistant urban development, disaster recovery, support for areas affected by disasters, community contribution activities
	Innovation	Create new value through technological development and active collaboration	A	Create new business areas, improve productivity, promote investment in DX and technology development, promote open innovation, promote M&A
Governance	Waste	Contribute to the Formation of a Circular Society	A	Promote 3R (reduce, reuse, recycle), promote green purchasing
Governance	Organizational governance Anti-corruption Compliance Fair business practices Anti-competitive behavior	Implement fair and transparent business practices	E	Enhance corporate governance, ensure compliance, implement information security management, strengthen risk management, ensure fair transactions in the supply chain

(Note) 1. (\*) Items related to the environment: Disclose information based on the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).  
 2. System diagram: A: Solve social problems B: Realize a carbon-free society C: Maintain and develop local public infrastructure D: Strengthening human capital E: Strengthening a sound management base  
 3. Materiality (important issues) will be reviewed as necessary depending on future changes in the social situation

## Materiality (Important Issues) System Diagram



## 2. Environment

### Promotion of Environmental Management: Initiatives based on TCFD Recommendations



In line with our Corporate Philosophy and Long-term Vision, we are working to solve various social issues related to sustainability by leveraging our technological prowess as an integrated utilities engineering company. This includes the construction of facilities related to energy conservation and clean energy, and disaster-resistant infrastructure.

In December 2021, we set the Medium- to Long-term Environmental Management Goals and endorsed the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), recognizing that addressing environmental issues including climate change is one of our key management issues.

We will continue to actively enhance our initiatives such as reducing greenhouse gas emissions inside and outside the company to realize a sustainable society, and disclose information in accordance with the framework recommended by the TCFD proposals.

#### Governance

In April 2022, the Company established the Sustainability Promotion Committee, which is chaired by the Executive Officer Representative President and consists of executives and leaders of related divisions appointed by the chairperson. The purpose of the Committee is to address various issues surrounding sustainability, including efforts to cope with climate change.

The Sustainability Promotion Committee deliberates on the basic policy for sustainability promotion, identification of Materiality (Important Issues), and formulation, promotion, and evaluation of action plans based on this policy. (Meets at least twice a year in principle)

The contents of such matters will be discussed and reported to the Management Executive Meeting, and important matters among them will be discussed and reported to the Board of Directors.

Regarding the assessment and management of climate-related risks and opportunities, the Executive Officer Representative President, who chairs the Sustainability Management Promotion Committee, is assigned responsibility.

The Board of Directors monitors and provides necessary instructions and advice to the Management Executive Meeting, which in turn offers the same to the Sustainability Promotion Committee on climate change and other sustainability plans and measures. (The Governance System chart is shown on page 29.)

#### Strategy

##### (1) Preconditions for scenario analysis

We conducted a scenario analysis to assess the impact of climate change-related risks and opportunities on our businesses, strategies, and financial plans, and to consider measures we might take in response.

The following three preconditions were selected for the analysis. We have examined this issue under the preconditions of Step 1. From Step 2 onward, we will enhance information disclosure, reviewing it as appropriate depending on the situation.

	Step 1	Step 2	Step 3
Scope	KRAFTIA (non-consolidated), all domestic segment businesses	KRAFTIA Group including domestic consolidated subsidiaries, all domestic segment businesses	KRAFTIA Group including overseas consolidated subsidiaries, all segment businesses
Base year	FY2030	FY2040	FY2050
Scenario selection	2°C (*1) and 4°C	1.5°C and 4°C	1.5°C and 4°C

(\*1) Going forward, we will proceed with analysis and countermeasures based on the 1.5°C scenario.

Regarding scenarios, we selected the IEA's<sup>1</sup> SDS scenario (Sustainable Development Scenario) and IPCC's<sup>2</sup> RCP2.6 scenario as the "2°C scenario." In addition, for the "4°C scenario," we selected the IEA's STEP scenario (Stated Policies Scenario) and the IPCC's RCP8.5 scenario.

(Note 1) IEA: International Energy Agency

(Note 2) IPCC: Intergovernmental Panel on Climate Change

##### (2) Approach to scenario analysis

For the analysis, we established a working team composed of members from relevant departments. For expected changes in the external environment in the benchmark FY2030, risks and opportunities were considered by classification items recommended by TCFD.



(Source) Prepared by the Company, based on "Practical guide for Scenario Analysis in line with the TCFD recommendations 3rd edition" from the Ministry of the Environment, Government of Japan

### (3) Scenario analysis results and measures in response

The 2°C rise scenario assumes a society in which carbon pricing is introduced in developed countries and some emerging countries. The 4°C rise scenario, meanwhile, assumes a society in which current climate change measures continue in developed countries and GHG emissions are not reduced globally.

Under the 2°C rise scenario, stricter carbon regulations in Japan will drive energy costs and procurement costs for materials upward. Meanwhile, as the move toward decarbonization accelerates, we expect to see increased demand for businesses related to renewable energy and energy conservation. Under the 4°C rise scenario, demand for businesses related to renewable energy and energy conservation will grow, but at a more moderate rate than the 2°C rise scenario.

Regarding the degree of temperature increase and the severity of weather events such as typhoons and floods, we assume that the difference from the 2°C rise scenario will not be significant in 2030.

Based on the results of the scenario analysis, we looked at measures to minimize climate change-related risks and maximize opportunities. We will respond to the tightening of decarbonization and low carbon-related regulations by augmenting various initiatives to reduce consumption of fossil fuel-derived energy and by introducing energy-saving equipment. In response to the negative impact on the working environment of rising average temperatures, we will seek to improve the working environment through measures such as installing heat-resistant equipment at work sites. We will also actively promote work style reforms to create a more comfortable working environment.

At the same time, we will actively contribute to decarbonization and low carbon through the businesses we undertake, while also achieving business growth. The Company will accelerate new technology development and the improvement of technical capabilities related to energy creation and energy conservation-related construction, and build an organization and structure capable of coping with growing demand. We will work to develop new business fields aimed at decarbonization, low-carbonization, and building a circular society, not limited to existing business domains. Moreover, we will respond to the growing demand for disaster prevention and mitigation measures and leverage our technology and expertise in proposing disaster-resistant urban development. With the aim of maximizing our contribution to early recovery in the event of a weather-related disaster, we will develop equipment and technology while improving our internal organization and strengthening our communication system with related agencies.

We will continue to regularly conduct scenario analysis to identify climate change-related risks and opportunities, enact measures to address them, and reflect them in our business plans.

Category	No.	Expected financial impact	Degree of impact		Impact Period	Countermeasures
			2°C	4°C		
Transition risk	1	Cost increase due to introduction of carbon tax (Energy cost, procurement cost of materials)	Large	Small	Medium- to long-term	<ul style="list-style-type: none"> <li>Promote efforts to reduce consumption of fossil fuel-derived energy</li> <li>Replace existing equipment with high-efficiency air conditioning equipment, introduce energy-saving equipment and devices, and develop and introduce AI-based air conditioning controllers</li> <li>Establish a materials procurement system linked with Q-mast<sup>1</sup></li> <li>Strengthen the collection of the latest materials price information and share it promptly among related parties</li> </ul>
	2	Increase capital investment in conversion to renewable energy	Medium	Medium	short to medium term	<ul style="list-style-type: none"> <li>Implement efficient capital investment based on cost-effectiveness and priorities</li> <li>Consider introduction of KRAFTIA EMS<sup>2</sup></li> <li>Verify hydrogen production and storage using renewable energy, and utilization of waste heat</li> </ul>
	3	Increase in material procurement costs in line with the development of the circular economy	Medium	Medium	Medium- to long-term	<ul style="list-style-type: none"> <li>Build a procurement route for recycled materials linked with Q-mast<sup>1</sup></li> <li>Promote 3R (reduce, reuse, recycle)</li> </ul>
	4	Increased R&D costs to acquire new technologies	Medium	Medium	short to medium term	<ul style="list-style-type: none"> <li>Promote research into low carbon, decarbonization, and recycling technologies, etc.</li> <li>Create innovation through industry-academia collaboration and tie-ups with startup companies</li> <li>Utilize subsidies from Japan's Ministry of the Environment and the New Energy and Industrial Technology Development Organization (NEDO)</li> <li>Conduct joint feasibility study and other projects with companies and municipalities that are active in decarbonization</li> </ul>

Degree of impact: Assessing the financial impact on our business in terms of "large," "medium," and "small"

\* Large: 3 billion yen or more, Medium: 300 million to 3 billion yen, Small: 300 million yen or less

Impact period (time frame during which impact is expected to manifest): short term (2022—2025); medium term (2026—2030); long term (2031—)

<sup>1</sup> Q-mast:

A consolidated subsidiary of the Company, Q-mast's main business is the sale of construction materials, machinery, and equipment for electric and HVAC facilities.

<sup>2</sup> KRAFTIA EMS

A renewable energy generation-side energy management system, not building or facility-side system.

A system that can control multiple power generation sources including solar, wind, small-scale hydro in a comprehensive manner and, together with storage batteries, stably transmit power to the demand side around the clock.

The EMS allows stable transmission of electricity—even to fragile micro-grids in locations such as remote islands and can be used as a base-load power source. In Japan, the Company can offer a wide range of proposals that extend beyond disaster prevention, such as supplying 100% renewable energy to buildings for normal operation as well as ensuring the availability of electric power in times of disaster (resilience).

## 2. Environment

Category	No.	Expected financial impact	Degree of impact		Impact Period	Countermeasures
			2°C	4°C		
Physical risk	Acute	Increasing severity of abnormal weather	Medium	Medium	short to medium term	<ul style="list-style-type: none"> <li>Collect latest information from hazard maps and disaster prevention/mitigation measures</li> <li>Examine risk mitigation measures for facilities located in high-risk areas</li> <li>Consider building a construction support system together with construction partnership groups in the event of a disaster</li> </ul>
Chronic	Rise in average temperature	Large	Large	Medium- to long-term	<ul style="list-style-type: none"> <li>Consider and introduce new heat stress countermeasures to prevent heatstroke and health hazards at work sites</li> <li>Thorough labor management and establishment of a support system for construction workers</li> <li>Promote KRAFTIA's appeal and strengthen corporate PR targeting students</li> <li>Promote examination and introduction of advanced initiatives of the Construction RX Consortium<sup>3</sup>.</li> </ul>	
						Small

<sup>3</sup> Construction RX Consortium: An organization established by 16 major construction companies in September 2021. Aims to improve industry productivity and appeal by collaborating on technology development related to construction robots and IoT, as well as promoting higher efficiency and manpower saving at construction sites. RX stands for Robotics Transformation. As of September 2025, there are 30 regular members and 275 supporting members (our company is a supporting member).

Category	No.	Expected financial impact	Degree of impact		Impact Period	Countermeasures				
			2°C	4°C						
Opportunities	Development and expansion of low-carbon emission products and services, recycling regulations, etc.	Increase in sales and profits due to higher demand for energy creation-related construction and business (solar power generation including PPA, onshore/offshore wind power generation, biomass power generation, EMS, etc.)	Large	Large	short to medium term	<ul style="list-style-type: none"> <li>Strengthen internal organizational system to handle expanding demand</li> <li>Develop new technologies and enhance of technological capabilities</li> </ul>				
							Large	Medium	short to medium term	<ul style="list-style-type: none"> <li>Utilize company-owned renewable energy facilities (after FIT ends)</li> <li>Promote proposals for optimal energy-saving systems</li> <li>Promote planning and proposals for water reuse systems at sewage treatment facilities and private factories</li> </ul>
Spread of next-generation technologies	4	Promotion of new businesses utilizing next-generation technologies	Medium	Medium	Medium- to long-term	<ul style="list-style-type: none"> <li>Establish in-house support system for new businesses</li> </ul>				
							Disaster prevention, disaster mitigation, and national resilience initiatives	5	Contribution to early recovery in the event of a disaster	Large
6	Sales increase due to expansion in demand for disaster prevention and disaster mitigation measures in response to the increased frequency and severity of weather-related disasters	Small	Small	Medium- to long-term	<ul style="list-style-type: none"> <li>Build an internal organizational structure to respond to expanding demand</li> <li>Make technical proposals to local governments related to disaster-resistant city development (disaster prevention, disaster mitigation measures)</li> </ul>					

## Risk management

The identification and assessment of risks brought about by climate change to the Company, as well as the consideration of countermeasures, are centrally handled by the Sustainability Management Promotion Office. After cross-organizational discussions, they are deliberated by the Sustainability Promotion Committee.

The matters discussed by the Sustainability Promotion Committee are submitted to and reported to the Management Executive Meeting and the Board of Directors as necessary. For climate change-related risks and opportunities identified in line with the TCFD recommendations, we will incorporate respective measures into our Mid-term Management Plan, develop and put them into practice in each department and branch's policies and business plans, and conduct periodic reviews, aiming to avoid or reduce risks and expand revenue opportunities.

Additionally, climate change-related risks have been integrated into the management process stipulated in internal regulations on company-wide risk management established in FY2023 (operational from FY2024), enhancing our risk management structure.

For information on company-wide risk management, please refer to page 60 of the Integrated Report.

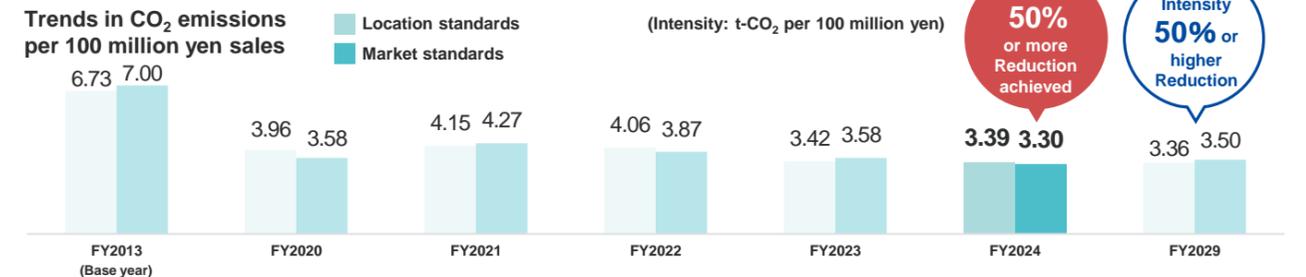
## Indicators and targets

2029	Regarding CO <sub>2</sub> emissions, achieve a reduction in emissions intensity by more than 50% (compared to 2013 levels). (Achieving the 2030 target ahead of schedule)
2050	Achieve carbon neutrality.

### Action items toward achieving these goals

- Introduction of EMS to KRAFTIA Academy
- Deployment of EV vehicles and EV chargers (special construction vehicles that cannot be replaced are excluded)
- Capital investment in environmentally friendly equipment for office buildings
- Utilization of post-FIT assets (assets after business period ends)
- Research and development through industry-academia collaboration, etc.

### Trends in CO<sub>2</sub> emissions per 100 million yen sales



### CO<sub>2</sub> emissions

	Unit	FY2013 (Base year) (1)	FY2020	FY2021	FY2022	FY2023	FY2024 (2)	Compared to base year (2)-(1)	FY2029	
Scope1 <sup>*1</sup>	t-CO <sub>2</sub>	9,060	6,816	6,948	7,454	8,068	7,732	(1,328)	-	
Scope2 <sup>*2</sup>	Location standards <sup>*4</sup>	8,439	6,559	6,442	6,080	5,815	5,797	(2,642)	-	
	Market standards <sup>*5</sup>	9,136	5,288	6,847	5,437	6,458	5,412	(3,724)	-	
KRAFTIA non-consolidated total (Scope 1+2)	Location standards	17,499	13,375	13,390	13,534	13,883	13,529	(3,970)	-	
	Market standards	18,196	12,104	13,795	12,891	14,526	13,144	(5,052)	-	
Sales	100 million yen	2,598	3,374	3,226	3,330	4,048	3,986	+1,388	-	
Intensity <sup>*3</sup>	Location standards	t-CO <sub>2</sub> /100 million yen	6.73	3.96	4.15	4.06	3.42	3.39	(3.34)	3.36
	Market standards	t-CO <sub>2</sub> /100 million yen	7.00	3.58	4.27	3.87	3.58	3.30	(3.70)	3.50
Intensity unit reduction rate (Compared to FY2013)	Location standards	%	-	(41.1)	(38.3)	(39.6)	(49.1)	(49.6)	-	(50.0)
	Market standards	%	-	(48.8)	(39.0)	(44.7)	(48.8)	(52.8)	-	(50.0)

<sup>\*1</sup> Direct emissions of greenhouse gases by the business operator itself

<sup>\*2</sup> Indirect emissions associated with the use of electricity, heat, and steam supplied by other companies

<sup>\*3</sup> (Scope 1 + Scope 2) ÷ KRAFTIA's non-consolidated sales (unit: t-CO<sub>2</sub>/100 million yen)

<sup>\*4</sup> Calculated based on the average emission factor

<sup>\*5</sup> Calculated based on the adjusted emission factor for each electric utility company

### New action items toward achieving the goals

- For Scope 2, in addition to the conventional location standards method, the market standards method was also used for measurement.
- Started calculation of Scope 3. Regarding the calculation results, we will release them after completing the necessary internal procedures.

### Response to climate change-related laws and regulations

We support environmental laws such as the Energy Conservation Law and the Act on Promotion of Global Warming Countermeasures, which are national laws and regulations related to climate change, and submit reports to the relevant government ministries and agencies once a year regarding our energy usage, achievement of energy-saving targets, and the amount of greenhouse gases emitted.

### 3. Society

#### (1) Promotion of Human Capital Management

Through the promotion of human capital management based on our corporate philosophy of “We aim to create a mutual respecting environment in KRAFTIA which utilizes and develops employees’ personality,” we are striving to develop “people,” our most important management resource, and aim to achieve sustainable improvements in corporate value.

In order to enhance our corporate value, we believe it is necessary to secure and develop human resources, as well as to create an environment where employees can work with a sense of fulfillment.

In Mid-term Management Plan 2029, we newly set forth our “basic policy on human capital management” and established three “key issues” to realize this basic policy. From now on, under the basic policy on human capital management, we will implement related measures and invest in human resources, such as strengthening recruitment and training, improving various HR systems, and establishing an environment in which each individual can demonstrate their abilities.

For details, please refer to the 97th Securities Report, “2. Concept and initiatives regarding sustainability (3) Human capital and diversity strategy.” [2025\\_97\\_yuka.pdf \(kraftia.co.jp\)](#)



#### Basic policy on human capital management

“Creating society that supports employee self-realization and grows together with employees”

People are “assets” and the most important capital in management. A company invests in employees to maximize its human capital, enhances the abilities of a diverse workforce, and realizes sustainable improvement of corporate value by maximizing those abilities.

#### Human Capital Investment and Corporate Value Improvement Cycle



#### Key issues and related measures

Key issues	Securing human resources	Human resources development	Creating a rewarding workplace
Related measures	<b>Securing human resources supporting the business</b> <ul style="list-style-type: none"> <li>Strengthening the recruitment of engineers based on long-term personnel plans</li> <li>Expansion of career recruitment (referral/comeback hiring)</li> <li>Strengthening recruitment of foreign human resources</li> <li>Strengthening recruitment PR</li> </ul>	<b>Systematic development of engineers and technicians</b> <ul style="list-style-type: none"> <li>Restructuring development system for new graduates</li> <li>Strengthening development and follow-up system for career hires</li> </ul>	<b>Improving employees' job satisfaction</b> <ul style="list-style-type: none"> <li>Promotion of employee benefit measures related to work style reform</li> <li>Creating growth opportunities for employees (job postings, consideration of FA system introduction)</li> <li>Building a fair and just personnel evaluation system</li> <li>Development of human resources portfolio</li> <li>Promotion of health management</li> </ul>
	<b>Securing highly specialized human resources*</b> <ul style="list-style-type: none"> <li>Proactive recruitment of external human resources</li> <li>Establishment of new compensation and evaluation systems (job-based) to attract external human resources</li> <li>Operation of hybrid type (membership type/job type) human resource system</li> </ul>	<b>Development of human resources to promote new/growth businesses</b> <ul style="list-style-type: none"> <li>Building an internal development system</li> </ul>	<b>Promotion of DE&amp;I</b> <ul style="list-style-type: none"> <li>Cultivation of awareness and culture for the penetration and establishment of DE&amp;I</li> <li>Creating a system that allows for re-challenge even after failure (cultivating psychological safety)</li> <li>Promotion of diverse work styles through flex time utilization, etc.</li> <li>Support for active participation of diverse human resources (women, foreign nationals, people with disabilities, etc.)</li> </ul>
	<b>Suppressing turnover rate among the young employees</b> <ul style="list-style-type: none"> <li>Improvement of long working hours (promotion of work style reforms)</li> <li>Introduction of office location selection system</li> <li>Revitalization of communication (utilizing 1ON1 meeting)</li> </ul>	<b>Promotion of reskilling</b> <ul style="list-style-type: none"> <li>Refining the content of educational training</li> <li>Improving employees' digital literacy</li> </ul>	

\* Breakdown of highly specialized human resources: GI, DX, overseas business, M&A, CRE, finance, legal, etc.

#### Employee engagement

In order to strengthen the trust relationship between employees and the company, in July 2021, we started a survey using the measurement tool “Wevox.” Since April 2022, the target group has been expanded and the survey is now conducted for all employees. From the results of the surveys conducted every other month, the organizational condition such as strengths and weaknesses in each workplace is visualized, and employees’ sense of fulfillment, stress responses, workplace relationships, etc. regarding their work are quantitatively grasped. To build a workplace environment where employees feel a sense of fulfillment, we are promoting organizational improvement and dialogue activities to increase the number of enthusiastic employees toward their work and create a workplace where such employees can challenge themselves and exert their full potential, thereby aiming to improve profitability and productivity, as well as suppress turnover.

