

Financial Results for FY2025 – 2nd Quarter

November 7th, 2025

Kanadevia Corporation

Financial Information

FY2025 2Q Results - Overview

FY2025 2Q

Orders increased YoY and continued to trend favorably; however, operating income declined due to a decrease in high-margin projects in the Environmental Business and deterioration in the Infrastructure Business.

Full year forecast

Downward revision of operating income, ordinary income, and net income forecasts.

	FY2024		FY2025						
	1-2Q	Full Year	1-2Q		Full Year Forecast				Progress (a)/(b)
			Results (a)	YoY	Initial	as of Aug.	as of Nov. (b)	YoY	
(Billions of JPY)									
Order intake	284.8	765.9	307.5	22.7	700.0	700.0	700.0	-65.9	43.9%
Net sales	269.9	610.5	267.7	-2.2	620.0	620.0	620.0	9.5	43.2%
Operating income	3.1	26.9	-7.7	-10.8	27.0	27.0	18.0	-8.9	-
% to net sales	1.1%	4.4%	-2.9%	-	4.4%	4.4%	2.9%	-	-
Non-Operating Income	-2.5	-2.6	-0.6	1.9	-4.0	-4.0	-4.0	-1.4	-
Ordinary income	0.6	24.3	-8.3	-8.9	23.0	23.0	14.0	-10.3	-
Extraordinary income and loss	0.0	-0.7	0.0	0.0	-	-	-	-	-
Profit attributable to shareholders of Kanadevia	-1.1	22.1	-5.5	-4.4	16.0	16.0	10.0	-12.1	-
ROE		12.6%			8.2%	8.2%	5.2%		
ROIC		6.8%			5.8%	5.8%	4.0%		
Net income per share (JPY)		131.33			95.13	95.13	59.46		
Dividends per share (JPY)		25			25	25	25		

FY2025 2Q Results – Non-Operating Income / Expense

(Billions of JPY)

	FY2024 1-2Q	FY2025 1-2Q	Difference
Net interest income / expense, etc.	0.4	-0.1	-0.5
Gain and loss on investment by equity method	-0.8	1.1	1.9
Foreign exchange gain and loss	-0.3	-1.9	-1.6
Others	-1.8	0.3	2.1
Total	-2.5	-0.6	1.9

FY2025 2Q Results - Consolidated Balance Sheet

(Billions of JPY)

	End of Sep. 2024	End of Mar. 2025 (a)	End of Sep. 2025 (b)	Difference (b)-(a)
Cash and deposits (A)	60.0	70.8	50.4	-20.4
Operating assets	191.3	251.1	231.7	-19.4
Trade notes and accounts receivable	162.8	228.0	201.8	-26.2
Inventories	28.5	23.1	29.9	6.8
Tangible fixed assets	108.5	136.1	133.2	-2.9
Intangible fixed assets	29.8	41.2	45.5	4.3
Others	93.6	110.4	122.0	11.6
Total Assets	483.2	609.6	582.8	-26.8
Operating liabilities	97.4	106.4	111.7	5.3
Notes and accounts payable, Electronically recorded obligations - operating	47.8	65.8	54.1	-11.7
Advances received/ Contract assets	49.6	40.6	57.6	17.0
Interest bearing debt (B)	74.2	135.8	127.1	-8.7
Bank borrowings (incl. lease obligations)	54.2	115.8	117.1	1.3
Bonds payable	20.0	20.0	10.0	-10.0
Others	144.5	169.5	157.2	-12.3
Total Liabilities	316.1	411.7	396.0	-15.7
Shareholders' equity	160.8	189.4	177.9	-11.5
Non-controlling interests	6.3	8.5	8.9	0.4
Total Net Assets	167.1	197.9	186.8	-11.1
Total Liabilities and Net Assets	483.2	609.6	582.8	-26.8
Shareholders' equity ratio	33.3%	31.1%	30.5%	-0.6pt
Net interest bearing debt (B)-(A)	14.2	65.0	76.7	11.7

FY2025 2Q Results - Consolidated Cash Flows

(Billions of JPY)

	FY2024 1-2Q	FY2025 1-2Q	Difference
Cash flows from operating activities	35.3	-3.6	-38.9
Cash flows from investing activities	-26.8	-3.7	23.1
Cash flows from financing activities	-21.1	-12.3	8.8
Foreign currency translation differences	1.0	0.5	-0.5
Increase in cash and cash equivalents	-11.6	-19.1	-7.5
Cash and cash equivalents at beginning	69.7	68.7	-1.0
Cash and cash equivalents at end	58.1	49.6	-8.5

FY2025 2Q Results - Order intake, Net sales, Operating income

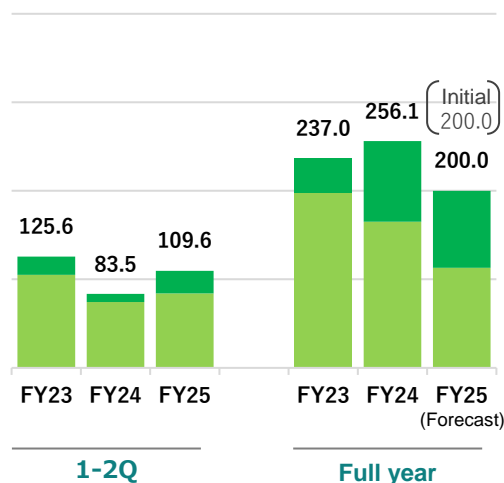
		FY2024		FY2025						
		1-2Q	Full Year	1-2Q		Full Year Forecast				
(Billions of JPY)				Results (a)	YoY	Initial (b)	as of Aug.	as of Nov. (c)	Difference (c)-(b)	Progress (a)/(c)
Order intake		284.8	765.9	307.5	22.7	700.0	700.0	700.0	0.0	43.9%
■	Environment	229.9	617.4	233.1	3.2	560.0	560.0	560.0	0.0	41.6%
■	Machinery & Infrastructure	41.3	91.2	41.1	-0.2	67.0	67.0	67.0	0.0	61.3%
■	Carbon Neutral Solution	12.1	54.0	31.8	19.7	70.0	70.0	70.0	0.0	45.4%
■	Others	1.5	3.3	1.5	0.0	3.0	3.0	3.0	0.0	50.0%
Net sales		269.9	610.5	267.7	-2.2	620.0	620.0	620.0	0.0	43.2%
■	Environment	199.5	453.5	208.0	8.5	470.0	470.0	476.0	6.0	43.7%
■	Machinery & Infrastructure	34.7	83.0	28.5	-6.2	70.0	70.0	69.0	-1.0	41.3%
■	Carbon Neutral Solution	33.9	70.2	29.6	-4.3	77.0	77.0	72.0	-5.0	41.1%
■	Others	1.8	3.8	1.6	-0.2	3.0	3.0	3.0	0.0	53.3%
Operating income		3.1	26.9	-7.7	-10.8	27.0	27.0	18.0	-9.0	-
■	Environment	5.5	25.4	-2.7	-8.2	24.5	25.7	19.7	-4.8	-
■	Machinery & Infrastructure	-1.3	1.0	-2.4	-1.1	2.0	0.8	-1.9	-3.9	-
■	Carbon Neutral Solution	-1.3	0.1	-2.9	-1.6	0.3	0.3	0.0	-0.3	-
■	Others	0.2	0.4	0.3	0.1	0.2	0.2	0.2	0.0	-

FY2025 Forecast - Environment Business (Consolidated)

		FY2024		FY2025					
		1-2Q	Full Year	1-2Q		Full Year Forecast			
(Billions of JPY)				Results	YoY	Initial (a)	as of Aug.	as of Nov. (b)	Difference (b)-(a)
Order intake		229.9	617.4	233.1	3.2	560.0	560.0	560.0	0.0
	EPC	57.2	309.4	106.3	49.1	297.0	297.0	297.0	0.0
	AOM*	172.7	308.0	126.8	-45.9	263.0	263.0	263.0	0.0
Net sales		199.5	453.5	208.0	8.5	470.0	470.0	476.0	6.0
	EPC	117.2	243.8	106.1	-11.1	237.0	237.0	236.0	-1.0
	AOM*	82.3	209.7	101.9	19.6	233.0	233.0	240.0	7.0
Operating income		5.5	25.4	-2.7	-8.2	24.5	25.7	19.7	-4.8
	EPC	4.1	7.1	-1.3	-5.4	8.0	9.7	5.0	-3.0
	AOM*	1.4	18.3	-1.4	-2.8	16.5	16.0	14.7	-1.8

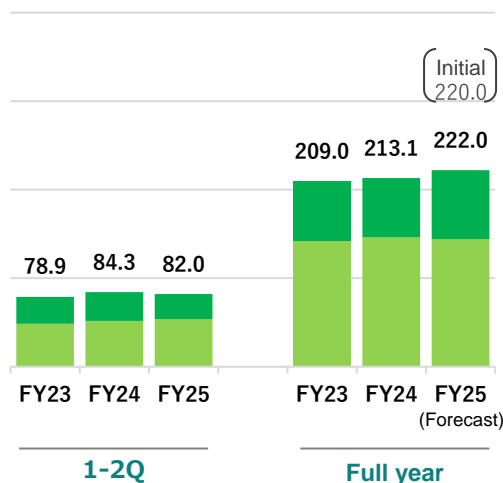
FY2025 Forecast - Environment Business (excluding Inova)

Order intake (Billions of JPY)

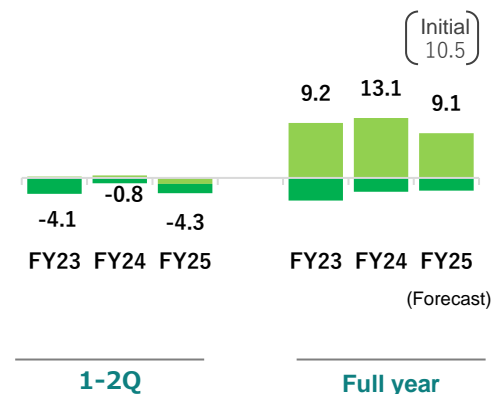


■ EPC ■ AOM

Net sales (Billions of JPY)



Operating income (Billions of JPY)



* The numbers in each chart represent the total amount.
For a breakdown, please refer to the next page.

