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(Translation)

(Securities Code 7004)

Date of issuance: June 3, 2026

Start date of measures for electronic provision: May 26, 2026

**Dear Shareholders**

Michi Kuwahara, President

**Kanadevia Corporation**

7-89, Nanko-kita 1-chome, Suminoe-ku, Osaka

## **NOTICE OF THE 129TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

We are pleased to announce the 129th Ordinary General Meeting of Shareholders of Kanadevia Corporation (“the Company”). The meeting shall be held as described below.

In connection with the convocation of this General Meeting of Shareholders, we have taken measures for providing information concerning the particulars of the Reference Documents for the General Meeting of Shareholders and other documents in electronic formats (i.e., information made available by electronic means) by publication on the following URLs for access and viewing by shareholders.

**[Company Website]**

<https://www.kanadevia.com/ir/stock/meeting.html> (in Japanese)

**[Website for Materials for the General Meeting of Shareholders]**

<https://d.sokai.jp/7004/teiji/> (in Japanese)

**[TSE website (Listed Company Search)]**

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(The information can be retrieved by entering the issue name (company name) “Kanadevia” or the securities code “7004,” clicking on “Basic information,” “Documents for public inspection/PR information,” and “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” which appear below the “Filed information available for public inspection” field.)

Shareholders not attending the meeting have the option to exercise their voting rights in advance via the Internet or in writing, and we ask those shareholders to read the Reference Documents for the General Meeting of Shareholders and exercise their voting rights **by 5:00 p.m. (JST) on Monday, June 22, 2026.**

1. **Date and Time:** June 23, 2026 (Tuesday), 10:00 a.m. (JST) (Doors open 9:00 a.m.)

2. **Place:** ART HOTEL Osaka Bay Tower, 4th Floor, Art Grand Ballroom  
2-1, Benten 1-chome, Minato-ku, Osaka, Japan

### 3. Purposes

#### I. Matters to be Reported:

1. The Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements for the 129th fiscal year (from April 1, 2025 to March 31, 2026)
2. The Audit Reports of the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements for the 129th fiscal year

#### II. Matters to be Resolved:

**Proposal 1: Appropriation of Surplus**

**Proposal 2: Election of Nine (9) Directors**

- Among the information made available by electronic means, the following items are omitted from a document to be delivered to shareholders who submitted a request for the delivery of information in written form, pursuant to the relevant laws and regulations and Article 15 of the Articles of Incorporation of the Company. The Accounting Auditor and Corporate Auditors have audited the documents subject to audit, including the items below.

- 1) “Matters Concerning the Development of Systems to Ensure Appropriateness of Operations, etc.” in the Business Report
- 2) “Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements (Japanese only)” in the Consolidated Financial Statements
- 3) “Non-consolidated Balance Sheets,” “Non-consolidated Statements of Income,” “Non-consolidated Statements of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements (Japanese only)” in the Non-consolidated Financial Statements
- 4) “Accounting Audit Report on Non-consolidated Financial Statements”

- Any modification to the information made available by electronic means will be announced on the websites mentioned above, together with the information before and after the modification.
- If there are any changes in the arrangements, response methods or other related operations of the General Meeting of Shareholders, we will give notice on the Company’s website.
- Shareholders are invited to view the meeting by way of real-time live streaming on the Internet. After the meeting, the proceedings will be available in part for viewing on demand (in Japanese). In addition, shareholders may make inquiries with respect to the purposes of the General Meeting of Shareholders before the meeting.
- Please kindly note that we will not provide souvenirs to shareholders attending the meeting in person. We appreciate your understanding.
- The results of the resolutions of the General Meeting of Shareholders shall be posted on the Company Website described above after the ending of the General Meeting of Shareholders, instead of the postal mail of a written notification of resolutions.

#### ● Treatment of Voting Rights Exercised Multiple Times

- If the voting rights are exercised multiple times both via the Internet and in writing: The exercise of the voting rights via the Internet will be deemed effective.
- If the voting rights are exercised multiple times via the Internet: The last exercise of the voting rights will be deemed effective.

## Instructions on Exercising Voting Rights via the Internet

### Scanning QR code®

You can simply login to the website for exercising voting rights without entering your login ID and temporary password.

1. Please scan the QR code® located on the right side of the voting form.

\* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Indicate your approval or disapproval by following the instructions on the screen.

