

Financial Results for FY2025 – 3rd Quarter

2026/2/5

Kanadevia Corporation

Today's Presentation

- 01 Financial Results for FY2025 - 3rd Quarter
- 02 Acceleration of Business Portfolio Management
- 03 Launch of Discussions Toward a Business Integration with Nippon Steel Engineering Co., Ltd.
- 04 Postponement of the Announcement of the Next Medium-Term Management Plan

FY2025 3Q Results — Overview

FY25 3Q

- Order intake increased YoY, while operating income declined due to a decrease in high-margin projects, weaker infrastructure business, and the impact of technical troubles at an overseas environmental subsidiary.
- Extraordinary losses recorded for Impairment loss related to the closure of the Mukaishima works following the withdrawal from the bridge business, as well as costs associated with inappropriate quality-related conduct.

Full-Year Forecast

Revised down the full-year forecasts for operating income, ordinary income, and net income based on the 3Q results.

	FY2024		FY2025						
	1-3Q	Full Year	1-3Q	Full Year Forecast				Difference (c)-(b)	Progress (a)/(c)
			Results (a)	YoY	Initial (b)	as of Nov.	as of Feb. (c)	YoY	
(JPY billions)									
Order Intake	446.8	765.9	460.9	14.1	700.0	700.0	720.0	-45.9	64.0%
Net Sales	413.4	610.5	424.7	11.3	620.0	620.0	620.0	9.5	68.5%
Operating Income	9.7	26.9	-4.6	-14.3	27.0	18.0	13.5	-13.4	-
% to Net Sales	2.3%	4.4%	-1.1%	-	4.4%	2.9%	2.2%	-	-
Non-Operating Income	-3.8	-2.6	-0.3	3.5	-4.0	-4.0	-0.5	2.1	-
Ordinary Income	5.9	24.3	-4.9	-10.8	23.0	14.0	13.0	-11.3	-
Extraordinary Income and Loss	2.9	-0.7	-3.2	-6.1	-	-	-3.2	-2.5	-
Profit attributable to Shareholders of Kanadevia	5.3	22.1	-6.3	-11.6	16.0	10.0	5.0	-17.1	-
ROE		12.6%			8.2%	8.2%	2.6%		
ROIC		6.8%			5.8%	5.8%	2.8%		
Net Income per Share (JPY)		131.33			95.13	95.13	29.73		
Dividends per Share (JPY)		25			25	25	25		

FY2025 3Q Results — Non-Operating Income/Expense

(JPY billions)

	FY2024 1-3Q	FY2025 1-3Q	Difference
Net Interest and Dividend Income	0.3	0.3	0
Equity Method Gain / Loss	-0.4	1.8	2.2
Foreign Exchange Gain / Loss	0.3	-2.9	-3.2
Others	-4.0	0.5	4.5
Total	-3.8	-0.3	3.5

FY2025 3Q Results — Extraordinary Gain/Loss

(JPY billions)

	FY2024 1-3Q	FY2025 1-3Q	Difference
Settlement Income	2.2	-	-2.2
Reversal of Provision for Loss on Business Liquidation	0.7	-	-0.7
Impairment Loss	-	-1.6	-1.6
Expenses Related to Quality Misconduct	-	-1.4	-1.4
Provision for Decommissioning and Removals	-	-0.2	-0.2
Total	2.9	-3.2	-6.1

FY2025 3Q Results — Consolidated Balance Sheet

(JPY billions)

	End of Dec 2024	End of Mar. 2025 (a)	End of Dec. 2025 (b)	Difference (b)-(a)
Cash and Deposits (A)	49.6	70.8	68.8	-2.0
Operating Assets	231.8	251.1	268.5	17.4
Trade Notes and Accounts Receivable	198.3	228.0	232.0	4.0
Inventories	33.5	23.1	36.5	13.4
Tangible Fixed Assets	120.7	136.1	141.3	5.2
Intangible Fixed Assets	40.3	41.2	47.2	6.0
Investments and Other Assets	67.5	75.2	84.1	8.9
Others	30.4	35.2	45.3	10.1
Total Assets	540.3	609.6	655.2	45.6
Operating Liabilities	171.7	188.2	214.5	26.3
Notes and Accounts Payable, Electronically Recorded Obligations - Operating	51.3	65.8	49.9	-15.9
Accrued Expenses	70.5	81.8	81.8	0
Advances Received/ Contract Assets	49.9	40.6	82.8	42.2
Interest Bearing Debt (B)	112.1	135.8	164.8	29.0
Borrowings (incl. Lease Obligations)	92.1	115.8	154.8	39.0
Bonds Payable	20.0	20.0	10.0	-10.0
Others	81.6	87.7	89.0	1.3
Total Liabilities	365.4	411.7	468.3	56.6
Shareholders' Equity	166.3	189.4	176.7	-12.7
Non-Controlling Interests	8.6	8.5	10.2	1.7
Total Net Assets	174.9	197.9	186.9	-11.0
Total Liabilities and Net Assets	540.3	609.6	655.2	45.6
Shareholders' Equity Ratio	30.8%	31.1%	27.0%	-4.1pt
Net Interest Bearing Debt (B)-(A)	62.5	65.0	96.0	31.0

FY2025 3Q Results — Consolidated Cash Flows

(JPY billions)

	FY2024 1-3Q	FY2025 1-3Q	Difference
Cash Flows from Operating Activities	8.9	-3.5	-12.4
Cash Flows from Investing Activities	-42.8	-19.1	23.7
Cash Flows from Financing Activities	10.8	23.8	13.0
Foreign Currency Translation Differences	1.2	-2.0	-3.2
Increase in Cash and Cash Equivalents	-21.9	-0.8	21.1
Cash and Cash Equivalents at Beginning of Period	69.7	68.7	-1.0
Cash and Cash Equivalents at End of Period	47.8	67.9	20.1

FY2025 3Q Results — Order Intake, Net Sales, & Operating Income

		FY2024		FY2025						
		1-3Q	Full Year	1-3Q		Full Year Forecast				
(JPY billions)				Results (a)	YoY	Initial (b)	as of Nov.	as of Feb. (c)	Difference (c)-(b)	Progress (a)/(c)
Order Intake		446.8	765.9	460.9	14.1	700.0	700.0	720.0	20.0	64.0%
■	Environment	359.4	617.4	345.1	-14.3	560.0	560.0	572.0	12.0	60.3%
■	Machinery & Infrastructure	63.0	91.2	68.3	5.3	67.0	67.0	75.0	8.0	91.1%
■	Carbon Neutral Solution	22.0	54.0	45.5	23.5	70.0	70.0	70.0	0.0	65.0%
■	Others	2.4	3.3	2.0	-0.4	3.0	3.0	3.0	0.0	66.7%
Net Sales		413.4	610.5	424.7	11.3	620.0	620.0	620.0	0.0	68.5%
■	Environment	305.7	453.5	331.5	25.8	470.0	476.0	478.0	8.0	69.4%
■	Machinery & Infrastructure	56.1	83.0	46.3	-9.8	70.0	69.0	69.0	-1.0	67.1%
■	Carbon Neutral Solution	48.8	70.2	44.9	-3.9	77.0	72.0	70.0	-7.0	64.1%
■	Others	2.8	3.8	2.0	-0.8	3.0	3.0	3.0	0.0	66.7%
Operating Income		9.7	26.9	-4.6	-14.3	27.0	18.0	13.5	-13.5	-
■	Environment	11.7	25.4	0.7	-11.0	24.5	19.7	16.2	-8.3	-
■	Machinery & Infrastructure	-1.0	1.0	-2.8	-1.8	2.0	-1.9	-1.9	-3.9	-
■	Carbon Neutral Solution	-1.5	0.1	-2.8	-1.3	0.3	0.0	-1.0	-1.3	-
■	Others	0.5	0.4	0.3	-0.2	0.2	0.2	0.2	0.0	-

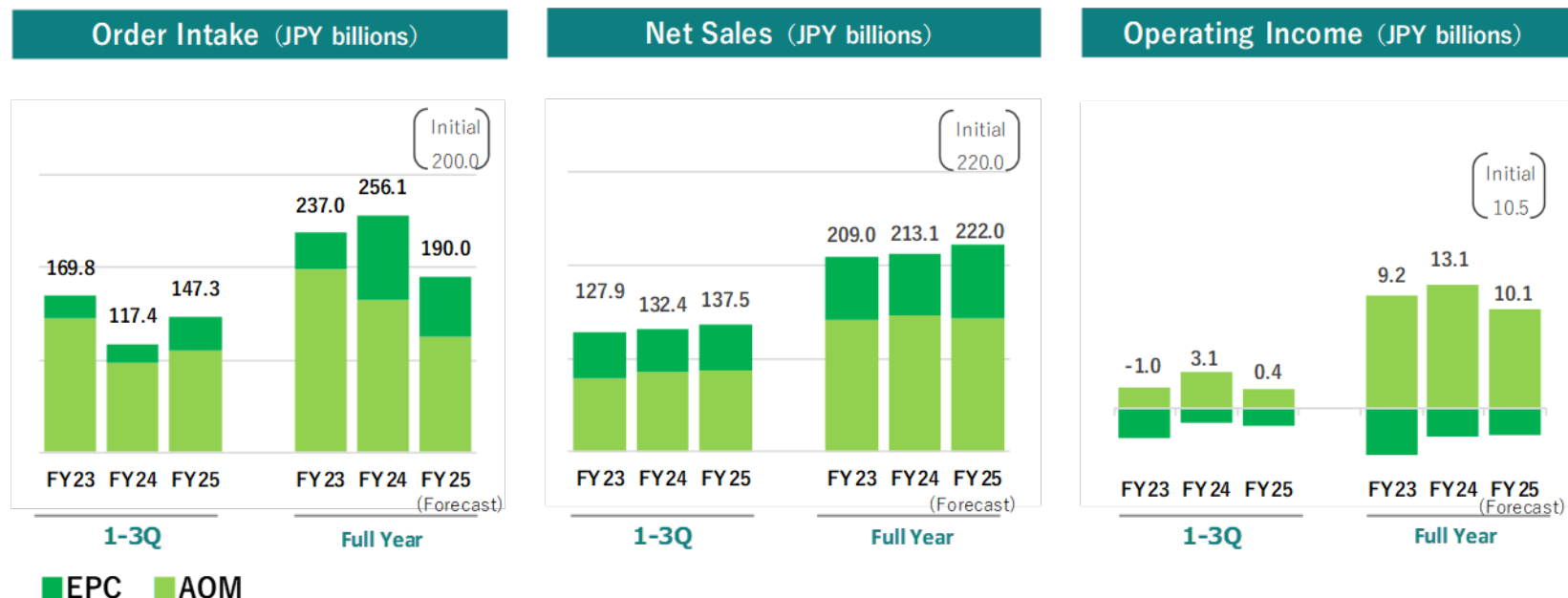
FY2025 Forecast — Environment Business (Consolidated)

