

KRAFTIA Co.,Ltd. (Tokyo Stock Exchange Prime Market: 1959) FY ending March 2027 1st Quarter End



JPX-NIKKEI 400



The KRAFTIA logo, featuring a stylized 'K' composed of three colored triangles (red, green, and blue) and the word 'KRAFTIA' in black capital letters below it.

技術の力で、次のフロンティアへ。

July 30, 2026

Overview of Business Results	2
Summary	3
PL Overview	4
Sales and gross profit (quarterly accounting period)	5
Bridge Analysis of Operating Profit	6
Construction Sales and Profit Margin	7・8
Breakdown of Orders Received by form and Scale	9
Sales / Orders by Division	10
Sales / Orders by Customer	11
Sales / Orders by Region	12・13
Construction Backlog	14
Major Construction Track Record	15
BS Overview	16
Investment in Power Operations	17
Power Generation Business Performance	18

Ukujima Solar Power Plant	19
Location of Ukujima	20
Schematic of Transmitting Electricity	21
Situation on the Island of Ukujima	22
Future Scenarios	23
FY2027 Outlook	24
Published Figures for FY March 2027	25
Published Sales and Orders by Division FY 2027	26
Trends in Dividends and Policy Shareholdings	27
Mid-term Management Plan	28
Management Targets	29
Progress Toward Financial Targets	30
Progress on Non-Financial Targets	31・32
Kraftia Succession Value Partners	33
Appendix	34~40

Overview of Business Results

Net sales and income

- I . Net sales decreased year on year despite revenue growth in power distribution line construction and electrical construction. The decline was mainly attributable to limited revenue recognition in the HVAC and plumbing segment, where a relatively large number of major projects were still in the early stages of execution.
⇒As we expect these large-scale projects to progress steadily toward the end of the fiscal year, net sales are also expected to increase in line with their advancement.
- II . Gross profit margin improved to 19.5%, exceeding 19.1% in the same period of the previous fiscal year. This represents the highest quarterly gross profit margin in the Company's history.
⇒This improvement was driven by higher project profit margins in both the electrical construction and HVAC & plumbing construction segments (see pages 7 and 8 of this presentation).

Orders

- I . Profitability at the time of order intake has shown an improving trend compared with previous years.
- II . We expect the order environment to remain favorable, supported by redevelopment projects as well as demand from data centers and manufacturing facilities. Accordingly, we will continue to pursue strategic order-taking activities while taking into account our execution capacity and workforce resources.

Ukujima solar power plant

- I . The SPC is currently in discussions with Nagasaki Prefecture to obtain occupancy permits for prefecture-controlled marine areas in preparation for the installation of submarine cables. In addition, the SPC is evaluating the feasibility of enhancing the project's business value through a transition to a new earnings improvement scheme.
- II . The EPC contractor is proceeding with preparations for the construction of the AC/DC converter station on the Sasebo side, while continuing construction activities on Uku Island.

Others

- I . We announced the establishment of “Kraftia Succession Value Partners.” Please refer to page 33 of this presentation for details.

Outline of P/L March 2027,1st quarter



★ Red letters indicate record highs

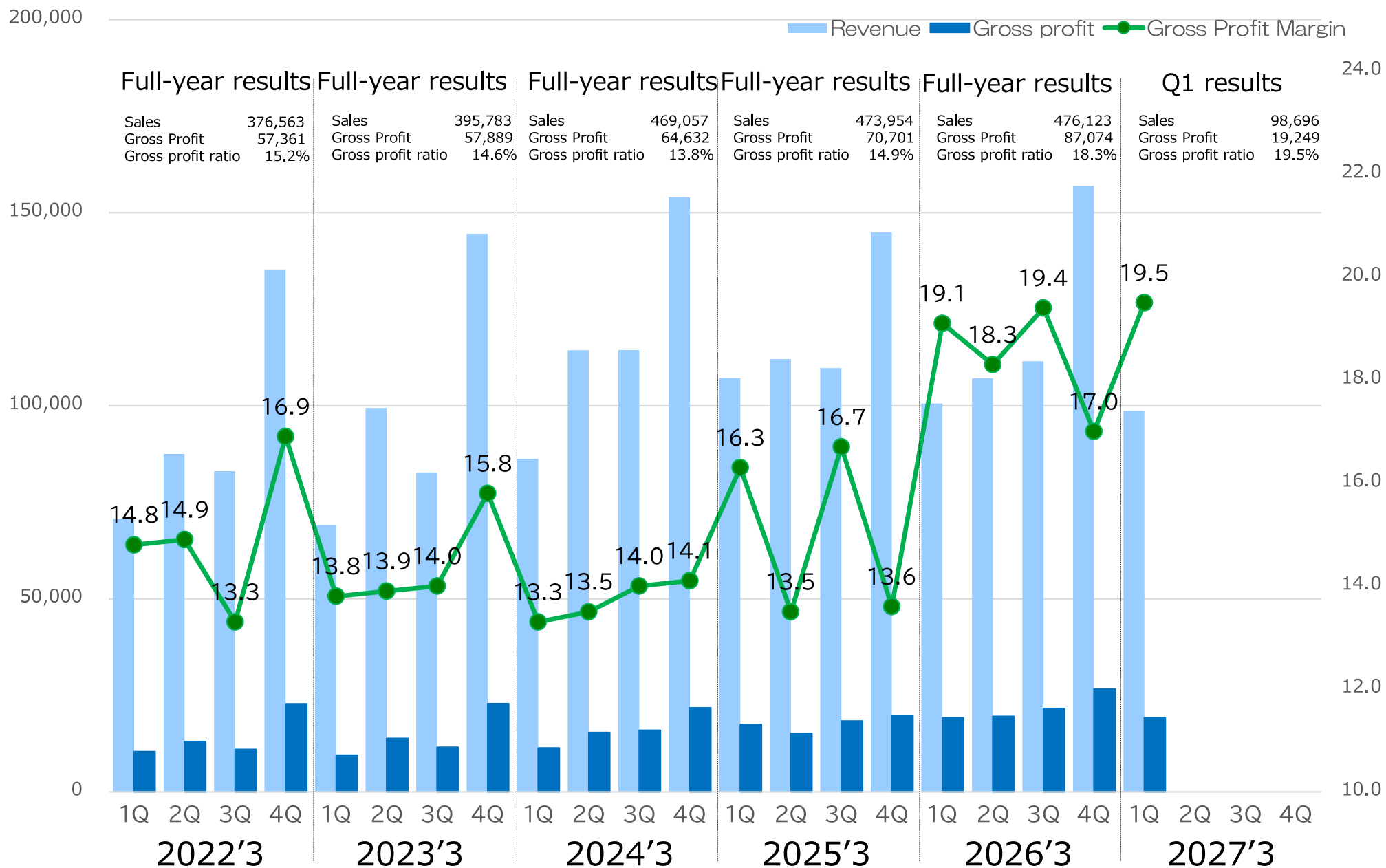
(Millions of yen)

	March 2026, 1Q Result	March 2027,1Q Result			
		Result	Increase /decrease	Percentage increase /decrease	Published value
Sales	100,568 (100.0%)	98,696 (100.0%)	▲1,872	▲1.9%	500,000 (100.0%)
Gross Profit	19,229 (19.1%)	19,249 (19.5%)	+ 20	+0.1%	91,500 (18.3%)
Operating Profit	11,098 (11.0%)	10,731 (10.9%)	▲366	▲3.3%	55,500 (11.1%)
Ordinary project	11,737 (11.7%)	12,212 (12.4%)	+ 474	+4.0%	59,000 (11.8%)
Net profit	7,719 (7.7%)	8,415 (8.5%)	+ 696	+9.0%	40,500 (8.1%)
Orders	126,056	146,350	+20,293	+16.1%	495,000
construction on hand	484,038	528,041	+44,003	+ 9.1%	-

Sales and gross profit (quarterly accounting period)

(Sales , gross profit : million yen)

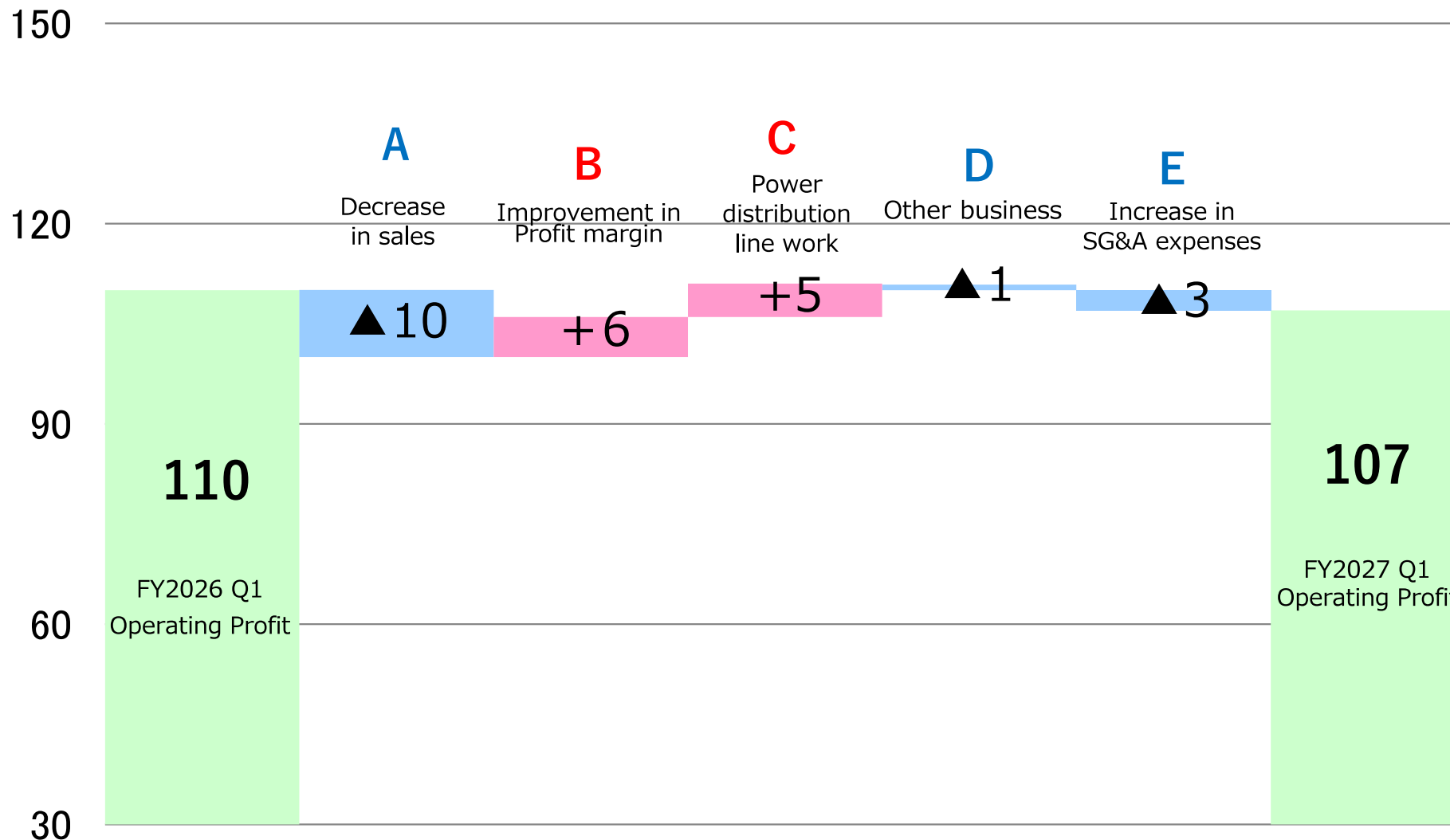
(Gross Profit Margin : %)



Factors of change in OP March 2027,1st quarter

(Billions of yen)

赤 : Increase
青 : Decrease

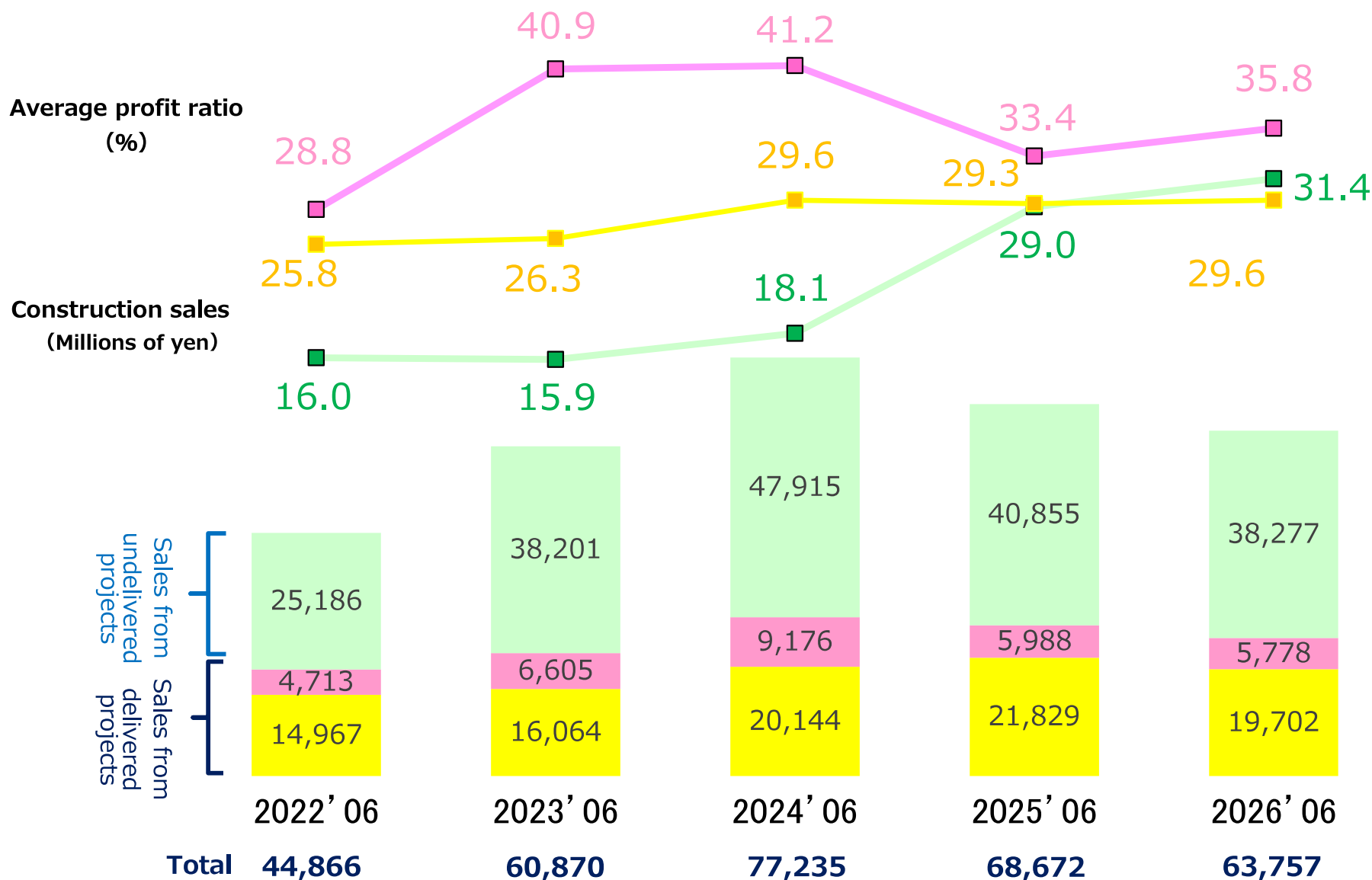


Breakdown of construction sales and average profit Jun.2026 (Kyudenko Co., Ltd. alone : excluding power distribution line work&Ukujima)