### Entering login ID and temporary password

Site for exercising voting rights:  
<https://evote.tr.mufg.jp/> (in Japanese)

1. Please access the site for exercising voting rights.

2. Enter your “login ID” and “temporary password” printed on the right side of the voting form.

3. Indicate your approval or disapproval by following the instructions on the screen.

In case you need instructions for how to operate your PC/smartphone in order to exercise your voting rights via the Internet, please contact the helpdesk, for which the details are provided below.

Mitsubishi UFJ Trust and Banking Corporation  
Corporate Agency Division (helpdesk)

Telephone: 0120-173-027 (toll free and available from 9:00 a.m. to 9:00 p.m.; within Japan only)

### Cautionary matters

- (1) When exercising voting rights via the Internet, please be aware that the website is not available from 2:30 a.m. to 4:30 a.m. (JST) each day.
- (2) Exercising voting rights via PC or smartphone may not be possible depending on your Internet usage environment, for example if you use a firewall for your Internet connection, if you have anti-virus software installed, if you use a proxy server, or if you are communicating without TLS encryption.
- (3) Any fees for accessing the website for exercising voting rights (Internet connection fees, etc.) shall be borne by the shareholder.

### **Platform for Exercise of Voting Rights**

The Company participates in the Electronic Voting Platform for Institutional Investors managed by ICJ, Inc.

For shareholders registered in the name of a custodian trust bank, etc. (including permanent agents), by making prior application for the said platform's use, it is possible to exercise one's voting rights for the Company's General Meeting of Shareholders using the said platform as a method for exercising one's voting rights by electronic method, separate to the exercising of one's voting rights via the Internet mentioned above.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### Proposal 1: Appropriation of Surplus

The policy of the Company is to continuously and stably distribute dividends, while working to strengthen financial position and the management base through growth investment, R&D investment and capital investment in order to enhance the long-term shareholder's value.

In accordance with the above policy, we hereby propose to pay the year-end dividends as follows, in light of factors such as the Company's performance for the fiscal year 2025 and future business development.

- (i) Dividend to be paid by cash
- (ii) Items concerning allocation of dividend property to shareholders and total amount thereof  
Dividend per share of the Company's common stock: 25 yen  
Total amount: 4,212,539,725 yen
- (iii) Effective date of commencement of payment: June 24, 2026

## Proposal 2: Election of Nine (9) Directors

The term of office of all eight (8) present Directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, we propose to elect nine (9) Directors, increasing the number of Outside Directors by one (1) in order to strengthen the supervisory functions of the Board of Directors.

The candidates for Directors are as follows:

No.	Name	Position and Areas of Responsibility at the Company	Attendance at Board of Directors meetings (FY 2025)	Tenure as Director (at the conclusion of the General Meeting of Shareholders)
1	Michi Kuwahara <span style="border: 1px solid black; padding: 2px;">Reappointed</span>	Representative Director, President, Group Chief Executive Officer	16/16	5 years
2	Hitoshi Kogi <span style="border: 1px solid black; padding: 2px;">Reappointed</span>	Director and Senior Managing Executive Officer Responsible for Sales and Sales Planning Dept.	12/13	1 year
3	Munenobu Hashizume <span style="border: 1px solid black; padding: 2px;">Reappointed</span>	Director and Managing Executive Officer General Manager of Information and Communication Technology Promotion Headquarters	16/16	2 years
4	Koichiro Oshima <span style="border: 1px solid black; padding: 2px;">Newly appointed</span>	Senior Managing Executive Officer General Manager of Corporate Planning Headquarters, Group Chief Financial Officer and General Manager of Quality Reform Promotion Department	—	—
5	Shinoi Sakata <span style="border: 1px solid black; padding: 2px;">Reappointed</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	Director	16/16	3 years
6	Tetsuya Shoji <span style="border: 1px solid black; padding: 2px;">Reappointed</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	Director	16/16	5 years
7	Akiko Horiguchi <span style="border: 1px solid black; padding: 2px;">Reappointed</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	Director	16/16	3 years
8	Maki Miyazaki <span style="border: 1px solid black; padding: 2px;">Reappointed</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	Director	16/16	2 years
9	Hideki Miyazaki <span style="border: 1px solid black; padding: 2px;">Newly appointed</span> <span style="border: 1px solid black; padding: 2px;">Outside</span> <span style="border: 1px solid black; padding: 2px;">Independent</span>	—	—	—

Newly appointed Candidate for newly appointed Director


Reappointed Candidate for reappointed Director


Outside Candidate for Outside Director


Independent Independent Director


Notes: 1.Attendance at the Board of Directors meetings by Mr. Hitoshi Kogi counts only the Board of Directors meetings held after his assuming the office of Director on June 24, 2025.