		FY2024		FY2025					
		1-3Q	Full Year	1-3Q		Full Year Forecast			
(JPY billions)				Results	YoY	Initial (a)	as of Nov.	as of Feb. (b)	Difference (b)-(a)
Order Intake		359.4	617.4	345.1	-14.3	560.0	560.0	572.0	12.0
	EPC ¹	147.7	309.4	120.0	-27.7	297.0	297.0	289.0	-8.0
	AOM ²	211.7	308.0	225.1	13.4	263.0	263.0	283.0	20.0
Net Sales		305.7	453.5	331.5	25.8	470.0	476.0	478.0	8.0
	EPC	174.0	243.8	175.6	1.6	237.0	236.0	238.0	1.0
	AOM	131.7	209.7	155.9	24.2	233.0	240.0	240.0	7.0
Operating Income		11.7	25.4	0.7	-11.0	24.5	19.7	16.2	-8.3
	EPC	6.2	7.1	-1.6	-7.8	8.0	5.0	1.6	-6.4
	AOM	5.5	18.3	2.3	-3.2	16.5	14.7	14.6	-1.9

1. EPC: Engineering, Procurement, and Construction

2. AOM: After-Sales Service business, including Operation & Maintenance (O&M)

FY2025 Forecast — Environment Business (Excluding Inova)



3Q Results (YoY)

Order Intake: JPY 147.3 (+29.9) bn

- Increase in Order Intake for retrofit projects and the award of an overseas EPC contract (Malaysia)

Net Sales: JPY 137.5 (+5.1) bn / Operating Income: 0.4 (-2.7) bn

- Additional costs for the biomass power generation project (a)
- Provision for personnel cost for the long-term operation business at operating subsidiary (b)
- Decrease in profitable AOM businesses

Full-Year Forecast (vs. Initial Forecast)

Order Intake: JPY 190.0 (-10.0) bn

- Loss or delay in domestic EPC projects

Net Sales: JPY 222.0 (+2.0) bn / Operating Income: 10.1 (-0.4) bn

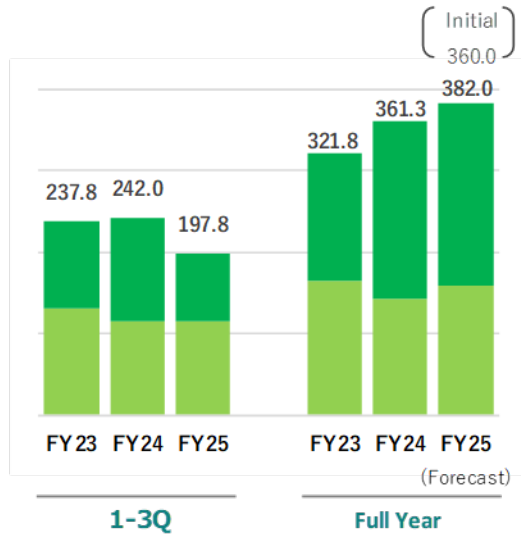
- Profitability improvement in the water business (AOM)
- Decrease in operating income due to items (a) and (b) to the left

FY2025 Forecast — Environment Business (Excluding Inova)

		FY2024		FY2025					
		1-3Q	Full Year	1-3Q		Full Year Forecast			
(JPY billions)				Results	YoY	Initial (a)	as of Nov.	as of Feb. (b)	Difference (b)-(a)
Order Intake		117.4	256.1	147.3	29.9	200.0	200.0	190.0	-10.0
	EPC	19.9	91.1	36.9	17.0	87.0	87.0	65.0	-22.0
	AOM	97.5	165.0	110.4	12.9	113.0	113.0	125.0	12.0
Net Sales		132.4	213.1	137.5	5.1	220.0	222.0	222.0	2.0
	EPC	47.1	67.1	50.6	3.5	77.0	78.0	78.0	1.0
	AOM	85.3	146.0	86.9	1.6	143.0	144.0	144.0	1.0
Operating Income		3.1	13.1	0.4	-2.7	10.5	9.1	10.1	-0.4
	EPC	-1.9	-3.9	-2.4	-0.5	-3.0	-3.6	-3.6	-0.6
	AOM	5.0	17.0	2.8	-2.2	13.5	12.7	13.7	0.2

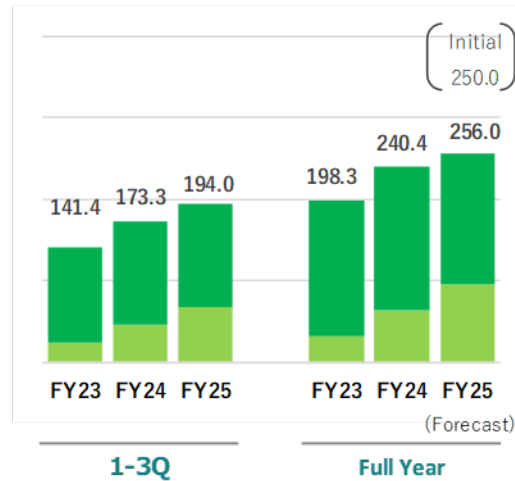
FY2025 Forecast — Environment Business (Inova Group)

Order Intake (JPY billions)

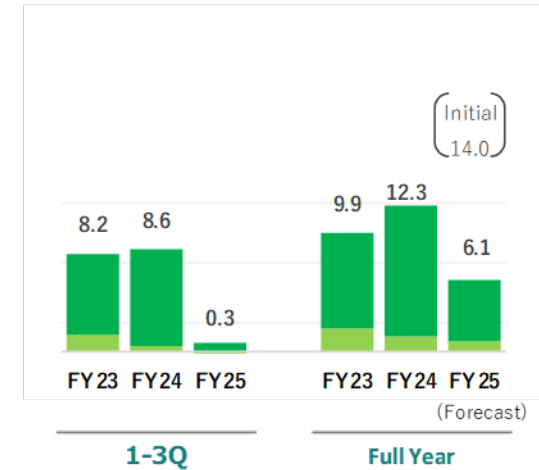


■ EPC ■ AOM

Net Sales (JPY billions)



Operating Income (JPY billions)



3Q Results (YoY)

Order Intake: JPY 197.8 (-44.2) bn

- Prior-year 1Q large orders (Schwandorf, Abu Dhabi O&M)
- EPC order for CO2 recovery facility in 2Q this FY

Net Sales: JPY 194.0 (+20.7) bn / Operating Income: 0.3 (-8.3) bn

- Sales increase from M&A
- Profit down on project-mix shift (high-margin projects completed last year)
- Extra costs for turbine / other technical issues (a)

Full-Year Forecast (vs. Initial Forecast)

Order Intake: JPY 382.0 (+22.0) bn

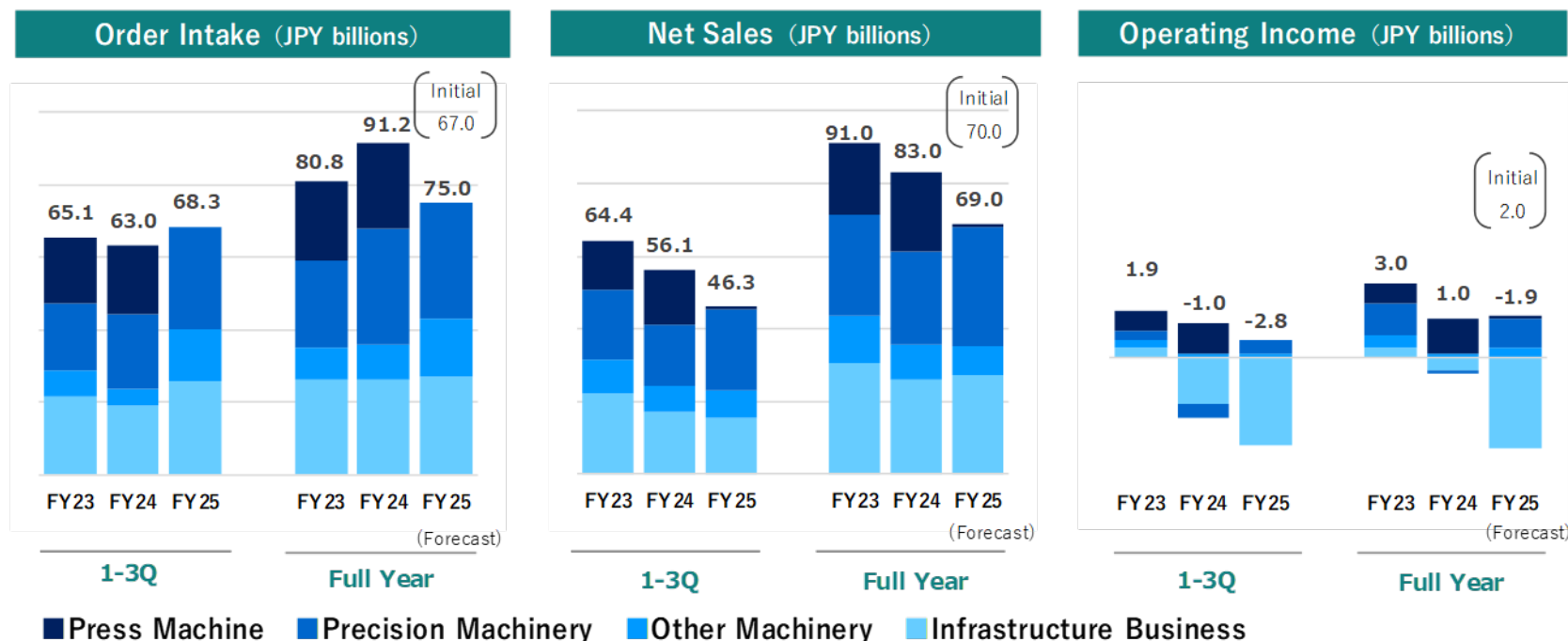
Net Sales: JPY 256.0 (+6.0) bn / Operating Income: 6.1 (-7.9) bn

- Reversal of Rockingham (Australia) costs incl. bond calls; however, profit declined due to item (a) to the left.
[Countermeasures for Turbine Trouble]
 - Expert advisory support
 - Development of new suppliers
 - Consideration of reimbursement to manufacturers

FY2025 Forecast — Environment Business (Inova Group)

	(JPY billions)	FY2024		FY2025					
		1-3Q	Full Year	1-3Q		Full Year Forecast			
				Results	YoY	Initial (a)	as of Nov.	as of Feb. (b)	Difference (b)-(a)
Order Intake		242.0	361.3	197.8	-44.2	360.0	360.0	382.0	22.0
EPC		127.8	218.3	83.1	-44.7	210.0	210.0	224.0	14.0
AOM*		114.2	143.0	114.7	0.5	150.0	150.0	158.0	8.0
Net Sales		173.3	240.4	194.0	20.7	250.0	254.0	256.0	6.0
EPC		126.9	176.7	125.0	-1.9	160.0	158.0	160.0	0.0
AOM*		46.4	63.7	69.0	22.6	90.0	96.0	96.0	6.0
Operating Income		8.6	12.3	0.3	-8.3	14.0	10.6	6.1	-7.9
EPC		8.1	11.0	0.8	-7.3	11.0	8.6	5.2	-5.8
AOM*		0.5	1.3	-0.5	-1.0	3.0	2.0	0.9	-2.1
Exchange rate (CHF/JPY)		172.94	172.11	184.41		165.00	170.00	180.00	

FY2025 Forecast — Machinery Business & Infrastructure Business



3Q Results (YoY)

Order Intake: JPY 68.3 (+5.3) bn

- Transfer of press business subsidiary
- Precision: Large-scale orders received (Spring-8 II)
- Other machinery: Orders for engines, boilers, etc.