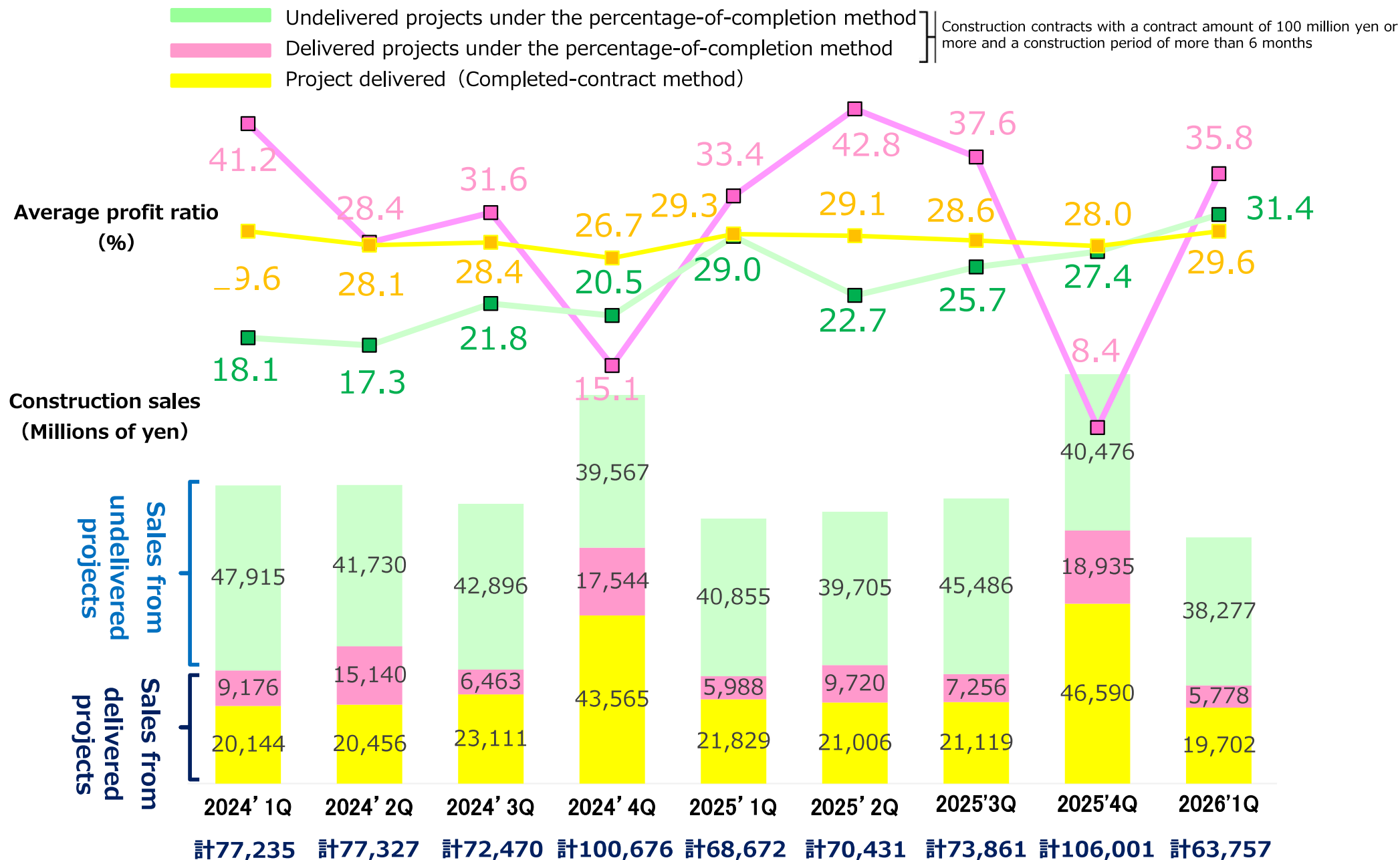
■ **Undelivered projects** under the percentage-of-completion method
■ **Delivered projects** under the percentage-of-completion method
■ Project delivered (Completed-contract method)

Construction contracts with a contract amount of 100 million yen or more and a construction period of more than 6 months

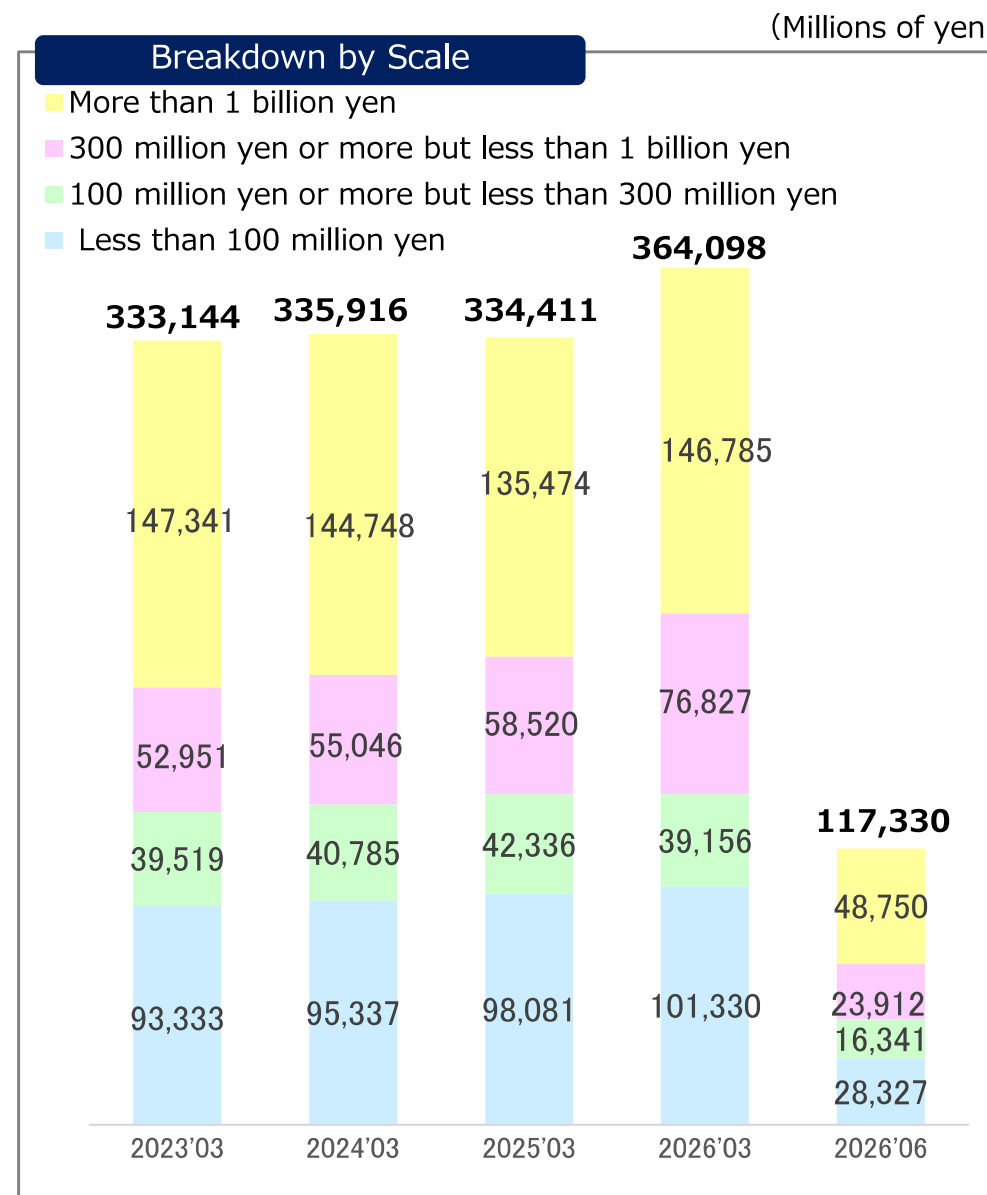
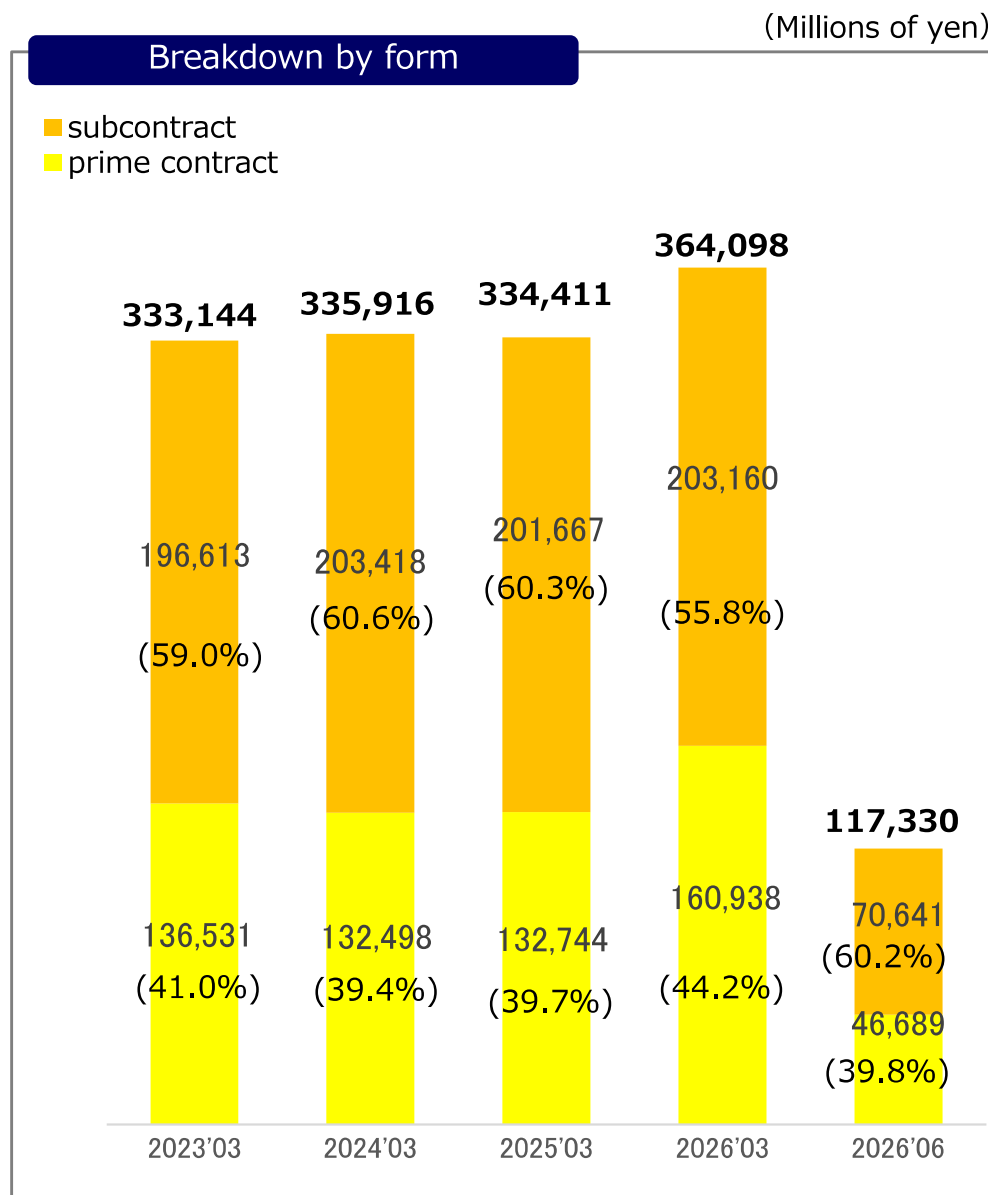