#### Transition of engagement score (non-consolidated)



#### Transition of Score Breakdown

Key driver	Sub-item	July 2021	February 2023	February 2024	February 2025	Changes since July 2021	Benchmark	Difference from benchmark
Duties	Sense of fulfillment	67	66	67	69	+2	74	+5
	Discretion	71	71	71	72	+1	76	+4
Self-growth	Sense of accomplishment	65	65	65	67	+2	68	+1
	Growth opportunities	69	68	69	70	+1	73	+3
Health	Work volume	63	64	64	68	+5	68	0
	Stress response	62	64	64	67	+5	66	(1)
Support	Job support	73	72	72	74	+1	78	+4
	Support for self-growth	73	72	72	73	0	77	+4
	Clarification of mission and goals	71	70	70	72	+1	75	+3
	Support from colleagues during difficult times	75	73	73	75	0	79	+4
Human relationships	Relationship with supervisor	74	73	73	74	0	79	+5
	Relationship with coworkers	76	74	75	76	0	80	+4
Recognition	Recognition for achievements	62	64	63	65	+3	66	+1
	Recognition for remarks and opinions	73	71	72	73	0	77	+4
	Satisfaction with evaluation	65	66	65	67	+2	69	+2
Philosophy and strategy	Empathy with mission and vision	68	66	66	69	+1	74	+5
	Understanding of company policy and business strategy	68	67	67	69	+1	73	+4
	Trust in management	66	66	65	68	+2	71	+3
	Pride in business and services	62	61	61	64	+2	71	+7
Organizational climate	Provision of career opportunities	71	70	69	71	0	80	+9
	Cultural climate for taking on challenges	59	62	61	64	+5	68	+4
	Collaboration between departments	68	68	68	70	+2	70	0
	Appropriateness of praise	69	69	68	69	0	73	+4
Environment	Satisfaction with work environment	71	69	69	72	+1	73	+1
	Work-life balance	56	61	61	64	+8	68	+4
	Satisfaction with pay	62	63	62	64	+2	66	+2

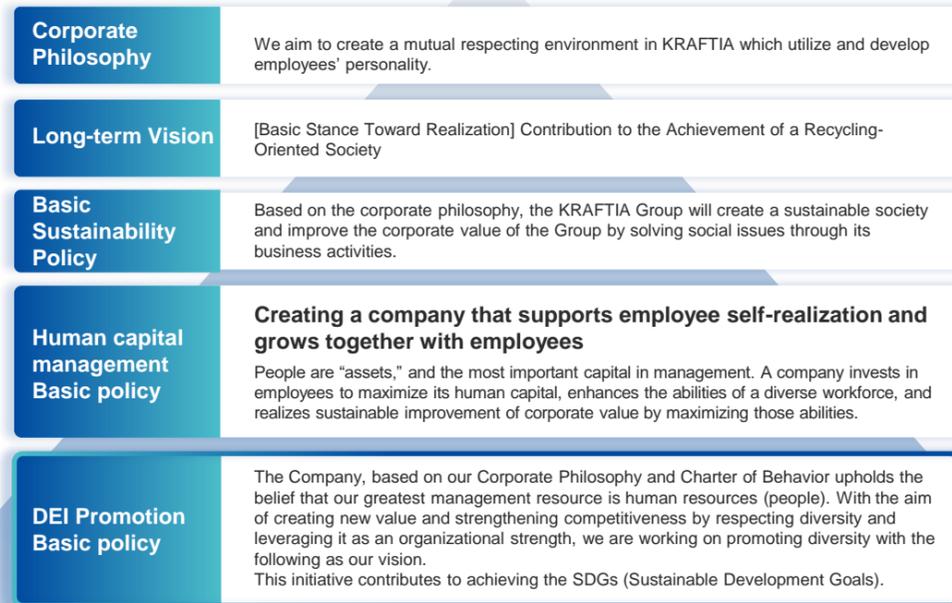
### 3. Society

#### (2) Diversity Promotion to DEI Promotion

In modern society, diversity is increasingly valued, and in corporate activities as well, respect for “Diversity” has become an important value. Furthermore, by evolving our efforts beyond simply ensuring diversity to promoting DEI —which adds “Equity” and “Inclusion”— companies can achieve more sustainable growth and Innovation.

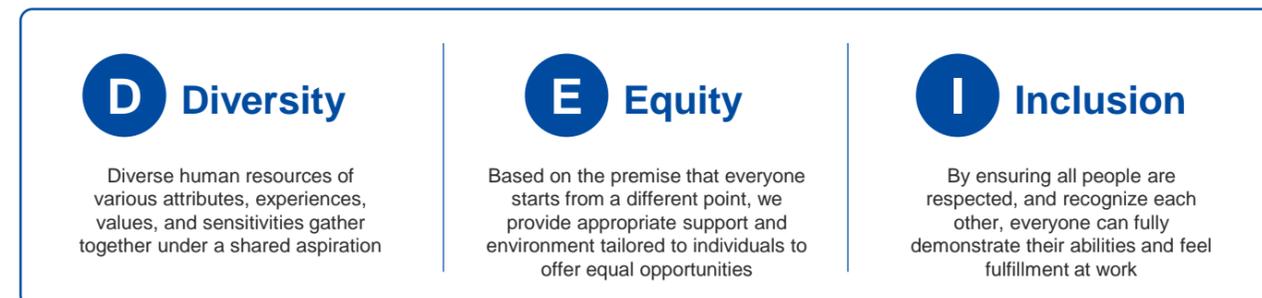
To further enhance corporate value, we have formulated a top message, basic policy, vision, and roadmap to promote DEI as an extension of our previous diversity initiatives.

##### DEI Promotion Basic Policy



##### Our Vision through DEI promotion

By fostering the DEI concept and creating an environment and culture where everyone can thrive, we aim to blend individual aspirations with management strategy and become a company with a high capacity for innovation.



Please refer to the Company's website for details.

[https://www.kraftia.co.jp/en/initiatives/en\\_diversity.html](https://www.kraftia.co.jp/en/initiatives/en_diversity.html)



#### DEI Promotion

##### Message from the President

Under the corporate philosophy, “We aim to create a mutual respecting environment in KRAFTIA which utilizes and develops employees’ personality”, we are working to enhance sustainable corporate value through the promotion of human capital management.

To respond to diversifying customer needs and create new value in diverse business sectors, the diversification of human resources is essential.

For diverse human resources to thrive, it is extremely important to remove barriers of diversity in attributes such as age, gender, nationality, sexual orientation, and disabilities, as well as individual diversity in experiences, values, and sensitivities, and to provide equal opportunities to all.

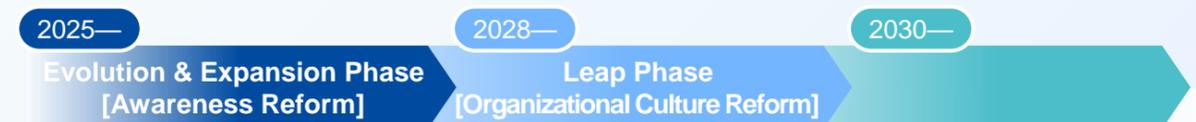
**By fostering the DEI concept and creating an environment and culture where everyone can thrive so that diverse human resources gather, recognize each other, and demonstrate their abilities, we aim to blend individual aspirations with management strategy and to become a company with a high capacity for innovation.**

July 2025

**Kazuyuki Ishibashi**

Executive Officer Representative President

##### Roadmap



##### STEP 01

###### From Diversity to DEI

- Formulate message from the president and vision
- Understand employee needs through the implementation of surveys
- Add DEI items to the employee engagement survey
- Utilize 1ON1 meeting & consider introduction of KRAFTIA-style flex system
- Strengthen the women in managerial positions candidate talent pool
- Enhance psychological safety
- Strengthen diversity management (\*) and facilitate the understanding  
\*Especially persons with disabilities, foreigners, LGBTQ, etc.

##### STEP 02

###### Promoting DEI Concept Penetration

- Establish systems enabling re-challenge
- Promote self-realization and career building tailored to each individual (human resources portfolio, internal FA, open recruitment, side jobs, etc.)
- Analyze DEI items of employee engagement surveys and implement initiatives toward DEI concept penetration
- Take corrective actions toward achieving non-financial targets (KPI) and implement initiatives to solve issues

##### STEP 03

###### Toward making DEI “the norm”

- Achieve non-financial targets (KPI)
- Develop new initiatives based on the next Mid-term Management Plan

##### Mid-term Management Plan KPI

##### Non-financial targets aimed to be achieved through DEI promotion

- Number of employees (consolidated) 12,000 people
- Engagement score 72 points or higher
- Women in managerial positions Double compared to FY2024
- Male childcare leave acquisition rate 100%

### 3. Society

#### Reform of awareness

To promote the DEI concept, we utilize the company intranet to share information so that each employee can make use of support systems for work-life balance and diverse workstyle options.

In addition, through executive seminars and opinion exchange meetings, we aim to foster a corporate culture in which all employees recognize and leverage "differences" by promoting reform of awareness respecting diverse values to turn it into organizational strengths.

#### / Focus /

##### ● Seminars on management positions

##### Theme: Diversity training "Working with Persons with Disabilities"

##### Participants' voices

Until now, I thought it was necessary to be considerate and minimize the workload for persons with disabilities as much as possible.

However, through this training, I realized that this may inadvertently result in treating persons with disabilities as special and being excessively considerate.

The phrase that left a lasting impression during the training was "focus on the individual." Disabilities are diverse, and each person has different strengths, weaknesses, ideas, and sensitivities. I felt that by identifying and accepting these, true collaboration with persons with disabilities can be realized for the first time. From next year, my workplace plans to accept persons with disabilities as well. By focusing on the individual and working together to find suitable approaches for each, I hope to collaborate "slowly but steadily."

This was my first time attending training related to people with disabilities.

Through this training, I deepened my understanding of how the methods of support at work differ depending on the type of disability, as well as the basic considerations when accommodating people with disabilities.

In particular, I felt that it is important to create an environment where supervisors and senior employees can easily consult with people with disabilities, deepen communication, and build mutual trust so that individuals can utilize their strengths and work effectively. This training was very helpful for working with people with disabilities going forward.



#### Support for the success of diverse human resources

##### Support for the retention and success of female technicians

In the Electric Div. and Air Conditioning Pipe Div., we are expanding the hiring of female skilled workers and expanding their fields of work.

Before assignment, we always hold opinion exchange meetings with senior employees and supervisors to resolve the new hires' workplace concerns and anxieties.

After assignment, we regularly hold supervisor-participation training and opinion exchange meetings to promote vertical, horizontal, and diagonal communication and deepen mutual understanding.

#### / Focus /

##### ● Progress of female electrical workers

Received the gold prize for two consecutive years at the company-wide Electrical Department Skills Competition



##### Support for the success of people with disabilities

We are working to create an environment where people with disabilities can fully utilize their abilities and aptitudes and work with confidence. At the same time, we are working to expand occupational fields and are continuing education to deepen understanding among employees working together.

#### / Focus /

##### ● Simulated experience event

Wheelchair and eye mask simulated experiences



#### Promotion of male participation in childcare

We aim to realize a society where men can actively participate in childcare, and are working to foster a workplace culture where they can take childcare leave without any obstacles.

We aim to create an environment where everyone, regardless of gender, can face childcare with peace of mind, recognizing it as an important life event that should be supported by the entire workplace.

#### / Focus /

##### ● Male childcare leave and childcare leave acquisition rate (Period: April 1, 2024 – March 31, 2025)

FY2024 results: **92.7%**



#### Promotion of 1ON1 meeting

By encouraging regular dialogue between supervisors and their team members, we are working to build trust, revitalize organizational communication, and promote employees' self-growth.

#### / Focus /

##### ● Information dissemination regarding 1ON1 meeting

- Let's Challenge! 1ON1 meeting Q&A
- [Dialogue Edition] New discoveries, etc. in 1ON1 meeting

##### ● Trial implementation of 1ON1 meeting



#### Promotion of diverse and flexible work styles

We are working to improve the environment so that each employee can work with peace of mind while maintaining the balance between work and family, by expanding flexible work options such as flextime and telework.



#### / Focus /

##### ● Expansion of the conditions for annual paid leave

Accumulated annual paid leave can be used in the event of classroom closure due to infectious diseases in the class where one's child or grandchild is enrolled.

##### ● Expansion of exemption from overtime work

After the age of three, upon application by the employee, it is possible to be exempted from prescribed overtime in order to raise children up to completion of sixth grade in elementary school.

##### ● Support for balancing work and childcare

Utilization of company-led daycare centers

3. Society

Special Feature Support for activities of diverse human resources

Women's Empowerment Promotion Team Presentation Meeting



Introduction of activities

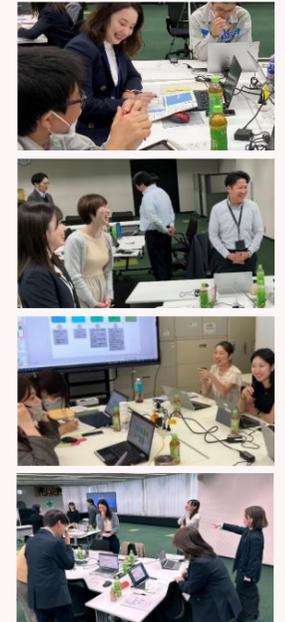
The "Women's Empowerment Promotion Team," established by female employees in FY2022, began activities toward the advancement of women. Through successive discussions, we realized that solving issues not only benefits women, but also creates a workplace environment where all employees can maximize their abilities and thrive. Therefore, beginning in FY2023, we included male employees to further diversify perspectives and approaches in our activities. As a result, these activities have provided employees with opportunities to learn about diverse values, and produced results that led to revisions to company systems that expand options for work styles.

In fiscal 2024, as the culmination of three years of activities, members made presentations to management based on their research topics under the theme "Kudenko's (now KRAFTIA) Future Forecast - Let's declare our ideal vision for the year O!" After the presentations from each team, President Ishibashi remarked, "If you change, those around you will change. When those around you change, the organization, and ultimately the entire company, will change too. I hope that the action you took today will serve as a catalyst for positive change." He also expressed his hopes for the continuation of these activities, saying, "Not limited to just the Empowerment Promotion Team, I hope everyone will continue to think proactively and passionately contribute to the company."



Looking back on three years of progress and activities -Our Aspirations, Toward the Future Ahead-

- Until now, even if I had complaints or doubts, I rarely had the opportunity to deeply consider "How can we make things better?" or "What is needed to achieve that?" I realized both the difficulty and the importance of thinking on my own and communicating my ideas.
- Thinking of solutions and making proposals for promoting women's participation and then bringing them to fruition was a significant step forward in my own personal growth.
- Having the opportunity to present our ideas to the president and executives was truly a valuable experience. I hope these activities will lead to positive change for the company in the future.
- By participating as a "Support for Balancing Childcare and Nursing Care" team and utilizing my own experiences during work and as someone directly involved, I was able to contribute to revising the system for short-time work during childcare—a truly unforgettable experience.
- I learned many valuable things and gained experiences by researching KRAFTIA's systems, which I had never known about before, and other companies' and society's "diverse working styles" and "women's empowerment," and by taking various seminars useful for future career development.
- In order to make the Company more attractive and rewarding to work for, I hope as many as possible of the proposals each team created toward their "ideal vision" will be realized.
- Through discussions with members and presentations of external lecturers, I learned not only the importance of improving systems, but also the necessity of changing mindsets, and my own outlook was transformed.
- Cooperating with members provided an opportunity to think deeply about the challenges we face and how to solve them, and I gained new perspectives and ideas. This experience allowed me to truly appreciate the significance of leveraging diversity not only individually, but as an organization.



Theme: KRAFTIA with active in-house communication

- Proposal details
- Holding networking events for people of the same generation
  - 1on1 meeting



Theme: KRAFTIA, where you can design your own career

- Proposal details
- Launch of job challenge training
  - Launch of internal women's forum



Theme: A fulfilling and motivating work environment

- Proposal details
- Proposal for new systems: Super-flex system, Childcare leave and nursing care leave workplace support allowance, Partner transfer accompaniment system, In-house daycare center (for sick and recuperating children)



Theme: Toward a 30% ratio of female employees

- Proposal details
- Proposal for improvement of workplace environment for women on site
  - Proposal for combining short-time and flex work systems



Theme: KRAFTIA's challenge to the construction industry

- Proposal details
- Promotion of telework
  - Proposal of introduction of three-day workweek



3. Society

Special Feature Construction site where women shine with vitality

New Construction of HACHISUGA CLINIC

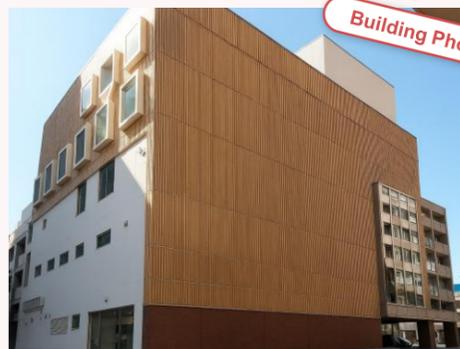
Team Member



Women Leading the Way to the Future of Construction

Construction site introduction

- This site is for the construction of a new building for “HACHISUGA CLINIC” located in Fukuoka City, Fukuoka Prefecture. KRAFTIA handled the electrical and air conditioning facility work for the building, which was completed in October 2025.
- Electrical works, the majority of “engineers” who supervise and manage the site, and “technicians” who perform direct tasks, are female employees.
- This roundtable discussion shares why female human resources are drawn to KRAFTIA and how they approach their work at construction sites. Presenting a roundtable discussion here.



Building Photo

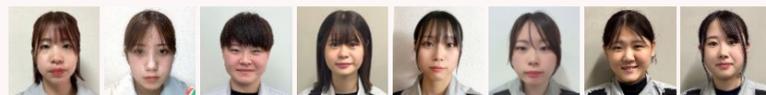
Introduction of the Members (From left)

Engineers



- Ayano Kuroiwa (6th year at the company)
- Yuma Hayashi (3rd year at the company)
- Saya Iwata (3rd year at the company)
- Haruna Ando (14th year at the company)

Technicians



- Asahi Tanaka (7th year at the company)
- Himeri Satou (5th year at the company)
- Sakura Hanashima (5th year at the company)
- Ayaka Morita (4th year at the company)
- Kazumi Kohira (3rd year at the company)
- Yuna Otsuka (2nd year at the company)
- Yuzuki Baba (2nd year at the company)
- Koyuki Nagata (2nd year at the company)

Motivation behind choosing KRAFTIA among numerous companies

- Kuroiwa:** As a graduate of an industrial high school's electrical department, I studied for the electrical contracting work qualification, so I wanted to find a job where I could make use of that experience. Among my options, I wanted to work in my hometown of Kyushu, so I became interested in KRAFTIA, which is based in Kyushu. Though I was anxious about the construction industry because there are few women, I learned through the company website and conversations with recruiters that female employees are actively working here, which inspired me to take on the challenge and apply.
- Hayashi:** In university, I had experience using CAD during my research, and I wanted to improve my CAD skills even more, as well as contribute to my home region of Kyushu—so I applied to KRAFTIA. The well-developed employee benefits also make it comfortable and secure for women to work here. I find it appealing that I can choose my job duties and working styles to match the changes that come in different life stages.
- Iwata:** I feel the same way as everyone else. I chose to apply because I felt that KRAFTIA is a company where I can make use of what I studied at industrial high school and where women can thrive for many years. The recruiters included women, and they kindly explained to me how we can use our strengths as a woman here and whether the company is pleased to accept women, which left a lasting impression.
- Sato:** This time, Ms. Tanaka started maternity leave at the beginning of the construction work, but it wasn't just the remaining members handling everything—we received support from everyone in the company to ensure smooth site operations. I am truly grateful for this policy, as it allows them to concentrate on their jobs with confidence and protect their private lives. Also, during interviews, I noticed that more than just formal questions about motivation or vision, there were many questions that emphasized the idea, “Let's work together to grow both the company and ourselves.” This reflected our corporate philosophy: “We aim to create a mutual respecting environment in KRAFTIA which utilizes and develops employees' personality.”
- Hanashima:** The people from KRAFTIA who work at construction sites are what attracted me most. Since I was on a sports team in high school and have always liked being active, I wanted to be a part of a KRAFTIA member working together to build something that would delight our customers, and that was my motivation.

Rewards and challenges of working on-site

- Sato:** Of course, there are some physical challenges. Women are also expected to transport and install heavy items just like men are. To address this issue, we increase the number of people or temporarily get help from male workers. There are also challenges due to advances in technology and the increasing complexity of buildings. We have to learn how to use new materials, and installation work is becoming more difficult, it's necessary to keep improving our own skills at all times.
- Kuroiwa:** There are still very few women at construction sites, and sometimes I feel lonely. In the past, there were sites where I was the only woman, so there were times when I felt like I had no one nearby to talk to. This is not an issue that can be solved immediately, so I think it must be addressed by not only KRAFTIA but also the entire construction industry. Since more women are working at construction sites as well as this site, I want to actively communicate with my junior female colleagues so that they don't feel lonely.
- Hanashima:** While this site involved more female crew members than usual, I felt that we have smooth communication. This includes not only our KRAFTIA members but also the skilled workers from our partner companies. The veteran skilled workers provided us with not only professional collaboration but also a wealth of advice based on their personal experience. This will be an invaluable asset for our continued skill development.
- Hayashi:** We have observed that when communication is strong within our KRAFTIA team, it naturally extends to our broader collaborators, fostering a more positive and collaborative atmosphere across the entire site. We openly shared our struggles and challenges, which helped me grow not just technically, but also personally, as an engineer.
- Iwata:** Words can't describe the feeling of seeing the lights turn on for the first time or the sense of accomplishment upon completion. These structures are a testament to the hard work of everyone on-site, and seeing our clients' joy makes it all worthwhile. While the peak season was physically and mentally demanding, the shared sense of fulfillment we felt outweighed all the difficulties.



Work photo (site inspection)

### 3. Society

#### The Future Vision KRAFTIA Strives For

**Sato :** This initiative, in which women make up the majority of the members, is a first for KRAFTIA and I believe it holds great significance. At first I had various concerns, but working with everyone to advance the construction and the sense of achievement after completion was an experience that is hard to find elsewhere. I am proud of the members who worked so hard together with me. As for myself, I want to continue gaining experience on-site, and even when working in teams with men, I want to make the most of my strengths to improve the atmosphere and performance of the entire team.

**Hanashima:** Even at construction sites, I believe the strengths of women—like attention to detail and smooth communication—are sure to come into play. Not leaving everything up to the men, but working together and being active ourselves, I hope that even if it's not something grand, we can bring joy to our customers and help solve social problems in some small way through our involvement. Since teamwork is extremely important in this job, I will continue to value communication with both seniors and juniors, and work hard every day while never losing the sense of fun that comes from working together.