1-2Q Results (YoY)

Order intake JPY109.6bn (+26.1)

- Secured two major retrofit projects and one DBO project (Sludge Recycling Center).

Net sales JPY82.0bn (-2.3)/ Operating income JPY-4.3bn (-3.5)

- Additional costs for biomass power generation projects (①).
- Provision for rising personnel expenses in long-term operation business at operating subsidiaries (②).
- Decrease in high-margin AOM projects.

Full year forecast (vs. initial forecast)

Order intake JPY200.0bn (± 0)

- No change from the initial forecast.

Net sales JPY220.0bn (+2.0)/ Operating income JPY9.1bn (-1.4)

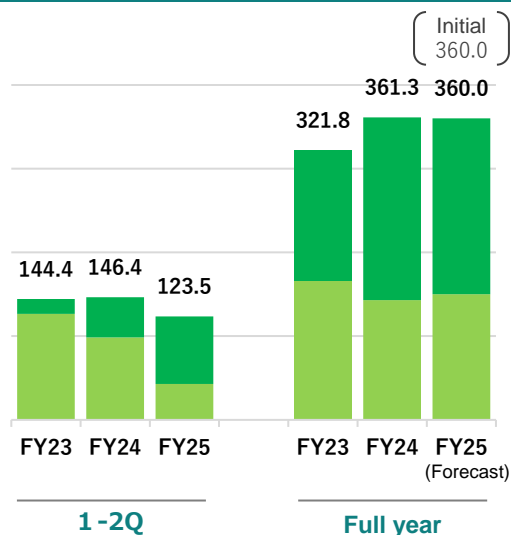
- Operating income revised downward reflecting ① and ②.

FY2025 Forecast - Environment Business (excluding Inova)

		FY2024		FY2025					
		1-2Q	Full Year	1-2Q		Full Year Forecast			
(Billions of JPY)				Results	YoY	Initial (a)	as of Aug.	as of Nov.. (b)	Difference (b)-(a)
Order intake		83.5	256.1	109.6	26.1	200.0	200.0	200.0	0.0
	EPC	9.2	91.1	25.6	16.4	87.0	87.0	87.0	0.0
	AOM*	74.3	165.0	84.0	9.7	113.0	113.0	113.0	0.0
Net sales		84.3	213.1	82.0	-2.3	220.0	220.0	222.0	2.0
	EPC	32.6	67.1	28.4	-4.2	77.0	77.0	78.0	1.0
	AOM*	51.7	146.0	53.6	1.9	143.0	143.0	144.0	1.0
Operating income		-0.8	13.1	-4.3	-3.5	10.5	11.7	9.1	-1.4
	EPC	-1.5	-3.9	-2.6	-1.1	-3.0	-2.3	-3.6	-0.6
	AOM*	0.7	17.0	-1.7	-2.4	13.5	14.0	12.7	-0.8

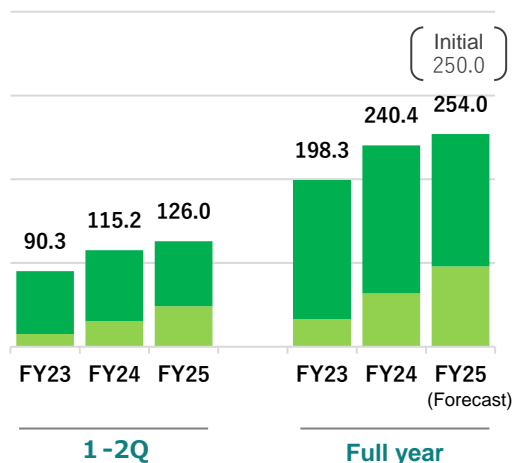
FY2025 Forecast - Environment Business (Inova Group)

Order intake (Billions of JPY)

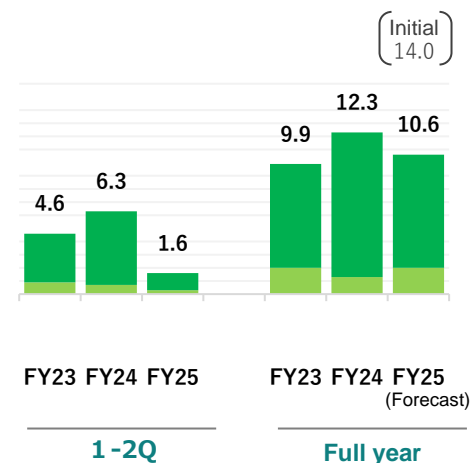


■ EPC ■ AOM

Net sales (Billions of JPY)



Operating income (Billions of JPY)



* The numbers in each chart represent the total amount.
For a breakdown, please refer to the next page.

1-2Q Results (YoY)

Order intake JPY123.5bn (-22.9)

- Secured large-scale projects (Schwandorf, Abu Dhabi O&M) in FY24 Q1.
- Secured EPC order for carbon capture project in FY 25 Q2.

Net sales JPY126.0bn (+10.8)/ Operating income JPY1.6bn (-4.7)

- Increased Net sales due to M&A
- Decreased Operating income due to changes in project mix (high-margin projects completed in prior year).

Full year forecast (vs. initial forecast)

Order intake JPY360.0bn (± 0)

- No change from the initial forecast.

Net sales JPY254.0bn (+4.0)/ Operating income JPY1.06bn (-3.4)

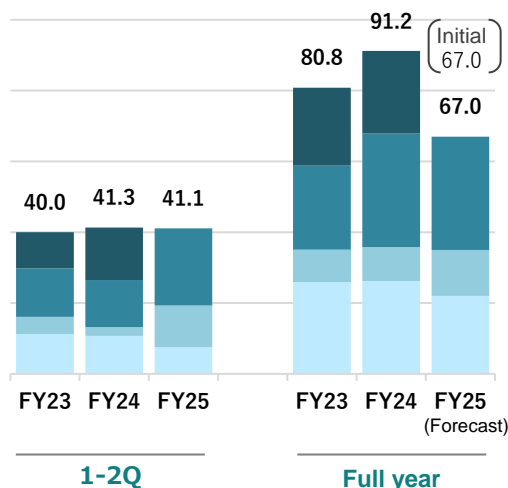
- Increased Net sales due to acquisition of Dublin O&M.
- Decreased Operating income due to:
 - Bond call for Rockingham (Australia)
 - Revision of timing for reversal of project risk provisions in Moscow (Russia)

FY2025 Forecast - Environment Business (Inova Group)

		FY2024		FY2025					
		1-2Q	Full Year	1-2Q		Full Year Forecast			
(Billions of JPY)				Results	YoY	Initial (a)	as of Aug.	as of Nov. (b)	Difference (b)-(a)
Order intake		146.4	361.3	123.5	-22.9	360.0	360.0	360.0	0.0
	EPC	48.0	218.3	80.7	32.7	210.0	210.0	210.0	0.0
	AOM*	98.4	143.0	42.8	-55.6	150.0	150.0	150.0	0.0
Net sales		115.2	240.4	126.0	10.8	250.0	250.0	254.0	4.0
	EPC	84.6	176.7	77.7	-6.9	160.0	160.0	158.0	-2.0
	AOM*	30.6	63.7	48.3	17.7	90.0	90.0	96.0	6.0
Operating income		6.3	12.3	1.6	-4.7	14.0	14.0	10.6	-3.4
	EPC	5.6	11.0	1.3	-4.3	11.0	12.0	8.6	-2.4
	AOM*	0.7	1.3	0.3	-0.4	3.0	2.0	2.0	-1.0
Exchange rate (CHF/JPY)		172.44	172.11	0.00		165.00	165.00	170.00	

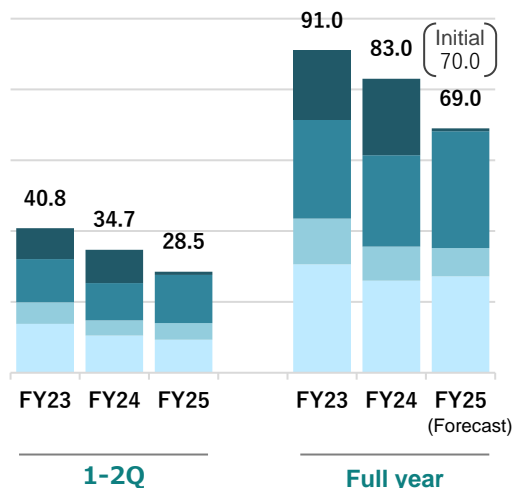
FY2025 Forecast - Machinery Business & Infrastructure Business

Order intake (Billions of JPY)



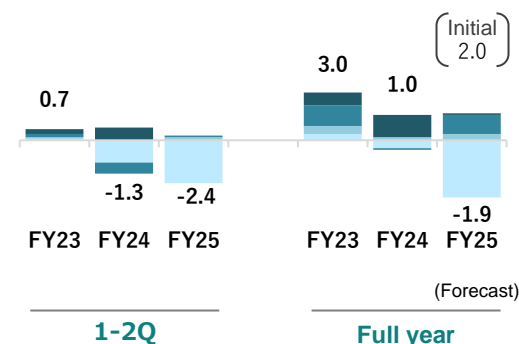
■ Press machine ■ Precision machinery
■ Other machinery ■ Infrastructure

Net sales (Billions of JPY)



* The numbers in each chart represent the total amount.
For a breakdown, please refer to the next page.