Net Sales: JPY 46.3 (-9.8) bn / Operating Income: -2.8 (-1.8) bn

- Transfer of press business subsidiary
- Precision: Improved earnings from completion of low-profit projects
- Infrastructure: Profit deterioration in the bridge business

Full-Year Forecast (vs. Initial Forecast)

Order Intake: JPY 75.0 (+8.0) bn

- Other machinery: Increase in orders for engines, boilers, etc.

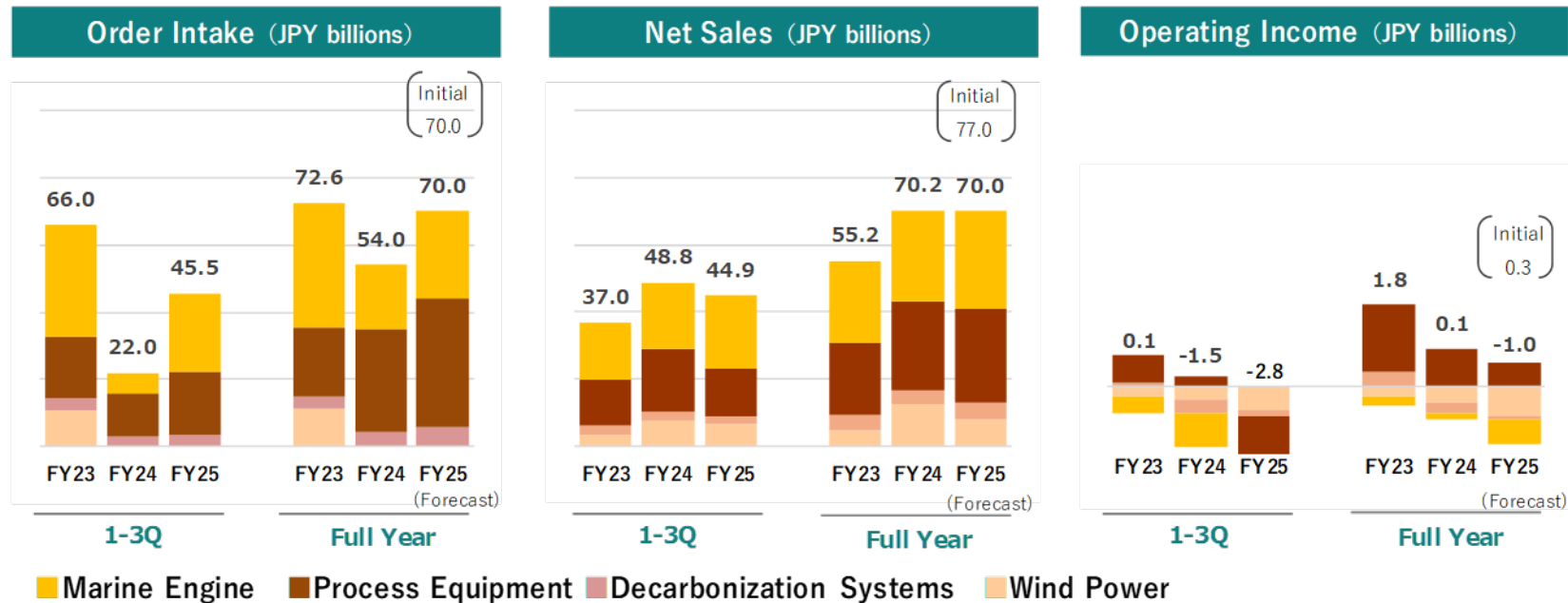
Net Sales: JPY 69.0 (-1.0) bn / Operating Income -1.9 (-3.9) bn

- Infrastructure: Lower sales and operating income due to deterioration in the bridge business

FY2025 Forecast — Machinery Business & Infrastructure Business

	FY2024		FY2025					
	1-3Q	Full Year	1Q		Full Year Forecast			
			Results	YoY	Initial (a)	as of Nov.	as of Feb. (b)	Difference (b)-(a)
(JPY billions)								
Order Intake	63.0	91.2	68.3	5.3	67.0	67.0	75.0	8.0
Machinery Business	43.9	65.0	42.7	-1.2	41.0	45.0	48.0	7.0
Press Machine	18.8	23.3	0.0	-18.8	-	-	-	-
Precision Machinery	20.7	32.1	28.2	7.5	32.0	32.0	32.0	0.0
Other Machinery	4.4	9.6	14.5	10.1	9.0	13.0	16.0	7.0
Infrastructure Business	19.1	26.2	25.6	6.5	26.0	22.0	27.0	1.0
Net Sales	56.1	83.0	46.3	-9.8	70.0	69.0	69.0	-1.0
Machinery Business	38.8	57.0	31.0	-7.8	42.0	41.8	41.9	-0.1
Press Machine	14.8	21.6	0.9	-13.9	-	0.8	0.9	0.8
Precision Machinery	16.9	25.8	22.5	5.6	33.0	33.0	33.0	0.0
Other Machinery	7.1	9.6	7.6	0.5	9.0	8.0	8.0	-1.0
Infrastructure Business	17.3	26.0	15.3	-2.0	28.0	27.2	27.1	-0.9
Operating Income	-1.0	1.0	-2.8	-1.8	2.0	-1.9	-1.9	-3.9
Machinery Business	0.8	1.5	0.7	-0.1	1.5	1.7	1.7	0.2
Press Machine	1.2	1.4	0.0	-1.2	-	0.1	0.1	0.1
Precision Machinery	-0.6	-0.1	0.5	1.1	1.0	1.2	1.2	0.2
Other Machinery	0.2	0.2	0.2	0.0	0.5	0.4	0.4	-0.1
Infrastructure Business	-1.8	-0.5	-3.5	-1.7	0.5	-3.6	-3.6	-4.1

FY2025 Forecast — Carbon Neutral Solution Business



3Q Results (YoY)

Order Intake: JPY 45.5 (+23.5) bn

- Orders for marine engines recovered (suppressed in the previous year)

Net Sales: JPY 44.9 (-3.9) bn / Operating Income: -2.8 (-1.3) bn

- Process Equipment: NAC down in sales and profit (order timing pushed out; project delays)

Full-Year Forecast (vs. Initial Forecast)

Order Intake: JPY 70.0 (±0) bn

- No change from initial forecast

Net Sales: JPY 70.0 (-7.0) bn / Operating Income: -1.0 (-1.3) bn

- Downward revision reflecting NAC declines in sales and profit

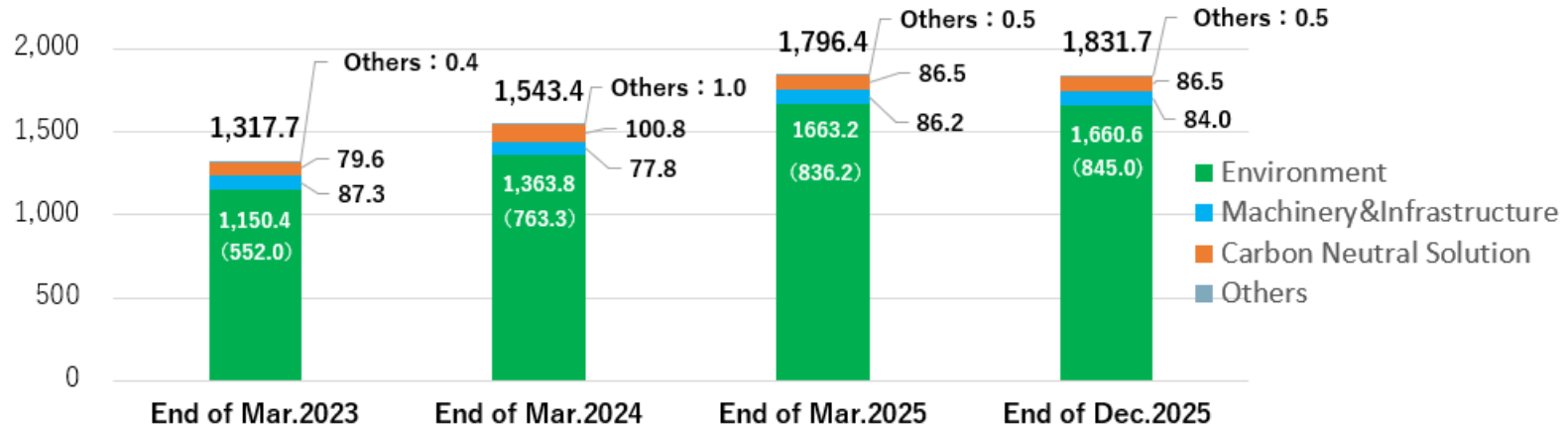
FY2025 Forecast — Carbon Neutral Solution Business

		FY2024		FY2025						
		1-3Q	Full Year	1-3Q		Full Year Forecast				
				Results	YoY	Initial (a)	as of Nov.	as of Feb. (b)	Difference (b)-(a)	
(JPY billions)										
Order Intake		22.0	54.0	45.5	23.5	70.0	70.0	70.0	0.0	
	Marine Engine	6.2	18.8	23.1	16.9	26.0	26.0	26.0	0.0	
	Process Equipment	12.5	30.7	19.0	6.5	38.0	38.0	38.0	0.0	
	Decarbonization Systems	3.0	4.0	3.1	0.1	5.5	5.5	5.5	0.0	
	Wind Power	0.3	0.5	0.3	0.0	0.5	0.5	0.5	0.0	
Net Sales		48.8	70.2	44.9	-3.9	77.0	72.0	70.0	-7.0	
	Marine Engine	19.9	27.0	22.0	2.1	29.0	29.0	29.0	0.0	
	Process Equipment	18.4	26.7	13.9	-4.5	35.0	30.0	28.0	-7.0	
	Decarbonization Systems	2.9	3.9	2.4	-0.5	5.0	5.0	5.0	0.0	
	Wind Power	7.6	12.6	6.6	-1.0	8.0	8.0	8.0	0.0	
Operating Income		-1.5	0.1	-2.8	-1.3	0.3	0.0	-1.0	-1.3	
	Marine Engine	-1.0	-0.2	-0.5	0.5	-0.5	-0.5	-0.7	-0.2	
	Process Equipment	0.3	1.1	-1.4	-1.7	1.6	1.3	0.7	-0.9	
	Decarbonization Systems	-0.4	-0.3	-0.2	0.2	0.1	0.1	-0.1	-0.2	
	Wind Power	-0.4	-0.5	-0.7	-0.3	-0.9	-0.9	-0.9	0.0	