**Iwata:** Since I still have little experience myself, I don't have a clear vision yet of "who I want to be in the future," but by steadily completing the construction sites I'm in charge of, I want our customers and KRAFTIA members could all welcome the completion of a building with a smile, and for that reason, I want to value daily communication and continue honing my skills as an engineer.

**Hayashi:** Currently, as I am a sub-assistant at the site, my seniors are supporting me in many ways,

but someday I hope to become the main person responsible for a construction site. I feel I've been able to grow by constantly taking on new challenges, but I want to keep growing further as both a person and as an engineer through the large platform that is KRAFTIA. And my goal is to become the kind of human resources who can help juniors grow even more than I have grown myself.

**Kuroiwa:** As the main manager in charge of this construction project, I am extremely pleased that we were able to complete the building without any accidents or incidents and achieve the successful handover to our client, HACHISUGA CLINIC. At the same time, I would be delighted if this site—where female employees played a central role—becomes widely known among all our stakeholders. Even after the completion of this construction site, our story as female engineers will continue. I hope to help change the perception that "construction work is a man's job" even a little, and showcase that women can thrive in this field too. For this, I realize we still need to acquire more specialized knowledge and make efforts to broaden our personal and professional appeal.



#### Background and future expectations for this initiative

It is forecast that labor shortages in the construction industry will become even more pronounced in the future. Since there are few female technical employees at the Company, most sites are managed mainly by men, making it urgent to utilize diverse human resources, including female employees. Since this construction project is for a gynecological hospital closely related to women, we believed that having a women-centered team would ensure meticulous attention and perspectives unique to women for our client. Additionally, we felt this would appeal to the promotion of women's participation within the Company, so we had them experience all the processes from start to completion. Managing a site as a responsible leader who thinks and acts autonomously—rather than merely playing a supporting role—makes a significant difference, not only in practical terms but also on a personal level. Although there must have been many new experiences and challenges, the experience of handing over the site to the client with zero accidents or incidents will remain an extremely valuable asset as they continue to work on sites as engineers in the future. I hope that they will take this experience and pass it on thoroughly to the next generation of engineers and technicians, playing a role in fostering a culture where diverse talent can thrive.

**Kiminobu Eto**  
KRAFTIA Fukuoka Branch Office, General Manager, Electric Technology Department

### (3) Occupational Safety and Health

#### Promotion of health management

The Company considers "employee health" to be one of the most important management resources. To promote greater awareness of "health first" and support employees' voluntary health improvement efforts, we have established the "KRAFTIA Health Management Declaration." Through a united company-wide effort, we are committed to health management by creating a work environment with peace of mind while also creating a happy and agreeable work environment for our employees and their families.

**"Health Management Declaration"**

Based on the corporate philosophy of "We aim to create a mutual respecting environment in KRAFTIA which utilizes and develops employees' personality," KRAFTIA is committed to promoting employee health and building a bright, vibrant workplace.

"Employee health" is one of the most important management resources, and supporting voluntary health promotion activities by employees and proactively carrying out organizational health initiatives are essential for the growth of the company.

To create a comfortable workplace environment, the personal responsibility and increased awareness of each employee for their own health are fundamental, while "employee health promotion" is a corporate social responsibility.

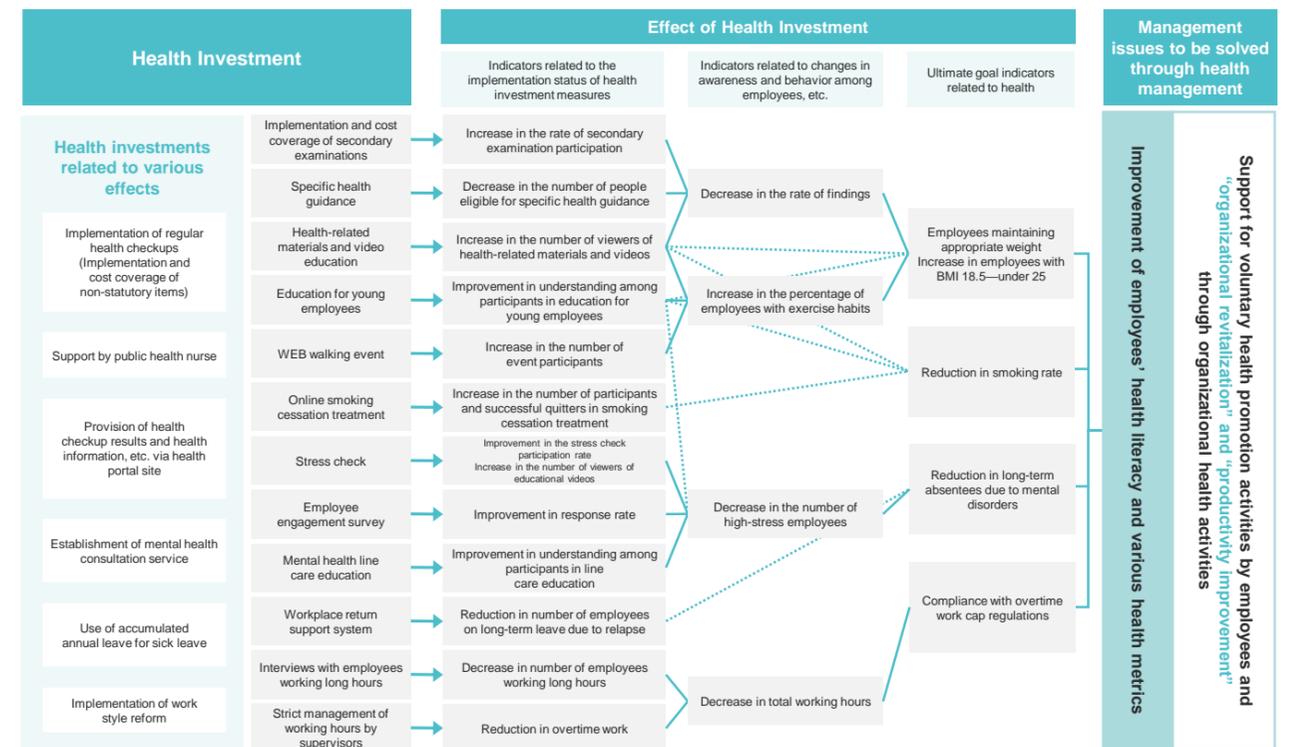
Accordingly, we declare our commitment to further strengthening awareness of "health first," and to efforts toward "creating a work environment with peace of mind" and "creating a happy and agreeable work environment," and will intensify the implementation of employee health management and health promotion activities.

To all employees! Let's recognize the importance of managing our own health and strive to "maintain and improve the health of ourselves and our families" and "create a happy and agreeable work environment!"

#### Health management promotion structure



#### Health Management Strategy Map



#### Focus

#### Certified as "Health & Productivity Management Outstanding Organization 2025 (Large Enterprise Category)"

The Company was certified as a Health & Productivity Management Outstanding Organization 2025 (Large Enterprise Category) under the Certified Health & Productivity Management Organization Program jointly conducted by the Ministry of Economy, Trade and Industry and NIPPON KENKO KAIGI. We will continue to further promote health management to maintain and improve the physical and mental health of our employees and their families.



### 3. Society

#### Initiatives for safety

Safety is the greatest social responsibility imposed on a company and should be its top priority. At the KRAFTIA Group, our core philosophy is that “Safety takes precedence over everything else,” and we position “safety and health as the foundation of management and the major premise for all activities.” Additionally, to prevent accidents before they occur, we ensure that all employees proactively think and act, thoroughly promoting independent action.

To reliably implement the Occupational Safety and Health Management Basic Plan established at the beginning of the term, the Company carries out safety and health activities based on the Occupational Safety and Health Management System, in cooperation with both labor and management. By continuously and effectively implementing these activities, we aim to continuously raise the level of safety and health.

#### Safety management activities for preventing occupational accidents

Regarding safety management activities, we utilize our training facility “KRAFTIA Academy” to systematically conduct group training sessions by both internal and external instructors for employees of the KRAFTIA Group and partner companies according to their job levels. In particular, we focus on improving the safety management abilities and technical skills of young engineers and technicians. In addition to group training, we introduced our original digital education support tool, the “Learning Management System (LMS),” in 2021, providing an environment where employees can participate in online training through e-learning.

Through these training programs, in addition to enhancing safety management skills, we ensure that each worker fully understands and accepts the “necessity of complying with safe work standards” and the “risks of non-compliance,” and proactively practices these, working to prevent occupational accidents.



KRAFTIA Academy

#### Original Group Training (1): Safety Lore Hall

To ensure that lessons from past accidents and disasters are never forgotten, we established the “Safety Lore Hall” in 2012 as a venue for sharing, learning, reflecting on safety, and inspiring determination (motivation).

Here, focusing on major disasters in distribution, electrical, air conditioning piping, and information and communication works, we face the facts of these incidents and teach the lessons learned to all KRAFTIA Group employees, aiming to help them understand the severity of disasters and the importance of safety. Education is conducted using a large screen (2.1 meters high by 9.0 meters wide). Since its establishment in 2012, approximately 17,600 KRAFTIA Group and partner company employees have attended, with 1,193 attendees in FY2024, 907 in FY2023, and 938 in FY2022 over the past three years.



Safety Lore Hall training scene

Safety Lore Hall entrance

#### Original Group Training (2): Hazard Experience Training Facility

Preventing disasters before they occur requires not only learning occupational safety and health knowledge in classrooms but also enhancing sensitivity toward hazards. At the Company, we conduct hands-on hazard awareness education using actual equipment so that employees can experience possible on-site hazards and thus improve their safety awareness and hazard avoidance skills. Furthermore, in disaster scenarios that are difficult to experience in reality, we introduced a VR-based hazard experience system in 2022.

This enables employees to experience and learn hazardous situations that cannot be replicated in real life. Through this training, we are working to enhance hazard sensitivity and foster awareness to comply with safe work standards and relevant laws and regulations.

The number of trainees in the past three years is 871 in FY2024, 808 in FY2023, and 714 in FY2022.



Scene of hazard awareness education using the VR hazard experience system



Scene of hazard awareness education using actual equipment

Please refer to the Company’s website for details.

[https://www.kraftia.co.jp/en/initiatives/en\\_safety.html](https://www.kraftia.co.jp/en/initiatives/en_safety.html)



### (4) Initiatives for Securing Human Resources

#### Strengthening mid-career recruitment

Securing human resources is an urgent issue in the construction industry. In this context, alongside new graduate recruitment, the Company also conducts mid-career recruitment targeting individuals with practical experience or specialized knowledge who can immediately contribute, aiming to further improve productivity through enhanced technical and sales capabilities as well as the promotion of DX and efficiency.

We are also working to attract excellent human resources through a variety of measures such as recruiting second new graduates, referral recruitment, and the “Comeback System” which rehires former employees.

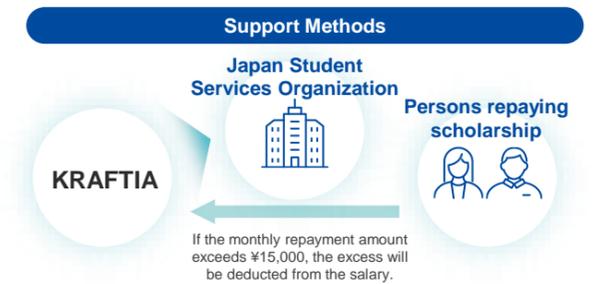
#### Introduction of the Scholarship Repayment Assistance Program

Starting in April 2024, we introduced a “Scholarship Repayment Assistance Program” with the goal of securing excellent human resources, preventing turnover, and further enhancing the appeal of the Company, thereby strengthening our competitiveness in recruitment.

(For new graduates joining from graduate schools, universities, technical colleges, and vocational schools)

[Support amount] ¥15,000/month

[Support period] Up to 10 years after joining the company



#### Foreign national recruitment

This year, we hired seven technicians from a vocational training school in the Philippines for the first time using the “Specified Skilled Worker” system. Additionally, to develop human resources who will support our future overseas business in Southeast Asia and other regions and to secure construction capabilities, we are also promoting foreign national recruitment utilizing *gijinkoku* working visas (issued to foreign nationals who qualify as engineers, specialists in humanities or international services). (Accepting summer internships)

### (5) Education and Training

#### Passing on corporate culture toward the 100th anniversary

After celebrating our 80th anniversary, we are focusing our efforts on passing down the corporate culture and traditions we have built as we move toward our 100th anniversary.

The core role in this is played by the “KRAFTIA Academy.” From new employee training to career employee and manager-level training, our education always returns to the basics such as aspirations as members of society, with the goal of developing employees that customers choose.

Based on our corporate philosophy, we will continue to provide education that connects to the next generation.

#### Developing communication skills

In young employee (new hire) training, KRAFTIA Academy-centered group training focuses not only on basic and practical/professional technical skills but also, especially in this era, on improving communication skills.

In Academy education, through living together 24 hours a day, attendees learn “people skills” such as cooperating with colleagues of different ages, backgrounds, and values, maintaining disciplined habits, and consideration for others.

#### Development of career recruitment employees

The Company is actively engaged in hiring career employees (mid-career hires) with the goal of securing a diverse range of human resources.

This training aims to deepen the understanding of our corporate philosophy, organization, culture, and history, in order to share a sense of purpose among all employees, enhance engagement, and revitalize the organization. In this fiscal year (FY2025), which marks the fourth year of this training, we are sharing the “KRAFTIA DNA” ideas that form our traditions and culture, while also reflecting feedback from the major technical departments.



### 3. Society

#### (6) Coexistence with Local Communities

##### Refreshing community season

Our Group designates mid-October every year as “Refreshing Community Season,” during which we carry out volunteer activities rooted in the community, such as cleaning and facility inspections at local and cultural sites using aerial work platforms, as well as blood donation drives and fundraising for the “Green Fund.”

To date, we have focused on efforts to solve social problems, including contributions to environmental conservation like donating eco-friendly water bottles, providing pedestrian crossing flags and blue patrol cars to protect children from traffic accidents, and donating portable power supplies and disaster prevention drones for disaster response.

This year, as support measures for frequent natural disasters such as earthquakes, typhoons, and heavy rain, we presented “portable toilets” to help solve toilet problems at evacuation centers.

This initiative is now in its 57th times this year. As a company supporting social infrastructure, we will continue to launch heartfelt activities that respond to changes in society and local situations, living up to the expectations of our local customers.



##### Track and field team

With a 72-year history, the KRAFTIA Track and Field Team is closely connected to the local community and strives for daily training for the purpose of “enhancing KRAFTIA’s image,” “raising employee morale,” and “social contribution,” aiming for victory in the All Japan Industrial Teams Ekiden and producing Olympic athletes. This year, two athletes participated in the World Athletics Championships Tokyo. To date, we have produced Japanese national team athletes for the Olympics and many other international competitions. We have also participated in the New Year Ekiden (Gunma Prefecture) held on January 1 for 50 consecutive years, totaling 56 times (the longest among participating teams), and the Queens Ekiden (Miyagi) 32 times. We will continue to work hard to produce many national team athletes from Japan, as well as aim for victory in Men’s and Women’s All Japan Industrial Teams Ekiden.

##### Focus

- Akira Akasaki, 2nd Place, Berlin Marathon 2025, 2:06:15 (new KRAFTIA record)
- Tomohiro Shinno, tied for 14th place in the Men’s High Jump Qualifying at the 2025 Tokyo World Athletics Championships
- Maoko Takashima, 25th place in Women’s Triple Jump Qualifying at the World Athletics Championships Tokyo 2025

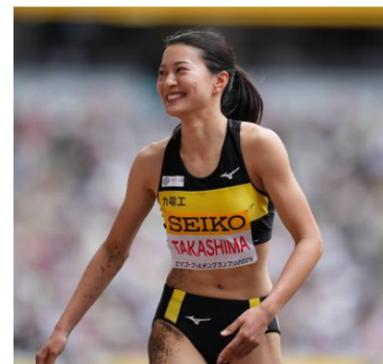
At the “Berlin Marathon 2025” held in September 2025, Akira Akasaki delivered an impressive second-place finish among the world’s top competitors. At the “2025 Tokyo World Athletics Championships” held around the same time, two athletes from our company, Tomohiro Shinno and Maoko Takashima, participated. Within the company, cheering for colleagues working in the same workplace fostered a sense of unity and excitement.



Akasaki (Marathon)



Shinno (High jump)



Takashima (Triple Jump)

#### Olive business

One of the major social problems facing our country is the decline of primary industries. We have focused on this issue and sought to advance the sixth industrialization of primary industries, developing a business model that covers everything from production, processing, to sales, as a locally rooted company working to contribute to the prosperity of primary industries. Among such opportunities, we selected “olives” for their broad uses in food and cosmetics, their charming Mediterranean image as a symbol of peace, and potential as a new tourism resource, and started the business in Amakusa City, Kumamoto, in February 2010.

Going forward, aligned with our long-term vision, we will continue to contribute to improving people’s quality of life through our olive business, responding to various social and local issues.



#### (7) Disaster Prevention

##### About BCP

In May 2025, during our relocation to the new headquarters office, we introduced equipment to enable swift and precise responses, further strengthening our Business Continuity Planning (BCP).

A state-of-the-art AV system was installed in the conference room designated as the BCP Countermeasures Headquarters, allowing immediate network connectivity with all business offices and facilitating information sharing and disaster response planning.

In addition to stockpiling emergency supplies such as food and deploying satellite phones, this past year we distributed portable power sources—identical to those our company donated to support disaster-stricken areas during the 2024 Noto Peninsula Earthquake—to each major business office. This ensures operational continuity during emergencies.

We will continue these initiatives to fulfill our corporate social responsibility while striving to further enhance our disaster preparedness and strengthen collaboration with local communities.



#### (8) Waste

##### Contribute to the formation of a circular society

The Company has identified “contribute to the formation of a circular society” as one of our Materiality (Important Issues), and we recognize that issues related to waste are critical social challenges. Going forward, we will promote measures such as 3R (Reduce, Reuse, Recycle) and green purchasing.

As one of our specific initiatives, in December 2024, we executed a comprehensive partnership agreement with Shinryo Corporation, AGC Inc., and four Kyuden Group companies regarding the reuse and recycling of solar panels.

While mass disposal of solar panels is expected later in the 2030s, current social issues include insufficient processing facilities, limited usage for recycled glass (which constitutes about 60% of the panels), and the lack of established collection and transportation methods. There is a need for mechanisms to address these challenges. Therefore, seven companies entered into the agreement, and by promoting reuse and recycling of solar panels, we will contribute to the realization of a circular society and decarbonization, as well as assist in building the “resource circulation” structure targeted by the government.



### 3. Society

#### (9) Initiatives for Technology Development

Based on our corporate philosophy of “We keep challenging for sustainable development through our engineering strength and create a new value,” we are striving to further promote technological development and improve quality in fields such as environment, energy, and renewal. While responding to customer trust and expectations, we are also aiming to enhance corporate value by aggressively expanding into new fields and new markets, thus enabling prompt responses to changes in social structure.

##### Technology development at KRAFTIA

With the theme of “investment for the future,” our Technology Development Department works every day to realize sustainable growth with a long-term perspective. In particular, by promoting construction DX in response to the serious labor shortages facing the construction industry, we are working to improve on-site operational efficiency and productivity. By visualizing and automating processes through the introduction of IoT and AI, we are optimizing overall operations and driving business reforms to fundamentally review conventional processes. These initiatives are not limited to short-term improvements, but are considered to be directly linked to the strengthening of future operational foundations and competitiveness.

We will continue to take on challenges as we aim to support worksites through technology, create a comfortable working environment, and deliver valuable results.

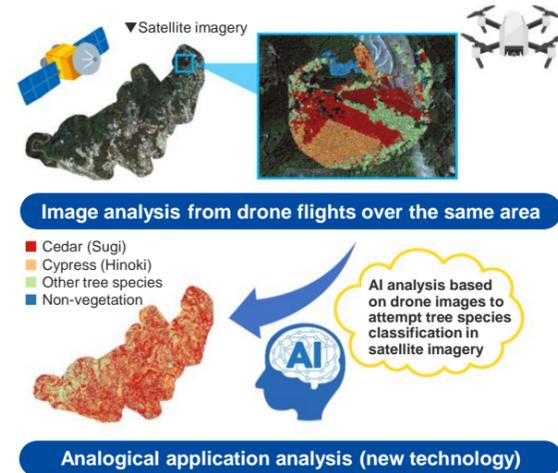
##### Utilization of advanced technologies to support worksites

###### R&D on Forest Resource Volume Analysis Using Inferred Application of Drone and Satellite Images

Our Technology Development Department and Skymatics Inc. have jointly researched and developed technology for analyzing forest resource volume using drone and satellite images.

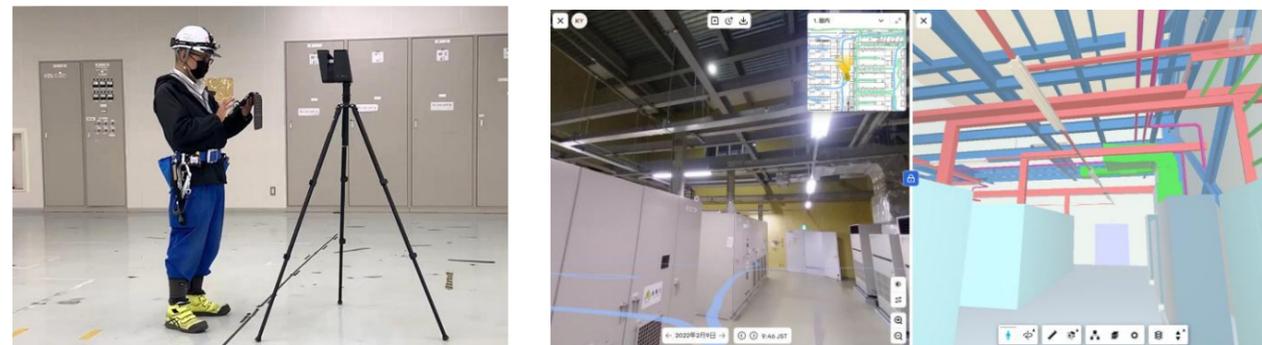
AI is used to analyze wide-area forest data that was difficult to obtain through traditional visual checks or drone surveys, enabling high-precision estimation of tree species, height, timber volume, and carbon storage, thus allowing for planned resource procurement regarding forest tree volume for woody biomass power generation plants.