Operating income (Billions of JPY)



1-2Q Results (YoY)

Order intake JPY41.1bn (-0.2)

- Transferred press machine business subsidiary
- Precision: Secured large-scale project (Spring-8 II)
- Other Machinery: Received Orders for engines and boilers

Net sales JPY28.5bn (-6.2)/ Operating income JPY-2.4bn (-1.1)

- Transferred press business subsidiary
- Precision: improved Profitability due to completion of low-margin projects
- Infrastructure: Deterioration in bridge business profitability

Full year forecast (vs. initial forecast)

Order intake JPY67.0bn (± 0)

- No change from the initial forecast.

Net sales JPY69.0bn (-1.0)/ Operating income JPY-1.9bn (-3.9)

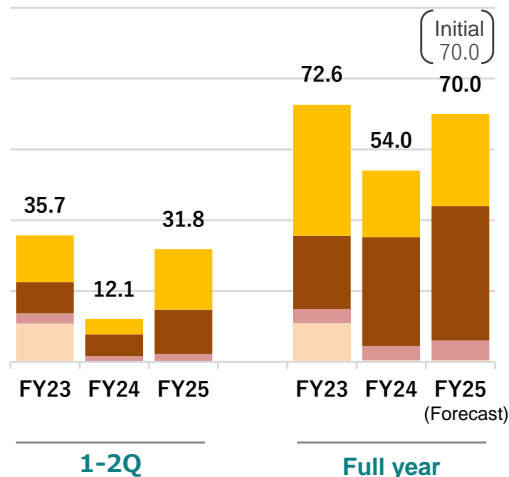
- Infrastructure: Revised downward net sales and operating income due to worsening profitability in bridge business

FY2025 Forecast - Machinery Business & Infrastructure Business

	FY2024		FY2025					
	1-2Q	Full Year	1Q		Full Year Forecast			
			Results	YoY	Initial (a)	as of Aug.	as of Nov. (b)	Difference (b)-(a)
(Billions of JPY)								
Order intake	41.3	91.2	41.1	-0.2	67.0	67.0	67.0	0.0
Machinery Business	30.6	65.0	33.6	3.0	41.0	41.0	45.0	4.0
Press machine	14.8	23.3	0.0	-14.8	-	-	-	-
Precision machinery	13.3	32.1	21.8	8.5	32.0	32.0	32.0	0.0
Other machinery	2.5	9.6	11.8	9.3	9.0	9.0	13.0	4.0
Infrastructure Business	10.7	26.2	7.5	-3.2	26.0	26.0	22.0	-4.0
Net sales	34.7	83.0	28.5	-6.2	70.0	70.0	69.0	-1.0
Machinery Business	24.2	57.0	19.2	-5.0	42.0	42.8	41.8	-0.2
Press machine	9.4	21.6	0.9	-8.5	-	0.8	0.8	0.8
Precision machinery	10.5	25.8	13.6	3.1	33.0	33.0	33.0	0.0
Other machinery	4.3	9.6	4.7	0.4	9.0	9.0	8.0	-1.0
Infrastructure Business	10.5	26.0	9.3	-1.2	28.0	27.2	27.2	-0.8
Operating income	-1.3	1.0	-2.4	-1.1	2.0	0.8	-1.9	-3.9
Machinery Business	0.1	1.5	0.3	0.2	1.5	1.8	1.7	0.2
Press machine	0.8	1.4	0.0	-0.8	-	0.1	0.1	0.1
Precision machinery	-0.7	-0.1	0.1	0.8	1.0	1.2	1.2	0.2
Other machinery	0.0	0.2	0.2	0.2	0.5	0.5	0.4	-0.1
Infrastructure Business	-1.4	-0.5	-2.7	-1.3	0.5	-1.0	-3.6	-4.1

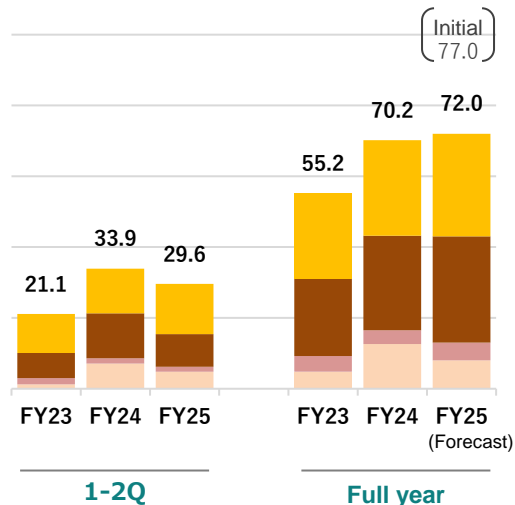
FY2025 Forecast - Carbon Neutral Solution Business

Order intake (Billions of JPY)



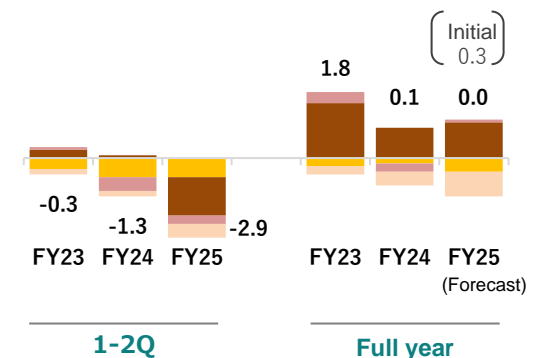
■ Marine Engine
 ■ Process equipment
 ■ Decarbonization system
 ■ Wind power

Net sales (Billions of JPY)



* The numbers in each chart represent the total amount. For a breakdown, please refer to the next page.

Operating income (Billions of JPY)



1-2Q Results (YoY)

Order intake JPY31.8bn (+19.7)

- Recovery in marine engine orders (previous year: order restraint)

Net sales JPY29.6bn (-4.3)/ Operating income JPY-2.9bn (-1.6)

- Process: NAC Net sales and Operating income declined (order timing delays, project progress delays)

Full year forecast (vs. initial forecast)

Order intake JPY70.0bn (± 0)

- No change from the initial forecast.

Net sales JPY72.0bn (-5.0)/ Operating income JPY0.0bn (-0.3)

- Downward revision due to NAC Net sales and Operating income decline

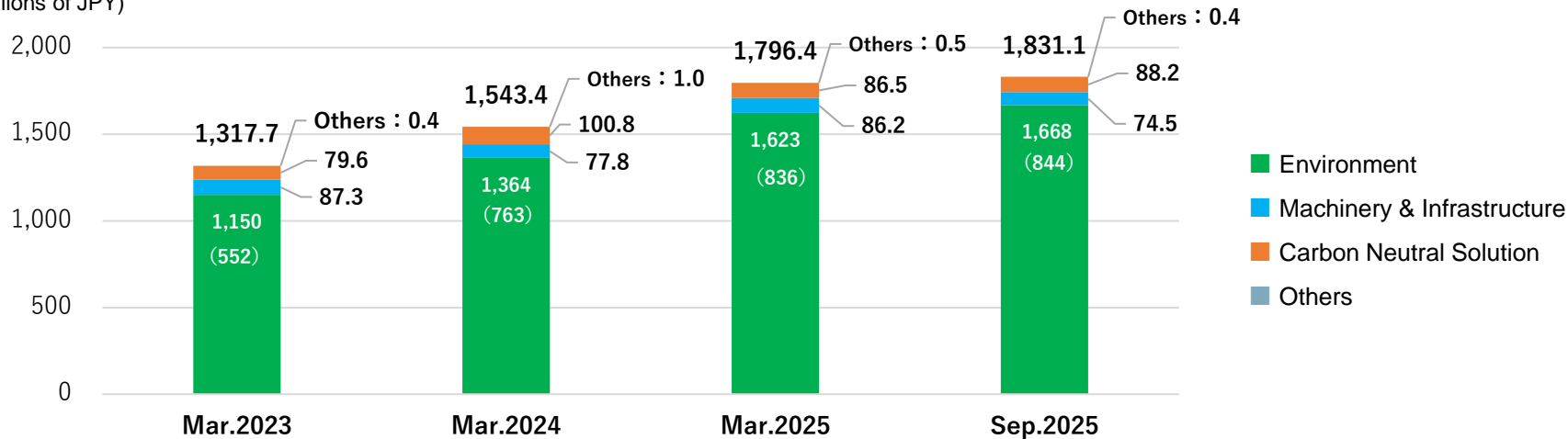
FY2025 Forecast - Carbon Neutral Solution Business

		FY2024		FY2025					
		1-2Q	Full Year	1-2Q		Full Year Forecast			
(Billions of JPY)				Results	YoY	Initial (a)	as of Aug.	as of Nov. (b)	Difference (b)-(a)
Order intake		12.1	54.0	31.8	19.7	70.0	70.0	70.0	0.0
	Marine Engine	4.3	18.8	17.1	12.8	26.0	26.0	26.0	0.0
	Process equipment	6.2	30.7	12.5	6.3	38.0	38.0	38.0	0.0
	Decarbonization systems	1.5	4.0	2.0	0.5	5.5	5.5	5.5	0.0
	Wind power	0.1	0.5	0.2	0.1	0.5	0.5	0.5	0.0
Net sales		33.9	70.2	29.6	-4.3	77.0	77.0	72.0	-5.0
	Marine Engine	12.6	27.0	14.2	1.6	29.0	29.0	29.0	0.0
	Process equipment	12.7	26.7	9.2	-3.5	35.0	35.0	30.0	-5.0
	Decarbonization systems	1.5	3.9	1.4	-0.1	5.0	5.0	5.0	0.0
	Wind power	7.1	12.6	4.8	-2.3	8.0	8.0	8.0	0.0
Operating income		-1.3	0.1	-2.9	-1.6	0.3	0.3	0.0	-0.3
	Marine Engine	-0.7	-0.2	-0.7	0.0	-0.5	-0.5	-0.5	0.0
	Process equipment	0.1	1.1	-1.4	-1.5	1.6	1.6	1.3	-0.3
	Decarbonization systems	-0.5	-0.3	-0.3	0.2	0.1	0.1	0.1	0.0
	Wind power	-0.2	-0.5	-0.5	-0.3	-0.9	-0.9	-0.9	0.0