2. The gender and expertise (skills) of each candidate for Director are provided on page 22.

Candidate No.	Name (Date of Birth)	Career Summary (Position and Areas of Responsibility at the Company, and Significant Concurrent Positions)	Number of the Company's Share Owned
1	<p data-bbox="379 248 512 277"><u>Reappointed</u></p>  <p data-bbox="363 577 528 645">Michi Kuwahara (June 18, 1963)</p> <p data-bbox="336 680 555 801">Attendance at Board of Directors meetings (FY 2025) 16/16</p> <p data-bbox="336 837 555 994">Tenure as Director 5 years (at the conclusion of the General Meeting of Shareholders)</p>	<p data-bbox="580 248 975 277">April 1986      Joined the Company</p> <p data-bbox="580 286 995 315">June 2021      Director, the Company</p> <p data-bbox="580 324 1267 456">June 2021      General Manager of Corporate Planning Headquarters, and Responsible for General Administration Headquarters, Quality Assurance Dept. and Yumeshima Area Development Promotion Dept., the Company</p> <p data-bbox="580 465 1257 620">October 2021    General Manager of Corporate Planning Headquarters, and Responsible for General Administration Headquarters, Sustainability Promotion Dept., Quality Assurance Dept. and Yumeshima Area Development Promotion Dept., the Company</p> <p data-bbox="580 629 1102 658">April 2022      Managing Director, the Company</p> <p data-bbox="580 667 1251 748">April 2022      General Manager of Environment Business Headquarters, and Responsible for Procurement Headquarters, the Company</p> <p data-bbox="580 757 1278 866">June 2023      General Manager of Environment Business Headquarters, and Responsible for Procurement Headquarters and Architect Supervision Dept., the Company</p> <p data-bbox="580 875 1222 931">April 2024      Representative Director, President and Chief Operating Officer, the Company</p> <p data-bbox="580 940 1222 996">April 2025      Representative Director, President and Chief Executive Officer, the Company</p> <p data-bbox="580 1005 1267 1061">April 2026      Representative Director, President, Group Chief Executive Officer, the Company (current position)</p> <p data-bbox="580 1070 1278 1570">&lt;Reasons for nominating the candidate as Director&gt; Since assuming the office of the top manager, Representative Director, President from April 2024, Mr. Kuwahara has been working to make the corporate philosophy of the Company a reality, drive sustainable growth and improvement of the corporate value of the Kanadevia Group, and promote stronger corporate governance. Furthermore, he demonstrated leadership and is working to strengthen the internal control system aimed at ensuring safety and quality, as well as implementing sweeping improvements to the corporate culture, among other initiatives. The Company has determined, based on this experience and track record, that Mr. Kuwahara is well-qualified to play a key role in further developing the Kanadevia Group and that he will adequately fulfill the role of determining important matters and strengthening supervisory functions in the Board of Directors. Therefore, once again, the Company has designated Mr. Kuwahara as a candidate for Director.</p>	28,500


Candidate No.	Name (Date of Birth)	Career Summary (Position and Areas of Responsibility at the Company, and Significant Concurrent Positions)	Number of the Company's Share Owned
2	<p><u>Reappointed</u></p>  <p>Hitoshi Kogi (July 10, 1960)</p> <p>Attendance at Board of Directors meetings (FY 2025) 12/13</p> <p>Tenure as Director 1 year (at the conclusion of the General Meeting of Shareholders)</p>	<p>April 1983      Joined the Company</p> <p>April 2015      Executive Officer, the Company</p> <p>April 2019      Managing Executive Officer, the Company</p> <p>April 2021      Senior Managing Executive Officer, the Company (current position)</p> <p>April 2021      General Manager of Environment Business Headquarters, the Company</p> <p>April 2022      Responsible for Sales, Sales Planning Dept. and Yumeshima Area Development Promotion Dept., the Company</p> <p>June 2025      Director, the Company (current position)</p> <p>April 2026      Responsible for Sales and Sales Planning Dept., the Company (current position)</p> <p>&lt;Reasons for nominating the candidate as Director&gt; Mr. Kogi has been engaged mainly in operations such as sales at the Company and has extensive experience and wide-ranging insight into sales operations in Japan and overseas. Since April 2022, he has been responsible for the Company's sales divisions, in which he has promoted the enhancement of the Company's competitiveness. Based on this experience and track record, the Company has determined that Mr. Kogi will fulfill the role of determining important matters and strengthening supervisory functions in the Board of Directors. Therefore, once again, the Company has designated Mr. Kogi as a candidate for Director.</p>	24,449