Due to its workability and high cost efficiency, this technology is attracting interest from private companies, local governments, and research institutions, mainly in renewable energy, and is expected to be implemented in practical fields such as forest management and carbon credits in the future.



##### Exploring New Ways of Working Through the Use of Digital Twins

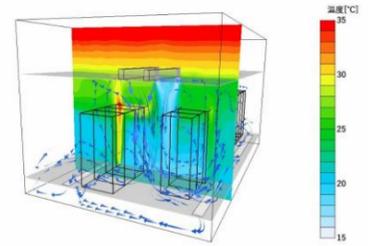
We are working to improve efficiency of on-site operations and facilitate task sharing through reality capture technology using 3D laser scanners and 360° cameras. Especially during renovation work without existing drawings, we utilize highly accurate laser scanners that offer millimeter-level precision to create highly accurate current condition drawings. Basing construction plans on these current condition drawings enables the creation of high-quality construction plans and facilitates smooth construction progress. Furthermore, using digital twins uploaded to the cloud makes it possible to share decision-making previously only possible on-site, thereby enabling precise and rapid decision-making. Additionally, by creating and sharing digital twins rich in information at low cost, many stakeholders can participate in examination items that were previously handled subjectively onsite, realizing an optimal building process. Moreover, by digitalizing construction sites as twins, efficient and innovative solutions utilizing DX and AI are expected for site management processes that were previously analog.



##### Verification of Construction Validity Using “Thermal and Airflow Simulation”

When designing buildings, post-construction “airflow and temperature” are extremely important elements.

At the Company, we use “thermal and airflow simulation,” which allows for graphical visualization of improvement proposals and energy-saving effects at the design stage, to conduct advanced pre-assessment of air conditioning quality. The diagram is an example of thermal and airflow simulation around a server rack at a certain data center. To remove heat from within the server racks, we examine optimal air conditioning outlet temperatures and airflow volume, among other factors, before construction.



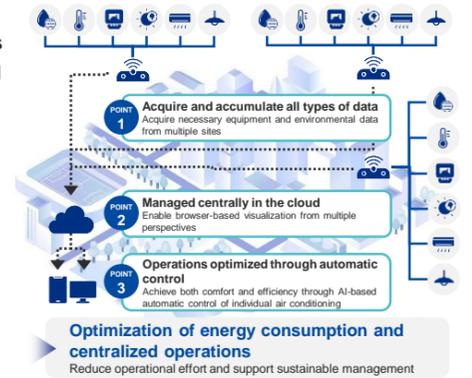
Going forward, in order to accommodate more advanced designs, we are working to strengthen collaboration with visually intuitive platforms such as 3D-CAD and BIM (Building Information Modeling), and to form consensus among stakeholders, thereby promoting smooth progress of construction and improving construction quality.

##### AI-Based Individual Air Conditioning Control and Integrated Management for Buildings

As part of our efforts toward the SDGs, we are jointly developing an AI-powered individual air conditioning control and integrated management service in collaboration with MENTERU Inc.

With conventional air conditioning management, issues included uneven temperature control and energy waste, but this service addresses these by implementing real-time monitoring and optimal control using AI, maximizing energy efficiency and reducing operational costs while increasing user satisfaction and productivity.

Demonstration experiments have confirmed that air conditioning power consumption can be reduced by approximately 8–15%, contributing to lowering environmental impact. Going forward, we will promote sales expansion so that more customers can utilize this service, thereby contributing to the realization of a sustainable society.



##### Focus

###### Efforts to Reduce and Enhance Operations Using Robotic Technology

Based on an organization-level collaboration agreement with Kyushu University, we have been jointly developing an “illuminance measurement robot using a swarm robot system.” As a result, on-site implementation will begin in FY2025.

In addition, the Company has joined the “Construction RX Consortium” established under the initiative of a major general contractor, working together to develop equipment inspection robots utilizing IoT, such as illuminance measurement robots and air volume measurement robots.

Going forward, we aim to further deepen our collaboration and pursue greater productivity and enhanced technological capabilities by promoting labor-saving and advanced design, construction, and measurement using robotic technology.

On-Site Validation Prototype of the Illuminance Measurement Robot



##### Industry-academia collaboration initiatives

###### Efforts in Utilizing Combustion Ash and Fostering Fuel at Woody Biomass Power Plants

Our Group is aiming for effective utilization of combustion ash emitted from woody biomass power plants, recycling it as fertilizer material, and proceeding with verification of its usefulness in crop cultivation and exploration of suitable crops. As a result of our FY2021 initiatives, it was confirmed that combustion ash fertilizer is effective as a potassium substitute fertilizer.

In the continued operation of our wood biomass power generation plant, local supply and stable procurement of fuel are extremely important. Therefore, the Company collaborates with universities and other organizations, conducting joint research on the cultivation and verification (since FY2022) of “Japanese fast-growing paulownia”<sup>1)</sup> expected as a new fuel, as well as variety selection considering the regional characteristics of “sorghum”<sup>2)</sup> (since FY2023).

These initiatives position our Group as an important player in building a recycling-oriented society and in realizing a carbon-free society, while also contributing to improving the economic efficiency of various industries and revitalizing local communities.

Partnering universities and organizations: University of Miyazaki, National Institute of Technology, Kagoshima College

<sup>1)</sup> Japanese fast-growing paulownia has a feature of growing 12 times faster and absorbing 3 times the amount of CO<sub>2</sub> compared to cedar and cypress.

<sup>2)</sup> Sorghum is a grain belonging to the genus sorghum of the family Gramineae, used for food and feed, and is also useful as a biomass fuel due to its early maturation and high yield.

###### Image of Woody Biomass Power Generation and Combustion Ash Circulation



##### Aiming to enhance technical capabilities

###### Initiatives for the Technical Presentation “Company-wide Conference”

As an initiative to further enhance technical capabilities, deepen the knowledge and skills of technical employees, and pass on cutting-edge technologies, we hold a company-wide technical presentation conference every year. This conference is an important opportunity for the entire company to compete and hone technical skills, and it is an event where each engineer’s passion and creativity shine.

A feature of our company’s technical presentation “Company-wide Conference” is that each branch holds a “Branch Conference” as a preliminary round for the power distribution, electrical, and air conditioning pipe divisions, and selects representative themes from each branch. The top themes from the three divisions, which have won through the rigorous branch conferences, gather at the annual “Company-wide Conference” to present their technical achievements across divisions.

Through technical presentations, employees inspire each other and enhance their technical skills, while also passing on the technologies our company is proud of to the next generation.

This accumulation leads to our company’s growth and contribution to society.

FY2025 Technical Presentation Commemorative photo of the “Company-wide Conference”



## 4. Governance

### (1) Corporate Governance

Our Group aims for sustainable growth and long-term improvement of corporate value through realizing our “corporate philosophy.” We have established the “KRAFTIA Corporate Governance Guidelines” to gain support from all stakeholders including shareholders, customers, and local communities, and ensure proper and efficient corporate management as we work to realize the best corporate governance.

Please refer to the Company's website for details.  
[https://www.kraftia.co.jp/en/enir/cg/en\\_guideline.html](https://www.kraftia.co.jp/en/enir/cg/en_guideline.html)

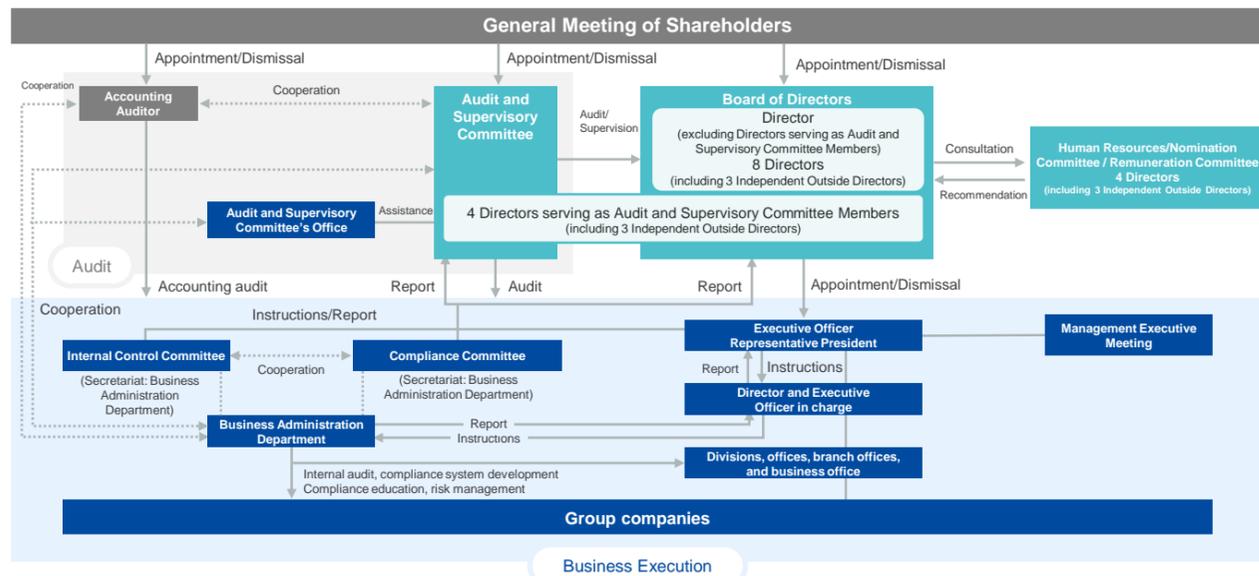


#### Corporate governance system (as of October 2025)

With the aim of further strengthening the supervisory function of the Board of Directors and further enhancing the corporate governance system, the Company is transitioning from a Company with Audit & Supervisory Board to a Company with Audit and Supervisory Committee with the resolution at the Annual General Meeting of Shareholders held in June 2022.

In addition, we have adopted the “Executive Officer system” to separate the “decision-making and oversight function” and the “execution of operations function” of the Board of Directors and to implement efficient and speedy management and have established an “internal control system” to harmonize risk management, efficiency, and legality of operations to “enhance corporate governance.”

The Company has established the Compliance Committee (chaired by the Executive Officer Representative President) to determine the basic policy and activities for compliance, prepare plans, determine the implementation method, and discuss measures, etc. Furthermore, we have established the Internal Control Committee (Chairperson: Executive Officer Representative President), which discusses the results of internal audits (including improvement measures) conducted by the Business Administration Department and evaluates the effectiveness of internal controls.



#### Board of Directors

The Company has adopted a system where the Board of Directors determines important matters and oversees execution of operations, while the Executive Officers dedicate themselves to executing operations based on decisions made by the Board of Directors. The Board of Directors consists of 12 Directors, of which six are Outside Directors (including three females), and they meet once a month in principle.

The Company also regularly holds the Management Executive Meeting (once a week) to discuss matters which require prior discussion and matters on important business execution, which are among the matters to be deliberated at the meetings of the Board of Directors, and the Meeting of Branch Office General Managers (12 times a year) to confirm the status of business execution.

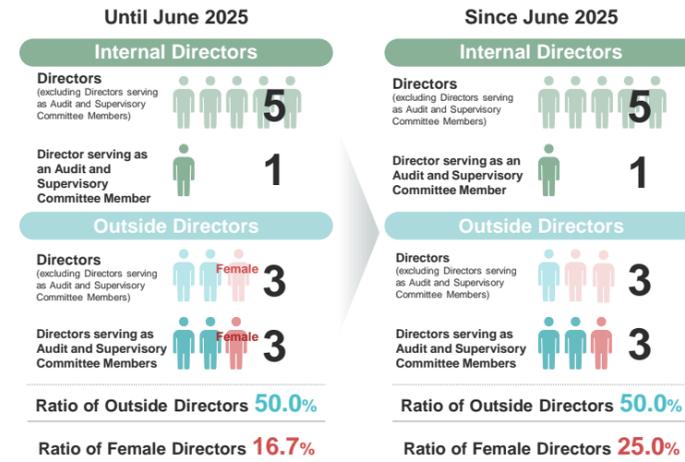
#### Human Resources/Nomination Committee

In order to ensure transparency in decision-making and the independence and objectivity of the functions of the Board of Directors, the Human Resources/Nomination Committee consists of three or more members, the majority of whom are Independent Outside Directors. The Committee (Chair: Independent Outside Director) discusses, among other things, proposals for the General Meeting of Shareholders regarding the nomination and dismissal of Directors, matters related to the selection of the Representative Directors and Directors with specific titles, succession plans, and the composition of the Board of Directors in terms of gender and skill diversity, and reports the contents of these discussions to the Board of Directors.

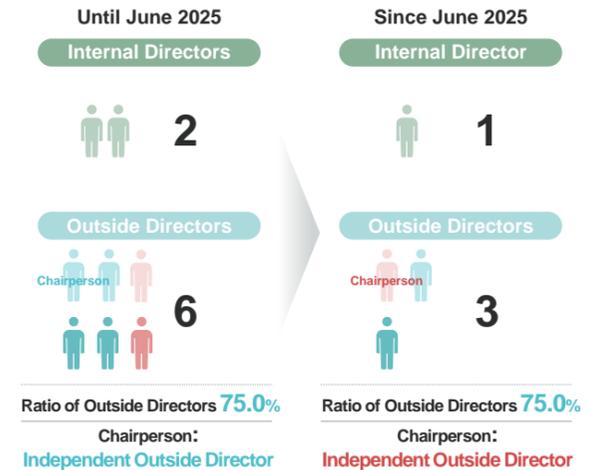
#### Remuneration Committee

In order to ensure transparency in decision-making and the independence and objectivity of the functions of the Board of Directors, the Remuneration Committee consists of three or more members, a majority of whom are Independent Outside Directors. This Committee (chaired by an Independent Outside Director) discusses proposals for the General Meeting of Shareholders regarding revisions to the total amount of remuneration for Directors, the remuneration system for Directors (excluding Directors serving as Audit and Supervisory Committee Members) and Executive Officers and individual remuneration amounts, etc., and reports to the Board of Directors.

#### Composition of Board of Directors



#### Composition of the Human Resources/Nomination Committee and Remuneration Committee



#### Audit and Supervisory Committee

The Audit and Supervisory Committee consists of four members, including one full-time internal Audit and Supervisory Committee Member and three outside Audit and Supervisory Committee Members (one of whom is female), and, in principle, is held once a month.

The full-time Audit and Supervisory Committee Member has been engaged in the finance and accounting divisions of the Company for many years and has extensive knowledge and insight of the divisions. Of the outside Audit and Supervisory Committee Members, two have extensive experience as business managers, and one has specialized legal knowledge as a lawyer. Audit and Supervisory Committee Members audit the execution of directors' duties by attending important meetings, reviewing important documents, and conducting on-site inspections of business sites and subsidiaries based on the audit policies and audit plans formulated by the Audit and Supervisory Committee.

#### Status of Outside Officers

The number of Outside Directors of the Company is six, of which three are elected as Outside Directors serving as Audit and Supervisory Committee Members. All the Outside Directors have been confirmed to meet the independence standards prescribed by the stock exchanges as well as the independence standards established by the Company and deemed to have no conflict of interest with general shareholders of the Company. The Company thus has filed a notification with the Tokyo Stock Exchange to designate them as Independent Officers.

#### Independence Standards for Outside Officers

The Company determines that Outside Officers are independent if none of the following attributes applies.

- The Outside Officer himself/herself, his/her spouse, or his/her relative within the second degree of kinship:
  - A person who is an executive of the Company or a group company of the Company or was an executive of the Company or a group company of the Company within the past 10 years prior to his/her appointment as an Outside Officer.
  - A person who is an executive of a corporation that is a business partner of the Company, and in any of the most recent three past fiscal years of the Company, has made payments to the Company representing more than 2% of non-consolidated net sales of the Company in that fiscal year; or a person who is an executive of a financial institution, which provides indispensable financing to the Company, and cannot be easily replaced because of the Company's reliance on the financing from such institution.
  - A person who is an executive of a corporation of which the Company is a business partner, and in any of the most recent three past fiscal years of the Company, has received payments from the Company representing more than 5% of non-consolidated net sales of such corporation in its most recent fiscal year.
  - A person who received remuneration exceeding 10 million yen directly from the Company in any of the most recent three past fiscal years of the Company for providing professional services concerning law, accounting, tax affairs, or consulting services to the Company (excluding compensation as Director of the Company) (If the recipient of such remuneration is an organization, a person who is affiliated with such organization).
  - A person who belongs to an organization or an entity that receives a donation or aid exceeding 10 million yen per year on average over the most recent three past fiscal years of the Company.
  - A person who is an executive of a corporation, etc. that is a shareholder of the Company which substantially owns 10% or more of the voting rights of the Company.

#### Internal control system and risk management system

As part of the effort to develop its internal control system and risk management system, the Company has built an “internal control system” that is both efficient and legal, while making use of the legal compliance system and corporate culture that it has built up to date. In addition, the Company promotes compliance activities throughout the Group and endeavors to enhance transparency and fairness in management, thereby contributing broadly to society while living up to the trust of shareholders, customers, local communities, and other stakeholders, and “improving corporate value.”

Please refer to the Company's website for details.

[https://www.kraftia.co.jp/en/enir/cg/en\\_internal.html](https://www.kraftia.co.jp/en/enir/cg/en_internal.html)



#### Our Initiatives Concerning the Corporate Governance Code

The Company is working to improve its corporate governance. As a company listed on the Tokyo Stock Exchange (TSE), the Company aims to achieve sustained growth and increase its corporate value in the medium- to long-term by complying with each of the principles of the Corporate Governance Code set forth in TSE's Securities Listing Regulations and disclosing pertinent information.

Please refer to the Company's website for details.

[https://www.kraftia.co.jp/en/enir/cg/en\\_code.html](https://www.kraftia.co.jp/en/enir/cg/en_code.html)



## 4. Governance

### Overview of evaluation of Board of Directors effectiveness

We conducted an evaluation based on a registered questionnaire for all 12 Directors conducted in March 2025.

The purpose of the annual evaluation is to regularly verify whether the Board of Directors is functioning properly, and take appropriate measures such as correcting problems and enhancing strengths in order to ensure the board carries out its role and responsibilities effectively. Based on the results of the questionnaire, issues and points for improvement are identified and shared to improve the effectiveness of the Board of Directors going forward.

Evaluation of Board of Directors Effectiveness for FY2024	
Items surveyed in the questionnaire	Composition of the Board of Directors, operation of the Board of Directors, Human Resources/Nomination Committee and Remuneration Committee, officer training, support system for Directors, dialogue with shareholders (investors), Directors' own initiatives, overall evaluation
Evaluation result	The Board of Directors was concluded to be effective based on the analysis of the survey results, given that the overall average evaluation score was at a high level, as in the last year.
Selected issues	(1) Operation of the Board of Directors (organization and analysis of materials) (2) Officer training
Measures	(1) Rule-making for Board of Directors materials (simplification of materials) - Organizing framework of pre-briefing sessions and the Board of Directors (2) Officer training was conducted as an issue last year as well, and since it seems that it will take time to see the effects, we will continue our conventional efforts such as "site visits, provision of opportunities for external seminar participation," while continuing efforts such as "Board of Directors round-table meetings, lunch meetings with Outside Directors and executive officers" that started last year.

### Status of audit

#### Audit by the Audit and Supervisory Committee

The Audit and Supervisory Committee conducts an audit in accordance with the "Code of Audit and Supervisory Committee Auditing and Supervising Standards" established by the Audit and Supervisory Committee, and also with the audit policy, audit plan, audit methods, assignment of duties, etc. In the current fiscal year, in addition to the basic audit items such as the execution of Directors' duties and the establishment and operation of the internal control system, we conducted audits with a focus on the implementation status of the initiatives outlined in the medium-term management plan.

The Company has established the Audit and Supervisory Committee's Office with six dedicated staff members, which assists the duties of the Audit and Supervisory Committee and its members.

#### Internal audit

Under the yearly plan, the Business Administration Department that is responsible for conducting internal audits evaluates whether management activities of each department/division are performed according to the management policy, and audits whether such activities are appropriately processed according to internal rules such as regulations, administrative authority, and manuals to report the audit results and measures for improvement to the Internal Control Committee (chaired by the Executive Officer Representative President). In addition, the deliberations of the Internal Control Committee are reported directly to the Board of Directors.

#### Accounting audit

The Company has concluded an audit contract with Ernst & Young ShinNihon LLC. Two of the audit firm's certified public accountants carried out the accounting audit, neither of whom has audited the Company for more than seven consecutive years. In the year ended March 31, 2025 (the 97th fiscal year), the Company paid 63 million yen as fees for the audit and certification services. There is no special interest between the Company and Ernst & Young ShinNihon LLC or the Engagement Partners.

### Cooperation of the Audit and Supervisory Committee with the internal audit division and the Accounting Auditor

#### • Status of cooperation with the internal audit division

The full-time Audit and Supervisory Committee Member attended the Internal Control Committee. In addition, regular meetings were held with the Business Administration Department, which is the internal audit division, to receive reports on internal audit plans, audit implementation status, and audit results, to exchange opinions, and to provide information on the results of on-site inspections of branches and subsidiaries conducted by the full-time Audit and Supervisory Committee Member, thus enhancing mutual cooperation.

In addition, consultations and information received at the Compliance Desk were reported regularly or as needed by the Business Administration Department, which is in charge of the internal reporting system.

#### • Status of cooperation with the Accounting Auditor

The Audit and Supervisory Committee maintained appropriate cooperation with the Accounting Auditor through regular meetings and the exchange of information and opinions as needed, and worked to improve the quality and efficiency of auditing on both sides.

Specifically, at the beginning of the fiscal year, the Audit and Supervisory Committee received an explanation of matters such as an audit plan from the Accounting Auditor regarding a priority audit item, audit schedule, group audit, audit system, and digital initiatives, and exchanged opinions with them.

### FY2024: Details of cooperation between the Audit and Supervisory Committee and the Accounting Auditor

Details of cooperation	April	May	June	July	August	September	October	November	December	January	February	March
Explanation of audit plan and interim review plan				○								
Interim review report / Explanation of interim audit progress				○			○			○		
Audit report (the Companies Act and the Financial Instruments and Exchange Act)		○	○									
Internal control audit report			○									
Regular meetings							○					○
Exchange of information and opinions		○	○	○			○			○		○

### Remuneration, etc. of officers

#### Matters concerning the policy for determining the amount or the calculation method of remuneration, etc. for Directors

The Company's Board of Directors has resolved a policy for determining the content of remuneration, etc. for individual Directors (excluding Directors serving as Audit and Supervisory Committee Members) (hereinafter referred to as the "Determination Policy").