Order Backlog

Order Backlog

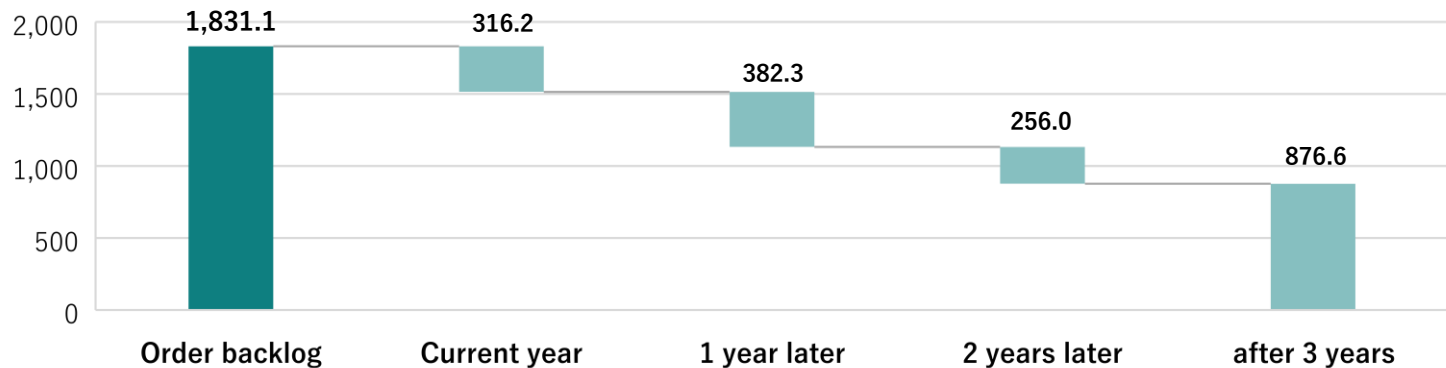
(Billions of JPY)



In parentheses indicate long-term operations included in the Environment

Breakdown of Order Backlog by Sales Recognition Year

(Billions of JPY)



Financial information

(Billions of JPY)

	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Forecast
Total assets	479.6	533.5	609.6	635.0
Cash and deposits	86.4	71.6	70.8	70.0
Equity	139.6	162.7	189.4	195.2
Shareholder's equity ratio	29.1%	30.5%	31.1%	30.7%
Interest-bearing debt	86.5	91.4	135.8	161.0
R&D expenses	8.6	11.2	12.0	12.0
Capital investment	7.9	9.6	27.4	15.0
Depreciation	10.5	11.1	11.9	13.5
ROE	11.5%	12.6%	12.6%	5.2%
ROIC	6.2%	7.4%	6.8%	4.0%

Balance sheet items are as of the end of each year

Forward 25's Targets and Progress

(Billions of JPY)

	FY2023 Results	FY2024 Results	FY2025 Forecast	Forward 25 FY25 Target
Order intake	715.1	765.9	700.0	600.0
Net sales	555.8	610.5	620.0	560.0
Operating income	24.3 4.4%	26.9 4.4%	18.0 2.9%	28.0 5.0%

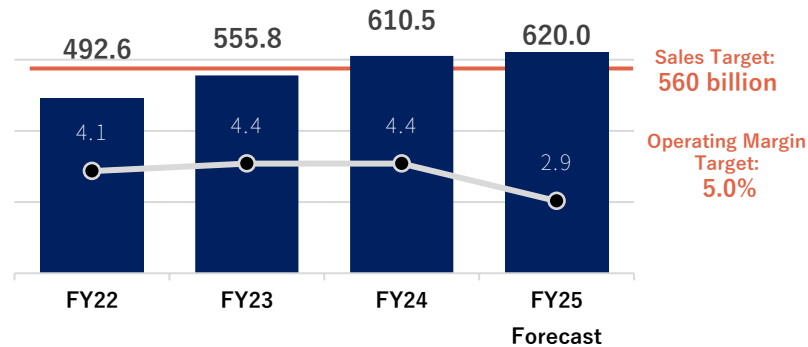
Basic Policies and Priority Measures

	1 Sustainable growth of existing businesses	2 Creation and expansion of growth businesses	3 Promoting sustainable management (Enhancement of corporate value)
Priority measures	<ul style="list-style-type: none"> ① Expanding overseas businesses ② Promoting structural reform ③ Expanding O&M/Service, improving profitability of EPC/New production 	<ul style="list-style-type: none"> ① Promoting investment strategies (Business, R&D) ② Promoting investment in priority areas 	<ul style="list-style-type: none"> ① Strengthening human capital ② Decarbonization in business activities ③ Promoting DX Strategies ④ Thorough risk management

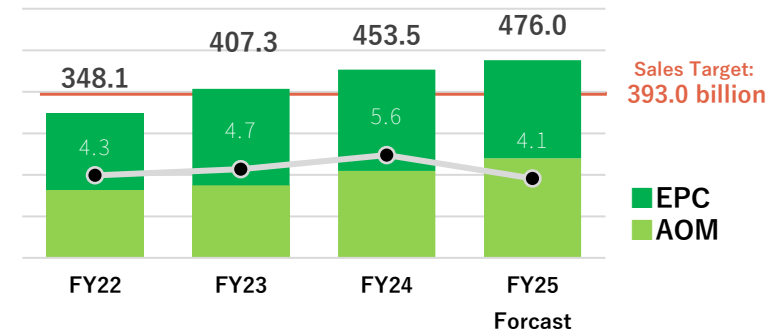
Forward 25's Targets and Progress (by segment)

Bar chart: Net sales (Billions of JPY)
Line chart: Operating margin (%)

Consolidated

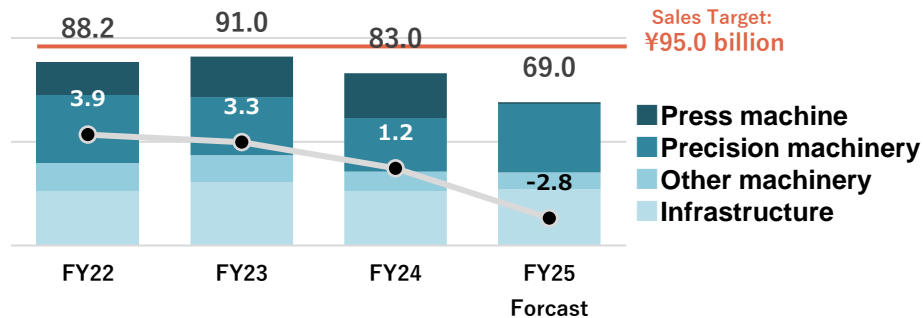


Environment Business



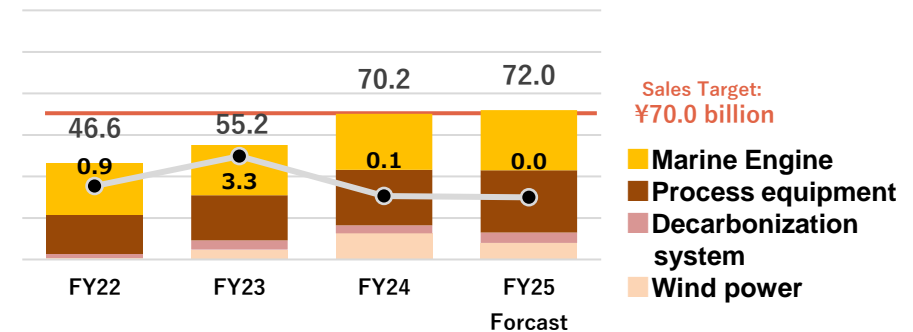
- Overseas business (mainly Inova) expanding

Machinery & Infrastructure Business



- Deteriorated Profitability due to sluggish orders and issues with individual projects
- Transferred press business subsidiary in May 2025