Quarterly Construction Revenue and Average Profit Margin

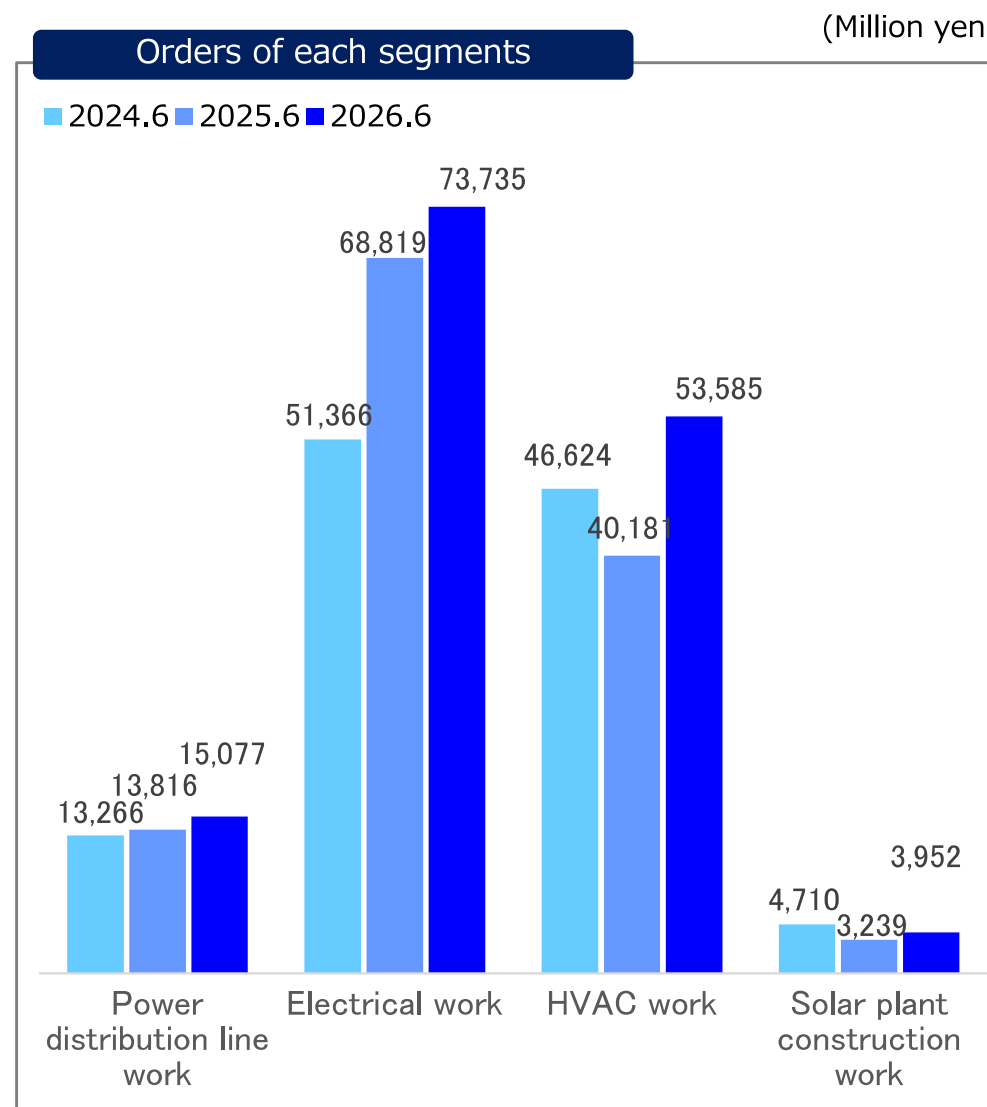
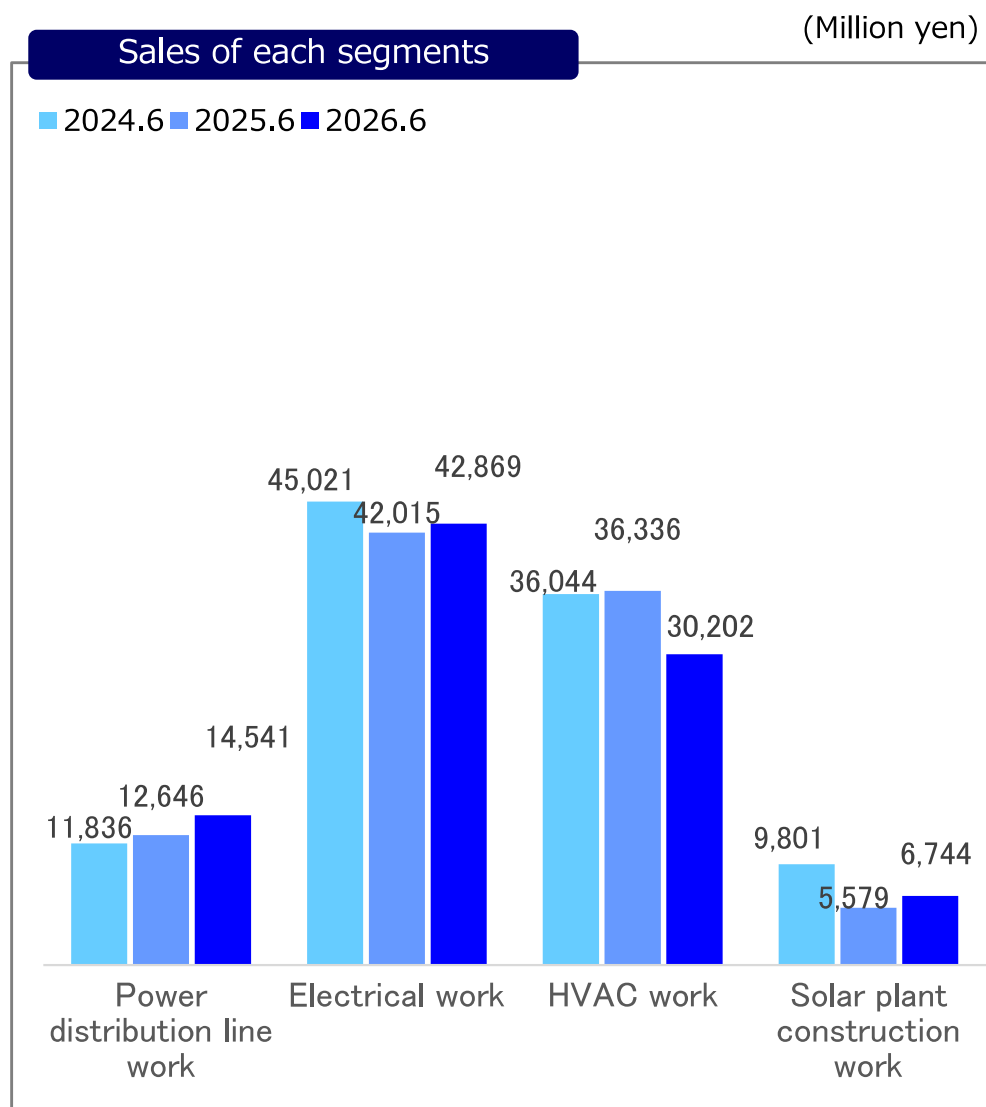
<Kraftia Standalone (excluding Distribution Line Projects and the Ukujima Project)>



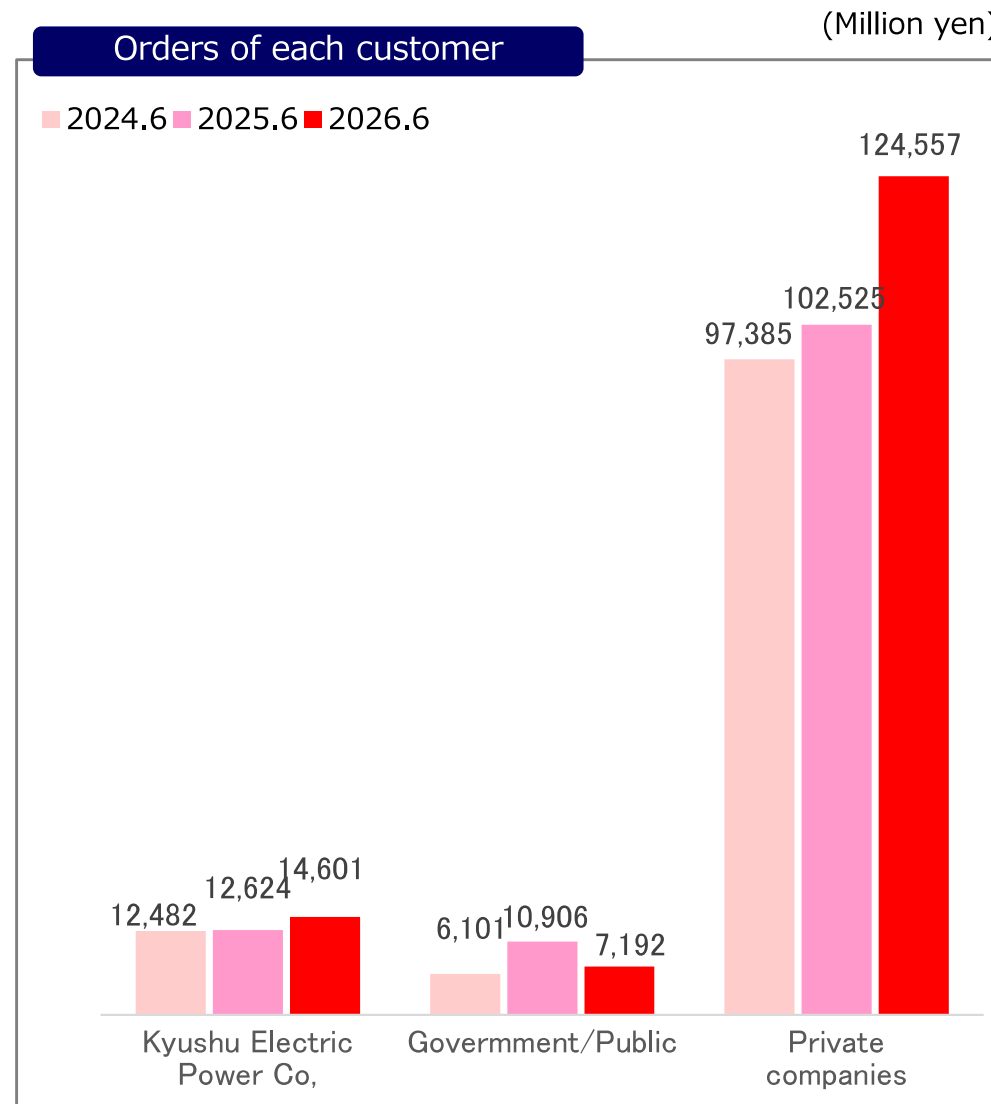
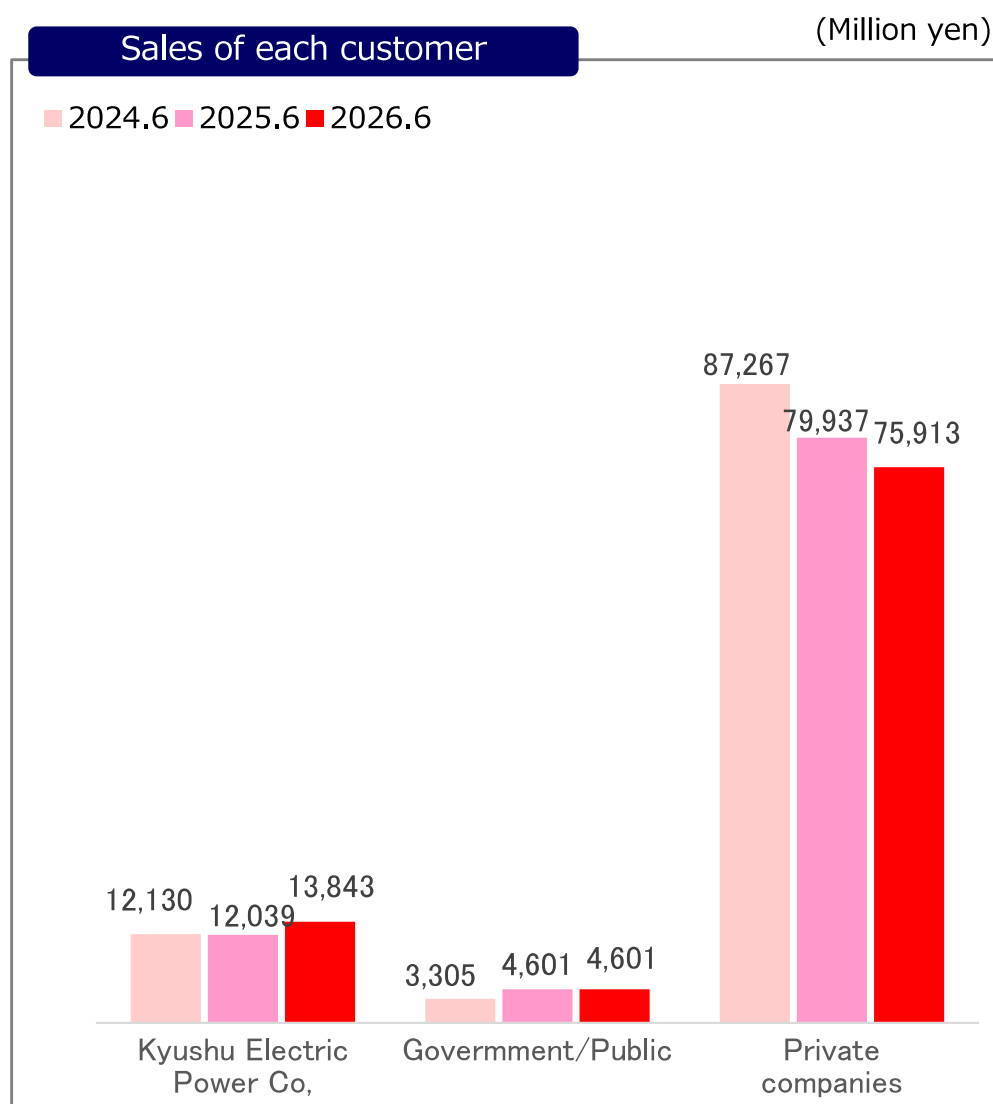
Breakdown of Orders Received by form and Scale (Kyudenko Co., Ltd. alone: excluding power distribution lines)