The Board of Directors has also confirmed that the remuneration, etc. for each individual Director for the current fiscal year are in line with the Determination Policy in that the method of determining the content of remuneration and the content of the remuneration, etc. that has been determined are consistent with the Determination Policy and in that the recommendations from the Remuneration Committee have been given due consideration.

#### a. Policy on determining the details of individual remuneration, etc., for Directors (excluding Directors serving as Audit and Supervisory Committee Members)

1	Basic policy	We position the remuneration plan for Officers as an important element of "fair treatment" for Officers who are responsible for the development of the Company, and have the following basic policy. (1) The details must be appropriate for appointing and securing excellent human resources who will realize our corporate philosophy. (2) The details must contribute to the stable and sustainable improvement of corporate value. (3) The remuneration plan shall be highly independent, objective, and transparent, and the details shall be accountable to various stakeholders.
2	Level of remuneration	In consideration of the business environment surrounding the Company, the salary level of employees, and the level of remuneration for officers of other companies, incentives are set to improve performance.
3	Procedure for determining remuneration	(1) The system of remuneration for Officers and the amount of individual remuneration shall be deliberated by the Remuneration Committee, a majority of which is composed of Independent Outside Directors, and determined by the Board of Directors. (2) The Board of Directors resolves that the amount of individual remuneration for Officers shall be entrusted to the Executive Officer Representative President, and he/she shall make a decision based on the report of the Remuneration Committee.
4	Composition structure	(1) Directors (excluding Directors serving as Executive Officers or Audit and Supervisory Committee Members) Remuneration shall be fixed monetary remuneration and fixed stock remuneration determined for each position, and no bonuses or retirement benefits shall be paid. Furthermore, the ratio of fixed monetary remuneration to fixed stock remuneration shall be approximately 90:10, and Outside Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall be limited to fixed monetary compensation in consideration of their duties. (2) Directors serving as Executive Officers Remuneration shall consist of fixed monetary remuneration, variable monetary remuneration, and fixed stock remuneration determined for each position; no bonuses or retirement benefits shall be paid. Furthermore, when 100% of the performance targets are achieved, the ratio of fixed monetary remuneration to variable monetary remuneration to fixed stock remuneration shall be approximately 60:30:10.
5	Details of each remuneration	(1) Fixed monetary remuneration A certain amount of basic remuneration determined for each position shall be provided as fixed monthly remuneration. (2) Variable monetary remuneration Variable monetary remuneration shall be provided by adding or subtracting the monthly remuneration for the next fiscal year according to the degree of achievement of the performance targets for each fiscal year, and the degree of achievement of the performance-linked base amount determined by position shall be calculated based on the degree of achievement of the "consolidated net sales" and "consolidated ordinary profit" targets for each fiscal year, as well as the results of individual evaluations for each fiscal year. The target "consolidated net sales" and "consolidated ordinary profit" are determined by the Board of Directors based on the figures announced every fiscal year. (3) Fixed stock remuneration For the purpose of providing incentives for the improvement in medium- to long-term performance and the increase in corporate value, points equivalent to the number of shares determined by position shall be awarded at a certain time each year, and at the time of retirement, the Company's shares shall be delivered according to the cumulative number of points.

#### Outline of the fixed stock remuneration plan

1	Eligible persons	Directors of the Company (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)
2	Target period	Three fiscal years (The target period may be extended by resolution of the Board of Directors.)
3	Maximum amount of money to be contributed by the Company as a source of capital for the Company's shares necessary to deliver to the eligible persons as specified in 1 during the target period of three fiscal years as stated in 2	Total amount: 180 million yen (If the target period is extended, the maximum amount is calculated by multiplying 60 million yen by the number of extended fiscal years.)
4	Method of acquiring the Company's shares	Method of disposal of treasury stock or exchange market (including Off-Hours trading)
5	Maximum number of points awarded to the eligible persons as specified in 1	25,000 points per fiscal year
6	Basis for granting points	Points are awarded according to position, etc.
7	Timing of delivery of the Company's shares to the eligible persons as specified in 1	In principle, at the time of retirement

#### b. Matters concerning remuneration, etc., for Directors serving as Audit and Supervisory Committee Members

The remuneration for Directors serving as Audit and Supervisory Committee Members consists only of fixed monetary remuneration in consideration of their role of supervising overall management from a standpoint independent of business execution, and is determined through discussions among the Audit and Supervisory Committee Members.

## 4. Governance

### Matters concerning resolutions of the General Meeting of Shareholders regarding remuneration, etc. for Directors

The amount of monetary remuneration for Directors was resolved as follows at the 94th Annual General Meeting of Shareholders held on June 28, 2022.

- The maximum amount of remuneration for Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall be 700 Million yen per year (including 50 Million yen per year for Outside Directors).
- The maximum amount of remuneration for Directors serving as Audit and Supervisory Committee Members shall be within 110 million yen per year.

In addition, the amount of stock-based remuneration, separate from the above monetary remuneration, was resolved as follows at the 95th Annual General Meeting of Shareholders held on June 28, 2023.

- The maximum amount of money contributed to the board benefit trust shall be a total of 180 million yen for the period covering three fiscal years.
- The maximum total number of points granted as stock-based remuneration shall be 25,000 points per fiscal year.

### Matters concerning delegation regarding the determination of individual Directors' remuneration, etc.

At the Company, based on the delegation resolution of the Board of Directors, Executive Officer Representative President Kazuyuki Ishibashi is in charge of determining the specific details of individual remuneration amounts for Directors (excluding Directors serving as Audit and Supervisory Committee Members). The scope of this authority is allocation of performance-linked monetary remuneration, and the reason for such delegation is that, being most familiar with the Company's management situation, the Executive Officer Representative President is judged to be able to determine remuneration amounts swiftly while overseeing the Company's overall performance.

To ensure proper exercise of such authority by the Executive Officer Representative President, the Board of Directors has established a Remuneration Committee, and since the Executive Officer Representative President sets individual remuneration based on the committee's recommendations, this is judged to be aligned with the remuneration determination policy.

### Total amount of remuneration, etc., by category of officer, total amount by type of remuneration, and number of eligible officers (FY2024)

Category of officer	Total amount of remuneration, etc. (Million yen)	Total amount by type of remuneration, etc. (Million yen)			Number of eligible officers
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration, etc. (Stock remuneration)	
Directors (excluding Directors serving as Audit and Supervisory Committee Members) (excluding Outside Directors)	312	212	71	29	5
Directors serving as Audit and Supervisory Committee Members (excluding Outside Directors)	30	30	—	—	1
Outside Officers	54	54	—	—	8

- (Note) 1. The above Outside Officers include two who assumed office and two who resigned during the current fiscal year.  
 2. The amount of non-monetary remuneration (stock remuneration) is stated as the amount of provisions recorded for the fiscal year corresponding to the points granted based on the Company's stock delivery rules.  
 3. The total amount of remuneration, etc., includes Executive Officers' remuneration.

### Initiatives for achieving management conscious of capital cost and share price

Based on capital cost and allocation of management resources, the Company formulates the Mid-term Management Plan, adopts ROIC (Return on Invested Capital) as one of the management target indicators, and works toward business operations with a KPI of ROIC 10% or more.

Our activities, as disclosed in the Mid-term Management Plan announced on April 28, 2025, include new management targets, measures to improve capital efficiency, shareholder returns, etc.

Please refer to the Company's website for details.  
 Mid-term Management Plan: [https://www.kraftia.co.jp/en/enir/en\\_midplan.html](https://www.kraftia.co.jp/en/enir/en_midplan.html)



## Disclosure of information concerning protection of minority shareholders and Group management

### Disclosure of information by listed companies with listed affiliated companies

The Company has Central General Development Co., Ltd. as a listed affiliated company; we respect the independence of the affiliate and give importance to its management decisions.

Further, the Company has entered into a capital and business alliance agreement with the affiliate, aiming to generate synergies in the compact city initiatives and condominium sales business in local urban areas developed through the affiliate's real estate business, by cooperating with the Company's technology in environment-conscious facility work.

There are no executive dispatches from the Company to the affiliate. The affiliate independently and autonomously examines and decides management strategies including business strategies, HR policies, and capital policy, and makes voluntary management decisions.

### Disclosure of information by listed companies with other affiliated companies

The Company is a member of the Kyuden Group, led by Kyushu Electric Power Co., Inc., and as an equity-method affiliate, we develop our business based on a shared vision and policies for management, aiming to enhance the Group's sustainable corporate value and create value through business.

There are business transactions and personnel/capital relationships with the Kyuden Group; while we receive necessary support, guidance, and advice from Kyushu Electric Power Co., Inc. as needed for our business activities, we develop our business independently in the field of facility work, which is different from the Kyuden Group's core business, based on our unique management policies and decisions, and therefore, we believe our independence is fully ensured.

Moreover, although Kyushu Electric Power Co., Inc. holds 22.75% of our voting rights, 87.5% of our sales come from outside the Kyuden Group; thus, concerns about conflicts of interest between our minority shareholders and Kyushu Electric Power Co., Inc. are minimal, and no special countermeasures are in place.

## Enhancement of dialogue with shareholders and investors and information disclosure

### Enhancement of dialogue

The IR activities of the Company are conducted by the Finance Division, which is in charge of IR, in cooperation with the Business Administration Department, Corporate Strategic Planning Division, and General Affairs Division to promote dialogue with stakeholders including shareholders.

### Status of dialogue with shareholders, etc.

For analysts and institutional investors, our Executive Officer Representative President and the executive in charge of finance hold financial results briefings twice a year, with briefing materials disclosed on our website. In addition, we hold individual briefings and respond to interviews with analysts, institutional investors, and individual investors as appropriate. The contents of these financial results briefings and individual briefings are reported to the Management Executive Meeting and the Board of Directors, and information is shared with Directors.

The main questions, requests, and themes for dialogue at financial results briefings held in FY2024 are as follows.

- 1. Business environment surrounding the Company**
  - Trends in plant construction and redevelopment projects in Kyushu and the Tokyo metropolitan area
  - Status of profitability at order receipt
  - Future development of Uku Island solar power project
- 2. Regarding the Mid-term Management Plan**
  - Approach to shareholder returns
  - Approach to capital policy
  - Concept of stock business
- 3. Others**
  - Impact of the Company name change
  - Potential for expansion of construction capacity

### IR activities

	FY2024 Results
Financial Results Briefing	2 times
Conference for Overseas Investors	4 times
Company Briefing for Individual Investors	6 times
Individual Interviews and Others	268 times

### Information Disclosure

In addition to timely and appropriate disclosure to shareholders and investors of financial statements, securities reports, stock exchange disclosure documents, and important facts, our Group promotes IR activities by making various information public, such as management policies, business activities, compliance activities, and social contribution activities on our website and in Integrated Reports, thereby securing transparency in corporate activities and improving the soundness of management.

## 4. Governance

### (2) Compliance System

The "Compliance Committee" has been established to determine basic compliance policies and activity plans, develop and implement various plans, and discuss measures and other activities related to compliance. The details of these activities, etc. are reported to the Board of Directors.

Additionally, the Business Administration Department serves as the division in charge of compliance, developing and revising compliance regulations and manuals, and continuously conducting compliance education. Based on the Compliance Whistleblowing System Regulations, the "KRAFTIA Group Compliance Consultation Desk" has been established.

Any information received at the Compliance Consultation Desk is investigated, analyzed, and organized, then reported to the Compliance Committee and the Audit and Supervisory Committee Members.

#### Compliance committee

This committee, based on various laws and rules, makes decisions regarding the planning and implementation of compliance activities and education, ensure awareness and thoroughness within the Company, subsidiaries, and affiliates, and promotes a management system for compliance with laws and regulations. Meetings are generally held twice a year and additionally as needed.

Members of this committee include lawyers with specialized expertise, from whom we receive instruction and advice from a professional perspective, and they also provide objective evaluation of the Company's compliance activities.

Committee Composition	
<b>Chairperson</b>	Executive Officer Representative President
<b>Vice Chairperson</b>	Compliance Officer
<b>Members</b>	Persons Appointed by the Chairperson
<b>Observers</b>	Audit and Supervisory Committee Members and Persons Appointed by the Chairperson (including third parties)

#### Compliance consultation desk

The compliance consultation desk allows not only employees but also their families and external business partners to directly report or consult about illegal acts, harassment, or other seriously unfair acts. Reports and consultations can be submitted anonymously as well, and both confidentiality and anonymity are maintained. Anonymous reports/consultations are treated the same as those submitted with actual names.

Internally, the Business Administration Department serves as the contact point; externally, our advisor law firm handles consultations. When a report or inquiry is received, we have a system in place for prompt and appropriate response. The content of reports and consultations is quickly reviewed to ascertain circumstances and confirm the existence of any issues, with corrective actions taken as necessary.

Personal information of the reporter/consulter and the details of the report/consultation are managed by the Business Administration Department, with strict confidentiality maintained. It is prohibited to treat the reporter/consulter disadvantageously because they made a report or consultation.

Trend in the number of reports and consultations to the compliance consultation desk				
FY2020	FY2021	FY2022	FY2023	FY2024
44 cases	43 cases	43 cases	59 cases	52 cases

#### Compliance education

Compliance education is led by the Business Administration Department, aiming to raise compliance awareness, prevent harassment, etc., and includes in-person training by hierarchy/position as well as e-learning for all employees.

Additionally, from fiscal year 2023, we have established an awareness period for harassment prevention, issuing top messages, conducting awareness-raising activities, and implementing special education tailored to each organizational level. Particular emphasis is placed on training for management, including special programs by outside experts, aiming not only to deepen their understanding of harassment but also to apply this knowledge to guidance for their subordinates.

Since FY2024, "workplace discussions" have been conducted at each workplace to further enhance each employee's sense of ownership. "Workplace discussions" provide opportunities for participants to exchange ideas and opinions, respect and empathize with each other's views, and serve as valuable communication forums transcending departments and generations to ensure thorough compliance.

#### Anti-corruption initiatives

In our Group, the "Compliance Manual" clearly prohibits "bribery and improper gifts and entertainment," banning the provision, offer, or promise of illicit benefits to, or collusion/assistance with such acts regarding, clients including public agencies both domestically and internationally, as well as excessive gifts and entertainment for clients beyond generally accepted social norms.

We strive to foster a company-wide compliance-oriented culture throughout the Group through ongoing compliance education and by establishing consultation desks.

## (3) Company-wide Risk Management

### Basic approach

Our Group is organizing company-wide risk management to respond to the diversification and complexity of risks resulting from rapid changes in the business environment.

With the aim of preventing risks before they occur and minimizing losses when they materialize, potential risks are identified and managed in advance, countermeasures are taken, and regular monitoring is conducted. The "Sustainability Promotion Committee," chaired by the Executive Officer Representative President, deliberates and approves company-wide risks and countermeasures, while the Board of Directors supervises risks including ESG factors such as legal violations, information security, and environment risks.

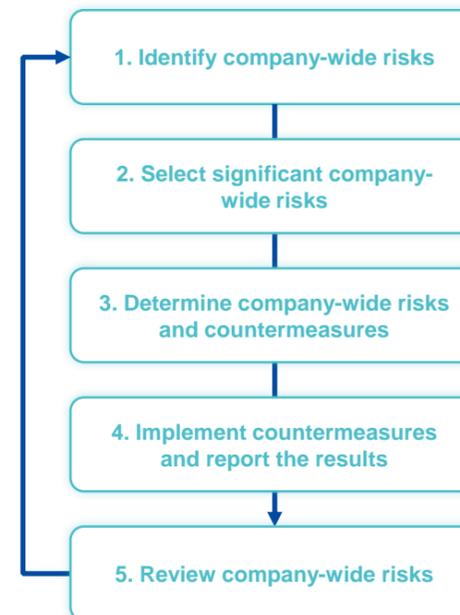
We have also established internal regulations on company-wide risk management, outlining the company-wide risk management framework, responsibilities of risk managers, management processes, etc., and strictly follow the risk management process to reduce risks.

In our Group, we recognize the probability of risk occurrence and its impact on performance, and strive to avoid occurrence and respond appropriately and promptly if risks arise.

Regarding future matters mentioned in the text, these reflect our Group's judgment as of the end of FY2024. This specifically lists major risks that are expected in continuing our Group's business, and is not limited solely to these.

### Risk management process

Promote risk management through company-wide risk management process (implemented annually)



Details of Implementation	
1	The division heads at headquarters, who are company-wide risk management officers, formulate the company-wide risks and countermeasures related to their own departments' business operations and submit them to the Sustainability Promotion Committee secretariat. The secretariat aggregates the company-wide risks and countermeasures prepared by the risk management officers.
2	The secretariat comprehensively considers the impact on business performance and risk occurrence probability among the aggregated company-wide risks and selects important company-wide risks.
3	The company-wide risks (including significant company-wide risks) identified through the above process and their countermeasures are deliberated and approved by the Sustainability Promotion Committee (hereinafter referred to as the Committee). For significant matters, as necessary, they are submitted and reported to the Management Executive Meeting and the Board of Directors.
4	For company-wide risks, the risk management officers implement countermeasures. At the end of the fiscal year, the risk management officers submit the results of company-wide risk countermeasure implementation to the secretariat. The secretariat compiles the result reports and presents them to the Committee. For significant matters, as necessary, they are submitted and reported to the Management Executive Meeting and the Board of Directors.
5	Considering the operational results of the process, changes in internal and external business environments, and trends in laws and regulations, the secretariat reviews company-wide risks as necessary.

### FOCUS / Development of BCP (Business Continuity Planning)

#### Countermeasures for "Occurrence of natural disasters and spread of epidemics"

In the event of various emergencies significantly impacting the business operations of the Company and related companies, we prioritize employee safety and fulfill our social responsibilities by formulating a BCP (Business Continuity Planning) and continuously conducting education and training to ensure prompt and accurate response.

In FY2024, we conducted "crisis management PR training" for executive management and "initial response disaster prevention drills" for the General Affairs Departments of all branches. When emergency information was announced for the Nankai Trough, a countermeasures headquarters was established and early response was taken based on countermeasures.



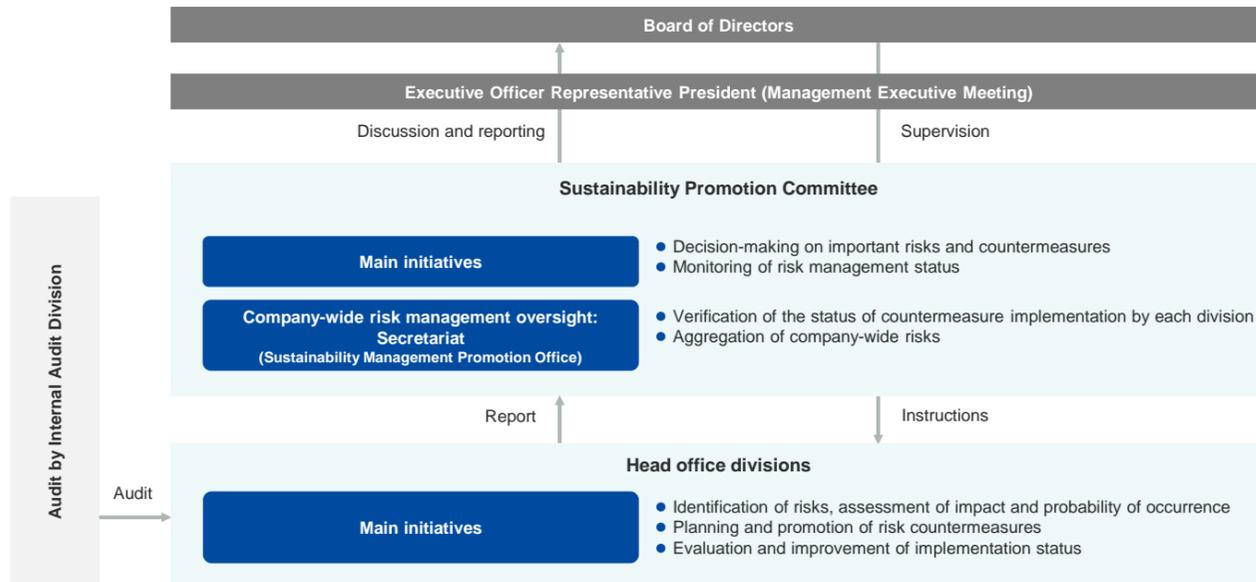
Scenes from company-wide disaster prevention training

## 4. Governance

### Company-wide risk management system

The Sustainability Promotion Committee, chaired by the Executive Officer Representative President and composed of officers and relevant department heads appointed by the chairperson, deliberates and approves company-wide risks and countermeasures and, as necessary, submits and reports them to the Management Executive Meeting and the Board of Directors.

The implementation of risk management activities and the code of conduct are periodically checked through audits by the internal audit department and monitoring by the secretariat, which also submits and reports the management status to the Management Executive Meeting and the Board of Directors. The Board of Directors also evaluates the effectiveness thereof.



Degree of impact on business performance	Significant company-wide risks			
	1	2	3	4
4			(3) Risks related to renewable energy generation business, etc. (4) Economic conditions, etc. (6) Risk of insufficient human capital (9) Information security risk (10) Risk of construction defects (18) Risks related to measures or legal procedures by regulatory authorities (19) Labor management risk	
3		(14) Risks relating to owned assets	(1) Risks related to new businesses and investments (5) Fluctuations in construction material and labor costs (8) Risks associated with overseas business	(20) Occurrence of natural disasters and spread of epidemics
2	(2) Risks related to corporate defense (15) Retirement benefit obligation risk	(13) Credit risk (16) Contingent liability risk (17) Foreign exchange and interest rate risk (21) Climate change risk	(7) Risks related to subsidiaries other than the facility work business (11) Risks related to the supply chain (12) Internal control risk	
1				
	1	2	3	4
	Risk occurrence probability			

For more details, please see the 97th Annual Securities Report: “2. [Business Status]” and “3. [Business Risks, etc.]” [2025\\_97\\_yuka.pdf \(kraftia.co.jp\)](#)



### (4) Message from Outside Directors



**Hiroko Shibasaki** Director

I have been serving as an Outside Director for four years now, and discussions at the Board of Directors, including those involving the Group, have deepened with the aim of achieving sustainable growth and enhancing corporate value, and I believe the effectiveness of the Board of Directors is steadily improving. For my part, under our medium- to long-term vision, I hope to contribute to creating a corporate culture where each employee can be bright and motivated, and to strengthening our management structure and governance to support that environment. I believe it is the mission of Outside Directors to speak directly from the perspective of stakeholders.