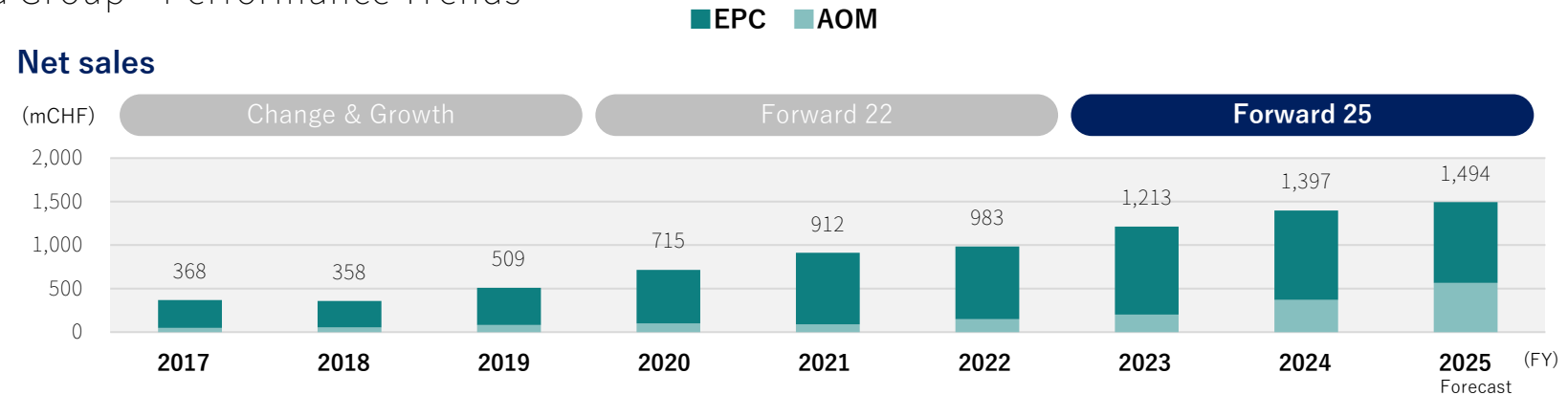
Carbon Neutral Solution Business



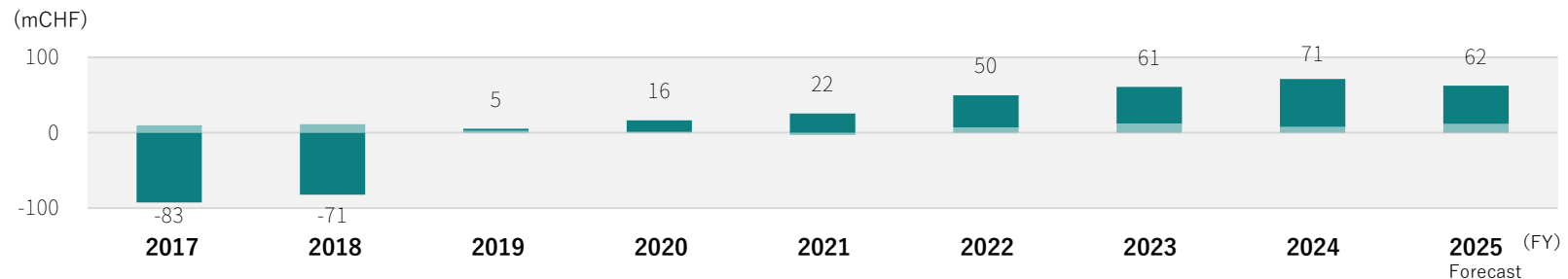
- Nuclear power related business (NAC) growing.
- Investments aligned with anticipated market growth for water electrolysis systems and offshore wind power

Growth in overseas business (Inova)

Inova Group – Performance Trends



Operating income



Recovery from losses and turnaround

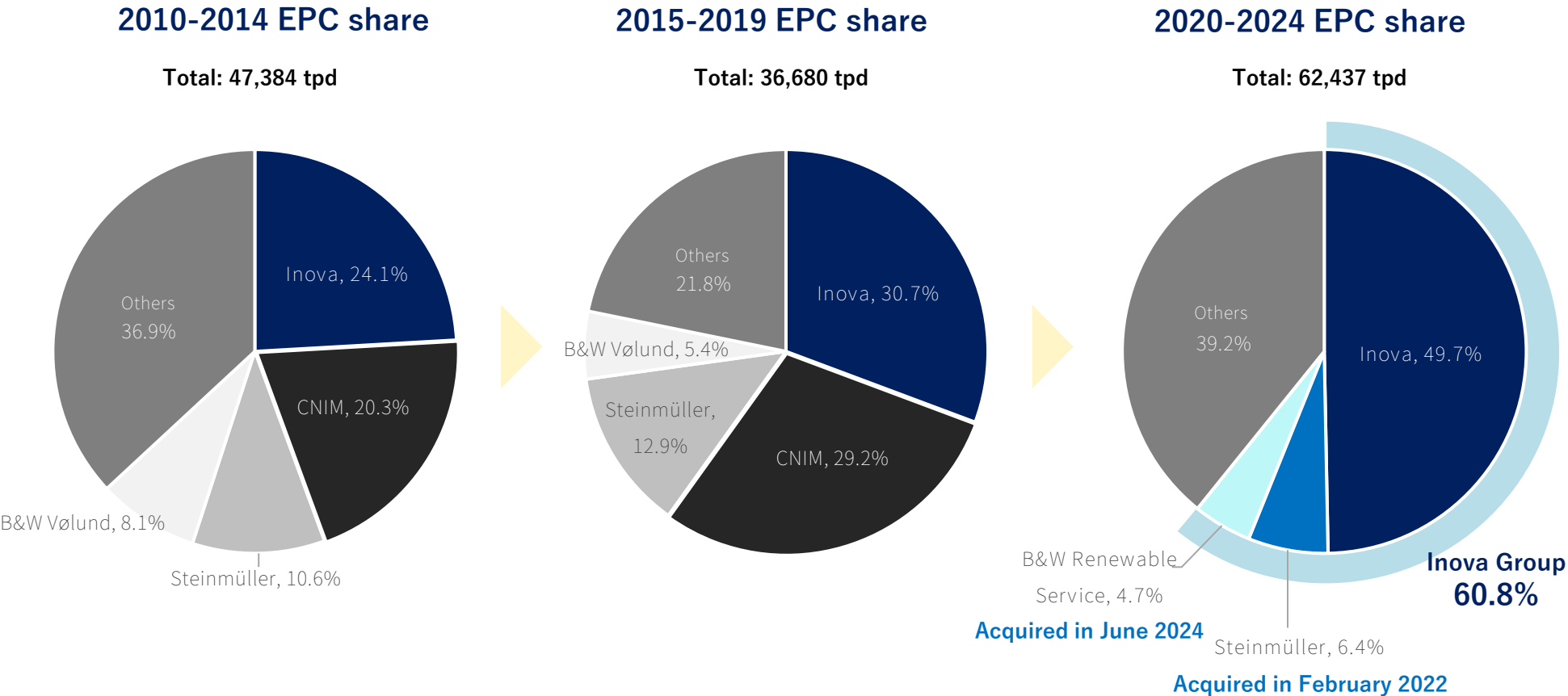
Expansion into new markets for WtE and increase in market share

Strategic M&A to expand biogas and O&M businesses

(Note) The above chart is for reference only. Figures for each fiscal year are reference values calculated using the exchange rate applicable for that year.

Growth in overseas business (Inova)

Market share expansion in EMEA



Source: Prepared by our company based on A. Vaccani & Partners report (2019) and Rhincodon Corporation report (2025)

Growth in overseas business (Inova)

Expansion of Locations (Europe & U.S.)

Encyclis Ireland Operations (U.K.)

Dublin WtE plant operating company
Scheduled for acquisition in November–December 2025

Kanadevia Inova Steinmüller (Germany)

(formerly Steinmüller Babcock Environment)
WtE plant design, construction, operation, and maintenance

Est Industries (France)

Manufacturing, sales, and services of WtE plant boilers

Kanadevia Inova Denmark (Denmark)

(formerly B & W Renewable Service)
After-sales service and maintenance for WtE plants and related facilities

Timberforce (Denmark)

Comprehensive services from design to sales and maintenance of boilers and related equipment

Kanadevia Inova Schmack (Germany)

Design, construction, maintenance, and operation of biogas plants

Kanadevia Inova (Switzerland)

Kanadevia Inova Matrix Services (U.S.)

(formerly Matrix Power Service)
Supply, installation, and maintenance of boiler components for WtE plants

Kanadevia Inova USA (U.S.)

Compogas plant business in North America

- : Engineering, others
- : Service business
- : Renewable gas business

Growth in overseas business (Inova)

Awarded contract to build the UK's first carbon capture facility at a WtE plant

Client: Encyclis (UK)

Location: Cheshire, England, UK

Facility Capacity: CO₂ capture of 370,000 tones per year

Scheduled Completion: 2029

- The world's first commercial WtE facility equipped with carbon capture functionality.
- The project is part of “HyNet North West,” a low-carbon energy initiative supported by the UK Department for Energy Security and Net Zero.