Candidate No.	Name (Date of Birth)	Career Summary (Position and Areas of Responsibility at the Company, and Significant Concurrent Positions)	Number of the Company's Share Owned
3	<p data-bbox="379 248 507 275">Reappointed</p>  <p data-bbox="368 573 518 663">Munenobu Hashizume (June 29, 1964)</p> <p data-bbox="336 701 550 819">Attendance at Board of Directors meetings (FY 2025) 16/16</p> <p data-bbox="344 860 542 1010">Tenure as Director 2 years (at the conclusion of the General Meeting of Shareholders)</p>	<p data-bbox="580 248 1283 300">April 1988      Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION (currently, NTT, Inc.)</p> <p data-bbox="580 315 1209 389">July 1988      Joined NTT DATA Communication Systems Corporation (currently, NTT DATA GROUP CORPORATION)</p> <p data-bbox="580 405 1278 479">June 2013      Representative Director &amp; President of NTT DATA TERANOS CORPORATION (currently, KNT-CT IT Solutions Co., Ltd.)</p> <p data-bbox="580 495 1278 591">June 2016      General Manager in charge of Project Promotion of Public &amp; Social Infrastructure Promotion Division, NTT DATA CORPORATION (currently, NTT DATA GROUP CORPORATION)</p> <p data-bbox="580 607 975 633">July 2018      Joined the Company</p> <p data-bbox="580 649 1230 775">April 2019      General Manager of Information and Communication Technology Promotion Headquarters and General Manager of Hitz Advanced Information Technology Center, the Company</p> <p data-bbox="580 790 1086 817">April 2020      Executive Officer, the Company</p> <p data-bbox="580 833 1230 907">April 2021      General Manager of Information and Communication Technology Promotion Headquarters, the Company (current position)</p> <p data-bbox="580 922 1283 974">April 2022      Managing Executive Officer, the Company (current position)</p> <p data-bbox="580 990 1174 1016">June 2024      Director, the Company (current position)</p>	1,909
		<p data-bbox="580 1016 1102 1043">&lt;Reasons for nominating the candidate as Director&gt;</p> <p data-bbox="580 1059 1283 1417">Mr. Hashizume has extensive experience and wide-ranging insight into corporate management. His experience encompasses working for many years at a system integration business company and serving as Director and President of an affiliate of said company. Since April 2019, Mr. Hashizume has been working to promote digital transformation (DX) as General Manager of the Information and Communication Technology Promotion Headquarters of the Company. Based on this experience and track record, the Company has determined that Mr. Hashizume will fulfill the role of determining important matters and strengthening supervisory functions in the Board of Directors. Therefore, once again, the Company has designated Mr. Hashizume as a candidate for Director.</p>	


Candidate No.	Name (Date of Birth)	Career Summary (Position and Areas of Responsibility at the Company, and Significant Concurrent Positions)	Number of the Company's Share Owned	
4	Newly appointed	April 1989 Joined The Sanwa Bank Ltd. (currently, MUFG Bank, Ltd.)	None	
		June 2016 Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently, MUFG Bank, Ltd.)		
		June 2018 Executive Officer, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.		
		June 2018 Executive Officer, Mitsubishi UFJ Securities Holdings Co., Ltd.		
		July 2018 Executive Officer, Mitsubishi UFJ Financial Group, Inc.		
		April 2020 Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc.		
		April 2020 Managing Executive Officer, MUFG Bank, Ltd.		
		April 2020 Managing Executive Officer, Mitsubishi UFJ Securities Holdings Co., Ltd.		
		June 2020 Outside Director, Hitachi Capital Corporation (currently, Mitsubishi HC Capital Inc.)		
		April 2025 Joined the Company		
		April 2025 Senior Managing Executive Officer, the Company (current position)		
		April 2025 General Manager of Global Headquarters, the Company		
		April 2026 General Manager of Corporate Planning Headquarters, Group Chief Financial Officer and General Manager of Quality Reform Promotion Department, the Company (current position)		
	<p>&lt;Reasons for nominating the candidate as Director&gt;  Mr. Oshima has been involved in domestic and overseas corporate investment and lending business at a financial institution holding company, a bank, and a securities company, where he supervised financial solution and global capital markets businesses, among other operations, and possesses extensive experience and wide-ranging insight into marketing, finance, and global organizational management. In fiscal year 2025, he promoted the globalization of business as the General Manager of Global Headquarters of the Company, and from April 2026, he has been promoting the strengthening of the management system as the General Manager of Corporate Planning Headquarters of the Company. Based on this experience and track record, the Company has determined that Mr. Oshima will fulfill the role of determining important matters and strengthening supervisory functions in the Board of Directors. Therefore, the Company has designated him as a candidate for Director.</p>			