Under the leadership of President Ishibashi, the promotion of ESG management has expanded the scope of work nationwide and overseas. Going forward, as the new KRAFTIA, we must specifically convey to stakeholders how we will take on a variety of social issues, including climate change, securing labor, and digital technology. We are promoting human capital management with “People First” at the core, but I also believe visualizing this is necessary. Technical and construction capabilities are highly regarded, but by furthering internal environment analysis, aligning the right people to the right positions, connecting and passing on skills between veterans and young staff, and establishing systems and evaluation methods that promote diverse working styles, employee engagement can be further enhanced.

In the insurance sales field, I have always valued the idea that “quality and quantity are two sides of the same coin”—there’s no growth without quality. Quality means not only knowledge and skills, but also the ability to respond to people, and going forward, even as we utilize generative AI, it still means “each employee is thinking every day.” DX in the construction industry is progressing rapidly, enhancing safety and productivity. It is a great opportunity to discover new ways of working, including communication between the field and headquarters.

Looking ahead to our 100th anniversary in 2044, I am reflecting on our commitment to contributing to the creation of a prosperous society.



**Tatsuya Kaneko** Director

Regarding the Board of Directors, I evaluate that, as in the past, careful explanations by the responsible department—including pre-meetings—management of meetings that make it easy to speak, and sincere responses to questions and opinions are being carried out appropriately.

What I personally try to do is not to delve into the details of individual business decisions, but rather to look back at these matters and offer opinions from the perspective of management strategy or as management issues.

Also, since Outside Directors have limited time and information, I sometimes make requests to ensure productive discussion and deliberation under these circumstances.

KRAFTIA celebrated its 80th anniversary last year, and is now entering a truly epoch-making period as it moves toward its 100th anniversary.

The new Mid-term Management Plan has been formulated, and as current business performance is strong and the outlook for business development is positive, it is a very well-developed plan.

Not only should I ensure oversight as an Outside Director, but I also want to fully support the management team in taking appropriate risks.

I have previously mentioned two points that I particularly care about regarding the Mid-term Management Plan.

One is that, given the rapid changes in global politics, economics, and technology, short-term changes will frequently occur, so even once a plan is decided, it will be necessary to review it as needed. I myself will keep my antenna up for information from an outside perspective and make comments that can lead to new insights for the management team.

The other is managing needs and resources. Whether the company achieves remarkable growth with limited resources, or the balance is lost and profitability falls—possibly resulting in resource cuts—I believe this management is crucial.

Finally, I look forward to even further growth under our new company name, KRAFTIA.

4. Governance

(4) Message from Outside Directors



**Yumiko Doira** Director

I was appointed as an Outside Director in June 2025. As a leading company in Kyushu, I feel that the expectations placed on the KRAFTIA Group from shareholders and various other stakeholders are substantial. While keeping a stakeholder perspective in mind, I will continue to leverage my experience as a certified public accountant involved with various companies to contribute to the growth and enhancement of corporate value for the KRAFTIA Group.

At the Board of Directors, each director actively speaks up drawing on their respective experiences, and free and lively discussions are held. Although my understanding of the KRAFTIA Group is still deepening since my recent appointment, I feel that, through detailed briefings held beforehand by responsible persons, I am able to attend Board meetings with a full understanding of the proposals being discussed. Additionally, I believe that various efforts are being made to enhance the effectiveness of the Board of Directors, such as on-site inspections and opinion exchanges with internal directors.

With robust construction demand, the KRAFTIA Group's performance is strong. However, to ensure sustainable growth toward 100th anniversary and thereafter, I believe that all 11 initiatives and 5 investment strategies set forth in the new Mid-term Management Plan, which is based on our corporate philosophy and long-term vision, are equally important. Among them, human capital management, such as securing and developing talent, is recognized as an essential issue that cannot be overlooked in implementing other measures and strategies. I hope that the company will become a place where employees can work more safely, securely, and with greater job satisfaction.



**Hidetoshi Soeda** Director serving as Audit and Supervisory Committee Member

Under the new company name "KRAFTIA Co., Ltd." and in "New Mid-term Management Plan 2029," the expansion of business domains for sustainable growth both in Japan and overseas, and action on the environment and energy sectors are clearly stated, and I see this as a turning point for corporate growth. On this growth path, as an Audit and Supervisory Committee Member, I pay particular attention to revenue and control risks related to overseas sales activities.

In projects mainly in Southeast Asia, in addition to differences in legal systems and business practices, external factors such as exchange rates and political situations are intricately intertwined, resulting in constant uncertainty in profitability and the risk of deficits. I believe that how effectively local contract management, cost management, and governance systems are reinforced will determine the success of international expansion.

Furthermore, as a foundation that supports business growth, the importance of human capital management is increasing even more. In particular, the succession of technical expertise, digital transformation, and the development and securing of human resources are pressing issues. In the "New Mid-term Management Plan 2029," initiatives that integrate human resource strategy and management strategy are clearly outlined, and I will work hard to achieve them.

As an Audit and Supervisory Committee Member, I will continue dialogue aimed at sustainable corporate value enhancement by verifying the effectiveness of internal controls and the appropriateness of management decisions, including human and overseas risks.



**Takuji Kato** Director serving as Audit and Supervisory Committee Member

The company has formulated a long-term vision toward its 100th anniversary in 2044, clearly stating noble areas of contribution: (1) Solve social problems, (2) Realize a carbon-free society, and (3) Maintain and develop regional public infrastructure.

The key phrase "To Create Smiles for the Future" also exemplifies the DNA of the Company that we want to pass on to future generations. The DNA that the Company has preserved: ["Connecting people to people, people to towns, people to the environment, people to the earth" with smiles]. With an understanding of the

Company's DNA, I will continue to offer opinions and suggestions from a business management perspective of different industries, albeit in a small way, to help the Board of Directors fulfill its functions.

By the way, in recent years, as the Company has made rapid progress, a major management decision was made to change the company name from "Kyudenko" to "KRAFTIA" together with the formulation of the Mid-term Management Plan. I have heard that the Company name change was initiated from the top, but the name "KRAFTIA" was chosen from a bottom-up approach. I can feel the Company's unique [identity], [creativity], [dynamism], and [future orientation] that come from the management philosophy of "valuing the hearts of employees."

What is awaited now is the [rallying] of all ONE KRAFTIA Group employees. [Rallying] means "to resolutely begin taking on challenges." I understand it as "deciding with resolve and taking action." I also often use the phrase [Unity of Knowing and Doing] in my company's greetings. It expresses the belief that "knowledge alone is useless unless accompanied by action." With the [ability to take action] of everyone in the KRAFTIA Group toward [Make Next], I expect you will achieve "solving social problems," "contributing to the environment," and "enriching public infrastructure and stock." From Kyushu, I hope you will continue to advance transformation through evolving technology and yourselves, and keep creating new value. I have high expectations and sincerely support you.



**Ryoko Torii** Director serving as Audit and Supervisory Committee Member

A year has passed since my appointment, and I feel that the Company's Board of Directors conducts very lively discussions and maintains a high level of effectiveness. One reason for this is the provision of ample opportunities for prior explanation. As a result, not only are discussion points clarified and deepened in Board meetings, but those in management execution are also able to thoroughly examine matters from various perspectives in advance.

What I place particular emphasis on is the perspective of "respect for human rights." In particular, "consideration for minorities" is, I believe, an important element for the Company's sustainable growth.

In addition to preventing harassment and discrimination, it is essential to provide a workplace environment where all employees can continue to work with peace of mind, regardless of gender, disability status, or nationality, and regardless of family or other background. Consideration is also necessary for minorities within the Company by position or status, such as non-regular employees, secondees, and employees engaged in overseas operations.

I believe that ensuring a system and environment that allows us to listen to small voices, free from organizational logic, by promoting use of internal reporting systems, is the basis of compliance. Furthermore, through fair transactions, I am convinced that proper consideration for business partners, their employees, and local residents, and growing together as important partners, will lead to the creation of a prosperous society, which in turn benefits the Company.

The promotion of DE&I has been newly incorporated into our new Mid-term Management Plan. This term, which takes the initials of "Diversity", "Equity", and "Inclusion", refers to the aim of becoming a company where diverse people can thrive together in an environment where fairness and equity are ensured. This is one of our important management strategies to promote the Company's sustainable growth and innovation. Rather than letting it end as a mere slogan, I hope that the awareness of DE&I will permeate throughout the company and that a corporate culture that respects human rights will be further fostered.

4. Governance

(5) Management Team of KRAFTIA

Director



**Ichiro Fujii**

Director and Chairman

June 2018 Director and Managing Executive Officer, KYUSHU ELECTRIC POWER CO., INC.  
 June 2020 Representative Director and Executive Vice President, KYUSHU ELECTRIC POWER CO., INC. (retired in June 2023)  
 June 2023 Joined the Company, Director and Chairman (to the present)



**Kazuyuki Ishibashi**

Executive Officer  
 Representative President

April 1982 Joined the Company  
 April 2015 Director and Managing Executive Officer  
 April 2017 Director and Senior Managing Executive Officer  
 June 2020 Director and Vice President Executive Officer  
 June 2022 Representative Director  
 Vice President Executive Officer  
 June 2023 Executive Officer Representative President (to the present)



**Tatsuya Kaneko**

Director (part-time)

June 2005 Managing Officer, TOYOTA MOTOR CORPORATION (retired in June 2011)  
 June 2011 Director and Senior Managing Executive Officer, DAIHATSU MOTOR CO., LTD.  
 June 2013 Vice President and Director, DAIHATSU MOTOR CO., LTD. (retired in June 2015)  
 June 2015 Representative Director and President, TOYOTA MOTOR KYUSHU, INC.  
 June 2018 Representative Director and Chairman, TOYOTA MOTOR KYUSHU, INC. (retired in June 2021)  
 June 2022 Director, the Company (to the present)



**Yumiko Doira**

Director (part-time)

October 2003 Joined Deloitte Touche Tohmatsu LLC  
 August 2007 Registered as a Certified Public Accountant  
 October 2019 Joined Chou Accounting Office  
 May 2020 Established Yumiko Doira Certified Public Accountant Office  
 June 2025 Director, the Company (to the present)



**Masaaki Jono**

Representative Director  
 Vice President Executive Officer  
 Responsible for overall operations

April 1973 Joined the Company  
 June 2015 Director and Managing Executive Officer  
 April 2017 Director and Senior Managing Executive Officer  
 June 2020 Director and Vice President Executive Officer  
 June 2022 Representative Director and Vice President Executive Officer (to the present)



**Keizo Fukui**

Director  
 Senior Managing Executive Officer  
 Responsible for business administration (legal, compliance, and internal control) and finance

July 2006 General Manager, e-Business Sales Dept., MIZUHO CORPORATE BANK, LTD. (currently MIZUHO BANK, LTD.)  
 May 2009 Joined the Company, General Manager, Sales Dept., Tokyo Head Office  
 June 2019 Director and Managing Executive Officer  
 June 2023 Director and Senior Managing Executive Officer (to the present)



**Shinji Kato**

Director  
 Audit and Supervisory Committee Member

April 1982 Joined the Company  
 April 2012 General Manager, Corporate Planning Div.  
 April 2017 President of KRAFTIA Academy, Human Resources and Labor Affairs Div.  
 June 2019 Audit & Supervisory Board Member  
 June 2022 Director, Audit and Supervisory Committee Member (to the present)



**Hidetoshi Soeda**

Director  
 Audit and Supervisory Committee Member (part-time)

March 2015 Director and Managing Executive Officer, General Manager of Sales & Marketing Div., Head of Tokyo Branch Office, SEIKO ELECTRIC CO., LTD.  
 March 2018 President and Representative Director, General Manager of Sales & Marketing Div., SEIKO ELECTRIC CO., LTD.  
 March 2019 President and Representative Director, SEIKO ELECTRIC CO., LTD. (to the present)  
 June 2021 Audit & Supervisory Board Member, the Company  
 June 2022 Director, Audit and Supervisory Committee Member, the Company (to the present)



**Tomoyuki Oshima**

Director  
 Senior Managing Executive Officer  
 Representative, Tokyo Head Office and General Manager, Technology Div.

April 1981 Joined the Company  
 April 2015 Executive Officer, General Manager, Saga Branch Office  
 April 2017 Senior Executive Officer, General Manager, Saga Branch Office  
 April 2019 Managing Executive Officer, President, Tokyo Branch Office, Tokyo Head Office  
 June 2020 Managing Executive Officer, General Manager, Sales Div., Tokyo Head Office  
 June 2023 Director and Senior Managing Executive Officer, Representative, Tokyo Head Office and General Manager, Technology Div. (to the present)



**Hiroko Shibasaki**

Director (part-time)

April 2012 Executive Officer and General Manager of Fukuoka Chuo Branch, TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.  
 April 2015 Managing Executive Officer, TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.  
 April 2018 Advisor, TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD. (retired in March 2019)  
 June 2019 Outside Director, Audit and Supervisory Committee Member, MAZDA MOTOR CORPORATION (to the present)  
 June 2021 Director, the Company (to the present)



**Takuji Kato**

Director  
 Audit and Supervisory Committee Member (part-time)

April 2018 Executive Officer, Deputy Head of Energy Sales and Marketing Div., SAIBU GAS CO., LTD.  
 April 2020 Associate Senior Executive Officer, Senior General Manager of Energy Sales and Planning Dept., SAIBU GAS CO., LTD.  
 April 2021 Associate Senior Executive Officer, SAIBU GAS HOLDINGS CO., LTD.  
 June 2021 Director and Associate Senior Executive Officer, SAIBU GAS HOLDINGS CO., LTD.  
 April 2024 Representative Director and President, Executive Officer Representative President, SAIBU GAS HOLDINGS CO., LTD.  
 June 2024 Director, Audit and Supervisory Committee Member, the Company (to the present)



**Ryoko Torii**

Director  
 Audit and Supervisory Committee Member (part-time)

October 2001 Registered with the Osaka Bar Association as an attorney  
 Joined Himawari Law Office  
 November 2004 Switched registration to Fukuoka Bar Association  
 Joined Oumi Law Office  
 June 2024 Director, Audit and Supervisory Committee Member, the Company (to the present)

4. Governance

(5) Management Team of KRAFTIA

Executive Officers (excluding those serving concurrently as Directors)



**Yasuhiro Yamamoto**

Senior Managing Executive Officer  
General Manager, Sales Div.



**Kazuhiro Suyama**

Senior Managing Executive Officer  
General Manager, Technology Div. Responsible for procurement



**Takashi Ishimatsu**

Executive Officer  
General Manager, Tokyo Branch Office, Tokyo Head Office



**Kazuhiro Mimura**

Executive Officer  
General Manager, Sales Div., Tokyo Head Office



**Katsuhisa Kinoshita**

Senior Managing Executive Officer  
General Manager, Green Innovation Business Div.



**Ryoji Manabe**

Managing Executive Officer  
General Manager, Fukuoka Branch Office



**Dai Kinoshita**

Executive Officer  
Deputy General Manager, Sales Div.



**Masahiro Satake**

Executive Officer  
Deputy General Manager, Technology Div.



**Tomoyuki Soeda**

Senior Executive Officer  
Responsible for corporate strategic planning



**Eiji Funatsu**

Senior Executive Officer  
Responsible for DX promotion



**Kazuhiro Nishioka**

Executive Officer  
General Manager, International Business Department, Technology Div.



**Hiroshi Fujieda**

Executive Officer  
General Manager, Group Business Div.



**Hitoshi Yasukawa**

Senior Executive Officer  
Responsible for human resources and labor affairs, and general affairs



**Akira Shirouzu**

Senior Executive Officer  
General Manager, Finance Div.



**Tomoaki Yanagi**

Executive Officer  
General Manager, Kitakyushu Branch Office



**Yuji Kawabe**

Executive Officer  
General Manager, Kumamoto Branch Office



**Shinji Mitsuyama**

Senior Executive Officer  
Deputy General Manager, Sales Div.



**Masahiro Tomoike**

Senior Executive Officer  
General Manager, Nagasaki Branch Office



**Makoto Utsunomiya**

Executive Officer  
General Manager, Electric Technology Department



**Koichi Murota**

Senior Executive Officer  
General Manager, Electric Power Div. Responsible for safety



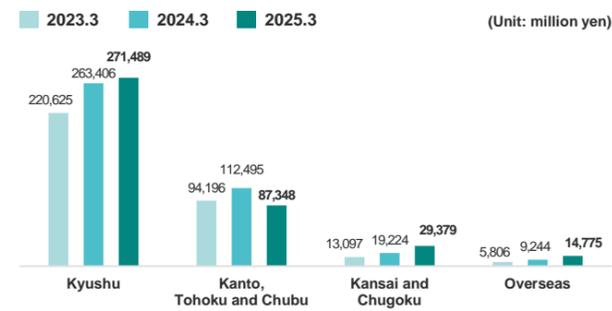
**Yujiro Kishida**

Executive Officer  
Deputy General Manager, Green Innovation Business Div.

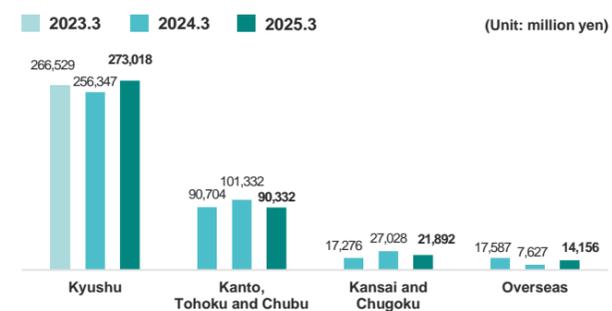
# 1. Financial and Non-financial Highlights

## Financial Information

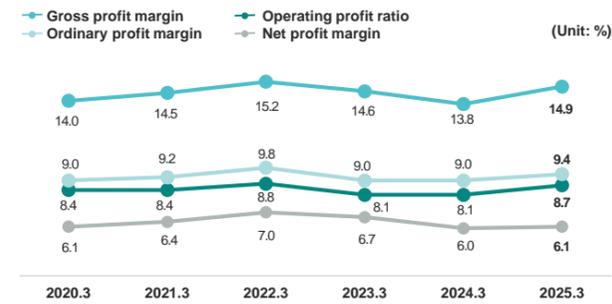
[Facility Work Business] Sales by Region (Consolidated, excluding power distribution line work)



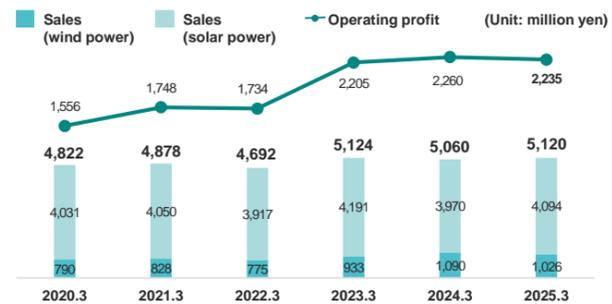
[Facility Work Business] Orders by Region (Consolidated, excluding power distribution line work)



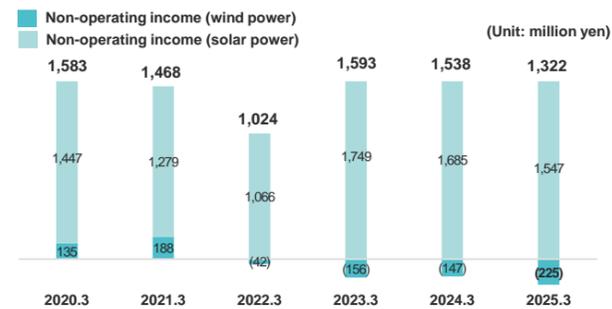
Transition of profit ratio (consolidated)



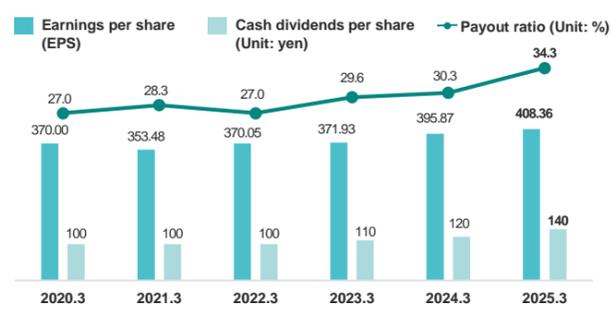
Status of power generation business (consolidated, operated by the Group)



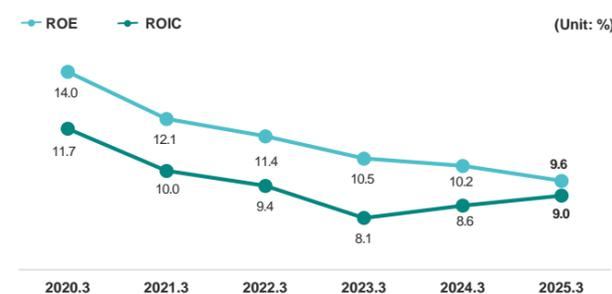
Status of power generation business (consolidated, equity investment)



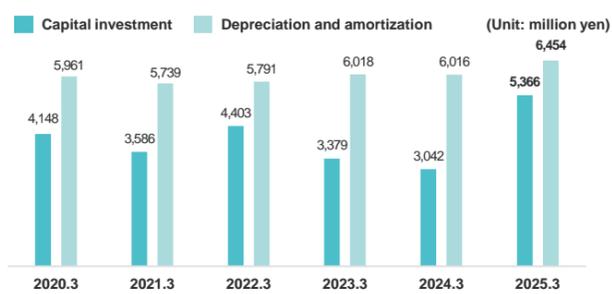
EPS, cash dividend (consolidated)