Order Backlog

Order Backlog

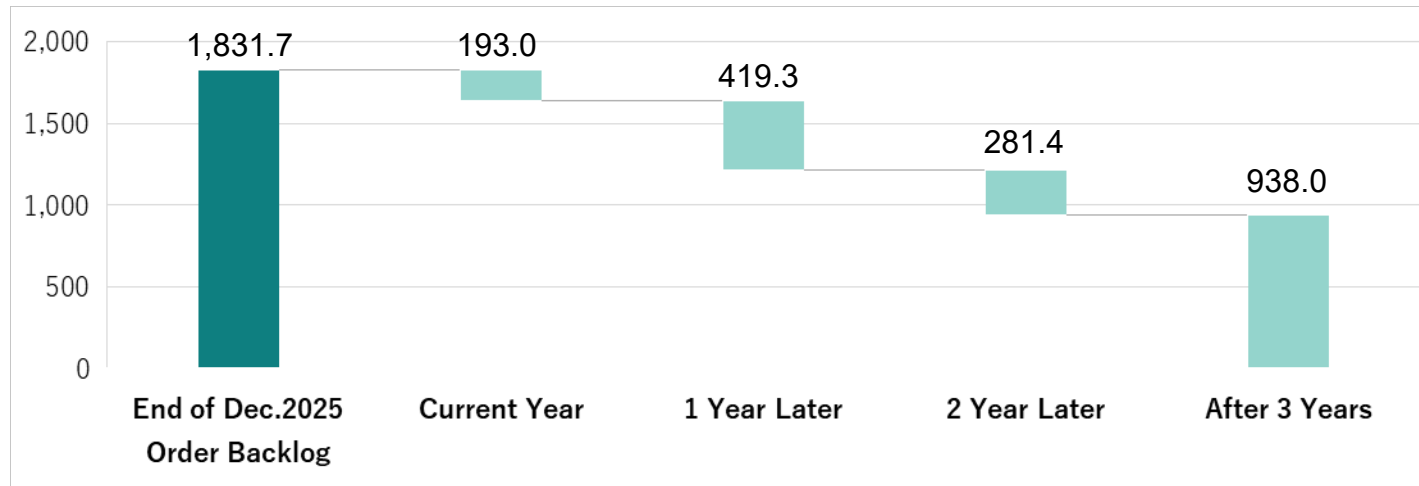
(JPY billions)



Note: Figures in parentheses represent long-term projects included in the Environment Business.

Order Backlog Breakdown by Sales Recognition Year

(JPY billions)



Key Financial Indicators

(JPY billions)

	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results
Total Assets	479.6	533.5	609.6	640.0
Cash and Deposits	86.4	71.6	70.8	70.0
Shareholders' Equity	139.6	162.7	189.4	190.2
Shareholders' Equity Ratio	29.1%	30.5%	31.1%	29.7%
Interest Bearing Debt	86.5	91.4	135.8	185.0
R&D Expenses	8.6	11.2	12	12.0
Capital Expenditure	7.9	9.6	27.4	15.0
Depreciation Cost	10.5	11.1	11.9	15.0
ROE	11.5%	12.6%	12.6%	2.6%
ROIC	6.2%	7.4%	6.8%	2.8%

The balance sheet items are the figures at the end of each fiscal year.

Key Initiatives in 3Q (1)

Implementation Status of the Six Recurrence-Prevention Measures:

We are promoting the recurrence-prevention measures in line with the action plan announced in the second-quarter financial results.

Six Recurrence Prevention Measures	Status of Implementation
1. Commitment from Top Management	<ul style="list-style-type: none"> Internal disclosure of Q&A on Investigation Committee findings Messages from top management at the semiannual address and new employee ceremony Website launched to share progress on communication initiatives
2. Reform of Corporate Culture and Employee Mindset	<ul style="list-style-type: none"> Employee-participation workshops on corporate philosophy President's Town Hall Meetings (twice) Management training programs (team-vision, diversity) FY2025 manager rotation: 105 / 679 (15%) Company-wide compliance education (e-learning, lectures) Clarification of merit-based rewards and disciplinary actions



Website launched to disclose initiative progress



Workshops on corporate philosophy (50 participants across the Group)



President's Town Hall Meetings (700+ participants each, incl. remote)

Key Initiatives in 3Q (2)

Six Recurrence Prevention Measures	Status of Implementation
3. Improvement of Business Processes	<ul style="list-style-type: none"> • Clarification of Three Lines Model roles through updated management regulations • Pilot initiatives in model departments to digitize test/inspection transcription • Visualization and standardization of operational tasks, with phased rollout
4. Initiatives to Prevent Quality Misconduct	<ul style="list-style-type: none"> • Ongoing Quality Compliance Committee meetings (four times/year) • Enhanced consultation functions via chatbot (556 consultations as of Dec. 2025) • Development of reference guidelines based on cases at other companies
5. Securing Personnel for the Quality Assurance Department	<ul style="list-style-type: none"> • Increase of 14 personnel since organizational launch (total 136 as of Dec 2025) • Quality-compliance education and team-building training for plant employees
6. Strengthening the Supervisory Function of the Board Directors	<ul style="list-style-type: none"> • Reporting to the Board on Compliance Committee activities for FY2025 1H (twice/year)

- We are evaluating the effectiveness of the recurrence-prevention measures together with external experts, Nagashima Ohno & Tsunematsu, which served on the Special Investigation Committee.
- The firm has assessed that while the measures implemented or under consideration are effective in preventing reoccurrence, ongoing verification is required.
- We will continue to verify their effectiveness and revise the measures as necessary.

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

Construction

O&M

※Construction period, in
dismantling of
existing incinerators

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

■ 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).

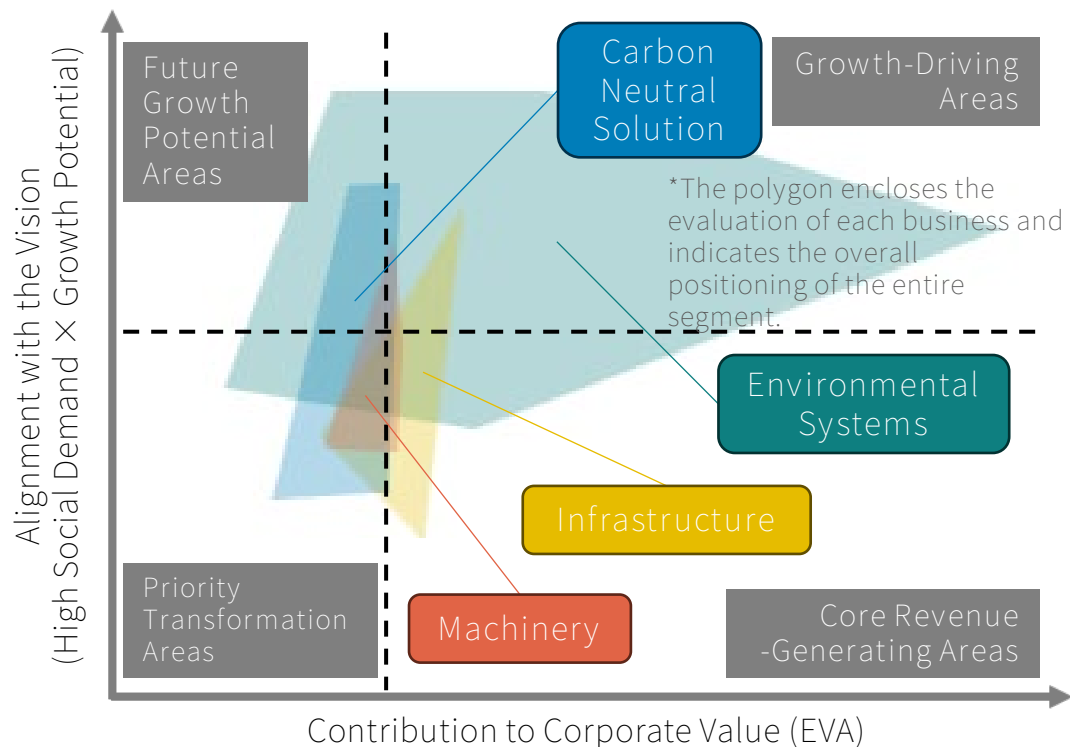
※5 O&M order received in June 2024.

02 Acceleration of Business Portfolio Management

Principles of Business Portfolio Management

■ Current Challenges	The expansion into a wide range of businesses has resulted in dispersed resources. Consequently, company-wide efficiency has declined and improvements in profitability have slowed.
■ Rationale for Portfolio Management	Limited management resources will be concentrated in strategic domains to maximize growth potential and to shift the business structure toward one that is resilient to environmental changes.
■ Target Vision	A flexible portfolio that enables rapid resource reallocation will be developed to establish a sustainable growth cycle of “profit generation → growth investment → creation of new revenue sources.”