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5	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointed</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Independent Director</div>  <p style="text-align: center;">Shinoi Sakata (March 31, 1957)</p> <p style="text-align: center;">Attendance at Board of Directors meetings (FY 2025) 16/16</p> <p style="text-align: center;">Tenure as Outside Director 3 years (at the conclusion of the General Meeting of Shareholders)</p>	<p>April 1979      Joined SUMITOMO CHEMICAL COMPANY, LIMITED</p> <p>April 2011      Associate Officer, Research Director of Environmental Health Science Laboratory, SUMITOMO CHEMICAL COMPANY, LIMITED</p> <p>April 2013      Executive Officer, Responsible for Intellectual Property Department, SUMITOMO CHEMICAL COMPANY, LIMITED</p> <p>April 2016      Advisor, SUMITOMO CHEMICAL COMPANY, LIMITED</p> <p>April 2016      Director &amp; Vice President, Sumika Technical Information Service, Inc.</p> <p>June 2017      Representative Director &amp; President, Sumika Technical Information Service, Inc.</p> <p>May 2018      Executive Director, Japan Chemical Industry Association (in charge of the chemical management and international affairs)</p> <p>June 2020      Outside Director, Nomura Research Institute, Ltd.</p> <p>June 2023      Outside Director, the Company (current position)</p> <p>June 2025      Outside Director, Senshu Ikeda Holdings, Inc. (current position)</p> <p>June 2025      Non-Executive Director (non-full-time), The Senshu Ikeda Bank, Ltd. (current position)</p> <p>(Significant Concurrent Positions) Outside Director, Senshu Ikeda Holdings, Inc. Non-Executive Director (non-full-time), The Senshu Ikeda Bank, Ltd.</p> <p>&lt;Reasons for nominating the candidate as Outside Director and outline of expected roles&gt; Ms. Sakata has extensive experience and wide-ranging insight into company management. Her experience encompasses working in the chemical industry as a researcher on safety, etc., involved in activities to evaluate technological strategies from a sustainability perspective as a manager, and serving as a Representative Director of an information company. Ms. Sakata has provided appropriate opinions and advice as Outside Director from an independent standpoint to the Company, which is now promoting stronger corporate governance and digital transformation (DX). In addition, she has fulfilled the role of strengthening supervisory functions regarding business execution through involvement in decisions on executive appointments and Directors' remuneration as a member of the Nomination &amp; Remuneration Advisory Committee. Therefore, the Company anticipates that Ms. Sakata will continue to fulfill these roles and has designated her once again as a candidate for Outside Director.</p> <p>&lt;Matters concerning the independency&gt; Although there is a business relationship between the Company and SUMITOMO CHEMICAL COMPANY, LIMITED, where Ms. Sakata was engaged in execution of business in the past, the average annual value of transactions between the two companies in the past three fiscal years was less than 0.1% of the Company's consolidated net sales and there were no purchases from SUMITOMO CHEMICAL COMPANY, LIMITED. Additionally, there is no business relationship between the Company and Sumika Technical Information Service, Inc., Japan Chemical Industry Association or both where Ms. Sakata was formerly engaged in execution of business. Based on the above facts, the Company has determined that Ms. Sakata is independent,</p>	None


Candidate No.	Name (Date of Birth)	Career Summary (Position and Areas of Responsibility at the Company, and Significant Concurrent Positions)	Number of the Company's Share Owned
		and has designated her as an independent director as prescribed by Tokyo Stock Exchange, Inc.	