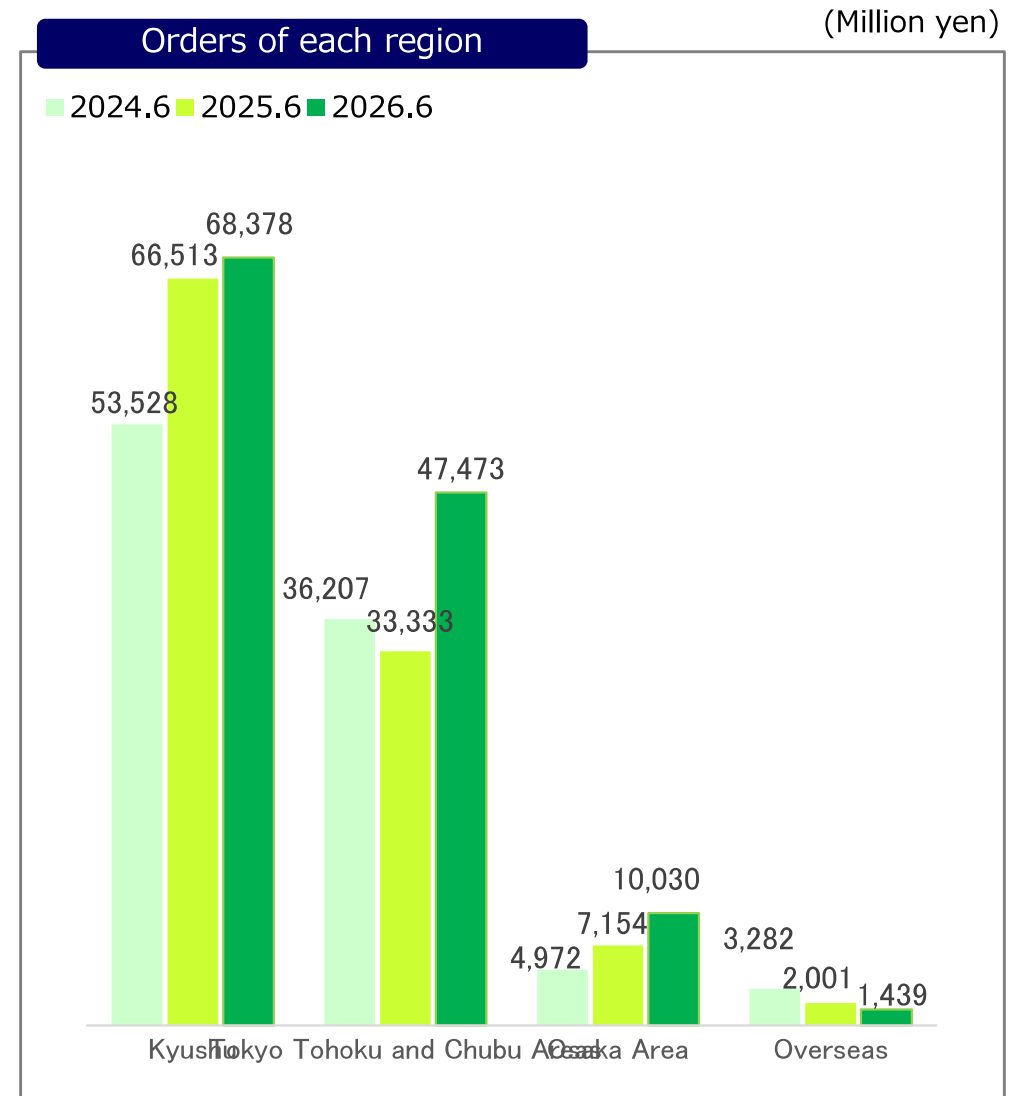
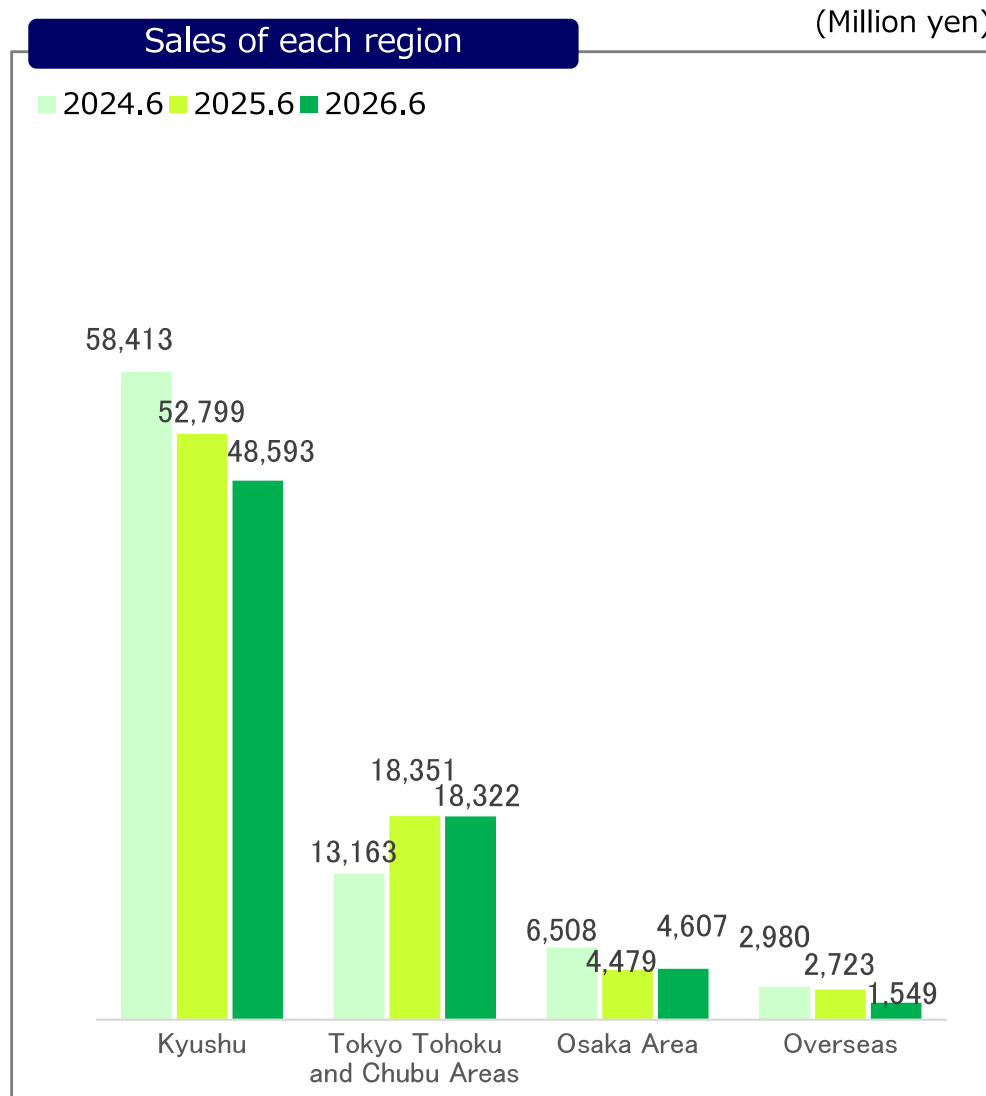
Order received / Sales by department FY March 2027,1st quarter



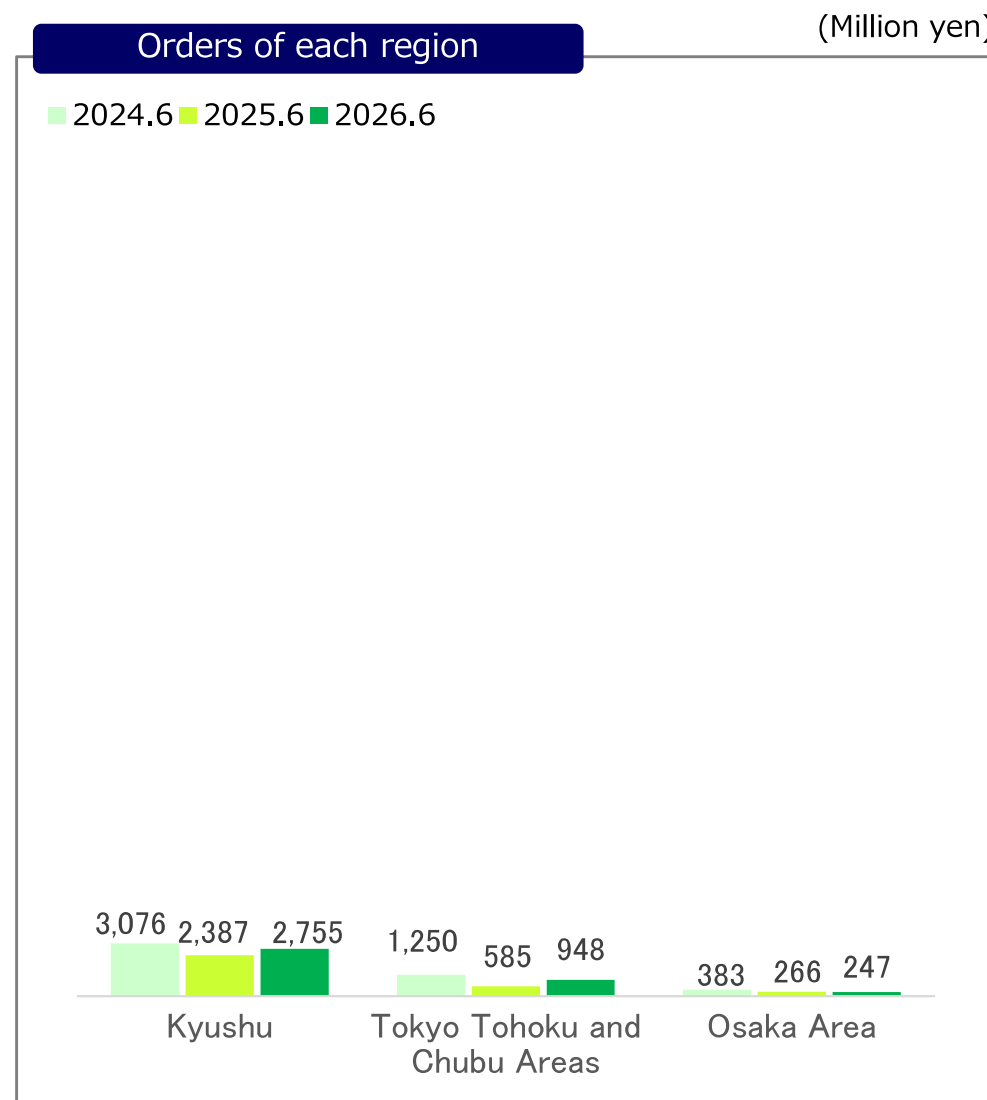
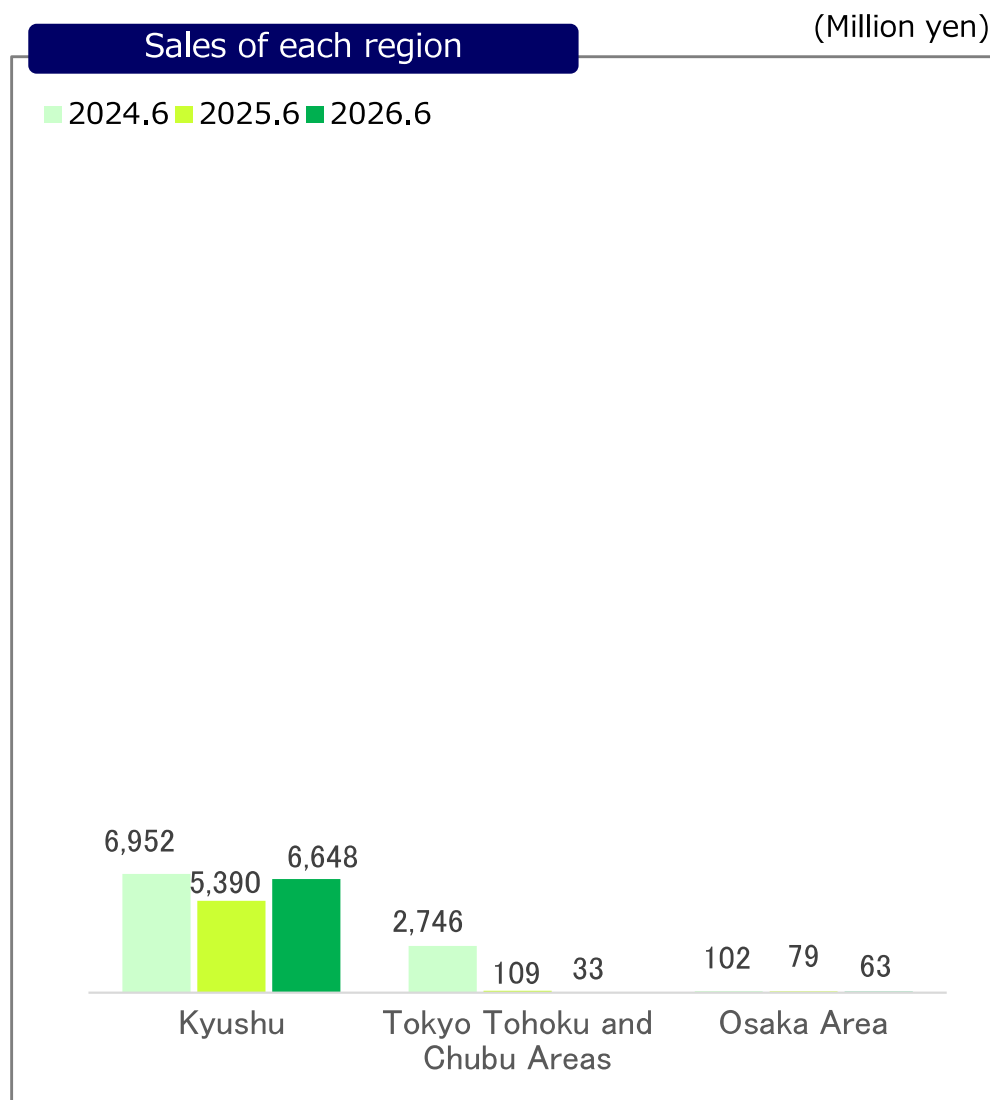
Order received / Sales by customer FY March 2027,1st quarter



Order received / Sales by region FY March 2027,1st quarter (Electrical & HVAC work excluding Solar plant construction work)



Order received / Sales by region FY March 2026,1st quarter (Solar plant construction work)