ROE, ROIC

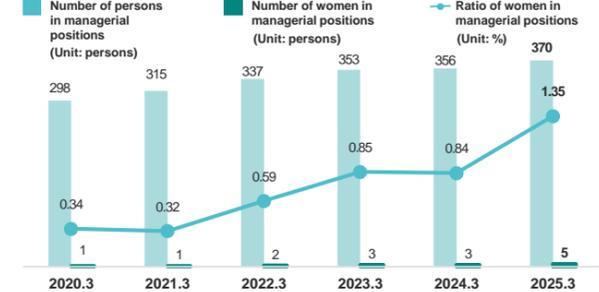


Capital investment, Depreciation and amortization

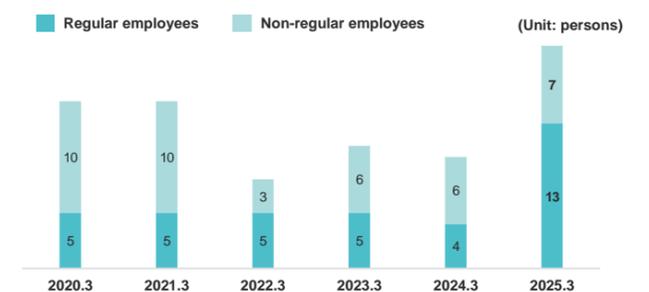


## Non-financial Information

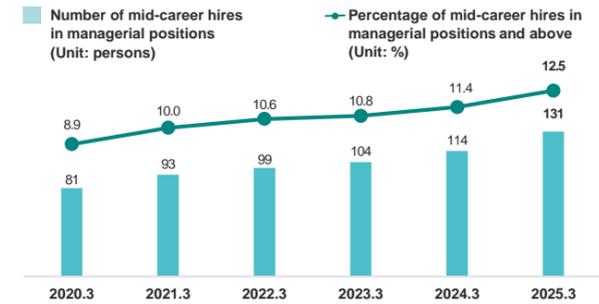
Ratio of women in managerial positions (non-consolidated)



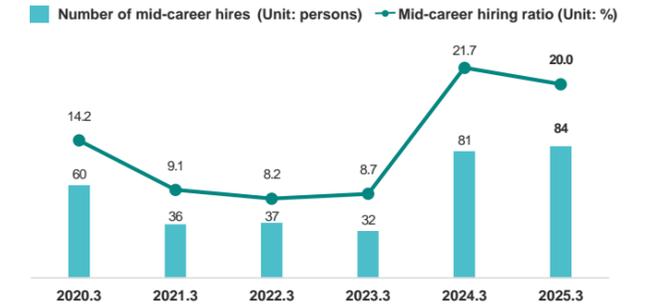
Current number of non-Japanese employees (non-consolidated)



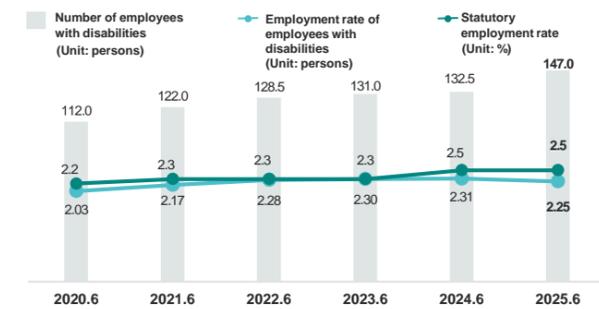
Promotion of mid-career hires to managerial positions (non-consolidated)



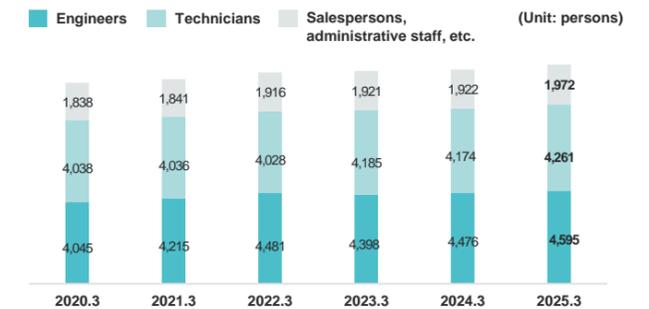
Results of mid-career recruitment (non-consolidated)



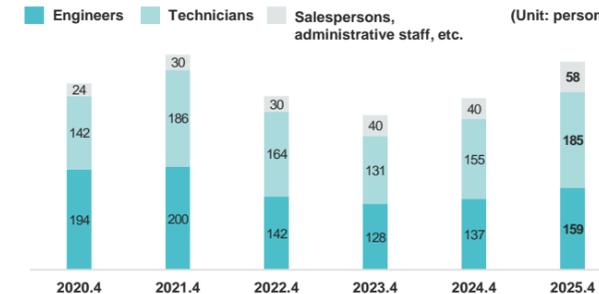
Employment rate of employees with disabilities (non-consolidated)



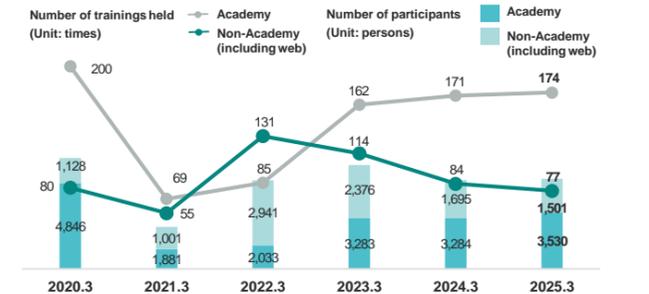
Number of employees (consolidated, employed)



Results of periodic recruitment (non-consolidated)



Number of trainings held and number of participants



## 2. 10-year Financial and Non-financial Summary

(Unit: million yen)

Financial Items	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
Sales	311,346	341,771	360,872	408,143	428,939	391,901	376,563	395,783	469,057	<b>473,954</b>
Operating profit	25,197	30,732	34,726	36,747	36,022	32,998	33,137	32,083	38,016	<b>41,388</b>
Ordinary profit	27,551	32,187	37,342	39,924	38,643	35,906	36,828	35,462	42,362	<b>44,434</b>
Profit attributable to owners of parent	17,901	22,297	25,296	26,691	26,245	25,042	26,216	26,349	28,017	<b>28,883</b>
Capital investment	6,127	7,469	4,245	4,353	4,148	3,586	4,403	3,379	3,042	<b>5,366</b>
Depreciation and amortization	5,475	5,449	5,512	6,074	5,961	5,739	5,791	6,018	6,016	<b>6,454</b>
Research and development costs	255	235	286	326	290	254	267	290	344	<b>346</b>
Cash flows from operating activities	10,776	14,187	29,903	26,054	38,222	9,184	5,252	17,386	43,969	<b>8,656</b>
Cash flows from investing activities	(13,597)	(17,951)	(3,717)	(11,298)	(12,136)	(4,232)	(7,536)	(3,113)	(2,314)	<b>(8,910)</b>
Free cash flow	(2,820)	(3,763)	26,185	14,755	26,086	4,951	(2,284)	14,273	41,654	<b>(254)</b>
Cash dividends paid	2,295	3,732	5,635	7,108	7,099	7,084	7,086	7,087	8,148	<b>9,204</b>
Net assets	113,199	141,503	164,139	182,176	197,442	221,741	241,194	263,017	291,125	<b>312,152</b>
Total assets	262,040	300,478	324,919	357,271	368,482	366,532	378,396	446,410	503,284	<b>488,472</b>
Interest-bearing debt	31,986	36,128	20,078	19,189	17,854	15,772	14,259	37,560	36,551	<b>23,724</b>

(Unit: yen)

Net profit per share	272.45	327.22	356.89	375.17	370.00	353.48	370.05	371.93	395.87	<b>408.36</b>
Net assets per share	1693.45	1,995.00	2,269.48	2,534.46	2,761.07	3,102.61	3,375.43	3,681.85	4,082.95	<b>4,384.30</b>
Cash dividends per share	45	70	90	100.00	100.00	100.00	100.00	110.00	120.00	<b>140.00</b>
Operating profit ratio (%)	8.1	9.0	9.6	9.0	8.4	8.4	8.8	8.1	8.1	<b>8.7</b>
Net profit margin (%)	5.7	6.5	7.0	6.5	6.1	6.4	7.0	6.7	6.0	<b>6.1</b>
Gross profit margin (%)	14.5	15.2	15.7	14.8	14.0	14.5	15.2	14.6	13.8	<b>14.9</b>
Return on equity (ROE) (%)	16.7	17.8	16.8	15.6	14.0	12.1	11.4	10.5	10.2	<b>9.6</b>
Return on asset (ROA) (%)	6.9	7.9	8.1	7.8	7.2	6.8	7.0	6.4	5.9	<b>5.8</b>
Return on invested capital (ROIC) (%)	11.9	13.0	13.2	13.1	11.7	10.0	9.4	8.1	8.6	<b>9.0</b>
Equity ratio (%)	42.4	46.6	49.7	50.5	53.1	60.0	63.2	58.4	57.4	<b>63.5</b>
Total asset turn over (times)	1.2	1.2	1.1	1.1	1.2	1.1	1.0	1.0	1.0	<b>1.0</b>
Payout ratio (%)	16.5	21.4	25.2	26.7	27.0	28.3	27.0	29.6	30.3	<b>34.3</b>

## Non-financial Items

	FY2022	FY2023	FY2024
Number of employees (consolidated) (person)	10,504	10,572	<b>10,828</b>
Number of employees (non-consolidated) (person)	6,472	6,487	<b>6,620</b>
Average age (years)	38.7	39.0	<b>39.0</b>
Years of service (years)	16.5	16.7	<b>15.8</b>
Number of periodic recruitment (person)	299	332	<b>402</b>
Number of career hires (person)	32	81	<b>84</b>
Number of foreign employees (person)	11	10	<b>18</b>
Turnover rate (turnover rate of regular hires in their third year) (%)	27.2	29.3	<b>24.1</b>
Ratio of women in managerial positions (%)	0.59	0.85	<b>0.84</b>
Male employee parental leave acquisition rate (%)	55.6	106.3	<b>92.7</b>
Employment rate of employees with disabilities (%)	2.3	2.3	<b>2.3</b>
Number of paid leave days taken (days)	12.5	12.4	<b>11.9</b>
Engagement score (average)	68.2	68.0	<b>69.5</b>
Training expenses per employee (ten thousand yen)	4.9	4.1	<b>5.1</b>
Training hours per employee (hours)	3.1	3.1	<b>3.3</b>
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )			
Scope 1	7,454	8,068	<b>7,732</b>
Scope 2 (location standards)	6,080	5,815	<b>5,797</b>
Scope 2 (market standards)	5,437	6,458	<b>5,412</b>
CO <sub>2</sub> emissions intensity (location standards) (t-CO <sub>2</sub> / 100 million yen)	4.06	3.42	<b>3.39</b>
CO <sub>2</sub> emissions intensity (market standards) (t-CO <sub>2</sub> / 100 million yen)	3.87	3.58	<b>3.30</b>
Electricity consumption (thousand kWh)	13,786	13,555	<b>13,737</b>
Vehicle fuel consumption (kℓ)	1,165	1,363	<b>1,275</b>
Total energy consumption (MWh)	44,564	32,649	<b>31,167</b>
Waste emissions (t)	13,810	15,132	<b>57,067</b>
Amount of fines due to environmental law violations (yen)	0	0	<b>0</b>
Number of locations in water-stressed areas (locations)	-	1	<b>1</b>
Water usage (1,000 m <sup>3</sup> )	95	100	<b>113</b>
ISO14001 certification rate (consolidated) (%)	-	-	<b>3.8</b>
Japan (locations)	-	-	<b>1</b>
Overseas (Singapore) (locations)	-	-	<b>1</b>
ISO45001 [International Standard for Occupational Safety Management Systems] certification rate (consolidated) (%)	-	-	<b>1.9</b>
Japan (locations)	-	-	<b>0</b>
Overseas (Singapore) (locations)	-	-	<b>1</b>
CDP	-	C	<b>B-</b>

### 3. Report on Financial Results and Financial Analysis

#### (1) Overview of Financial Results for the Year Ended March 31, 2025

In the consolidated fiscal year under review, while solid demand continued in the construction industry driven by urban redevelopment and corporate capital investment, concerns persisted over construction workforce shortages due to compliance with overtime work regulations and rising prices, especially soaring personnel costs.

Within our Group, as we have the largest volume of work-in-progress projects in our history, it has been important to secure construction personnel and establish an optimal workforce system that does not result in long working hours, and we have recognized these as our biggest challenges to face.

Based on this environmental recognition, our Group has set the basic management policy theme for fiscal 2024, the final year of the Mid-term Management Plan, as a continuation of 2023's theme of "Increase productivity for a new era," but renamed the most important initiative from "accelerating work style reforms" to "work style reforms focusing on job satisfaction." Accordingly, we have steadily promoted efforts to address the key issues set forth in the Mid-term Management Plan.

##### Facility work business

Order receipts for construction increased by 11,248 million yen (up 2.6%) from the previous consolidated fiscal year to 452,113 million yen, as we responded to strong demand backed by robust capital investment in urban redevelopment, semiconductor factories, and logistics facilities by thoroughly coordinating personnel between sales and technology, and advancing planned order activities based on optimal personnel placement.

Sales increased by 1,750 million yen (up 0.4%) year-on-year to 454,373 million yen, reflecting progress in large-scale projects ordered in the previous and earlier fiscal years.

Segment profit (operating profit) increased by 3,285 million yen (up 9.5%) from the previous consolidated fiscal year to

37,993 million yen, due to increased sales from progress in large-scale projects and improved construction profit margins.

##### Other businesses

Sales increased by 3,147 million yen (up 19.1%) from the previous consolidated fiscal year to 19,580 million yen, due in part to growth in the sales business of materials and devices as well as the environment analysis and measurement business.

Segment profit (operating profit) decreased by 199 million yen (down 6.2%) from the previous consolidated fiscal year to 3,040 million yen, mainly due to an increase in selling, general and administrative expenses associated with improvements in working conditions.

#### (2) Overview of Financial Position for the Year Ended March 31, 2025

##### Assets

Current assets decreased by 25,149 million yen from the end of the previous consolidated fiscal year to 299,268 million yen, mainly due to decreases in cash and deposits resulting from repayment of syndicated loans and settlement of accounts payable.

Non-current assets increased by 10,337 million yen from the end of the previous consolidated fiscal year to 189,203 million yen, mainly due to the increase in acquisition of investment securities.

As a result, total assets decreased by 14,812 million yen from the end of the previous consolidated fiscal year to 488,472 million yen.

##### Liabilities

Current liabilities decreased by 47,997 million yen from the end of the previous consolidated fiscal year to 147,529 million yen, mainly due to a decrease in short-term borrowings resulting from repayment of syndicated loans and a decrease in electronically recorded obligations resulting from settlement of accounts payable.

(unit: million yen, lower row indicates the ratio to sales)

	FY2023	FY2024			
		Results	Year-on-year comparison	Plan	Progress
Sales	469,057 (100.0%)	473,954 (100.0%)	101.0%	470,000 (100.0%)	100.8%
Gross profit	64,632 (13.8%)	70,701 (14.9%)	109.4%	73,400 (15.6%)	96.3%
Operating profit	38,016 (8.1%)	41,388 (8.7%)	108.9%	44,000 (9.4%)	94.1%
Ordinary profit	42,362 (9.0%)	44,434 (9.4%)	104.9%	47,000 (10.0%)	94.5%
Profit attributable to owners of parent	28,017 (6.0%)	28,883 (6.1%)	103.1%	31,000 (6.6%)	93.2%
Net profit per share	395.87 yen	408.36 yen	—	438.28 yen	—

Non-current liabilities increased by 12,158 million yen from the end of the previous consolidated fiscal year to 28,789 million yen, mainly due to an increase in long-term borrowings.

As a result, total liabilities decreased by 35,839 million yen from the end of the previous consolidated fiscal year to 176,319 million yen.

##### Net assets

Total Net assets increased by 21,027 million yen from the end of the previous consolidated fiscal year to 312,152 million yen, despite dividend payments, mainly due to an increase in retained earnings from the recording of profit attributable to owners of parent.

#### (3) Overview of Cash Flows for the Year Ended March 31, 2025

Cash and cash equivalents ("funds" hereinafter) in the consolidated fiscal year under review decreased by 24,151 million yen compared to the end of the previous consolidated fiscal year, to 70,437 million yen.

##### Cash flows from operating activities

Funds increased as a result of operating activities by 8,656 million yen (down 35,313 million yen in income compared to the previous consolidated fiscal year).

This was mainly due to the fact that the decreases in accounts payable and payment of corporate taxes, etc., were outweighed by the recording of profit before income taxes, decreases in trade receivables, and increases in advances received for uncompleted construction contracts.

##### Cash flows from investing activities

Funds used as a result of investing activities amounted to 8,910 million yen (an increase in expenditures of 6,595 million yen compared to the previous consolidated fiscal year).

This is mainly due to the acquisition of investments in securities.

##### Cash flows from financing activities

Funds used as a result of financing activities amounted to 24,552 million yen (an increase in expenditures of 13,519 million yen compared to the previous consolidated fiscal year).

This was mainly because expenditures resulting from dividend payments and repayment of long-term borrowings exceeded income from procurement of long-term borrowings.

#### (4) Future Outlook

In the future, for the construction industry, while construction investment is expected to remain steady in areas such as private-sector urban redevelopment, semiconductor-related facilities, and logistics facilities, uncertainty is increasing, for example, due to mutual tariff policies in the United States amid unstable international conditions. In addition, domestically, fluctuations in foreign exchange rates, rising prices, and tightening labor market conditions, as well as U.S. tariff policies, may have a significant impact on capital investment plans of domestic companies, so close attention is required.

Within our Group, the Mid-term Management Plan starting under such conditions will further deepen our efforts to strengthen technological capabilities, and will also reinforce human capital management to support sustainable growth and strengthen investment strategies to secure stable future earnings.

For the basic management policy theme of FY2025, which is the first year of the Mid-term Management Plan, we have set "Challenge2025—Deepening Technology and Investing for Growth" and will connect the Group's growth by implementing the 11 initiatives and 5 investment strategies, which are listed as key focus measures to achieve both "financial targets" and "non-financial targets" in the Mid-term Management Plan.

		March 31, 2024	March 31, 2025	Increase/decrease	Main factors behind increase/decrease	(unit: million yen, lower row indicates composition ratio)
Assets	Current assets	324,418 (64.5%)	299,268 (61.3%)	(25,149)	Cash on hand and in banks (26,854) Notes receivable, accounts receivable and other (10,022) Loan repayment/refinancing (13,000)	
	Fixed assets	178,865 (35.5%)	189,203 (38.7%)	10,337	Investments in securities +6,507 Asset for retirement benefits +3,853	
	Total assets	503,284 (100.0%)	488,472 (100.0%)	(14,812)		
Liabilities	Current liabilities	195,527 (38.9%)	147,529 (30.2%)	(47,997)	Notes payable, accounts payable on construction contracts and other accounts payable (3,451) Electronically recorded obligations (25,462) Short-term borrowings (27,009) Provision for loss on construction contracts +2,493	
	Long-term liabilities	16,630 (3.3%)	28,789 (5.9%)	12,158	Long-term debt +13,754 Provision for loss on business of subsidiaries and associates (2,095)	
	Total liabilities	212,158 (42.2%)	176,319 (36.1%)	(35,839)		
Total net assets		291,125 (57.8%)	312,152 (63.9%)	21,027	Shareholders' equity +19,993 Unrealized holding gain on securities (270)	
Total liabilities and net assets		503,284 (100.0%)	488,472 (100.0%)	(14,812)		

## 4. Consolidated Balance Sheet

	(Unit: million yen)	
	FY2023	FY2024
<b>Assets</b>		
<b>Current assets</b>		
Cash on hand and in banks	98,548	71,693
Notes receivable, accounts receivable on completed construction contracts and other accounts receivable	164,887	163,446
Securities	—	4
Costs of uncompleted construction	9,949	8,988
Merchandise	614	1,020
Raw materials and supplies	33,359	36,681
Others	17,059	17,675
Allowance for doubtful accounts	(0)	(240)
<b>Total current assets</b>	<b>324,418</b>	<b>299,268</b>
<b>Fixed assets</b>		
<b>Property and equipment</b>		
Buildings and structures	75,777	76,153
Machinery, vehicles, tools, furniture and fixtures	45,308	46,319
Land	30,207	30,445
Leased assets	8,084	8,462
Construction in progress	864	1,106
Accumulated depreciation	(81,574)	(83,912)
<b>Total property and equipment</b>	<b>78,667</b>	<b>78,575</b>
<b>Intangible assets</b>		
Goodwill	507	522
Customer related assets	1,298	1,022
Others	2,584	2,911
<b>Total intangible assets</b>	<b>4,390</b>	<b>4,455</b>
<b>Investments and other assets</b>		
Investments in securities	73,645	80,153
Long-term loans receivable	14	5
Asset for retirement benefits	14,829	18,682
Deferred tax assets	2,129	1,441
Others	6,193	7,016
Allowance for doubtful accounts	(1,004)	(1,125)
<b>Total investments and other assets</b>	<b>95,808</b>	<b>106,172</b>
<b>Total fixed assets</b>	<b>178,865</b>	<b>189,203</b>
<b>Total assets</b>	<b>503,284</b>	<b>488,472</b>

	(Unit: million yen)	
	FY2023	FY2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable, accounts payable on construction contracts and other accounts payable	71,617	68,166
Electronically recorded obligations	47,881	22,418
Short-term borrowings	28,930	1,920
Income taxes payable	10,712	8,139
Advances received on uncompleted construction contracts	21,553	28,947
Provision for loss on construction contracts	262	2,756
Others	14,569	15,180
<b>Total current liabilities</b>	<b>195,527</b>	<b>147,529</b>
<b>Long-term liabilities</b>		
Long-term debt	3,025	16,779
Lease obligations	3,380	3,775
Provision for retirement benefits for directors (and other officers)	309	278
Liability for retirement benefits	3,774	3,771
Provision for share-based payments	87	165
Provision for loss on business of subsidiaries and associates	2,260	165
Others	3,792	3,853
<b>Total long-term liabilities</b>	<b>16,630</b>	<b>28,789</b>
<b>Total liabilities</b>	<b>212,158</b>	<b>176,319</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital	12,561	12,561
Capital surplus	13,069	13,220
Retained earnings	253,824	273,660
Treasury stock	(493)	(486)
<b>Total shareholders' equity</b>	<b>278,962</b>	<b>298,955</b>
<b>Accumulated other comprehensive income</b>		
Unrealized holding gain on securities	7,810	7,539
Unrealized loss on hedging instruments	61	245
Translation adjustments	890	1,091
Retirement benefit liability adjustments	1,056	2,272
<b>Total accumulated other comprehensive income (loss)</b>	<b>9,818</b>	<b>11,148</b>
<b>Non-controlling interests</b>	<b>2,344</b>	<b>2,048</b>
<b>Total net assets</b>	<b>291,125</b>	<b>312,152</b>
<b>Total liabilities and net assets</b>	<b>503,284</b>	<b>488,472</b>