Candidate No.	Name (Date of Birth)	Career Summary (Position and Areas of Responsibility at the Company, and Significant Concurrent Positions)	Number of the Company's Share Owned
6	<p>Reappointed</p> <p>Outside Director</p> <p>Independent Director</p>  <p>Tetsuya Shoji (February 28, 1954)</p> <p>Attendance at Board of Directors meetings (FY 2025) 16/16</p> <p>Tenure as Outside Director 5 years (at the conclusion of the General Meeting of Shareholders)</p>	<p>April 1977      Joined Nippon Telegraph and Telephone Public Corporation</p> <p>June 2006      Senior Vice President and General Manager of Personnel Department, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION (currently NTT WEST, Inc.)</p> <p>June 2009      Senior Vice President and Head of General Affairs Department, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (currently NTT Inc.)</p> <p>June 2012      Senior Executive Vice President, Representative Member of the Board, NTT Communications Corporation (currently NTT DOCOMO BUSINESS, Inc.)</p> <p>June 2015      President &amp; CEO, Representative Member of the Board, NTT Communications Corporation (currently NTT DOCOMO BUSINESS, Inc.)</p> <p>June 2020      Corporate Advisor, NTT Communications Corporation (currently NTT DOCOMO BUSINESS, Inc.) (current position) (scheduled to retire from the position on June 30, 2026)</p> <p>December 2020      Outside Director, circlace Inc.</p> <p>March 2021      Outside Director, SAPPORO HOLDINGS LIMITED</p> <p>June 2021      Outside Director, the Company (current position)</p> <p>June 2021      Outside Director, Mitsubishi Logistics Corporation (current position)</p> <p>March 2022      Outside Director, JAPAN TOBACCO INC. (current position)</p> <p>(Significant Concurrent Positions) Outside Director, Mitsubishi Logistics Corporation Outside Director, JAPAN TOBACCO INC.</p> <p>&lt;Reasons for nominating the candidate as Outside Director and outline of expected roles&gt; Mr. Shoji has extensive experience and wide-ranging insight in corporate management, including having served as a representative member of the board of a telecommunications carrier. Mr. Shoji has provided appropriate opinions and advice as Outside Director from an independent standpoint to the Company, which is promoting stronger corporate governance and the globalization of business and digital transformation (DX), and has fulfilled the role of strengthening supervisory functions regarding business execution through involvement in decisions on executive appointments and Directors' remuneration as Chair of the Nomination &amp; Remuneration Advisory Committee. Therefore, the Company anticipates that Mr. Shoji will continue to fulfill these roles and has designated him once again as a candidate for Outside Director.</p> <p>&lt;Matters concerning the independency&gt; Although there is a business relationship between the Company and NTT DOCOMO BUSINESS, Inc., where Mr. Shoji currently serves as Corporate Advisor and was engaged in execution of business until June 2020, the average annual value of transactions between the two companies in the past three fiscal years was less than 0.1% of the Company's consolidated net sales and less than 0.1% of NTT DOCOMO BUSINESS, Inc.'s consolidated operating revenue. Although there is a business relationship between the Company and NTT WEST Inc., where Mr. Shoji was formerly engaged in execution of business, the average annual value of transactions between the two</p>	None

Candidate No.	Name (Date of Birth)	Career Summary (Position and Areas of Responsibility at the Company, and Significant Concurrent Positions)	Number of the Company's Share Owned
		<p>companies in the past three fiscal years was less than 0.1% of NTT WEST Inc.'s consolidated operating revenue and the Company received no sales revenue from NTT WEST Inc. Additionally, there is no business relationship between the Company and NTT Inc., where Mr. Shoji was formerly engaged in execution of business. Based on the above facts, the Company has determined that Mr. Shoji is independent, and has designated him as an independent director as prescribed by Tokyo Stock Exchange, Inc.</p>	