Situation of order stock FY March 2027,1st quarter

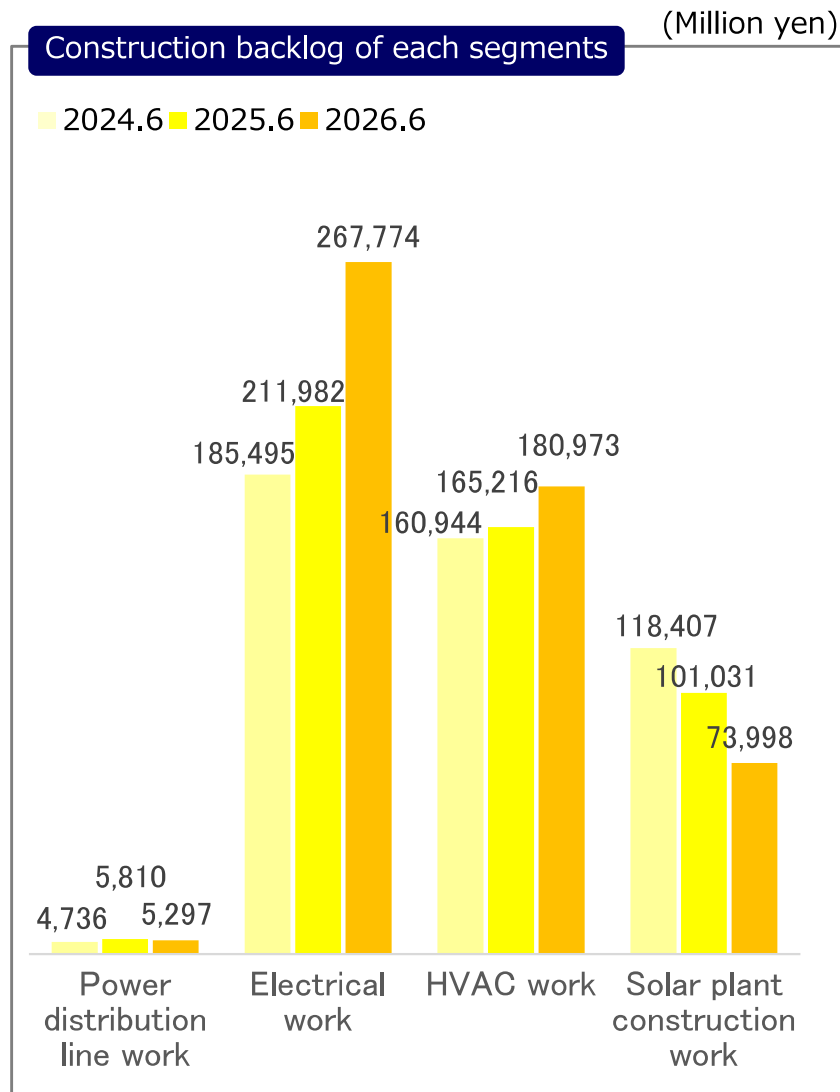
Work in progress in FY March 2027,1Q

- [Fukuoka] Fukuoka Tenjin Center Building Redevelopment Project
- [Chiba] (CBRE IM) Ichikawa Baraki Construction Project (tentative name)
- [Kumamoto] Kumamoto Prefectural General Health Center Construction Project
- [Kumamoto] Hotel Development Project in Karashima-cho, Chuo-ku, Kumamoto8 (tentative name), and Others

Fukuoka Tenjin Center Building Redevelopment Project



[CBRE IM] Ichikawa Baraki Construction Project (Tentative Name)



Major Construction Achievements in Q1 FY2027

- 【Fukuoka】 WALK Project New Construction
- 【Saitama】 DPL Kuki-Miyashiro II New Construction Project
(tentative name)
- 【Nara】 Yamato-Koriyama Logistics Warehouse Facility
- 【Miyazaki】 MRT Miyazaki Broadcasting Headquarters Relocation and
New Construction Project
- 【Nagasaki】 New Plant Development and Operation Project and others

DPL Kuki-Miyashiro II New Construction Project(tentative name)



Yamato-Koriyama Logistics Warehouse Facility



WALK Project New Construction



MRT Miyazaki Broadcasting Headquarters Relocation and New Construction Project



BS Overview FY March 2026



(Millions of yen)

	End of Mar.2026	End of Jun.2026	Increase /decrease	Main factors behind increase/decrease
Current assets	298,303 (57.0%)	262,021 (53.1%)	▲36,281	Cash on hand and in banks +2,202 Notes receivable and accounts receivable ▲40,103
Fixed assets	224,965 (43.0%)	231,131 (46.9%)	+6,166	Investment securities +1,693 Property, Plant and Equipment+4,075
Total assets	523,268 (100.0%)	493,153 (100.0%)	▲30,115	
Current liabilities	146,706 (28.0%)	116,571 (23.6%)	▲30,134	Notes and Accounts Payable – Construction Contracts, etc.▲25,771 Income Taxes Payable▲6,447
Long-term liabilities	24,917 (4.8%)	24,918 (5.1%)	+1	Long-term borrowings ▲157 Lease Liabilities▲272
Total liabilities	171,624 (32.8%)	141,490 (28.7%)	▲30,133	
Total net assets	351,644 (67.2%)	351,662 (71.3%)	+17	Shareholders' equity▲784 (net income+8,415、Dividend payment▲9,212)
Total liabilities and net assets	523,268 (100.0%)	493,153 (100.0%)	▲30,115	

Investment in Power Operations

Solar Power Plants

Deals operated by group (Depreciated at the declining balance method)

※ make capital investment and record the entire operation to other operations sales

	Number of power plants	Generation capacity (the entire operation)	Generation capacity (that equal to the equity)
In operation	51	102.7MW	98.1MW
Under construction	-	-	-
Total	51	102.7MW	98.1MW

Deals through investment in equity (Depreciated at the declining balance method)

※ acquire investment securities and record an amount equal to the equity to non-operating revenues

	Number of power plants	Generation capacity (the entire operation)	Generation capacity (that equal to the equity)
In operation	56	856.1MW	280.0MW
Under construction	1	480.0MW	69.1MW
Total	57	1,336.1MW	349.1MW

Wind Power Plants

Deals operated by group (Depreciated at the Mainly declining balance method)

※ make capital investment and record the entire operation to other operations sales

	Number of power plants	Generation capacity (the entire operation)	Generation capacity (that equal to the equity)
In operation	5	59.0MW	50.0MW
Under construction	-	-	-
Total	5	59.0MW	50.0MW

Deals through investment in equity (Depreciated at the declining balance method)

※ acquire investment securities and record an amount equal to the equity to non-operating revenues

	Number of power plants	Generation capacity (the entire operation)	Generation capacity (that equal to the equity)
In operation	5	369.2MW	67.4MW
Under construction	-	-	-
Total	5	369.2MW	67.4MW

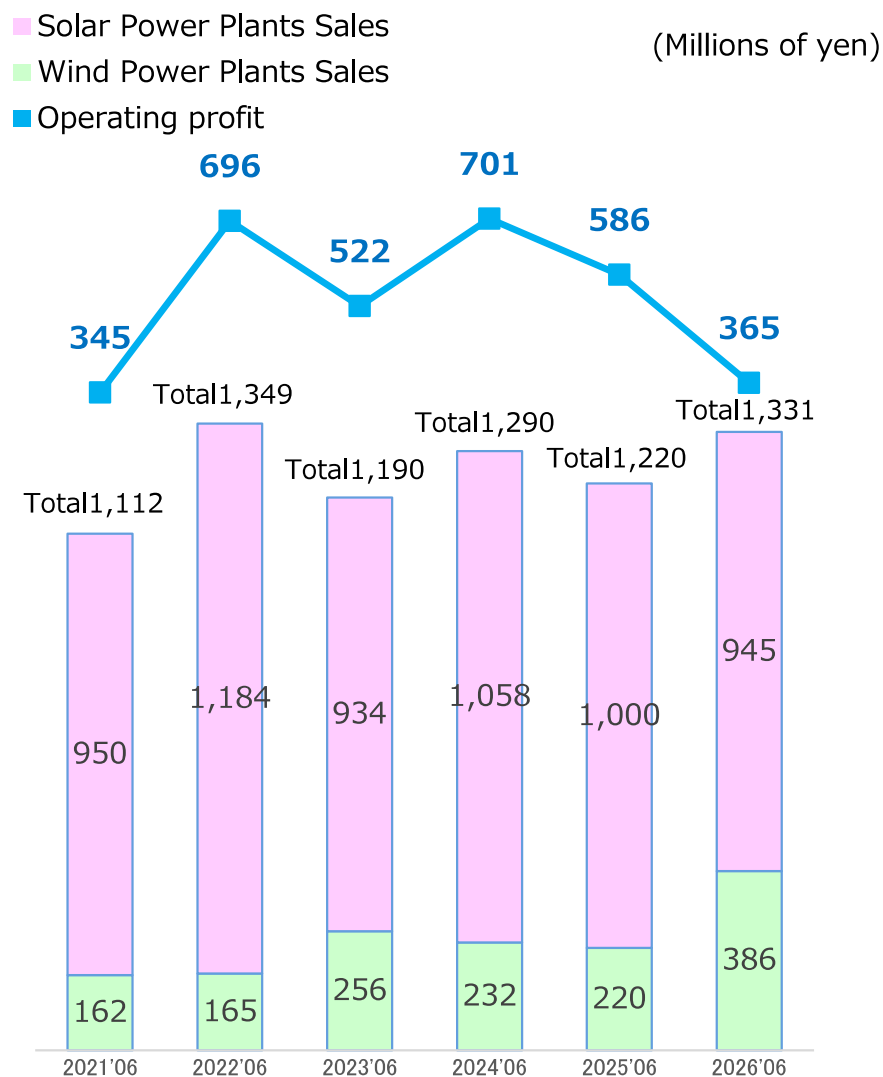
From April to June, a total of 58 controls on output were issued by Kyushu Electric Power Company.

Cumulative total of 50 times in the same period of the previous year.

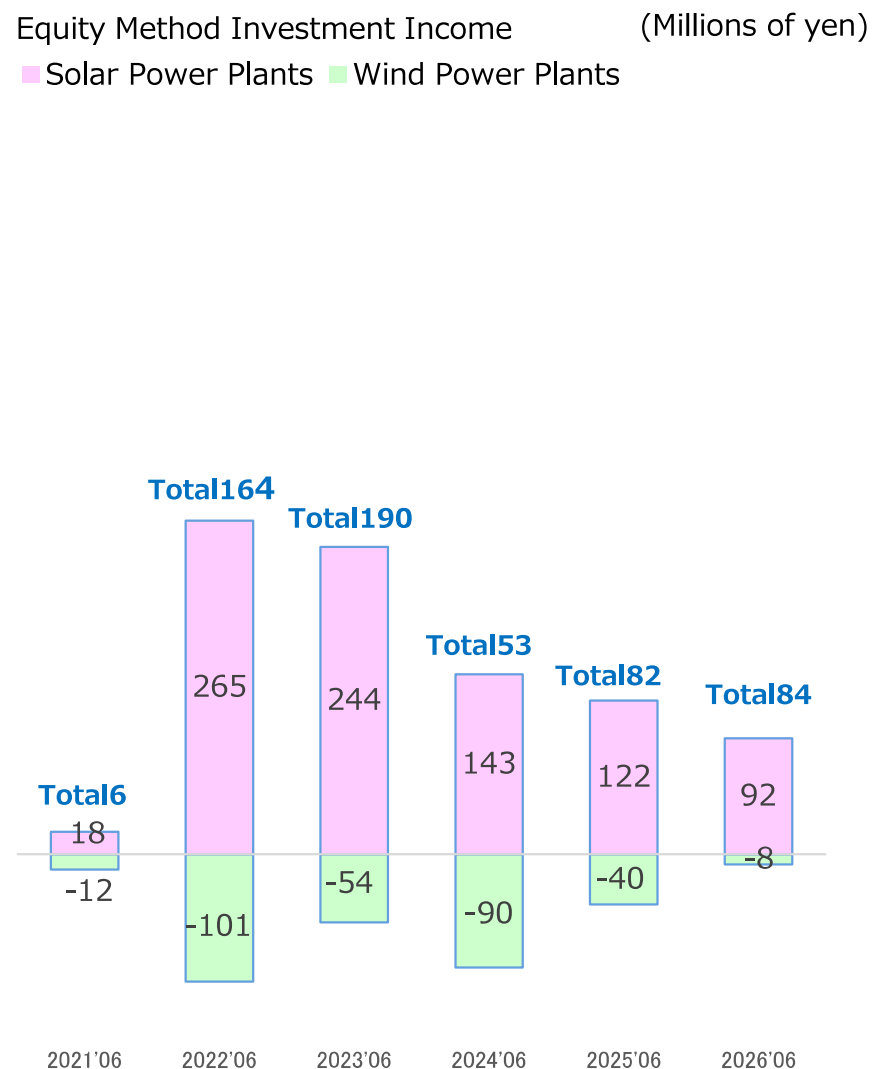
Total Generation Capacity(Equity Share)
564.6MW

Power Generation Business Performance

Group-Operated Projects



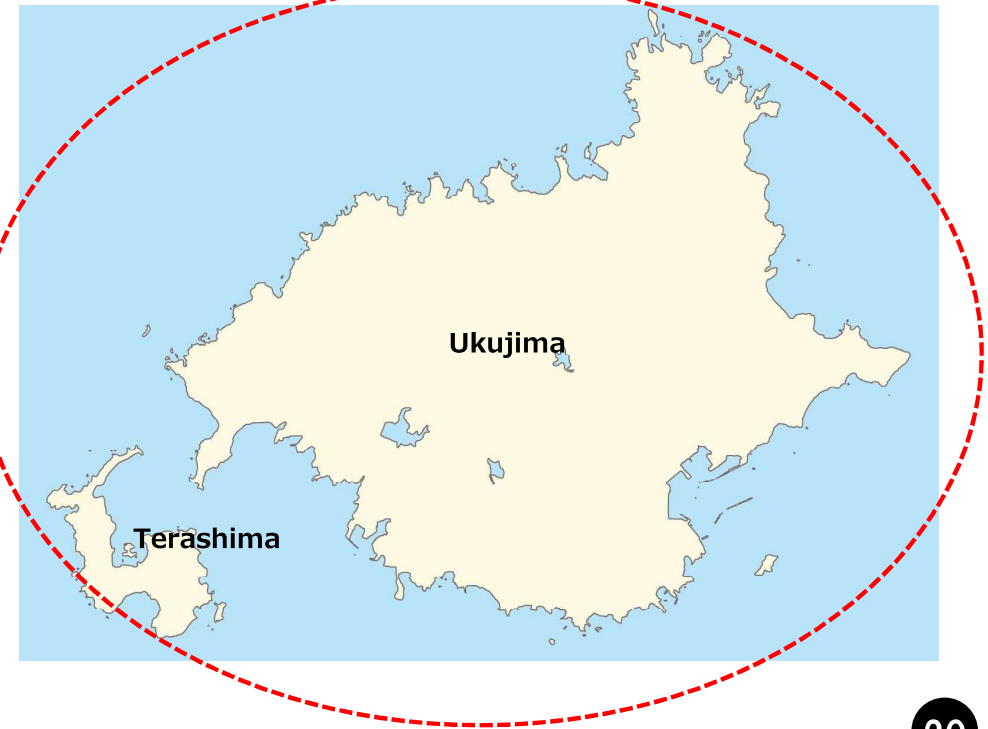
Equity-Invested Projects (Non-operating income)