Business Portfolio Map (Portfolio Analysis Chart)



Policy for Each Area

Core Revenue-Generating Areas

- Cash generation to secure investment capacity
- Maintaining corporate value

Growth-Driving Areas

- Continued proactive investment in growth markets
- Pursuit of discontinuous (non-linear) growth

Future Growth Potential Areas

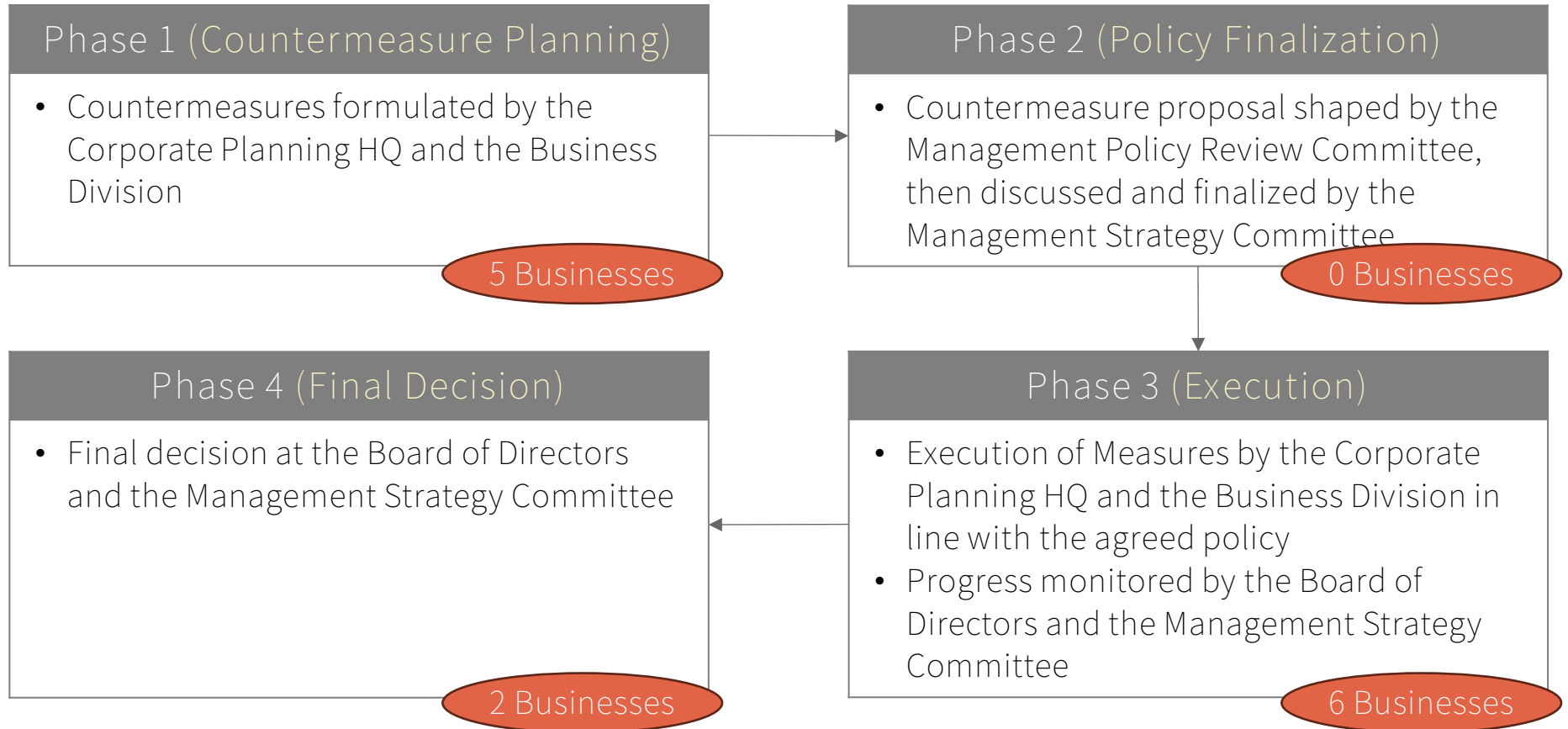
- Development into future core business candidates
- Improvement of capital efficiency and execution of growth investments

Priority Transformation Areas

- Assessment of reconstruction feasibility through reassessment of market needs
- Transfer to the optimal owner and promotion of strategic alliances
- Shifting resources to growth areas

Progress of Initiatives in the Priority Transformation Areas

For businesses requiring priority measures, several have already progressed to Phase 3 (Execution) or Phase 4 (Final Decision). Once these measures are completed, the portfolio streamlining is expected to make significant progress.



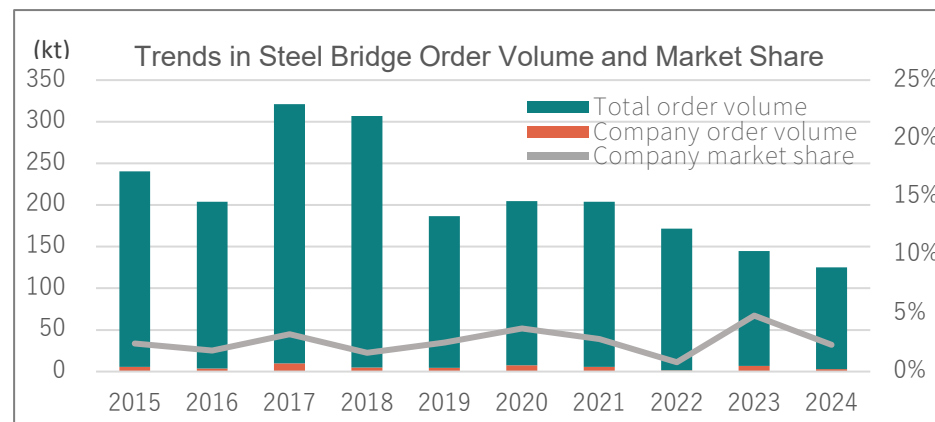
○ : Progress status as of February 5, 2026

Progress of Initiatives in the Priority Transformation Areas

① Withdrawal from the Bridge Construction Business and Termination of Operations at Mukaishima Works

[Reasons for Exiting the Bridge Construction Business]

- Domestic market for new bridge construction continues to shrink.
- No market expansion is anticipated, and further intensification of competition is expected.
- Market share has remained at a low level, making stable plant operations difficult to maintain.
- After reviewing various countermeasures, a decision was made to withdraw from the business.



[Future Actions (Planned)]

- Operations at the Mukaishima Plant are scheduled to conclude within FY2026.
- Employment for personnel in the bridge business and at Mukaishima Works will be secured primarily within the company and group companies.

[Overview of Bridge Business]

No. of employees	239 (as of January 31, 2026 and includes employees of Mukaishima Works)
Business description	Design, manufacture, construction, and maintenance of steel bridges
Net sales	¥10,573 million (fiscal year ended March 2025)

[Overview of Mukaishima Works]

Location	Onomichi, Hiroshima	Commencement of operations	1943
No. of employees	157 (as of January 31, 2026)		
Business description	Manufacture of steel bridges and other steel structures; manufacturing of foreign substance separation equipment for food		

Progress of Initiatives in the Priority Transformation Areas

② Transfer of a Portion of Shares in Hitachi Zosen Marine Engine Co., Ltd. (HZME) to Imabari Shipbuilding Co., Ltd. - Change from a Consolidated Subsidiary to an Equity-Method Affiliate -

[Overview of the Share Transfer]

Day of transfer	March 31, 2026
Shareholding ratios	Kanadevia 65%, Imabari 35%
	▼
	Kanadevia 40%, Imabari 60%

[Reason of Transfer]

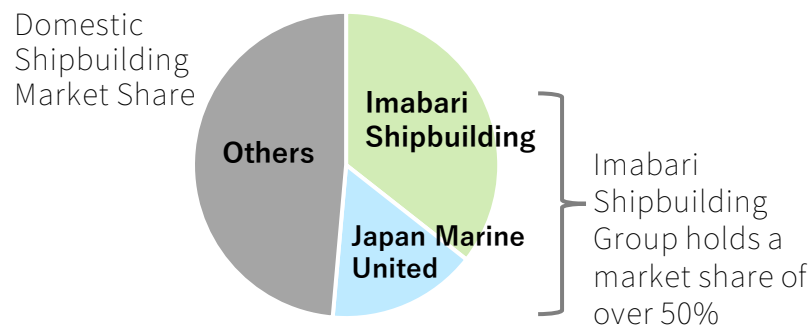
- Under the “Roadmap for Revitalizing the Shipbuilding Industry,” targets have been established such as doubling vessel construction volume by 2035 and introducing new-fuel vessels, including ammonia-fueled ships.
- In the marine engine business, responding to decarbonized fuels -particularly ammonia - is an urgent requirement.
- To avoid missing growth opportunities, Imabari Shipbuilding Co., Ltd., a leading company in Japan’s shipbuilding industry, has been identified as the optimal owner of HZME.

[Overview of HZME]

Head Office Location	Nagasu-machi, Tamana-gun, Kumamoto (within the Ariake Works site)	Business activities	Manufacturing of marine engines and after-sales services
Date of incorporation	2022	Net sales	¥24,952 million (fiscal year ended March 2025)
Paid-in capital	¥1,750 million	Operating income	¥8 million (fiscal year ended March 2025)

[Ref.] Imabari Shipbuilding Group

- After making Japan Marine United Corporation a subsidiary, the group now holds over 50% of the domestic market and ranks fourth globally.
- Development of next-generation vessels - such as LNG-fueled and ammonia-fueled ships - is progressing, positioning the company as a shipbuilder with world-class scale and competitiveness.



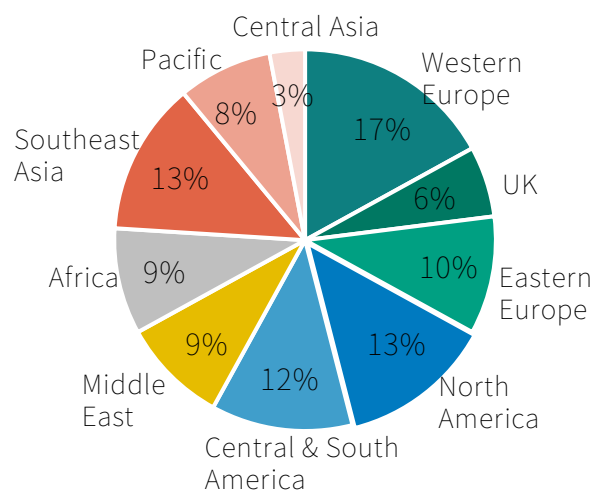
Status of Businesses in Growth-Driving Areas

WtE Business outside Japan

Overseas Business Environment

The WtE market from 2025 to 2031 (excluding China) is estimated at EUR 82 billion (illustrated in the pie chart). Kanadevia Inova (Inova) holds a leading market share of 50–60% in Europe, the Middle East, and North Africa.

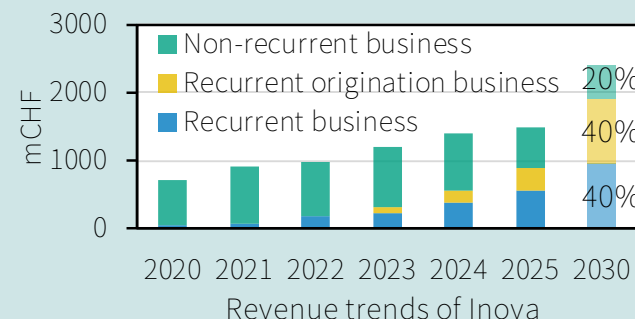
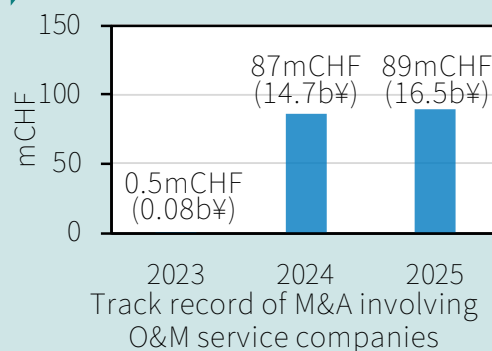
Further growth will depend on expanding into emerging and underpenetrated markets, including Eastern Europe, Southeast and Central Asia, Africa, and North and South America.