Candidate No.	Name (Date of Birth)	Career Summary (Position and Areas of Responsibility at the Company, and Significant Concurrent Positions)	Number of the Company's Share Owned
7	<p style="text-align: center; border: 1px solid black; padding: 2px;">Reappointed</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Outside Director</p> <p style="text-align: center; border: 1px solid black; padding: 2px;">Independent Director</p>  <p style="text-align: center;">Akiko Horiguchi (December 29, 1962)</p> <p style="text-align: center;">Attendance at Board of Directors meetings (FY 2025) 16/16</p> <p style="text-align: center;">Tenure as Outside Director 3 years (at the conclusion of the General Meeting of Shareholders)</p>	<p>April 1985      Joined Oki Electric Industry Co., Ltd.</p> <p>April 2011      Head of Public Relations Division, Oki Electric Industry Co., Ltd.</p> <p>April 2015      Head of Human Resources Division, Oki Electric Industry Co., Ltd.</p> <p>April 2015      Director, Oki Consulting Solutions Co., Ltd.</p> <p>April 2017      Executive Officer &amp; Head of Human Resources Department, Corporate Management Headquarters, Oki Electric Industry Co., Ltd.</p> <p>April 2017      Director, OKI Proserve Co., Ltd.</p> <p>June 2018      Director, Japan Institute for Women's Empowerment &amp; Diversity Management</p> <p>April 2019      Associate Executive Officer, Corporate Management Headquarters, Oki Electric Industry Co., Ltd.</p> <p>April 2019      Representative Director, President and Executive Officer, Oki WorkWel Co., Ltd.</p> <p>April 2020      Associate Executive Officer, Corporate Headquarters, Oki Electric Industry Co., Ltd.</p> <p>June 2023      Outside Director, the Company (current position)</p> <p>April 2026      Advisor, Oki WorkWel Co., Ltd. (current position) (scheduled to retire from the position on June 30, 2026)</p> <p>&lt;Reasons for nominating the candidate as Outside Director and outline of expected roles&gt;</p> <p>Ms. Horiguchi has extensive experience and wide-ranging insight into company management and diversity-focused management. Her experience encompasses working as an executive officer and Head of Public Relations and Head of Human Resources Division at an information and communication equipment manufacturer, serving as a Representative Director of a special affiliate subsidiary, and serving as a Director of the Japan Institute for Women's Empowerment &amp; Diversity Management. Ms. Horiguchi has provided appropriate opinions and advice as Outside Director from an independent standpoint to the Company, which is now promoting stronger corporate governance, digital transformation (DX), diversity-focused management and human capital management. In addition, she has fulfilled the role of strengthening supervisory functions regarding business execution through involvement in decisions on executive appointments and Directors' remuneration as a member of the Nomination &amp; Remuneration Advisory Committee. Therefore, the Company anticipates that Ms. Horiguchi will continue to fulfill these roles and has designated her once again as a candidate for Outside Director.</p> <p>&lt;Matters concerning the independency&gt;</p> <p>There is no business relationship between the Company and Oki WorkWel Co., Ltd., where Ms. Horiguchi currently serves as Advisor. Although there is a business relationship between the Company and Oki Electric Industry Co., Ltd., where Ms. Horiguchi was engaged in execution of business in the past, the average annual value of transactions between the two companies in the past three fiscal years was less than 0.1% of Oki Electric Industry's consolidated net sales and the Company received no sales revenue from Oki Electric Industry. Additionally, there is no business relationship between the Company and Oki Consulting Solutions Co., Ltd., OKI Proserve Co., Ltd. or both where Ms. Horiguchi was formerly engaged in execution of business. Based on the above facts, the Company has determined that Ms. Horiguchi is independent, and has designated her as an independent director as prescribed by Tokyo Stock Exchange, Inc.</p>	None

Candidate No.	Name (Date of Birth)	Career Summary (Position and Areas of Responsibility at the Company, and Significant Concurrent Positions)	Number of the Company's Share Owned
8	<p>Reappointed</p> <p>Outside Director</p> <p>Independent Director</p>  <p>Maki Miyazaki (February 1, 1964)</p> <p>Attendance at Board of Directors meetings (FY 2025) 16/16</p> <p>Tenure as Outside Director 2 years (at the conclusion of the General Meeting of Shareholders)</p>	<p>April 1992 Registered as attorney-at-law</p> <p>April 1992 Joined Law Offices of Yumoto, Kogo &amp; Mori (currently, Law Offices of YUMOTO, OTA &amp; MIYAZAKI)</p> <p>September 1996 Joined Kelley Drye &amp; Warren LLP</p> <p>October 1997 Admitted to the bar of the State of New York</p> <p>May 1999 Returned to Law Offices of Yumoto &amp; Ota (currently, Law Offices of YUMOTO, OTA &amp; MIYAZAKI)</p> <p>January 2003 Partner, Law Offices of Yumoto &amp; Ota (currently, Law Offices of YUMOTO, OTA &amp; MIYAZAKI)</p> <p>January 2007 Managing Partner, Law Offices of YUMOTO, OTA &amp; MIYAZAKI (current position)</p> <p>June 2024 Outside Director, the Company (current position) (Significant Concurrent Position) Managing Partner, Law Offices of YUMOTO, OTA &amp; MIYAZAKI</p> <p>&lt;Reasons for nominating the candidate as Outside Director and outline of expected roles&gt;</p> <p>Ms. Miyazaki served as Managing Partner of a law firm for many years and has extensive experience and expert knowledge in international corporate legal matters. As Outside Director, Ms. Miyazaki is providing appropriate opinions and advice from an independent standpoint to the Company, which is now promoting stronger corporate governance and the globalization of business. She is also fulfilling the role of strengthening supervisory functions regarding business execution through involvement in decisions on executive appointments and Directors' remuneration as a member of the Nomination &amp; Remuneration Advisory Committee. Therefore, the Company anticipates that Ms. Miyazaki will continue to fulfill these roles and has designated her once again as a candidate for Outside Director.</p> <p>While she does not possess prior experience in corporate management, the Company is confident in her ability to effectively carry out her duties as an Outside Director for the above-mentioned reasons.</p> <p>&lt;Matters concerning the independency&gt;</p> <p>There is no business relationship between the Company and Law Offices of YUMOTO, OTA &amp; MIYAZAKI, where Ms. Miyazaki currently serves as Managing Partner. Although there is a business relationship between the Company and Kelley Drye &amp; Warren LLP, where Ms. Miyazaki formerly belonged, via the Company's subsidiary in the United States, the average annual value of transactions between the Company and the firm in the past three fiscal years was less than 1 million yen. Based on the above facts, the Company has determined that Ms. Miyazaki is independent, and will designate her as an independent director as prescribed by Tokyo Stock Exchange, Inc.</p>	None