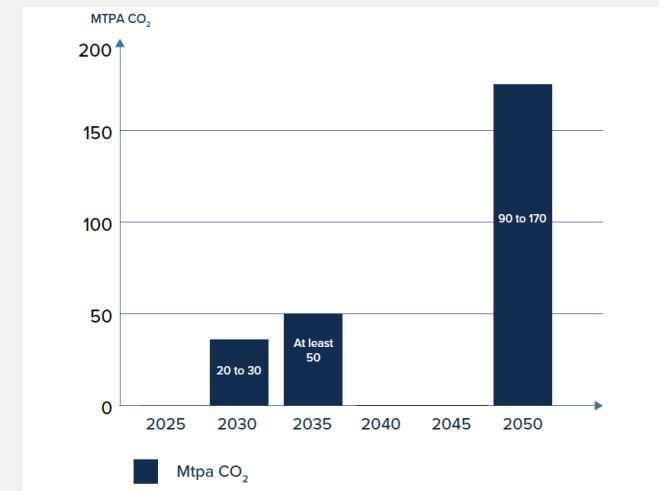


Completion Image

UK CCUS (Carbon Capture, Usage and Storage) Policy

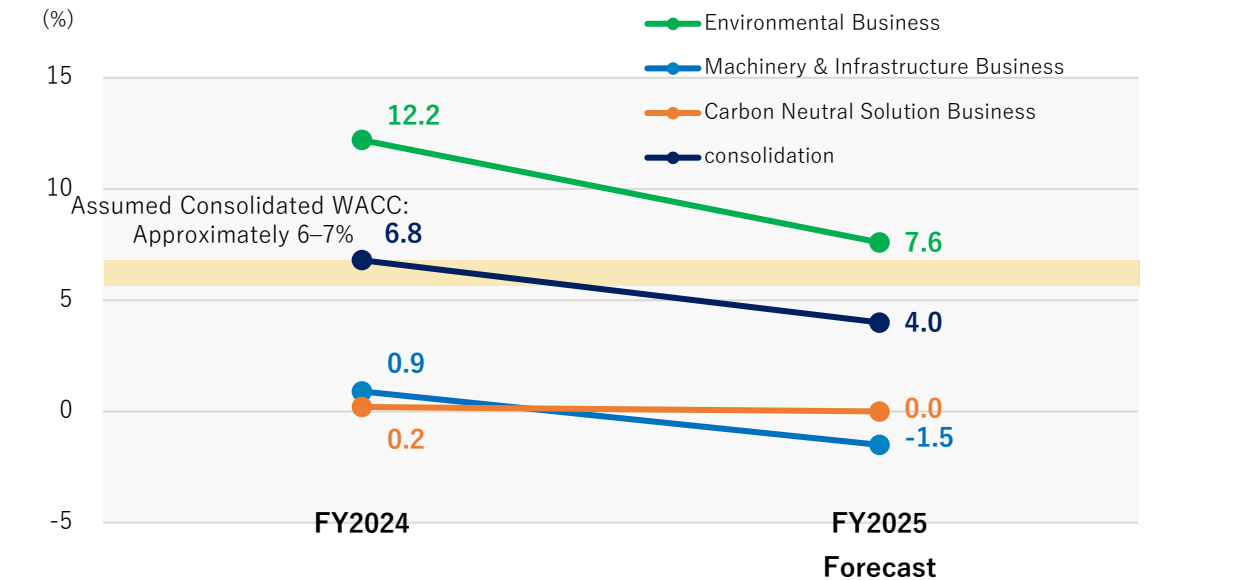
- The UK government positions Carbon Capture, Usage and Storage (CCUS) as a core technology for reducing industrial and energy-related carbon emissions and promotes it as a pillar of its Net Zero strategy.
- The goal is to capture 20–30 million tones of CO₂ annually by 2030 through regional CCUS cluster projects, including HyNet North West.
- Under the CCUS policy, the scope of the UK Emissions Trading Scheme (UK ETS) will be expanded, and WtE facilities are expected to be included by 2028.

Source: UK Government (2023) “Carbon Capture, Usage and Storage: A Vision to Establish a Competitive Market”
<https://www.gov.uk/government/publications/carbon-capture-usage-and-storage-a-vision-to-establish-a-competitive-market>



UK Government CCUS Deployment Target

ROIC by Segment



Environmental Business

ROIC expected to decline in FY2025 due to increased invested capital from Inova M&A. Advancing PMI to boost overseas profitability.

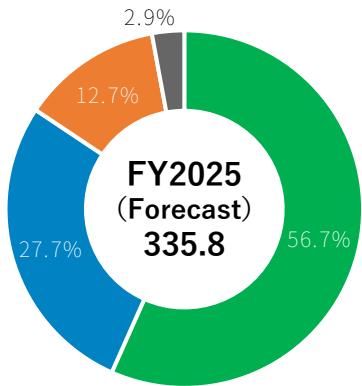
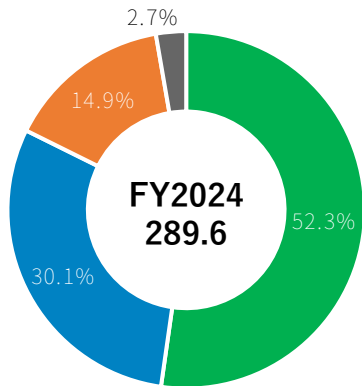
Machinery & Infrastructure Business

Profitability challenges remain; promoting portfolio management for improvement.

Carbon Neutral Solution Business

Driving initiatives for medium- to long-term market growth; investments prioritized.

Investment Ratio by Segment
(Billions of JPY)



- Environmental Business
- Machinery & Infrastructure Business
- Carbon Neutral Solution Business
- Others

Advancing Human Capital Strategy Aligned with Business Strategy

People & Culture Headquarters ~ Organizational reform focused on people and culture ~

External Environment Changes

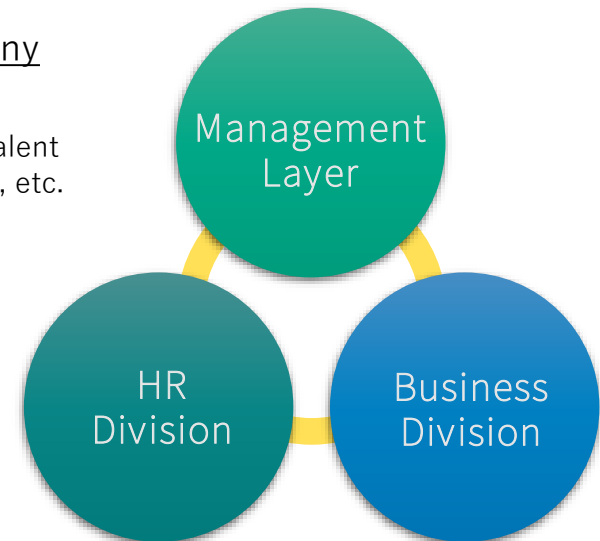
- Progress in globalization and DX
- Decline in Domestic Workforce Population
- Changes in values regarding work styles and diversity

Challenges within the Company

- Improving employee engagement
- Securing and Developing Global Talent
- Enhancing Compliance Awareness, etc.

The HR division works closely with management and business divisions, acting as a partner to respond swiftly and smoothly.

By building a resilient organization and maximizing employee value, we aim to secure a sustainable competitive advantage.



Key Initiatives:

Transforming HR Strategy

Shift from an administration-focused HR division to a strategic HR division

Aligning Business Vision and Talent Vision

Establish partners within business divisions who deeply understand management strategy

Realizing Data-Driven HR Strategy

Optimize talent allocation, recruitment, and development through the use of AI and IT technologies

Enhancing Engagement and Organizational Strength

Improve engagement through HR system reforms and optimal talent acquisition and development

Implementation status of recurrence prevention measures for inappropriate quality conduct

Implementation plan for recurrence prevention measures for inappropriate quality conduct

■ Creation of implementation plan

- For the six recurrence prevention measures established by our entire group, we developed a concrete implementation plan.
- The effectiveness of these measures is being verified with advice and guidance from Nagashima Ohno & Tsunematsu, who served on the Special Investigation Committee. Measures are being revised as necessary to ensure steady and reliable execution.

■ Setting of KPIs

- As indicators based on the expected behavioral changes of employees through the implementation of the measures, we will set KPIs for each recurrence prevention measure at an early stage and conduct continuous monitoring.
- The appropriateness of these KPIs will be evaluated and confirmed based on advice and guidance from the law firm mentioned above.

■ Disclosure of Implementation Status of Recurrence Prevention Measures

- By the end of third quarter, we plan to launch a dedicated webpage on our company website to report on the implementation status of the series of recurrence prevention measures.

Main Initiatives for the Second Quarter

(1) Briefing Session on the Findings of the Special Investigation Committee

〈Overview〉

- From July 4, 2025, at our Nanko headquarters to August 20 at the Maizuru works, we held briefing sessions on the findings of the Special Investigation Committee across a total of eight locations. Utilizing town hall-style meetings, lots of executives and employees participated. Recorded videos of the sessions have been distributed to the executives and employees of affiliated companies.
- During the approximately one-hour Q&A session, there were some tough questions, but Kuwahara CEO answered candidly to nearly all of them.
- The sessions provided a valuable opportunity for all participants to sincerely reflect on and deeply consider the recent inappropriate conduct.



Location	Date and Time	Location	Date and Time
Head Office	2025/7/4 15:00~17:00	Chikko Works	2025/7/17 9:00~11:00
Ariake Works	2025/7/9 13:10~15:00	Wakasa Works	2025/7/18 15:00~17:00
Mukaishima Works	2025/7/10 10:00~12:00	Tokyo Head Office	2025/8/19 13:30~15:30
Sakai Works	2025/7/16 15:00~17:00	Maizuru Works	2025/8/20 13:30~15:30

〈Follow-up Actions after the Briefing Session〉

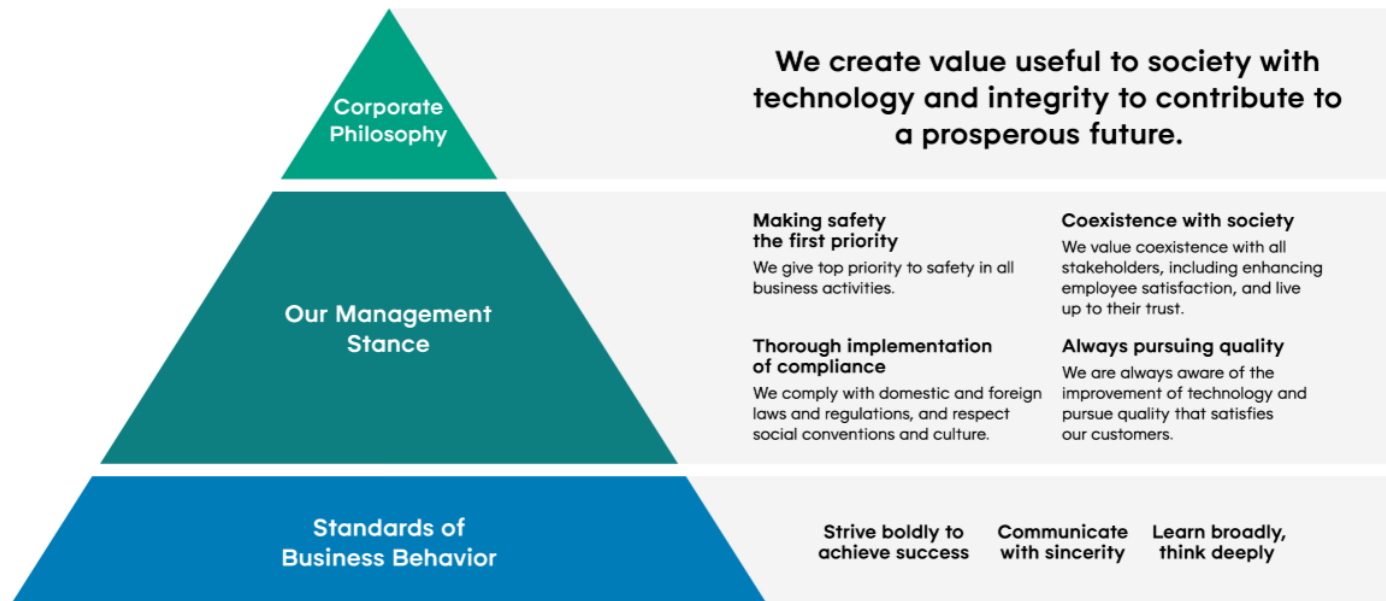
- As a result of the post-event survey, 82% of the 5,803 participants indicated that they **mostly understood** the content.
- We have uploaded the responses to pre-event and on-the-day questions to our company intranet for employees to review and reference.