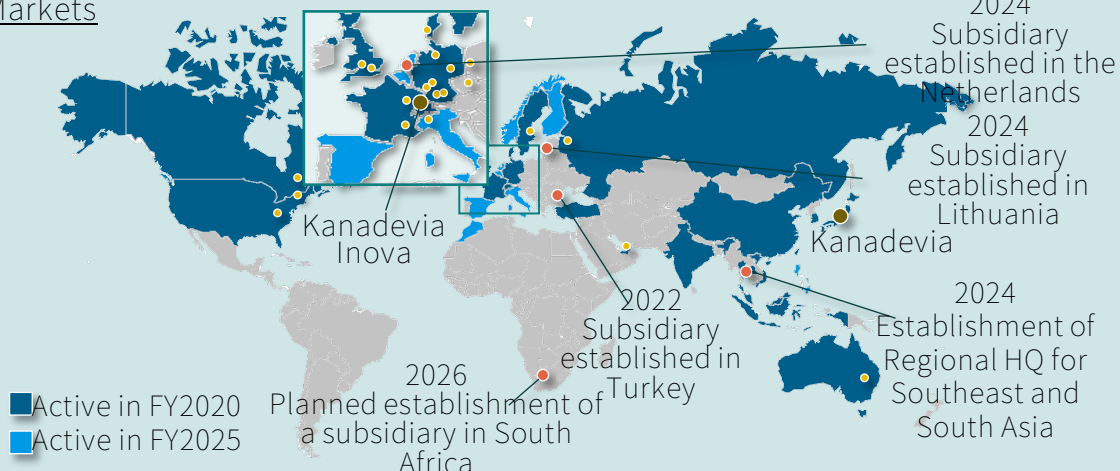
Transition of Business Portfolio to Strengthen the Revenue Base

- Inova aims to increase the proportion of recurring-revenue businesses - including business development initiatives such as RG - to 80% by FY2030, and is actively pursuing M&A focused on O&M service companies.

➔ Strengthening resilience through continuous business expansion



Strengthening Business Presence to Develop New Businesses and Enter Emerging Markets



Status of Businesses in Future Growth Potential Areas

Renewable Gas (RG) Business

Business Environment in Europe

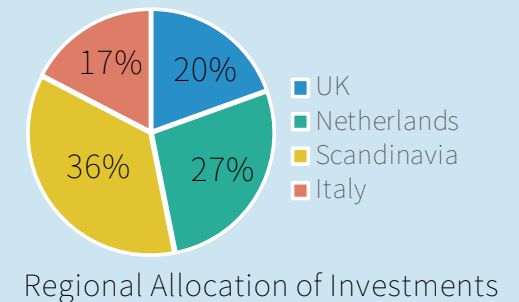
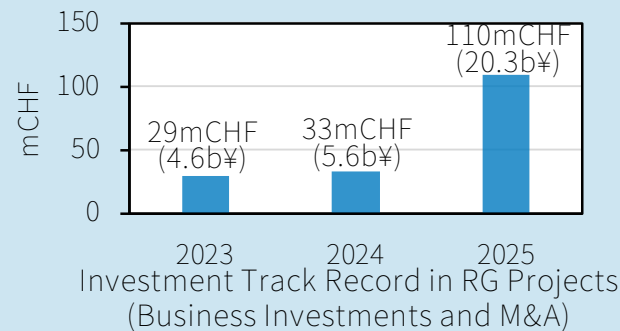
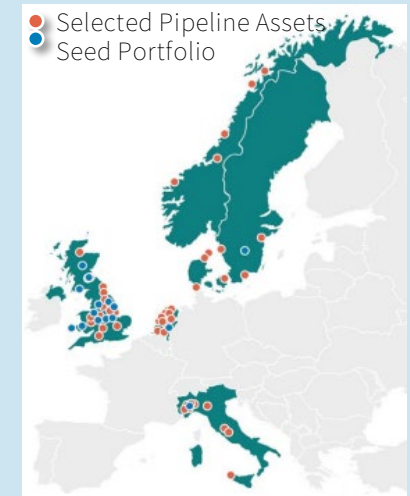
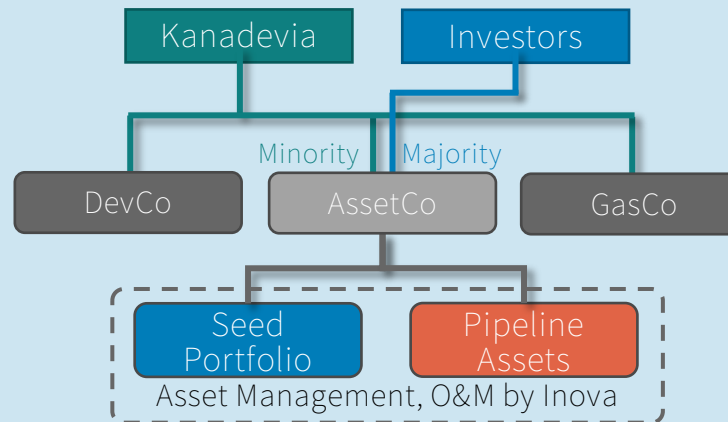
Key markets include the United Kingdom, Ireland, Italy, the Netherlands, and the Nordic countries. The market size in these regions is expected to grow from EUR 2 billion in 2025 to ten times that level by the 2030s. Policy frameworks in each country significantly influence the business viability of RG, making this an area where Inova - with its operational presence across Europe - can fully leverage its strengths.

Business Environment in Other Regions

As food industry operators and agricultural businesses advance their waste-management practices, interest in RG is also increasing in other regions such as Brazil, Turkey, and North America.

Development of an asset management business model

- An in-house project development model: new developments or upgrades of existing facilities, divestment to a minority-owned, non-consolidated asset management company, and subsequent asset management/O&M by Inova, with gas sales conducted through Inova's GasCo entity.



Status of Businesses in Future Growth Potential Areas

Hydrogen & Methanation Business

Business Environment in Japan

Environmental frameworks supporting commercialization - such as the formulation of the Basic Hydrogen Strategy and the establishment of programs like the GX Supply Chain Support Scheme - are steadily progressing.

Business Environment in Other Regions

Demand is advancing more rapidly in Europe and the United States, while the Middle East and India have announced approximately 60 GW of green hydrogen development plans.

Scaling and Mass Production of PEM-Type Hydrogen Production Systems

- Key strengths include expertise gained through demonstration projects, proprietary high-efficiency methanation catalysts, and the integrated capabilities of the group.
- Plan to launch a mass-production plant for water electrolysis stacks in 2028 to support project development both in Japan and overseas.
- Complementing market development capabilities through investment in the Japan Hydrogen Fund



Business expansion is driven by cost competitiveness achieved through mass production and by system integration built on the company's core strengths.



Mass-production facility constructed in Tsuru City, Yamanashi Prefecture

Wind Power Business

1st Offshore Wind Industry Vision (Dec 2020)

As government targets, the formation of offshore wind power projects totaling 10 GW by 2030 and 30–45 GW by 2040 has been established.

2nd Offshore Wind Industry Vision (Aug 2025)

In addition, a new target has been established to form more than 15 GW of floating offshore wind projects by 2040.

Design and Manufacturing of Low-Cost Foundation Structures

Fixed-Bottom Offshore Wind: The suction bucket foundation offers expanded applicability across various sea areas and significant cost reductions. Demonstration tests have been completed, and the technology is currently under review by ClassNK (Nippon Kaiji Kyokai).

Floating Offshore Wind: The semi-submersible platform is a floating structure expected to deliver cost advantages through high constructability. Demonstration and development are underway as part of the Green Innovation Fund Program (Phase II).



Promoting commercialization and decarbonization through the deployment of proprietary technologies that contribute to cost reduction

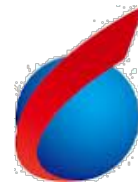


03 Launch of Discussions Toward a Business Integration with Nippon Steel Engineering Co., Ltd.

Toward a world-class engineering group that contributes to
the realization of a sustainable society

Kanadevia

Technology for people and planet



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NIPPON STEEL ENGINEERING

Overview of the Parties

Kanadevia



Kanadevia Corporation					NIPPON STEEL ENGINEERING CO., LTD.			
7-89, Nankokita 1-chome, Suminoe-ku, Osaka				Headquarters	1-5-1 Osaki, Shinagawa-ku, Tokyo			
Michi Kuwahara, President & CEO				Representative	Yukito Ishiwa, President			
Tokyo Stock Exchange Prime Market (7004)				Listing	Unlisted (100% Subsidiary of NIPPON STEEL CORPORATION)			
1934				Established	2006 (spin-off from NIPPON STEEL ; became an independent entity)			
45.4 billion yen				Capital	15 billion yen			
Non-consolidated: 3,964, Consolidated: 12,964 (as of March 31, 2025)				Employees	Non-consolidated: 1,809, Consolidated: 5,610 (as of March 31, 2025)			
FY2022	FY2023	FY2024	FY2025 forecast	Consolidated Financial Results (JPY 100 million)	FY2022	FY2023	FY2024	FY2025 forecast
4,926	5,558	6,105	6,200	Net Sales	3,522	4,092	4,005	4,000
200	243	269	135	Operating Income	112	19	158	200
4.1%	4.4%	4.4%	2.2%	OP Margin (%)	3.2%	0.5%	3.9%	5.0%

Note: Consolidated financial indicators for Nippon Steel Engineering are internal management figures (unaudited) after elimination of intercompany transactions within Nippon Steel Engineering and its subsidiaries. FY2026/3 figures are provisional.

Business Environment and Aims for Integration Consideration

Key trends and challenges



Continued changes in the macro environment

- Domestic labor shortages and tighter labor markets
- Increasing disaster and geopolitical risks
- Greater need for global management capabilities



Near-term replacement demand and medium- to long market trends

- Aging facilities built largely in the 1990s
- Market impacts from demographics; broader area coverage and consolidation of facilities
- Expansion of resource-circulation domains overseas



Requirements toward realizing a decarbonized society

- Growing global need for resource recycling and decarbonization
- Insufficient number of labors capable of social implementation

Aims/Objectives of the Business Integration Consideration

Enhancement of Human Capital, Organization and Business Fundamentals

- Improve productivity by organizational streamlining, accelerating adoption of AI/robotics, and DX initiatives
- Provide diverse career opportunities
Securing HR
- Strengthen supply chain through joint procurement, etc.