## 5. Consolidated Statement of Income

	(Unit: million yen)	
	FY2023	FY2024
<b>Sales</b>		
Construction contracts	452,623	454,373
Others	16,433	19,580
<b>Total net sales</b>	<b>469,057</b>	<b>473,954</b>
<b>Cost of sales</b>		
Construction contracts	392,462	388,635
Others	11,961	14,617
<b>Total cost of sales</b>	<b>404,424</b>	<b>403,253</b>
<b>Gross profit</b>		
Construction contracts	60,160	65,738
Others	4,472	4,963
<b>Total gross profit</b>	<b>64,632</b>	<b>70,701</b>
<b>Selling, general and administrative expenses</b>	<b>26,615</b>	<b>29,313</b>
<b>Operating profit</b>	<b>38,016</b>	<b>41,388</b>
<b>Non-operating income</b>		
Interest income	211	162
Dividend income	1,441	1,239
Equity in earnings of affiliates	970	493
Gain on investments in partnership	1,392	1,463
Rent income	318	335
Others	745	661
<b>Total non-operating income</b>	<b>5,080</b>	<b>4,355</b>
<b>Non-operating expenses</b>		
Interest expenses	466	515
Extra retirement payments	89	119
Provisions of allowance for doubtful accounts subsidiary	14	160
Provisions of allowance for doubtful accounts	103	241
Payment fees	2	171
Others	58	101
<b>Total non-operating expenses</b>	<b>734</b>	<b>1,309</b>
<b>Ordinary profit</b>	<b>42,362</b>	<b>44,434</b>
<b>Extraordinary income</b>		
Gain on sales of property and equipment	39	181
Gain on sales of investments in securities	2,667	464
Reversal of Provision for Business Losses of Affiliates	—	497
<b>Total extraordinary income</b>	<b>2,706</b>	<b>1,142</b>
<b>Extraordinary loss</b>		
Loss on disposal and sales of fixed assets	371	268
Loss on sales of investments in securities	0	527
Impairment loss on investments in securities	422	—
Loss on liquidation of affiliated companies	—	45
Impairment losses	856	277
Provision for loss on business of subsidiaries and associates	2,260	165
<b>Total extraordinary loss</b>	<b>3,910</b>	<b>1,283</b>
<b>Profit before income taxes</b>	<b>41,158</b>	<b>44,293</b>
<b>Income taxes – current</b>	<b>15,713</b>	<b>15,100</b>
<b>Income taxes – deferred</b>	<b>(2,796)</b>	<b>136</b>
<b>Total income taxes</b>	<b>12,917</b>	<b>15,237</b>
<b>Profit</b>	<b>28,240</b>	<b>29,056</b>
<b>Profit attributable to non-controlling interests</b>	<b>223</b>	<b>172</b>
<b>Profit attributable to owners of parent</b>	<b>28,017</b>	<b>28,883</b>

## 6. Consolidated Statement of Cash Flows

	(Unit: million yen)	
	FY2023	FY2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	41,158	44,293
Depreciation and amortization	6,016	6,454
Impairment losses	856	277
Decrease in allowance for doubtful accounts	15	361
Increase in retirement benefit asset	(536)	(3,853)
(Decrease) increase in liability for retirement benefits and provision for retirement benefits for directors (and other officers)	(330)	1,637
Increase (decrease) in provision for loss on construction contracts	240	2,493
Increase (decrease) in provision for loss on business of subsidiaries and associates	2,260	(2,095)
Gain on investments in partnership	(1,392)	(1,463)
Interest and dividend income	(1,653)	(1,401)
Interest expenses	466	515
Foreign exchange gain	(89)	(114)
Equity in earnings of affiliates	(675)	(138)
Gain on sales of property and equipment, net	(39)	(112)
Loss on disposal of fixed assets	365	198
Impairment loss on investments in securities	422	—
Gain on sales of investments in securities	(2,667)	63
Increase in accounts receivable	(15,594)	2,530
Decrease (increase) in costs of uncompleted construction contracts	(2,476)	909
Increase in inventories	(1,403)	(3,711)
Increase in notes and accounts payable on construction contracts	20,767	(29,510)
(Decrease) increase in advances received on uncompleted construction contracts	(5,251)	7,215
(Decrease) increase in long-term accounts payable	(35)	(39)
Decrease in consumption taxes, net	10,223	(1,414)
Others	3,264	3,104
Subtotal	53,913	26,200
Interest and dividend income received	1,626	1,327
Interest expenses paid	(466)	(515)
Income taxes paid	(11,103)	(18,355)
Cash flows from operating activities	43,969	8,656
<b>Cash flows from investing activities</b>		
Payments into time deposits	(7,084)	(2,884)
Proceeds from withdrawal of time deposits	7,038	5,992
Purchase of property and equipment	(1,836)	(3,791)
Proceeds from sales of property and equipment	289	512
Payments of disposal of property, plant and equipment	(182)	(61)
Purchase of investments in securities	(2,105)	(6,164)
Proceeds from sales of investments in securities	3,354	1,533
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(361)	(504)
Collection of long-term loans receivable	35	74
Others	(1,462)	(3,616)
Cash flows from investing activities	(2,314)	(8,910)
<b>Cash flows from financing activities</b>		
Net decrease in short-term borrowings	122	(72)
Proceeds from long-term debt	—	14,000
Repayments of long-term debt	(1,231)	(27,599)
Purchase of treasury stock	(482)	(3)
Income from sale of treasury stock	—	5
Cash dividends paid	(8,148)	(9,204)
Cash dividends paid to non-controlling shareholders	(4)	(4)
Repayments to non-controlling shareholders	(22)	(20)
Payments for acquisition of subsidiary shares without changes to the consolidation scope	—	(309)
Others	(1,265)	(1,344)
Cash flows from financing activities	(11,032)	(24,552)
Effect of exchange rate changes on cash and cash equivalents	113	326
Net increase (decrease) in cash and cash equivalents	30,736	(24,479)
Cash and cash equivalents at the beginning of the year	63,851	94,588
Increase (decrease) in beginning cash and cash equivalents due to change in fiscal year of consolidated subsidiaries	—	328
Cash and cash equivalents at the end of the year	94,588	70,437

## 7. Corporate Profile and Stock Information

### Corporate profile

Corporate name	KRAFTIA Co., Ltd.	<b>Construction Approved by Minister of Land, Infrastructure, Transport and Tourism (Sp. 4) No.1659</b>	<b>Main Offices [Japan]</b>
Established	December 1, 1944		Head Office
Head Office	810 0001 ONE FUKUOKA BLDG. 14th Floor, 1-11-1 Tenjin, Chuo-ku, Fukuoka City, Japan Tel: +81-50-6861-1691 Fax: +81-92-986-9728	Electrical Contracting Work Telecommunications Engineering Firefighting Facilities Work Plumbing Work	Kumamoto Branch Office Nagasaki Branch Office Saga Branch Office Tokyo Branch Office Yokohama Branch Office Kansai Branch Office Okinawa Branch Office Uku Project Development Office
Capital	12,561 million yen	Civil Engineering Business Architectural and Construction Business Paving Work Scaffolding and Excavation Business Steel Structure Work	
Number of Employees	(Consolidated) 10,572 (Non-consolidated) 6,487	Machinery, Equipment, and Facility Work Water Supply Facilities Work Sanitation Facilities Work	
		Interior Finishing Business	

### Stock Information

Fiscal year	Every year from April 1 to March 31 of the following year
Annual general meeting of shareholders	Held every June annually
Record date of dividends payment	Year-end dividend March 31 Interim dividend September 30
Method of public notice	Electronic public notice will be posted on the Company's website (https://www.kraftia.co.jp). However, if an electronic public notice cannot be made due to an accident or other unavoidable reason, it will be posted on the Nihon Keizai Shimbun
Stock Exchange Listing	Prime Market of Tokyo Stock Exchange Fukuoka Stock Exchange
Stock Index	JPX-Nikkei Index 400 (JPX-Nikkei Index 400)
Securities Code	1959
Category of business	Construction
Trading unit of shares	100 shares
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Office of administrator	Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited https://www.smb.jp/personal/procedure/agency/ (Mailing address) 2-8-4 Izumi, Suginami-ku, Tokyo, 168-0063 (Contact number) Phone 0120-782-031 (toll-free in Japan) [Weekdays 9:00—17:00]

### Status of shares

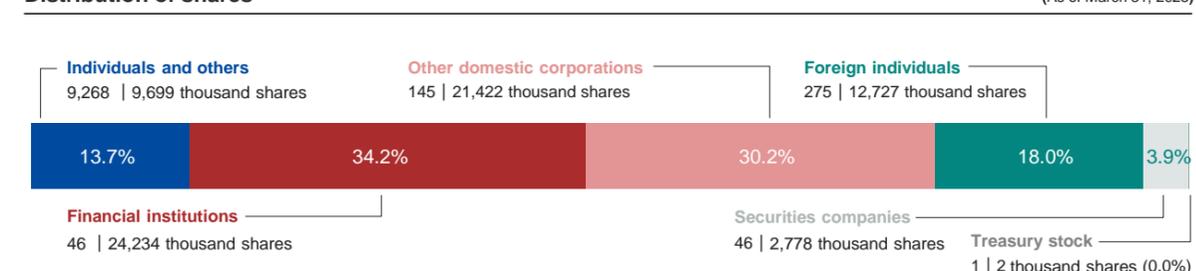
	(As of March 31, 2025)
Total number of authorized	250,000,000 shares
Total outstanding shares	70,864,961 shares
Number of shareholders	9,781

### Major shareholders

(As of March 31, 2025)		
Shareholder name	Number of shares held (thousand shares)	Shareholding ratio (%)
Kyushu Electric Power Company, Incorporated	15,980	22.55
The Master Trust Bank of Japan, Ltd. (trust account)	6,400	9.03
Custody Bank of Japan, Ltd. (trust account)	6,018	8.49
THE NISHI-NIPPON CITY BANK, LTD.	3,249	4.58
The Bank of Fukuoka, Ltd.	3,133	4.42
KRAFTIA (Kyudenko) Employees Shareholding Association	1,783	2.51
JPMorgan Securities Japan Co., Ltd.	1,327	1.87
Kyudenko Labor Union	1,300	1.83
Custody Bank of Japan, Ltd. (trust account 4)	1,243	1.75
Nishi-Nippon Railroad Co., Ltd.	1,142	1.61
<b>Total</b>	<b>41,578</b>	<b>58.67</b>

Note: Shareholding ratio is calculated excluding treasury stock (2,212 shares).

### Distribution of shares



### Policy on dividends of surplus and trend of dividends

With respect to profit distribution, we will strive to maintain a sound financial position and make appropriate returns to shareholders that are conscious of capital cost while strengthening our management base to improve performance and securing internal reserves necessary for further business expansion.

Regarding the dividend policy for the next term (fiscal year ending March 31, 2026), as stated in the "Notice Concerning Change of Dividend Policy," we will implement a "progressive dividend" policy that aims to maintain or increase dividends, targeting a consolidated payout ratio of 40% as a guide, with the purpose of providing stable dividends. Regarding dividends, based on the current performance forecast, we plan to pay 180 yen per share (including an interim dividend of 90 yen).

#### Trend of dividends

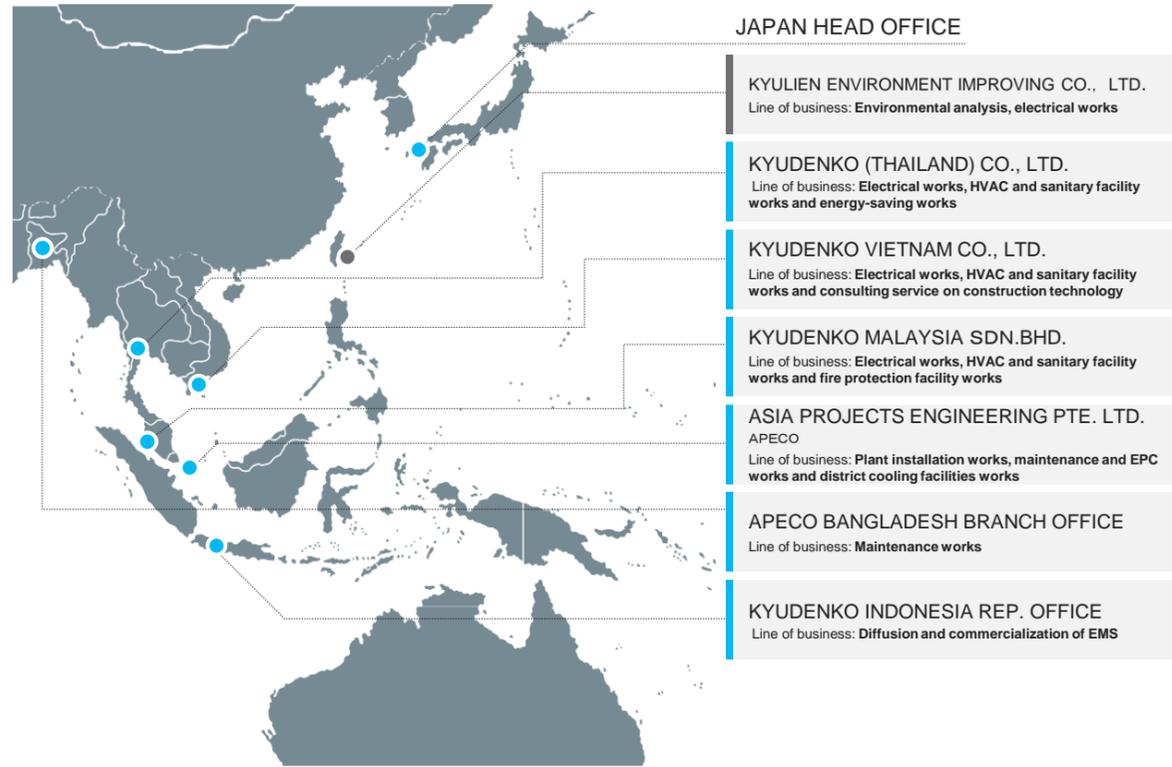
	2021.3	2022.3	2023.3	2024.3	2025.3	2026.3 (Forecast)
Interim dividend	50 yen	50 yen	50 yen	55 yen	65 yen	90 yen
Year-end dividend	50 yen	50 yen	60 yen	65 yen	75 yen	90 yen
<b>Total</b>	<b>100 yen</b>	<b>100 yen</b>	<b>110 yen</b>	<b>120 yen</b>	<b>140 yen</b>	<b>180 yen</b>

#### Rating information

(As of April 01, 2025)		
Name of rating agency	Name	Rating
<b>Rating and Investment Information, Inc. (R&amp;I)</b>	<b>Issuer rating</b>	<b>A-</b>

## 8. Business Locations

### Overseas Locations

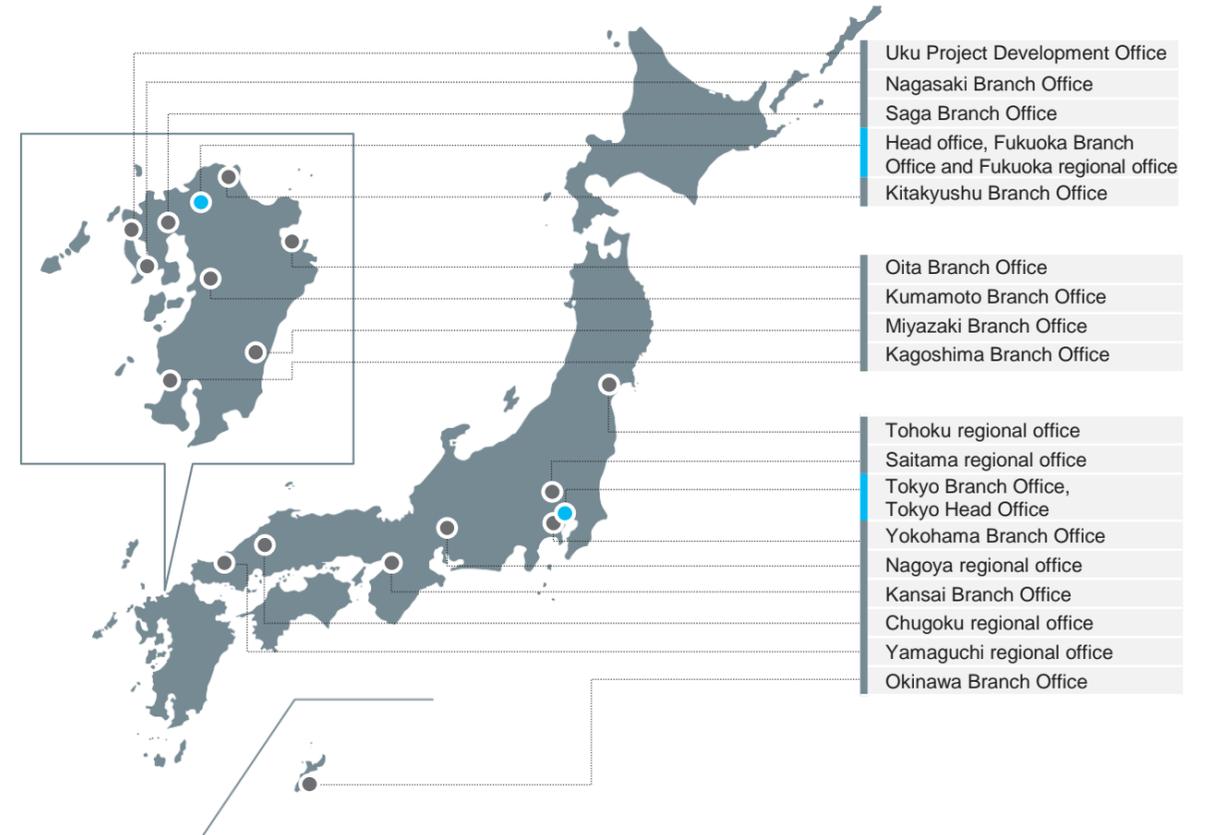


### Overseas Group companies

(As of April 01, 2025)

<b>Taiwan</b>	Others	Kyulien Environment Improving Co., Ltd. No. 49, Ln. 90, Gong 5th Rd., Longtan District, Taoyuan City, Taiwan
<b>Malaysia</b>	Facility work	KYUDENKO MALAYSIA SDN. BHD. 59-8 The Boulevard, Mid Valley City, No.1, Medan Syed Putra Utara 59200 Kuala Lumpur Malaysia
<b>Vietnam</b>	Facility work	KYUDENKO VIETNAM CO., LTD. No.170, Tran Quang Khai st., Tan Dinh Ward, District 1, Ho Chi Minh City, Vietnam
<b>Thailand</b>	Facility work	KYUDENKO (THAILAND) CO., LTD. Unit 16B, Floor 16, Bangnathani Building, 1/33, Soi Bangna-Trad 34, Bangna Sub-district, Bangna District, Bangkok
<b>Singapore</b>	Facility work	ASIA PROJECTS ENGINEERING PTE. LTD. 32 Penjuru Road, Singapore 609136

### Domestic locations



### Domestic consolidated subsidiaries (48 companies)

Facility work Material sales Real estate Software development Power generation Others

(As of April 01, 2025)

<b>Fukuoka</b>	Real estate Material sales Facility work Software Others Others Others Others Facility work Facility work Facility work Facility work Facility work Facility work	kyu-denko home, Inc. Q-mast Co., Ltd. Setsubihoshu center Co., Ltd. Automation technology Co., Ltd. Net medical center Co., Ltd. Portal Co., Ltd. Kyudenko friendly Co., Ltd. Bayside place hakata Co., Ltd. Kakusokukeisou Co., Ltd. Fukuoka densetsu Co., Ltd. Chikugo densetsu Co., Ltd. Fukuto densetsu Co., Ltd. Fukusetsu Co., Ltd. Kitasetsu Co., Ltd.	<b>Nagasaki</b>	Facility work Facility work Facility work Facility work	Choei Co., Ltd. Chohoku densetsu Co., Ltd. Kyusetsukougyou Co., Ltd. ITO PIPE FITTING Co., Ltd.
<b>Oita</b>	Facility work Facility work	Oita densetsu Co., Ltd. Fusokogyo Co., Ltd.	<b>Saga</b>	Others Facility work Facility work	kyudenko hokuzan kanko Co., Ltd. jinnouchi-koumuten Co., Ltd. Ariake densetsu Co., Ltd.
<b>Miyazaki</b>	Facility work Facility work Power generation	Meikousha Co., Ltd. Miyaei Co., Ltd. Green Biomass Factory Inc.	<b>Miyagi</b>	Power generation	Natori mega solar kyudenko green kikaku limited liability partnership
<b>Kagoshima</b>	Others Facility work Facility work Facility work Power generation Power generation	Three in Co., Ltd. Minamikyushu densetsu Co., Ltd. Kaei densetsu, Co., Ltd. Kyukinsetsubikogyo Co., Ltd. Kagoshima solar farm, Co., Ltd. Kirishima Wood Biomass Power Co., Ltd.	<b>Aichi</b>	Power generation	Atsumi Green Power Co., Ltd.
<b>Kumamoto</b>	Facility work Facility work Facility work	Yuei densetsu Co., Ltd. Kuma densetsu Co., Ltd. Higo-setubi Co., Ltd.	<b>Tokyo</b>	Facility work Facility work Facility work	KYUKOU ENGINEERING LTD. Kyutie Co., Ltd. Chuurika Kougyo Co., Ltd.
			<b>Chiba</b>	Facility work	Syouseidensetsu Co., Ltd.
			<b>Kanagawa</b>	Facility work Facility work	Ergotech Co., Ltd. Shinsei Air Conditioning Co, Ltd.
			<b>Ibaraki</b>	Facility work	Seiwakougyou Co., Ltd.
			<b>Fukushima</b>	Facility work	Sanyudensetsu Co., Ltd.
			<b>Osaka</b>	Facility work Facility work	Koteradengyo Co., Ltd. Kawachikougyou Co., Ltd.
			<b>Okinawa</b>	Facility work	Ryuhou Engineering Corporation