Ukujima Solar Power Plant

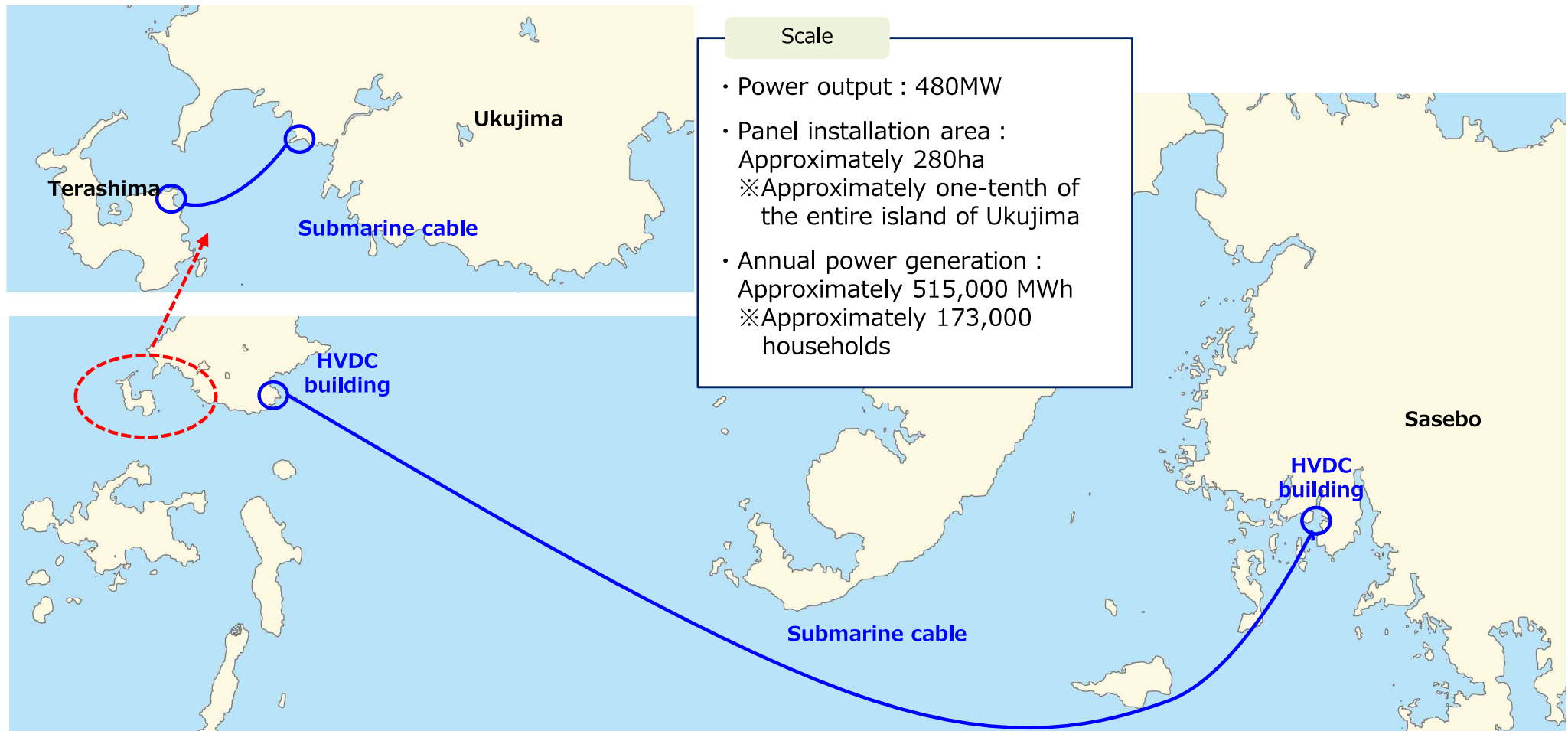
Location of Ukujima

- Ukujima is located at the northernmost tip of the Goto Islands, Sasebo City, Nagasaki Prefecture, Kyushu. The area is approximately 25km².



Schematic of Transmitting Electricity

- Converting AC electricity generated at Ukujima and Terashima to DC. Submarine cables will be used to interconnect and transmit power to Kyushu Electric Power Company's power transmission and distribution substation in Sasebo.
- We are continuing discussions with Nagasaki Prefecture and relevant parties regarding the “occupation of waters under the jurisdiction of the prefecture” and proceeding with the procedures to obtain permission.
- The land lease agreement for construction of the AC/DC converter station (HVDC) on the Sasebo side has been finalized. We are focusing on achieving the early completion of the HVDC building.



Situation on the Island of Ukujima

- The building for the Ukujima HVDC converter station has been completed. Work is currently underway to deliver and install the HVDC system equipment.
- Panel installation and utility pole erection works are progress in Section 3 (Iira area) and Section 2 (Kounoura area). Tree-clearing work has commenced in Section 6 (Nogata/Odae area), and preparatory work has started in Section 4 (Okubo/Motoiira area).

A:Panel installation status



B:Panel installation status



C:Mounting Structure Assembly Status

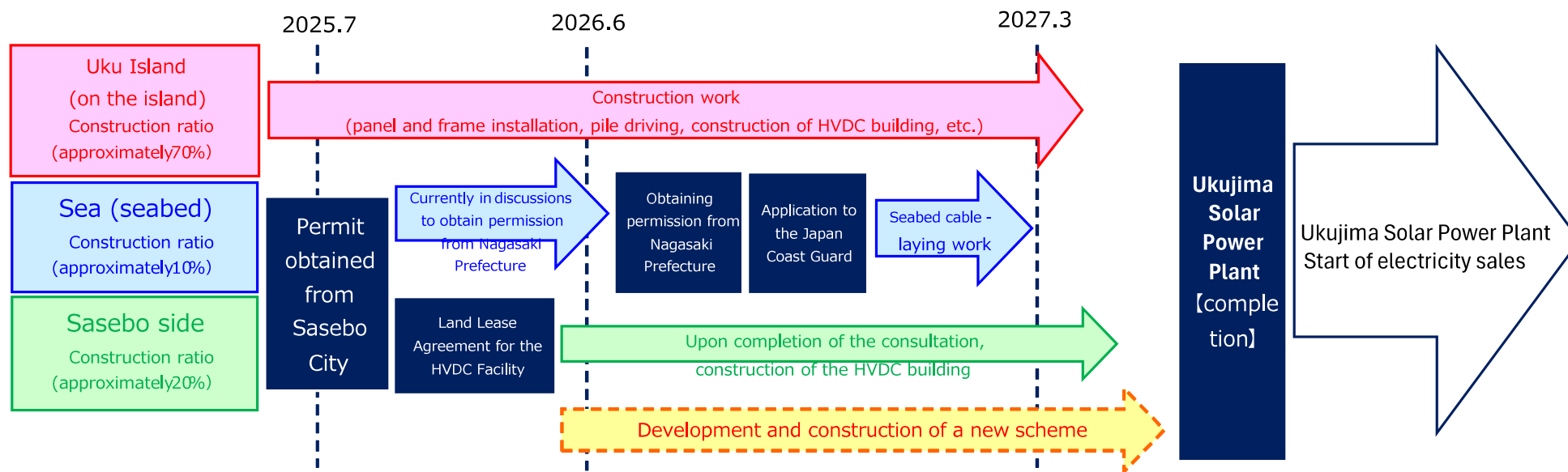


E:Agrivoltaic Panel Installation Status



D:HVDC building





I. Regarding the Submarine Cable

- In July 2025, the SPC obtained permission from Sasebo City to occupy the "city-administered waters."
- Currently, discussions are underway with Nagasaki Prefecture to obtain permission to occupy the "prefecture-administered waters."
- After obtaining permission from Nagasaki Prefecture, an application will be submitted to the Japan Coast Guard, and work to lay the submarine cable will commence.
- Regarding the coastal areas of Ukujima, consent has been obtained from the Ukujika Fisheries Cooperative, and permission from Nagasaki Prefecture has also been secured.

II. Regarding Kyushu Mainland

- Following approval from Sasebo City and consultations with relevant parties, the land lease agreement for the HVDC building has been completed.
- We are currently conducting various application procedures, and construction of the HVDC building will commence upon completion of these procedures.

III. Regarding the SPC's Project Period and Profitability

- The commencement of power sales has been delayed from the original plan, raising concerns about deteriorating profitability due to the shortening of the FIT period (ending in September 2040).
- In response, we are considering new schemes to improve profitability, including a transition to the FIP scheme, the use of corporate PPAs, and other business-enhancing measures reflecting the current market environment.
- The SPC and financial institutions continue negotiations toward concluding a loan agreement, aiming for early execution.

IV. EPC Construction Period and Project Profitability

- Construction on Ukujima, accounting for approximately 70% of the total project, is progressing.
- Although the project is behind the originally targeted completion date of March 2027, the outlook toward completion has become clearer following the successful completion of the land contract for the Sasebo-side HVDC building, which represents a critical path item in the project schedule (Refer to Sections "II").
- Discussions are underway with the SPC regarding cost increases due to rising expenses (Refer to Sections III").
- Regarding outstanding construction payments, recovery is expected each time the SPC secures funding.

FY2027 Outlook

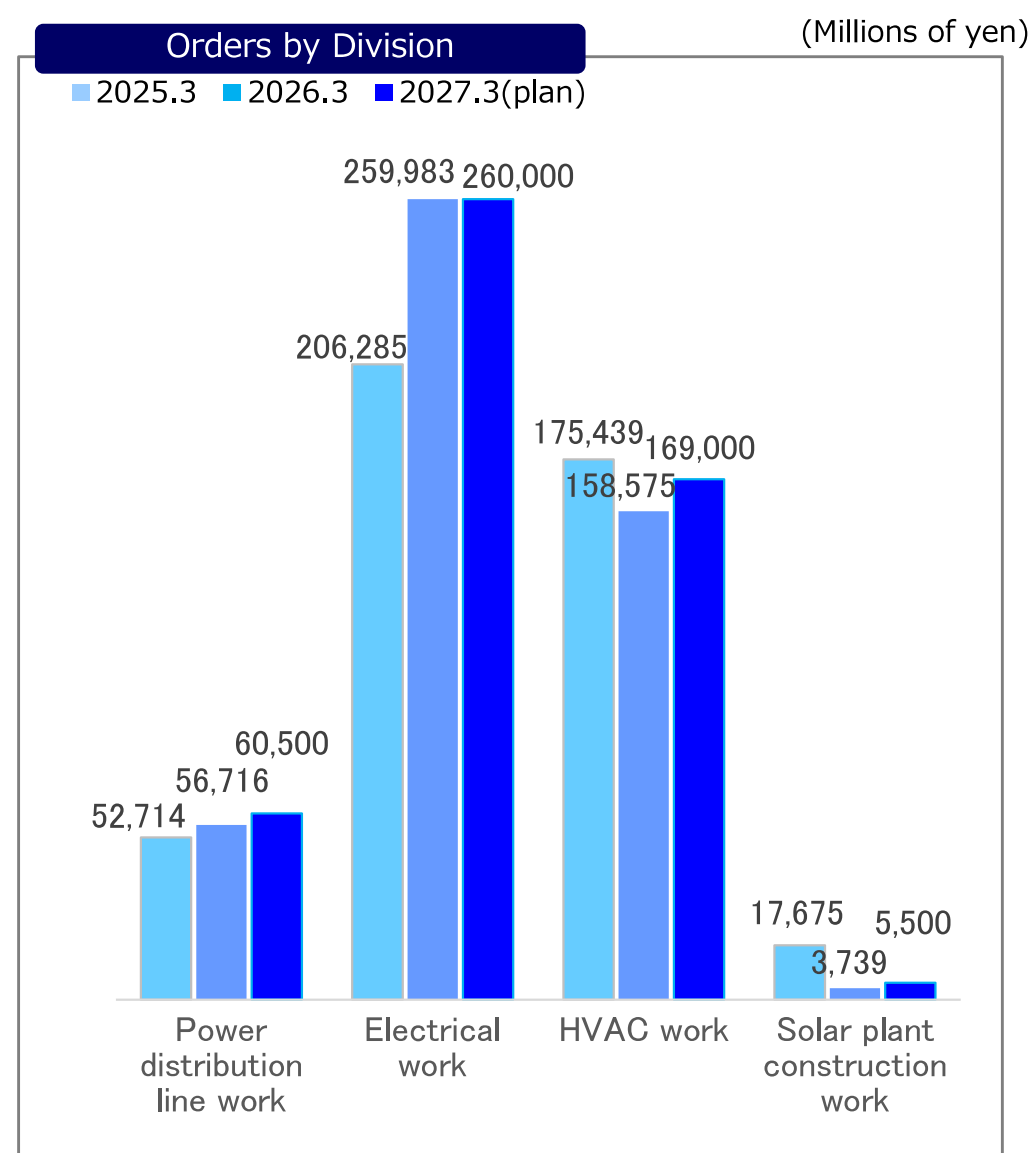
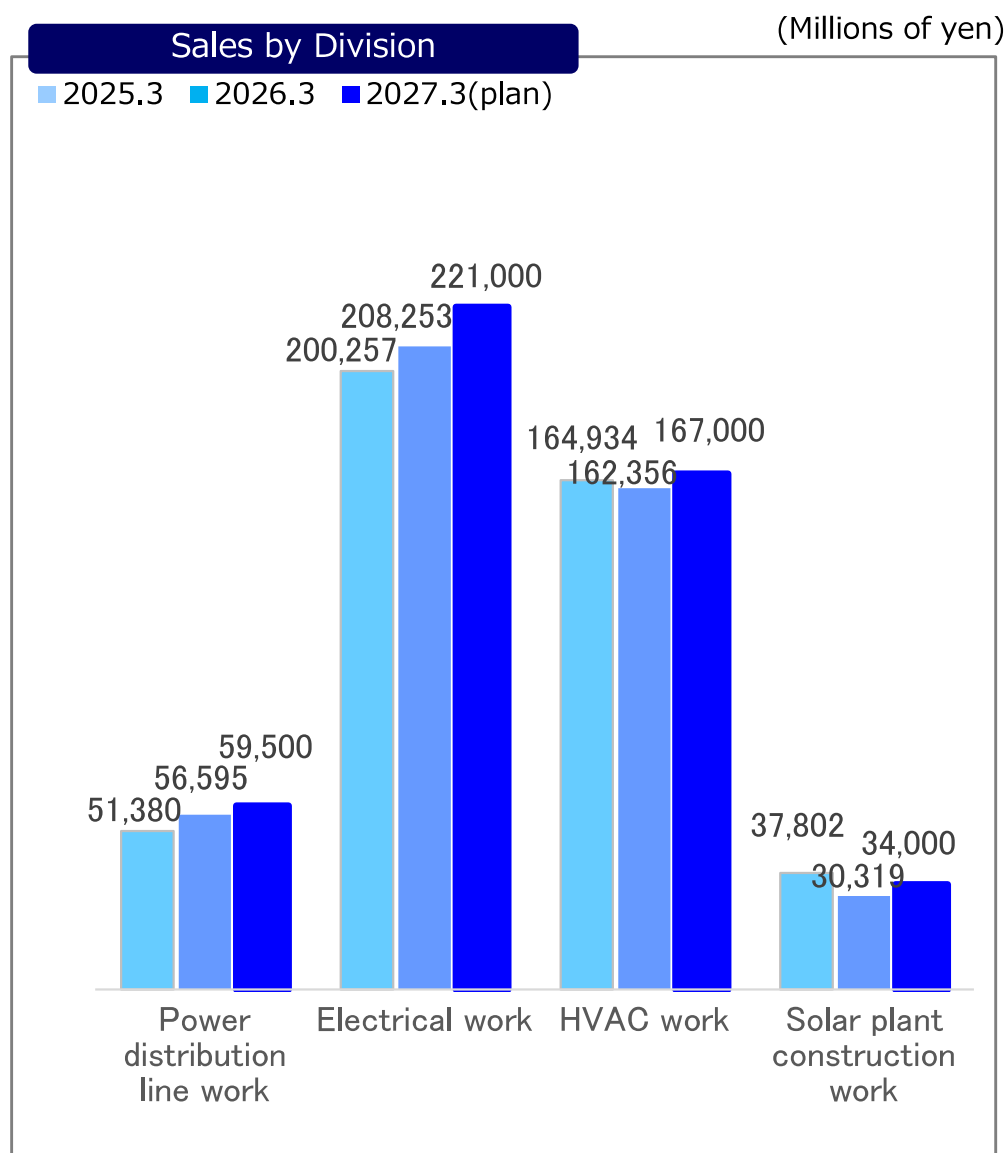
Published Figures for FY March 2027