Securing Recurring Earnings Base/ Accelerating Overseas Expansion

- Maximize order intake for anticipated replacement of aging facilities and secure O&M demand
- Respond to widening and consolidation of waste-to-energy facilities, strengthen regional complementarity
- Optimize technology adoption for environmental performance and regional characteristics; pursue global expansion

Acceleration of Technological Innovation and Commercialization

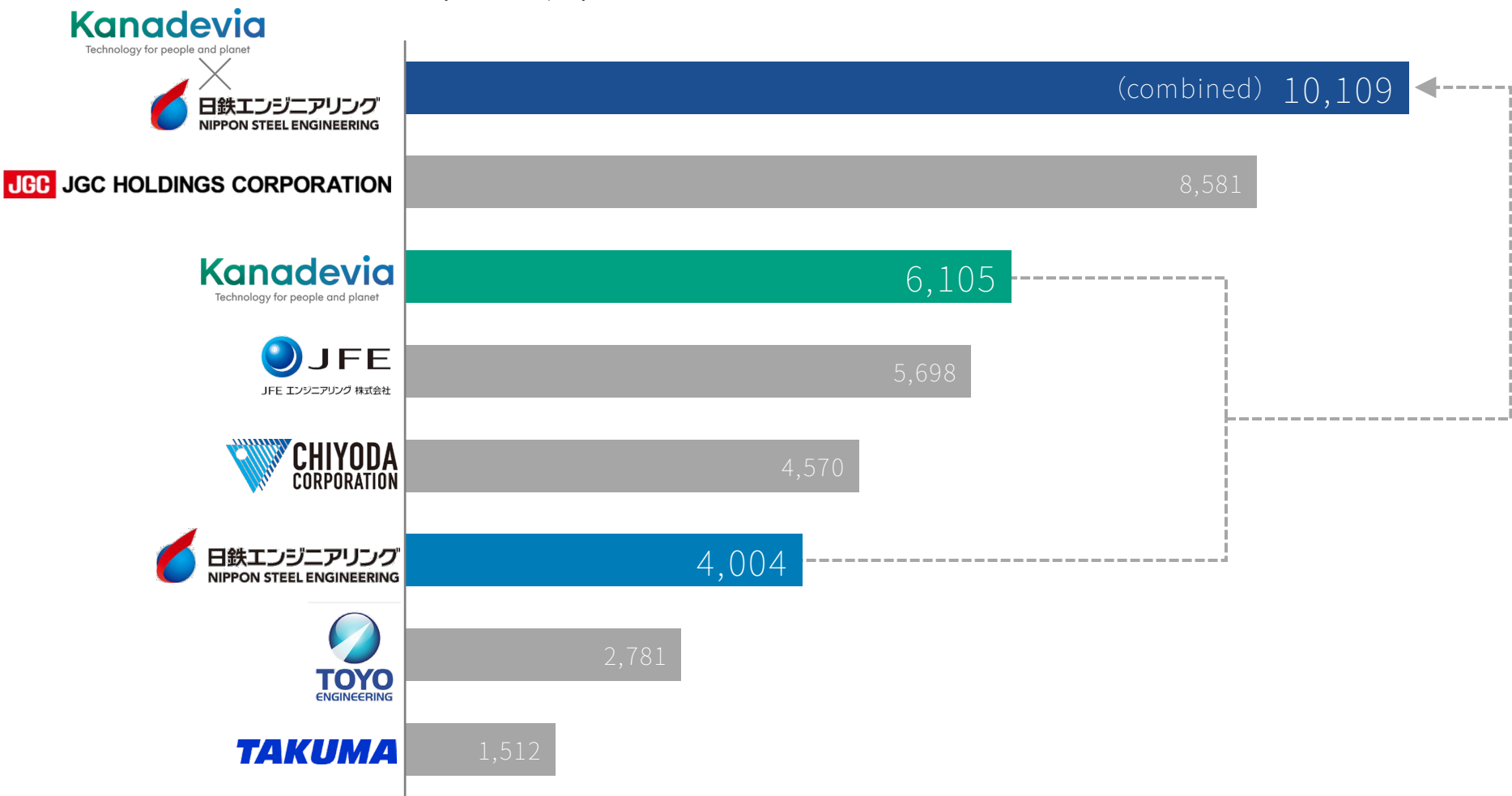
- As a key player in realizing resource circulation and decarbonization, take on the challenge of social implementation of advanced technologies
- Build a track record in the early phase and nurture businesses that will become the next pillar of earnings

Positioning within the Plant Engineering Industry

The two companies are expected to form one of the largest players in the domestic plant engineering industry on a simple aggregation basis.

Net sales for the most recent fiscal year

JPY100 million; based on the disclosures by each company



Business Portfolio

Key Initiatives Comprising the Business Portfolio

Leveraging world-class positioning and technologies to accelerate "Waste to Energy" and "Waste to X"

Integrating advanced technologies to facilitate the clean-energy transition while ensuring supply stability

WtE



- EPC of facilities and equipment that enable hygienic waste treatment and resource utilization
- Comprehensive post-delivery support to ensure stable O&M

Water Treatment



- Provide advanced technologies for the hygienic treatment of organic waste, including night soil.

Tank/Pipeline



- Design, manufacture, and construction of high quality tanks utilizing optimal steel and advanced technologies

Industrial Architecture



- Delivery of industrial buildings—from advanced facilities employing seismic isolation and vibration-control technologies to offices

Offshore Wind Power



- Construction of wind-turbine foundations, incl. jackets and monopiles
- End-to-end services from engineering and design to construction

CCUS/CCS

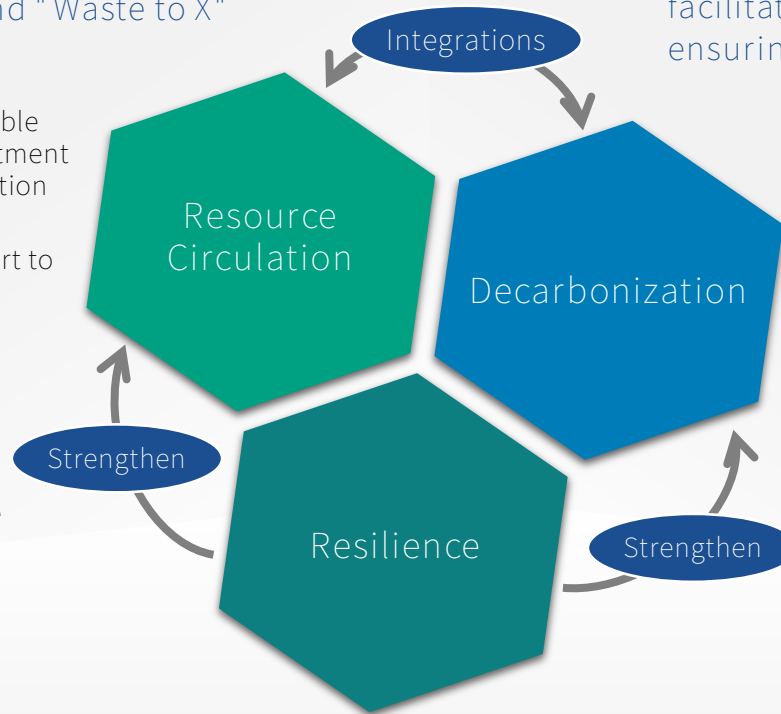


- Integrated solutions spanning CO₂ separation/capture through storage
- Integrated CO₂ solutions from capture to storage

On-site Energy Supply



- Power-supply and energy-management services supporting renewable energy use
- Efficient on-site heat and electricity supply using low-environmental-impact fuels



Developing infrastructure for stable energy supply and foundational technologies for resource circulation and decarbonization

Positioning of WtE facilities in Japan by region and size

Aiming a Top-tier WtE company in Japan leveraging complementary strengths to serve diverse customer needs through mutual reinforcement

Features of both companies' facilities



Number of facilities*/process capacity

	TOTAL	
183	242	59
32,516 t/day	48,785 t/day	16,269 t/day

By region

- Wide deployment, including small- and medium-scale facilities
- Strengths in specific regions such as Chubu and Kyushu and large cities

By Processing Power

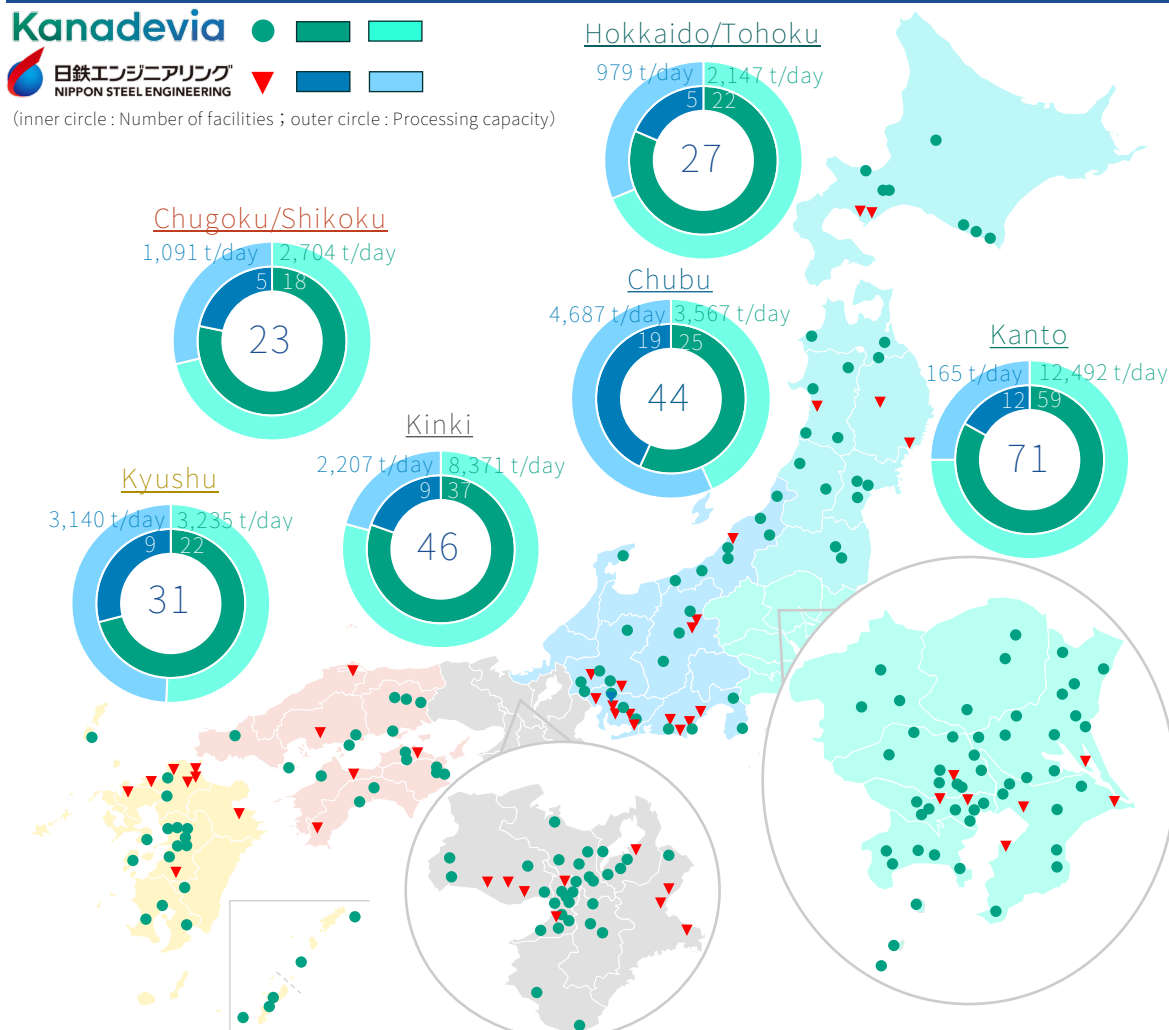
- Including small and medium-sized facilities
- Focus on large-scale facilities