	Number of Respondent	Well understood	Understood to some extent
Total	5,803	1,585(27%)	3,171(55%)

Main Initiatives for the Second Quarter

(2) Initiatives Toward Building a Common Group "Purpose, Mission, Vision, and Values"

- With the increase in the number of employees at our overseas subsidiaries, we recognize the necessity for a shared philosophy across the entire group.
- Moving forward, we will build a shared philosophy through workshops that include representatives of young and mid-career employees from group companies. Prior to the workshops, we conducted a survey among group employees to gather input on "the purpose of our company" and "the values our employees hold dear." By ensuring that all employees understand, embrace, and put this philosophy into practice, we aim to drive cultural transformation across the organization.



The corporate philosophy, management stance, and code of conduct that our company until now

Implementation plan for preventive measures against recurrence of inappropriate quality actions

We have established an implementation plan for the six preventive measures against recurrence that our entire group has set forth.

Specific Measures	FY2025				FY2026	FY2027
	1Q	2Q	3Q	4Q		
(1) Commitment from top management						
	<ul style="list-style-type: none">CEO's Fiscal Year Kickoff Address	<ul style="list-style-type: none">Message Delivery and Q&A Session at the Special Investigation Committee's Reporting Meeting	<ul style="list-style-type: none">CEO's Mid-Year AddressCommunication at the Town Hall Meeting	<ul style="list-style-type: none">Briefing on the Implementation Status of Preventive MeasuresContinuation of Town Hall Meetings	<ul style="list-style-type: none">CEO's Fiscal Year Kickoff Address	<ul style="list-style-type: none">CEO's Fiscal Year Kickoff Address
(2) Organizational culture reform and mindset change						
①Integration of corporate philosophy		<ul style="list-style-type: none">Conducting Executive Training (twice)Employee Survey for the Formulation of PMVV※	<ul style="list-style-type: none">Holding Workshops for the Formulation of PMVV※	<ul style="list-style-type: none">Announcement of Our Group's PMVV※	<ul style="list-style-type: none">Implementation of PMVV Communication Strategies	
②Communication between Management and Employees	<ul style="list-style-type: none">Conducting Meetings between Group Company Management and Branch Employees	<ul style="list-style-type: none">Conducting a Roundtable Meeting between the President, Other Executives, and Employees	<ul style="list-style-type: none">Continuation of Meetings and Roundtable Discussions			
③Enhancement of Managers' Management Skills	<ul style="list-style-type: none">Conducting a Workshop (with 100% Participation Rate) and Distributing a Management Guidebook	<ul style="list-style-type: none">Executive TrainingLaunch of the Management Talent Development Program (Second Cohort)Initiation of the Development and Consideration of a Succession Plan for the CEO	<ul style="list-style-type: none">Initiation of the Review of the Career Planning System for Autonomous Career Development	<ul style="list-style-type: none">Executive TrainingTeam Vision Formulation TrainingReview of Executive Education and Selection Criteria	<ul style="list-style-type: none">Continuation of Managerial Training	
④Activation of Personnel Rotation	<ul style="list-style-type: none">Understanding the Current Status of Long-tenured Employees		<ul style="list-style-type: none">Consideration of Building a Talent Management System to Facilitate Rotation Activation	<ul style="list-style-type: none">Implementation of Strategies to Activate Rotation		
⑤Strengthening the Ethical Sense to Reject Wrongdoing	<ul style="list-style-type: none">Implementing Behavior Evaluation Aligned with the Code of ConductAnnouncement of Disciplinary Action for Executives (Standalone)	<ul style="list-style-type: none">Decision on Disciplinary Action for Inappropriate ConductAnnouncement of Disciplinary Action for Staff Members (Standalone)	<ul style="list-style-type: none">Implementation of Compliance TrainingAnnouncement of Disciplinary Action for an Affiliated Company	<ul style="list-style-type: none">Review of the Personnel System for Staff at and Below the Assistant Manager LevelRevision of Disciplinary Regulations	<ul style="list-style-type: none">Continuation of Compliance Training	

Implementation plan for preventive measures against recurrence of inappropriate quality actions

Specific Measures	FY2025				FY2026	FY2027
	1Q	2Q	3Q	4Q		
(3) Improvement of Business Processes						
①Correction of Business Processes	In Progress	<div><div></div><div><ul style="list-style-type: none">Preventing falsification by reducing manual transcription work through the use of digital tools (Pilot Testing at the Sakai Works)Nonconformity Reporting Using RPA※</div></div>	<div><div></div><div><ul style="list-style-type: none">Clarification of Tasks for Three Lines Model (Target Completion in November at Mukaijima)Pilot Testing at the Mukaijima WorksExpand and Operate in Each Business as Needed</div></div>	<div><div></div><div><ul style="list-style-type: none">Expansion into Manufacturing BusinessPilot Testing at Wakasa Office</div></div>	<div><div></div><div><ul style="list-style-type: none">Operation of the Manufacturing BusinessExpansion and Operation in the Engineering BusinessFull OperationExpansion into Other Business</div></div>	<div><div></div><div><div></div><div></div><div></div><div></div></div></div>
②Visualization and Standardization of Business Processes	<div><div></div><div><ul style="list-style-type: none">Implemented for the Environmental Business and the System Machinery Business</div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div><ul style="list-style-type: none">Expand in Each Business as Needed</div></div>	<div><div></div><div></div></div>
(4) Initiatives to Prevent Quality Misconduct						
①Enhancement of Quality Oversight Functions	<div><div></div><div><ul style="list-style-type: none">Establishment of a Quality Compliance CommitteeHolding the First Quality Compliance Committee Meeting</div></div>	<div><div></div><div><ul style="list-style-type: none">Second Quality Compliance Committee MeetingImplementation Plan to Enhance Quality Assurance (including the Three Lines Model)</div></div>	<div><div></div><div><ul style="list-style-type: none">Holding the Third Quality Compliance Committee MeetingEnhancement of Three Lines Model of Manufacturing Business</div></div>	<div><div></div><div><ul style="list-style-type: none">Holding the Forth Quality Compliance Committee Meeting</div></div>	<div><div></div><div><ul style="list-style-type: none">Continuation of the Compliance CommitteeEnhancement of Three Lines Model of EPC and O&M Business</div></div>	<div><div></div><div><div></div><div></div></div></div>
②Enhancement of Quality Consultation Functions	<div><div></div><div><ul style="list-style-type: none">Implementation of a Chatbot (2025/1)</div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>	<div><div></div><div><ul style="list-style-type: none">Continuation of Operation</div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
③System for Referencing Other Companies' Case Studies	<div><div></div><div></div></div>	<div><div></div><div><ul style="list-style-type: none">Procedure Formulation</div></div>	<div><div></div><div><ul style="list-style-type: none">Commencement of Operation</div></div>	<div><div></div><div><ul style="list-style-type: none">Continuation of Operation</div></div>	<div><div></div><div></div></div>	<div><div></div><div></div></div>
④Information Sharing through Internal Reporting Meetings (Common with Initiative (1))	<div><div></div><div></div></div>	<div><div></div><div><ul style="list-style-type: none">Holding Reporting Meetings on the Special Investigation Committee's Findings (Total of 8 Sessions)</div></div>	<div><div></div><div></div></div>	<div><div></div><div><ul style="list-style-type: none">Holding Progress Briefings on Preventive Measures (Total of 4 Sessions)</div></div>	<div><div></div><div><ul style="list-style-type: none">Holding the Anti-Fraud Day Event on July 5th</div></div>	<div><div></div><div><ul style="list-style-type: none">Holding the Anti-Fraud Day Event on July 5th</div></div>

Implementation plan for preventive measures against recurrence of inappropriate quality actions

Specific Measures	FY2025				FY2026	FY2027
	1Q	2Q	3Q	4Q		
(5) Securing Personnel for the Quality Assurance Department						
	<ul style="list-style-type: none">• Increase of Six Staff Members via Transfers and New Graduate Hiring• Enhancing Quality Assurance Department Functions through Staffing and Organizational Restructuring (HZME/IMEX)	<ul style="list-style-type: none">• The staff has increased to a total of 152 members, since the establishment of the organization• Reassignment of management positions in the Quality Assurance Department at the Mukaishima Works• Conducted '5 Whys' Analysis Workshops including six affiliated companies	<ul style="list-style-type: none">• Continuous Increase in Personnel• Quality Compliance Training for Mukaijima Works Employees	<ul style="list-style-type: none">• Obtaining Level 3 or Higher in QC Certification	<ul style="list-style-type: none">• Continuation of Training in the Quality Assurance Department	
(6) Strengthening the Supervisory Function of the Board of Directors						
	<ul style="list-style-type: none">• Compliance Committee Report	<ul style="list-style-type: none">• Establishment of Quality Reform Promotion Department• Reporting on the Implementation Status of Preventive Measures• Regular Review of Whistleblowing Response Status by Full-time Audit & Supervisory Board Members	<ul style="list-style-type: none">• Reporting on the Implementation Status of Preventive Measures• Review and Implementation of a Reporting System to the Board of Directors on the Status of Internal Whistleblowing Responses	<ul style="list-style-type: none">• Reporting on the Implementation Status of Preventive Measures• Continued implementation	<ul style="list-style-type: none">• Quarterly Preventive Measures Report• Semiannual Compliance Report	