(Millions of yen)

	March 2025 Result	March 2026 Result①	Plan for March 2027		
			March 2027②	② – ①	Percentage increase/ decrease
Net sales	473,954 (100.0%)	476,123 (100.0%)	500,000 (100.0%)	+23,876	+5.0%
Gross profit	70,701 (14.9%)	87,074 (18.3%)	91,500 (18.3%)	+ 4,425	+ 5.1%
Operating income	41,388 (8.7%)	54,600 (11.5%)	55,500 (11.1%)	+ 899	+ 1.6%
Ordinary income	44,434 (9.4%)	58,157 (12.2%)	59,000 (11.8%)	+ 842	+ 1.4%
Profit attributable to owners of parent	28,883 (6.1%)	40,053 (8.4%)	40,500 (8.1%)	+ 446	+ 1.1%
Orders	452,113	479,014	495,000	+ 15,985	+ 3.3%
Earnings per share	¥408.36	¥566.25	¥572.54	—	—
Dividends	¥140 Interim¥65 Year-end ¥75	¥220 Interim¥90 Year-end ¥130	¥220 Interim¥110 Year-end ¥110	—	—

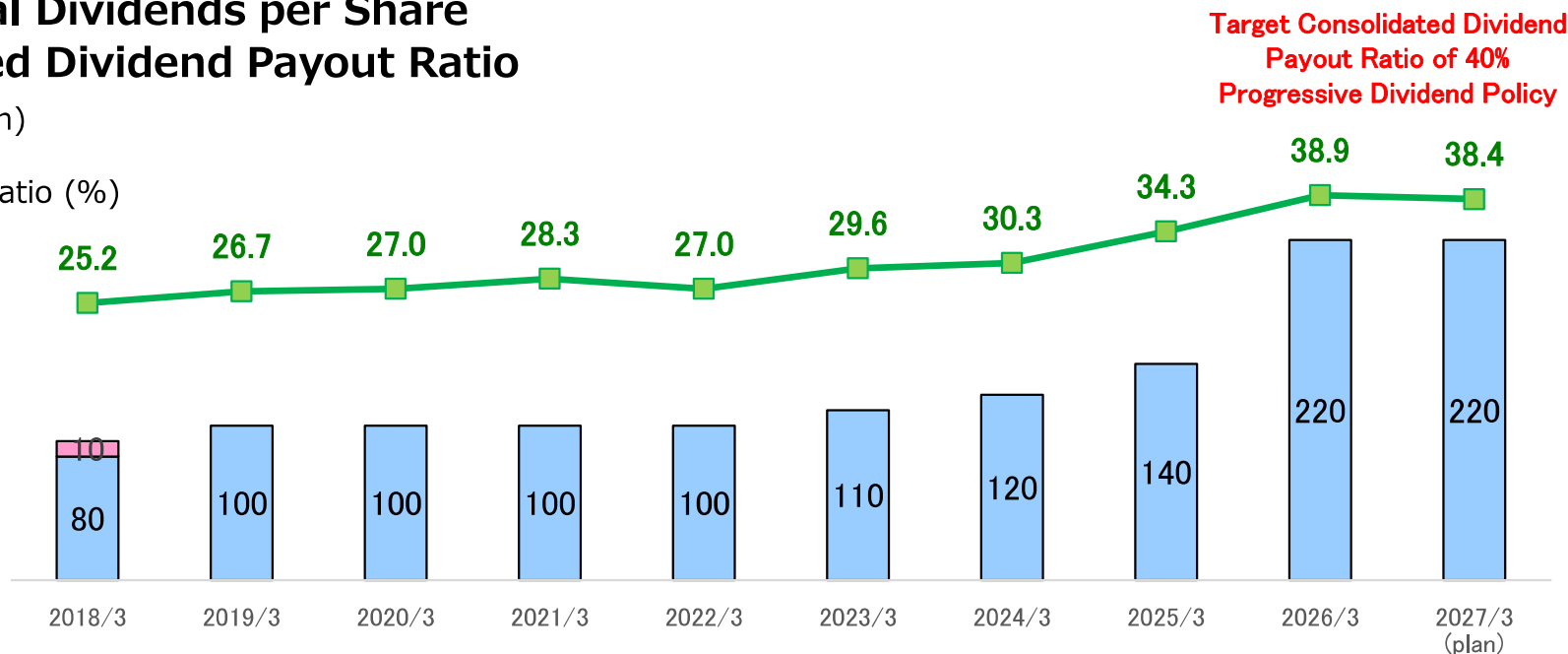
Published Sales and Orders by Division FY 2027



Trends in Dividends and Policy Shareholdings

Trends in Annual Dividends per Share and Consolidated Dividend Payout Ratio

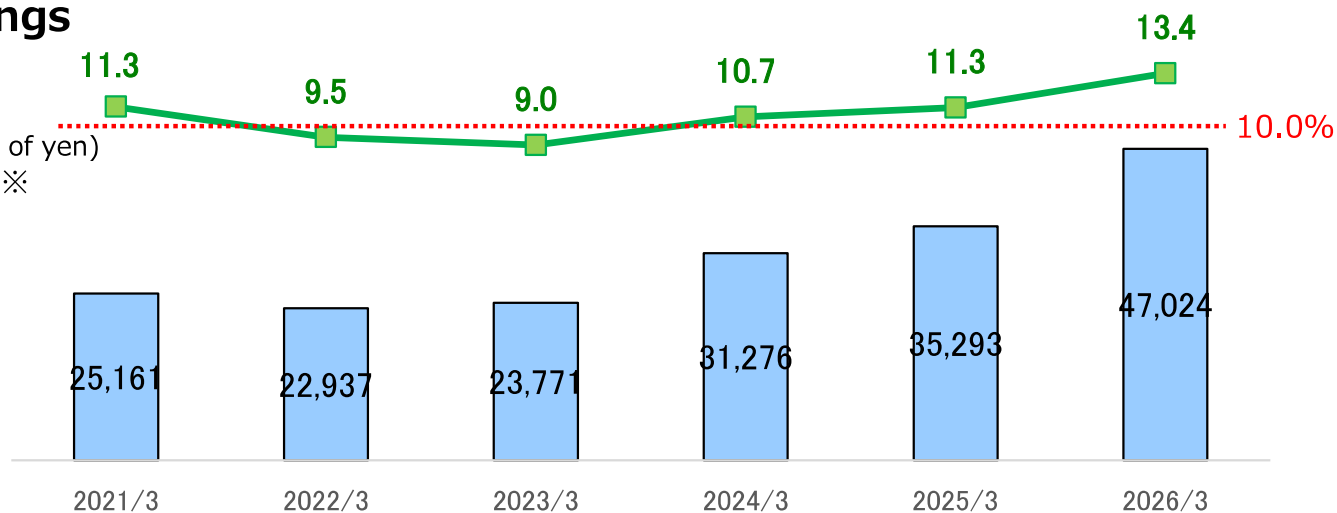
- Ordinary dividend (yen)
- Special dividend (yen)
- Consolidated payout ratio (%)



Trends in policy shareholdings (consolidated basis)

- Market value of policy holdings (Millions of yen)
- Percentage of policy shareholdings (%)※

※Percentage of policy shareholdings (%)
= Market value of consolidated policy shareholdings (millions of yen) / Total consolidated net assets(millions of yen)



※Increase mainly due to change in market value
※Increase mainly due to growth strategy investments
※Increase mainly due to change in market value

Mid-term Management Plan

- We will identify financial and non-financial targets to achieve sustainable growth.



Financial targets

Consolidated ordinary profit FY2029 ¥60 billion	ROIC*1 FY2029 10% or higher	Total investment Total during Mid-term Management Plan period ¥200 billion	Shareholder returns Consolidated dividend ratio: About 40% Offering a progressive dividend
--	--	---	---

*1 ROIC is calculated using after-tax business profit, which appropriately reflects investment efficiency based on the company's business model.

After-tax business profit = After-tax ordinary income + Interest expenses

Non-financial targets

Basic Policy on Human Capital Management	Number of employees (consolidated) FY2029 12,000	Employee annual income level FY2029 ¥10 million average income for 45-year-old employees	Engagement score 72 points or higher	Education and training expenses FY2029 vs. FY2024 50%UP	Human capital management during Mid-term Management Plan period Anticipated total expenses About ¥50 billion
	Improvement in sales productivity (per hour) (Electrical-HVAC work) vs. average value during the previous Mid-term Management Plan period 10% increase in average during Mid-term Management Plan period	New hiring of highly skilled professionals By FY2029 Increase of 50	Female managers FY2029 vs. FY2024 2x	Male childcare leave utilization ratio 100%	
Safety and governance	Serious legal violations (Criminal and administrative penalties) 0 incidents	Major accidents (Fatal accidents) 0 incidents	Cybersecurity measures Confidential information leaks 0 incidents	Environmental management	CO ₂ emissions Scope 1 + 2 -50% or higher

MTP : Progress Toward Financial Targets

Target	Actual FY 2026	Assessment & Comments
Consolidated ordinary profit FY2029 ¥60 billion	¥58.1billion	• For FY2026, results are expected to significantly exceed the plan. • As a result of various initiatives, including the promotion of strategic order-intake activities and the strengthening of technical capabilities and productivity, construction margins—particularly in electrical and HVAC works—have improved. • We will consider rolling over the figure of ¥60 billion.
ROIC*1 FY2029 10% or higher	12.1%	• Driven by strong business performance, results for FY2026 are expected to exceed 10%. • As shareholder's equity continues to accumulate alongside profit growth and is projected to exceed plan levels from FY2027 onward, a capital policy aligned with developments in the Ukujima Project will be required.
Shareholder returns • Consolidated dividend ratio: About 40% • offering a progressive dividend	38.9%	• Taking into account the results for FY2026, the annual dividend per share was set at ¥220, corresponding to a payout ratio of 38.9%. • With regard to the acquisition of treasury shares, decisions will be made while carefully monitoring share price trends and taking into account the recovery status of upfront investments in the Ukujima Project. In parallel, a potential stock split will also be considered.
Total investment Total during MTP period ¥200 billion	¥24.1billion	• Investment and exit rules have been clearly defined, and investment decisions are made based on hurdle rates. • In light of rising Japanese government bond yields, increased investor return expectations, and fluctuations in the Company's share price, we will review the appropriate level of WACC.

※1 ROIC is calculated using after-tax business profit, which appropriately reflects investment efficiency based on the company's business model.