By Processing Method

- Primarily stoker-type incinerators
- Primarily gasification-melting furnaces

Respond to diverse needs regardless of region or technology
Reduce costs & strengthen resilience through network between sites & optimizing operations

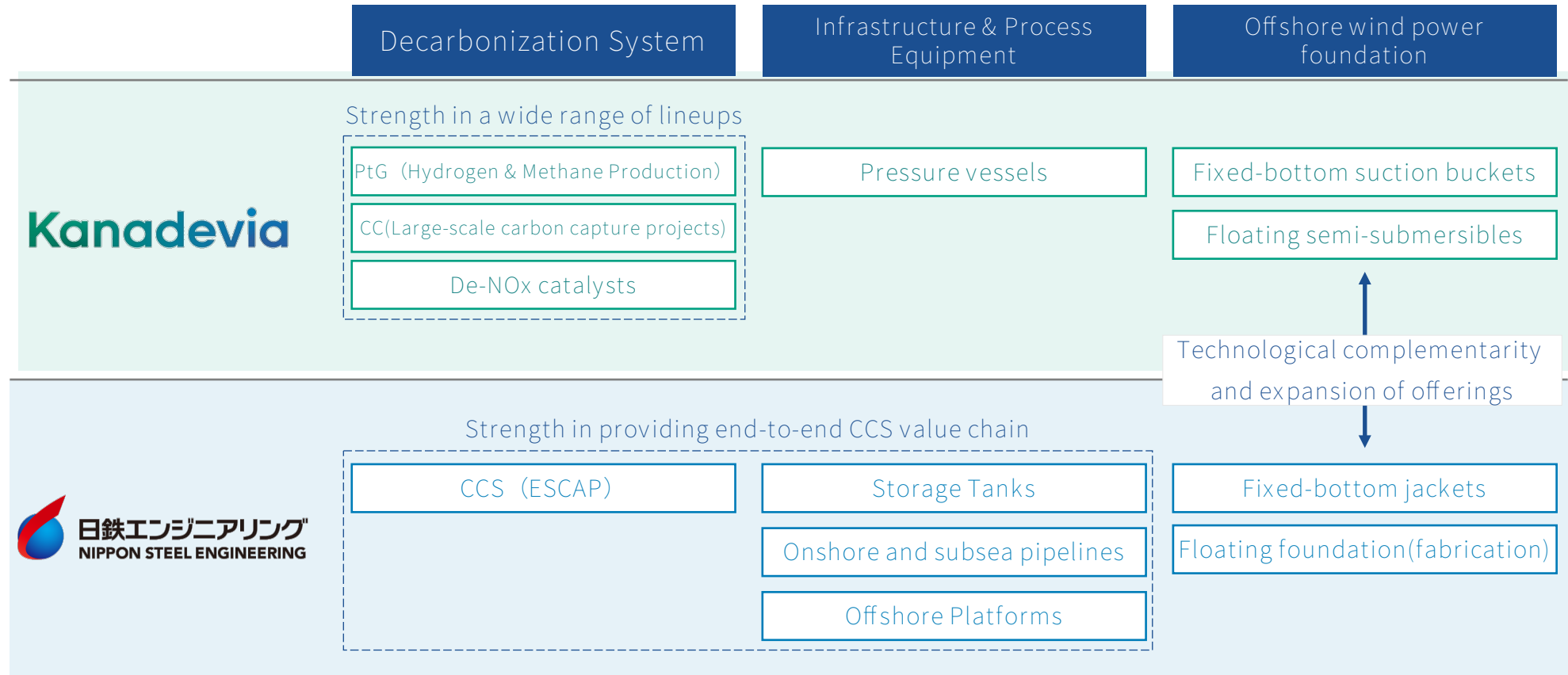
Delivery results by region*



※Based on the company's own research, including in operation & under construction

Synergies in the Decarbonization Segment

The decarbonization technologies of the two companies are complementary. By combining KVC's diverse technologies and solutions with NSE's integrated execution capabilities, the realization of a decarbonized society can be promoted more effectively.



Accelerate Global Strategy Deployment

Accelerate global strategy based on the domestic business portfolio & management resources strengthened through integration



Purpose of the Integration Consideration

Synergies are to be realized by strengthening the foundation of the resource-circulation business, enhancing collaboration in decarbonization-related technologies, and reinforcing and streamlining organizational structures, with the objective of pursuing a leading position in global markets.

01

Strengthening of domestic positioning and profitability in the resource-circulation business; acceleration of investment in overseas and other growth businesses

- Establishment of a leading position in the industry and expansion of technological responsiveness to increase order certainty and enhance price competitiveness.
- Reinforcement of the earnings base and resilience in the domestic environmental business, together with acceleration of investments in growth businesses, including overseas.
- Promotion of the co-installation of CCS facilities at overseas environmental plants.

01

Kanadevia
Technology for people and planet



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NIPPON STEEL ENGINEERING

02

Strengthen technologies for decarbonization business, including CCS

- Enhancement of presence in carbon-neutral fields by combining NSE's technologies—covering the CCS value chain—with KVC's unique technologies and know-how (including PtG and catalyst technologies).
- Improvement of manufacturing capacity and expansion of offerings through collaboration on offshore wind foundation technologies.
- Strengthening of the overall offshore wind supply chain and establishment of end-to-end capabilities from design through fabrication for floating foundations.

02

03

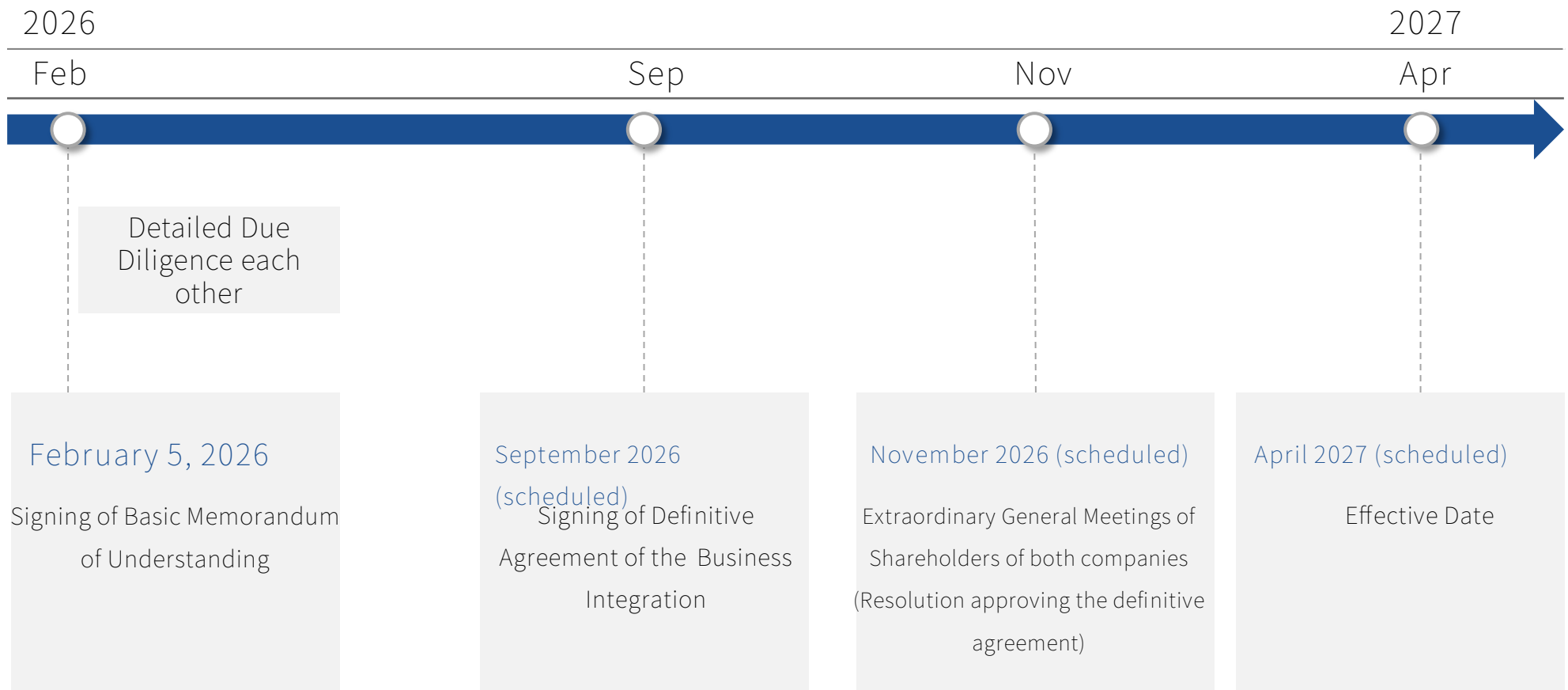
Reinforcement and streamlining of organizational structures

- Strengthening and streamlining of the supply chain through joint procurement and integration of functions across both companies.
- Standardization and streamlining of operations in administrative/indirect functions and factories, and reallocation of management resources across the organization to reduce fixed costs.
- Aggregation of knowledge and networks domestically and internationally, within and outside the group, to enhance sustainable organizational capabilities (including global governance) and to strengthen the ability to identify growth investment opportunities.
- Promotion of global expansion strategies through the strengthening of the financial foundation.

03

Schedule Going Forward

(subject to change depending on future discussions)



※Should circumstances arise that delay or make it difficult to proceed with the Business Integration, a public announcement will be made promptly.

04 Postponement of the Announcement of the Next Medium-Term Management Plan

Postponement of the Announcement of the Next Medium-Term Management Plan

Background to the Postponement of the Announcement

Due to the commencement of discussions toward a business integration with Nippon Steel Engineering Co., Ltd., there is a possibility of significant changes in the assumptions of the Medium-Term Management Plan, including management strategy, organizational structure, and capital policy.

Scheduled Timing for the New Announcement

The timing of the announcement will be determined at an appropriate stage, based on the progress of discussions regarding the contemplated business integration.



(Cautionary Statement)

The forward-looking statements in this document, including performance forecasts, are based on information currently available and on certain assumptions deemed reasonable at this time. Actual results may differ materially due to various factors.