(Reference)

Major Orders Received During 1st Half of FY2025 (Japan/Global)

Business Unit	Project	Place	Order received	Outline	Completion, Operational Period
Environment	Retrofit of Existing Facilities	Miyazaki, Japan	JUN. 2025	Scope : Retrofit of Existing Facilities Client : Ebino-shi	Completion MAR. 2029
Environment	Retrofit of Existing Facilities	Ibaraki, Japan	JUN. 2025	Scope : Retrofit of Existing Facilities Client: Omiya Regional Environmental Maintenance Association	Completion JUN. 2028
Machinery (Precision Machinery)	Vacuum Equipment for Storage Ring of Large-Scale Synchrotron Radiation Facility "Spring-8-II"	Hyogo, Japan	JUN. 2025	Scope : Construction and Installation Client : Institute of Physical and Chemical Research Size etc. : Circumference of 1,435 meters with a large-scale system divided into 48 cells and requires	Completion MAR. 2029
Environment	Facilities for a sludge regeneration center	Yamagata, Japan	SEP. 2025	Scope : DBO (Design, Build, Operation) Client : Local government association Processing power: 47kl/day	Completion : SEP. 2028 O&M : OCT. 2028 to MAR. 2044
Environment (Inova)	Full-scale Carbon Capture Facility	England	SEP. 2025	Scope : EPC Client : Encyclis (UK) CO ₂ 回収量 : 370,000t/year	Completion Year of 2029 (tentative)

Environment Business - Major Projects (Excluding Inova)

	Place	Order	Completion	Formation	Scope	Calendar year				
						2023	2024	2025	2026	2027
J a p a n	EPC									
	Gunma	Jun. 2018	Jan. 2025	Sole	EPC	<div><div></div></div>				
	Hokkaido	Nov. 2019	Jul. 2024	JV/Sole	EPC+O	<div><div></div><div></div></div>				
	Tokyo	Sep. 2020	May. 2027	JV	EPC	<div><div></div></div>				
	Kagoshima	Feb. 2021	Aug. 2024	JV	DBO	<div><div></div><div></div></div>				
	Akita	Nov. 2021	Mar. 2026	JV	DBO	<div><div></div><div></div></div>				
	Osaka, Kyoto	Feb. 2022	Mar. 2026	JV	DBO	<div><div></div><div></div></div>				
	Hiroshima	Feb. 2022	Jul. 2025	JV	EPC+O	<div><div></div><div></div></div>				
	Saitama	Sep. 2022	Mar. 2029 * 1	JV	DBO	<div><div></div></div>				
	Hiroshima	Dec. 2022	Sep. 2028	JV	DBO	<div><div></div></div>				
	Osaka	Feb. 2023	Mar. 2029	JV	EPC+O	<div><div></div></div>				
	Osaka	Feb. 2023	Mar. 2031	JV	EPC	<div><div></div></div>				
	Gifu	Mar. 2023	Mar. 2027	JV	DBO	<div><div></div><div></div></div>				
	Ibaraki	Mar. 2024	Mar. 2028	JV	DBO	<div><div></div></div>				
Saitama	Jan. 2025	Mar. 2030	JV	DBO	<div><div></div></div>					
Niigata	Mar. 2025	Mar. 2029	JV	DBO	<div><div></div></div>					
O v e r s e a s	Retrofit									
	Osaka	Aug. 2022	Feb. 2025	Sole	Retrofit	<div><div></div></div>				
	Aichi	Sep. 2022	Feb. 2027	Sole	Retrofit	<div><div></div></div>				
	Kumamoto	Sep. 2022	Mar. 2025	Sole	Retrofit	<div><div></div></div>				
	Kumamoto	Dec. 2022	Mar. 2026	Sole	Retrofit	<div><div></div></div>				
	Aomori	Jun. 2023	Mar. 2025	Sole	Retrofit	<div><div></div></div>				
	Kyoto	Jun. 2023	Feb. 2028	Sole	Retrofit	<div><div></div></div>				
	Hokkaido	Jul. 2023	Feb. 2027	Sole	Retrofit	<div><div></div></div>				
	Kumamoto	Sep. 2023	Mar. 2027	Sole	Retrofit	<div><div></div></div>				
	Nara	Dec. 2023	Mar. 2027	Sole	Retrofit	<div><div></div></div>				
	Kagoshima	May. 2024	Feb. 2028	Sole	Retrofit	<div><div></div></div>				
	Miyazaki	Jun. 2025	Mar. 2029	Sole	Retrofit	<div><div></div></div>				
	Ibaraki	Jun. 2025	Jun. 2028	Sole	Retrofit	<div><div></div></div>				
	Shanghai, China	Jul. 2019	Sep. 2025	Sole	EP+SV	<div><div></div></div>				
Bidadi, India	Dec. 2020	Nov. 2024	Consortium	EP+SV	<div><div></div></div>					
Changhua, Taiwan	Jul. 2021	Jul. 2025	Sole	EP+SV	<div><div></div></div>					
Moshi, India	Sep. 2021	Apr. 2025	Consortium	EP+SV	<div><div></div></div>					
Tainan, Taiwan	Feb. 2023	Feb. 2026	Sole	EP+SV	<div><div></div></div>					

 Construction
 O&M

※Construction period, including dismantling of existing incinerators

Environment Business - Major Projects (Inova Group)

Project (country)	Order	Completion	Formation	Inova's Scope	Calendar year				
					2023	2024	2025	2026	2027
EPC									
Ivry, France	Nov. 2018	Jun. 2024	Consortium	EP+SV					
Moscow1-4, Russia	Nov.2019 * 1	Jun.2023 * 2	Consortium	EP+SV					
Rockingham, Australia	Jan. 2020	* 3	Consortium	EP+SV					
Emmenspitz, Swiss	Feb. 2020	Apr. 2026	Sole	EP+SV					
Slough, UK	Dec. 2020	Aug. 2024	Sole	EPC+O&M(25 yrs)					
Dubai, UAE	Jun. 2021	Aug. 2024	Consortium	EP+SV+O&M(35 yrs)					
Skelton Grange, UK	Jul. 2021	Jul. 2025	Sole	EPC					
Westfield, UK	Dec. 2021	Jun. 2025	Sole	EPC+O&M(25 yrs)					
North London, UK	Apr. 2022	Mar. 2028	Sole	EP					
Rivenhall, UK	May. 2022	Mar. 2026	Sole	EPC					
Riverside2, UK	Jan. 2023	Aug. 2026	Sole	EPC					
Earls Gate, UK	Jun. 2023	-	Solo	O&M(25 yrs)*4					
Walsall, UK	Dec. 2023	Oct. 2027	Solo	EPC					
Abu Dhabi, UAE	Mar. 2024 * 5	Jun. 2027	Consortium	EP+SV+O&M(30 yrs)					
Thameside/Tilbury, UK	Nov. 2024	Apr. 2028	Solo	EPC					
Medworth/Wisbech, UK	Feb. 2025	Aug. 2029	Solo	EPC					
Protos, UK	Sep. 2025	Year of 2029	Solo	EPC					
Retrofit									
Ludwigshafen, Germany	Jul. 2019	Feb. 2025	Sole	EP+SV					
Vantaa, Finland	Oct. 2022	Jul. 2025	Sole	EP+SV					
South Clyde, UK	Dec. 2022	Jan. 2027	Sole	EP+SV					
Kassel, Germany	Jul. 2023	Oct. 2025	Sole	EP+SV					
Hagenholz, Switzerland	Sep. 2023	Mar. 2027	Sole	EP+SV					
Padova, Italy	Oct. 2023	Feb. 2027	Consortium	EP					
Darmstadt, Germany	Jan. 2024	Aug. 2026	Sole	EP+SV					
Schwandorf, Germany	Jun. 2024	Sep. 2031	Solo	EP+SV					
Ruhleben, Germany	Dec. 2024	Apr. 2028	Solo	EP+SV					

Construction
O&M

- ※1 Order for Moscow 1 received in FY2019, Moscow 2-4 in FY2020.
 ※2 Significant delays expected.
 ※3 Termination in October 2024.
 ※4 25-year O&M starting from December 2023 (facility constructed by another company).
 ※5 O&M order received in June 2024.

Topics

Exhibition at CEATEC 2025

Dates : October 14-17, 2025
Place : Makuhari Messe
Content : Introduction of our products and businesses utilizing IoT and AI technologies, including a remote-control system for garbage cranes, a virtual museum, a COP 29 exhibition model, among others.



Participation in COP

Dates : November 10-21, 2025 (Tentative)
Location : Belém, Brazil
Content : Exhibition at the "Japan Pavilion" organized by the Ministry of the Environment, and participation of President and CEO Kuwahara in the Ministry of the Environment seminar (second consecutive year).



※Photos from COP29

**Cautionary Statement**

Forward-looking statements are based on information currently available to Kanadevia Corporation. Therefore those forward-looking statements include unknown risks and uncertainties. Accordingly, you should note that the actual results could differ materially from those forward-looking statements. Risks and uncertainties that could influence the ultimate outcome include, but are not limited to, the economic conditions surrounding Kanadevia Corporation and/or exchange rate fluctuation.