After-tax business profit = After-tax ordinary income + Interest expenses

MTP : Progress Toward Non-Financial Targets (Human Capital)

Target	Actual FY 2026	Assessment & Comments
Number of employee (consolidated) FY2029 12,000	11,122人	•Results are exceeding the plan for FY2026. •The increase in headcount is assumed to have benefited from synergistic effects, including the head office relocation, the company name change, and the earlier start of recruitment activities. The employee turnover rate has also been on a declining trend.
Employee annual income level FY2029 ¥10 million average income for 45-year-old employees	¥9.82million	•Through the introduction of performance-linked bonuses and compensation improvements driven by wage enhancements, annual income levels (based on base salary) were increased by 15% year on year. •We expect to achieve the target level of ¥10 million in FY2027.
Engagement score 72 points or higher	72 points	•New initiatives were implemented, including improved compensation practices, revisions to workwear, and the introduction of a location-selection system. As a result, recent survey results show that the score has improved to the target level of 72 points.
Education and training expenses FY2029 vs.FY2024 50%UP	21.3%UP	•The training period for newly hired employees in technical positions was extended by one month, and post-assignment follow-up support was further strengthened. In training for younger employees, we aim to enhance both technical skills and mental preparedness.
Improvement in sales productivity (per hour) (Electrical-HVAC work) vs. average value during the previous Mid-term Management Plan period 10% increase in average during MTP period	14.5%UP	•Sales in both the electrical segment (excluding the renewable energy business) and HVAC segment exceed MTP averages. •With regard to back-office support functions (technical administration), we are promoting the standardization and leveling of operations to strengthen the support framework, with the aim of further improving the operational efficiency of engineers.
New hiring of highly skilled professionals By FY2029 Increase of 50	0	•We are currently organizing and clarifying the differentiation between career hires and highly specialized professionals. •We have commenced consideration of the system design with a view to launching the program in FY2028.
Female managers FY2029 vs.FY2024 2×	0.8×	•To foster a corporate culture that enhances career aspirations and to raise individual awareness, we will focus on improving psychological safety based on the results of our employee engagement survey and will consider and implement the necessary measures.
Male childcare leave utilization ratio 100%	101.2%	•We also aim to increase the average number of childcare leave days taken per employee.

MTP : Progress Toward Non-Financial Targets (Safety, Governance and Environmental Management)

Target	Actual FY 2026	Assessment & Comments
Serious legal violations (Criminal and administrative penalties) 0 incidents	0 incidents	•We are strengthening the compliance framework and revitalizing compliance activities across headquarters, branches, and sales offices. •To ensure compliance with overtime work caps, we have established a system that enables the immediate sharing of projected overtime hours and are implementing early countermeasures, including human-resource follow-up.
Major accidents (Fatal accidents) 0 incidents	0 incidents	•A database covering disaster incident information, including non-serious incidents, has been introduced. •We will continue to refine rules as needed and promote diversification of training programs, including enhanced training materials, in preparation for an increasing number of foreign workers.
Cybersecurity measures Confidential information leaks 0 incidents	0 incidents	•In response to the growing importance of cybersecurity measures each year, we conduct regular training for all employees and hold large-scale security incident drills involving senior management. •It is necessary to foster security awareness across all employees and to build systems that help prevent incidents from occurring.
CO2 emissions Scope 1 + 2 -50% or higher	Under Calculation	•Although figures cannot be calculated at this stage, we expect to achieve the target levels. •In line with our carbon-neutral roadmap, we are sequentially implementing environmentally conscious capital investments—such as EV vehicles and the installation of photovoltaic systems at offices—and are working to reduce CO₂ emissions.

1. Fund Overview

Fund Size **¥20 billion**
Our Commitment /
Total Commitments

Fund Term
10 years
Up to 2 one-year extensions available

Establishment/Commencement
**Expected in September 2026 / Operations to
commence in October 2026 or later**

Commitment-Based Capital Call StructureOwnership
Interest: Approximately 99.9% (at inception)
Consolidated Subsidiary

2. Background of the Establishment

Japanese companies are currently facing major changes in the business environment, including population decline, a shortage of successors, digital transformation (DX), response to green transformation (GX), labor shortages, and changes in industrial structures. On the other hand, many companies, despite possessing excellent technology, talent, and a customer base, are unable to make sufficient investments in growth, implement business succession plans, or execute capital policies. In order to respond to these changes in the business environment and address the management challenges faced by companies, our Group has decided to establish this fund.

3. Purpose of This Fund

The purpose of this fund is to support the enhancement of corporate value in portfolio companies through strategic investments in companies with excellent technology and business foundations. It also seeks to promote collaboration and business partnerships with our Group to achieve sustainable growth for both parties. In addition to taking an equity stake in portfolio companies, we aim to foster sustainable growth by providing support—such as strengthening their management foundations, providing human resources support, fostering business growth, and promoting DX—as needed.

4. Significance of This Fund's Establishment

Through this fund, our Group aims to build relationships with promising companies. We also aim to strengthen our access to new technologies, services, and talent. With such measures, we will strive to create new business opportunities through collaboration with our portfolio companies, advance the enhancement of our business portfolio and strengthen the foundation for sustainable growth.

5. Features of This Fund

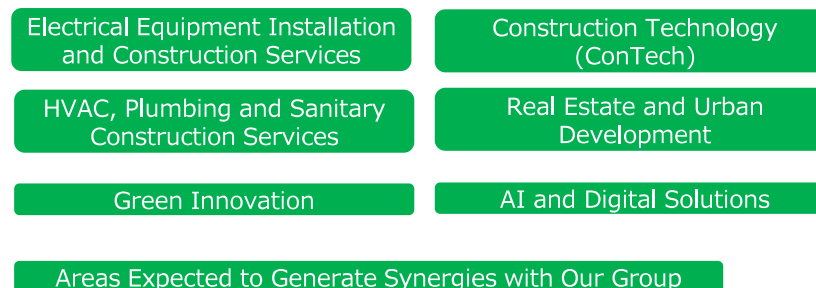
This fund will not only seek short-term investment returns but also engage in strategic investments that prioritize medium- to long-term value creation, and will be operated as a strategic investment platform aimed at enhancing the corporate value of both our Group and our portfolio companies. In addition to leveraging our Group's customer base, technical expertise, on-site capabilities, talent network, and nationwide business foundations, we will aim to create synergies that enhance corporate value through collaboration with our portfolio companies.

6. Investment Strategy

(Investment Style)



(Key Investment Areas)



Appendix

Company name	KRAFTIA CORPORATION
Established	December 1, 1944
Capital	¥ 12,561 million
Listed market Code	Prime Market of Tokyo Stock Exchange, Fukuoka Stock Exchange 1959
Head office	11-1,Tenjin 1-chome,Chuo-ku,Fukuoka city
Tokyo head office	Sunshine 60 3-1-1 Higashi-Ikebukuro, Toshima-ku, Tokyo
Bases	Head office, Tokyo head office, 13 branches in Japan, 96 sales offices, / 7 overseas subsidiaries
Approval for construction	Approved by Minister of Land, Infrastructure, Transport and Tourism (Sp. 4) No. 1659
Number of employees	Consolidated: 11,225persons (Mar. 31, 2026)



While inheriting the history of Kyudenko's founding in Kyushu and the spirit of the company, each of us hones our skills and expertise striving to innovate technology and implement technology to create a comfortable environment.

With a commitment to technical execution that earns trust and technical innovation that never stops embracing challenges, we will strive to pioneer new frontiers rich in potential.

The name **KRAFTIA** embodies this determination.

Corporate Philosophy

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

Long-term Vision

Vision Phrase

Make Next: To Create Smiles for the Future

Looking toward future **megatrends**, we have clearly defined our role in building a sustainable society through **Three Contributions** and a fundamental approach to realizing our vision.

Four **megatrends** the KRAFTIA Group is monitoring

- 1 Transition to a decentralized energy society
- 2 Increased environmental awareness
- 3 Changes in population structure and diversification of work styles
- 4 Advancement of digital technologies

Our role: **Three Contributions**

Solve social problems

Contribute to realization of affluent life by leveraging our engineering strength and taking on the challenge of solving social issues.

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 the stable supply of electricity, facility work, urban development, etc.

Basic stance to achieve our vision

Contribution to realizing a circular society

By solving social issues through business activities, we strive to balance social value with economic value.

- KRAFTIA has established a Basic Sustainability Policy and identified material issues (materiality) based on our corporate philosophy and long-term vision.
By addressing these material issues under the guidance of our Basic Sustainability Policy, we're working to contribute to the realization of a sustainable society while enhancing our corporate value.

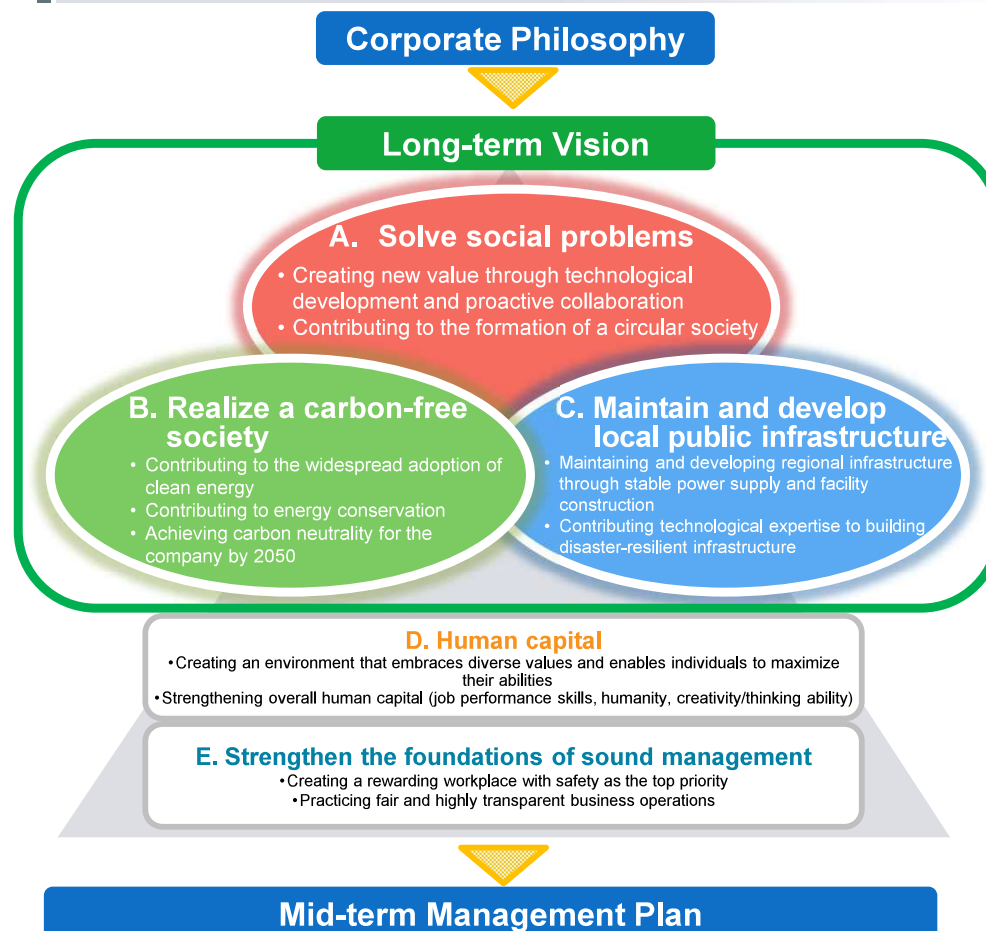
Basic Sustainability Policy

In keeping with its corporate philosophy, the KRAFTIA Group seeks to solve social issues through its business activities in order to help achieve a sustainable society while increasing the Group's corporate value.

Materiality (key issues)

	Social issues	Key issues (materiality)	Framework diagram
E: Environment	Climate change Decarbonized society Energy	Contributing to the widespread adoption of clean energy	B
		Contributing to energy conservation	B
		Achieving carbon neutrality for the company by 2050	B
S: Society	Diversity/ Labor practices Employment / Human rights	Creating an environment that embraces diverse values and enables individuals to maximize their abilities	D
	Occupational health and safety	Creating a rewarding workplace with safety as the top priority	E
	Education and training	Strengthening overall human capital (job performance skills, humanity, creativity/thinking ability)	D
	Local communities	Maintaining and developing regional infrastructure through stable power supply and facility construction	C
	Disaster prevention	Contributing technological expertise to building disaster-resilient infrastructure	C
	Innovation	Creating new value through technological development and proactive collaboration	A
	Waste	Contributing to the formation of a circular society	A
G: Governance	Organizational governance Anti-corruption Compliance Fair business practices Anti-competitive behavior	Practicing fair and highly transparent business operations	E

Materiality framework diagram



Human Capital Hiring Results (KRAFTIA Non-consolidated) and Year-end Headcount



«Actual Number of Regularly Hired Technical and Skilled Personnel»

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total engineers and skilled persons	384	342	336	387	306	259	292	357	360
High school graduates	271	253	253	263	225	187	196	231	234
University graduates	113	89	83	124	81	72	96	126	126

«Actual number of personnel at the end of the fiscal year »

	2021.3	2022.3	2023.3	2024.3	2025.3	2026.3
Electrical work department	2,359	2,468	2,519	2,563	2,620	2,755
HVAC work department	1,188	1,212	1,202	1,216	1,254	1,319
Year-end workforce of electrical and HVAC	3,547	3,680	3,721	3,779	3,874	4,074
Power distribution line department	1,566	1,519	1,471	1,437	1,438	1,476
Other	1,469	1,508	1,516	1,514	1,547	1,572
Employees (Kraftia, Non-Consolidated)	6,582	6,707	6,708	6,730	6,859	7,122
Employees of group	10,198	10,528	10,626	10,687	10,935	11,225

« Total 9,100 employees in technical field of total 11,200 »

	(KRAFTIA)		(Subsidiaries)		
Number of site technicians	About 2,200	+	About 2,150	=	About 4,350
Number of construction managers	About 3,450	+	About 1,300	=	About 4,750

Details of Diverse Business Models (facility work)

business model item	Ⓐ Proposal and original contract type(Local based)	Ⓑ Sub-contract type	Ⓒ Capital participation type
① Feature	• Mainly small- and med-sized deals • Order directly from the owner (prime contractor)	• Large sized deals • Subcontractor of a general contractor	• Capital participation in a project of collaboration with different industries, and receiving an order for construction • Construction profit + Business profit according to the amount of investment
② Business area	Mainly Kyushu	Urban areas such as Kanto and Kansai	Nationwide development
	To Kanto and Kansai by M & A	Fukuoka urban area Business area expansion to the whole country	
③ Sales	Sales by project are small	Sales by project are large	Sales by project are large
④ Profit rate	Relatively higher (Order directly from the owner)	Relatively lower (Mainly subcontracted)	Different for each project
⑤ Differentiation strategy	By having 110 sales offices throughout Kyushu and Okinawa, we develop local-based sales by engineers	Overwhelming ability to collect workforce and ability of direct construction	By participating from the project planning stage, we definitely receive an order for construction
⑥ Rival	Local small and medium-sized enterprises	Major competitors	General contractor and developer
⑦ Composition ratio	about 40 %	about 50 %	about 10 %