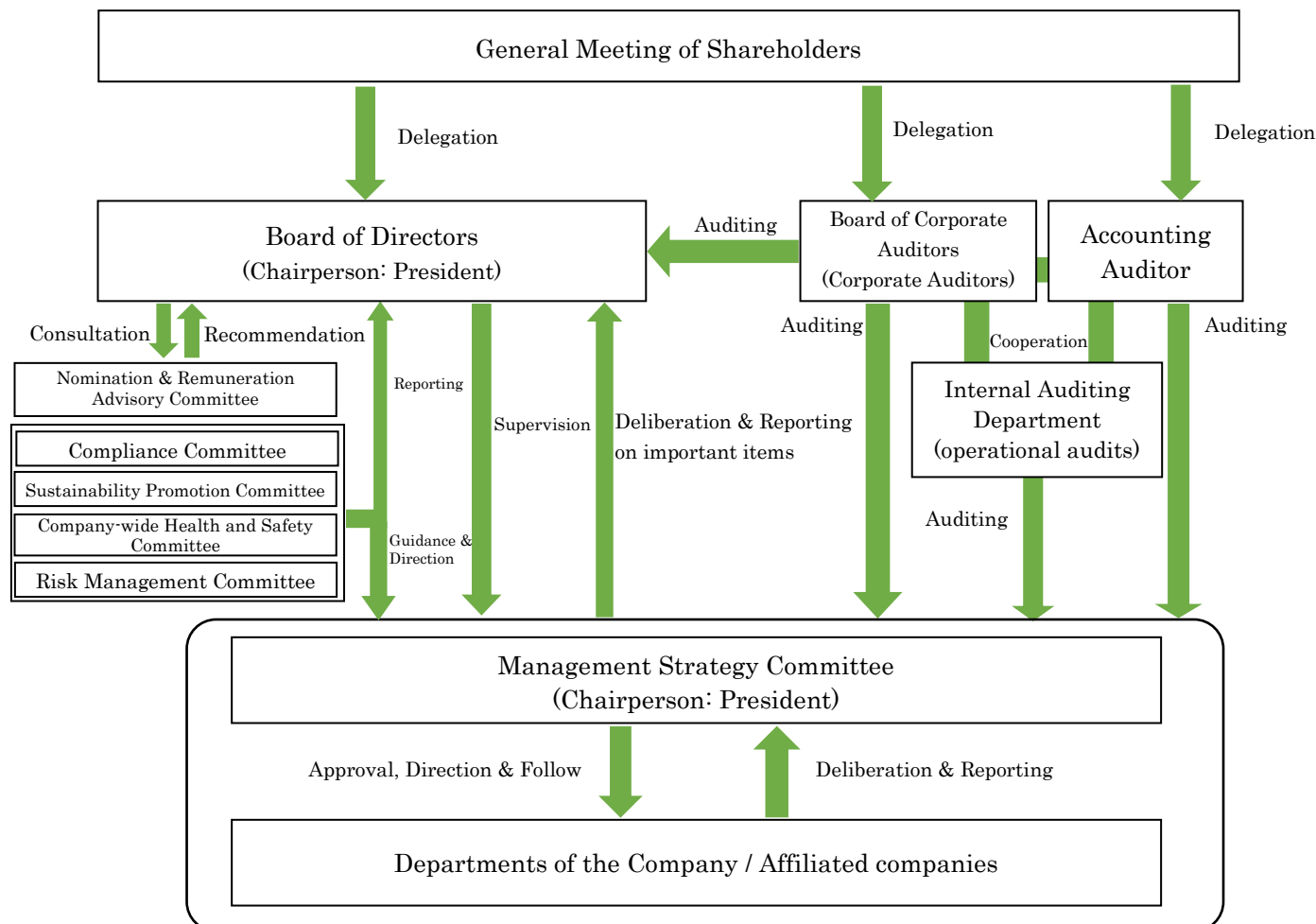
Candidate No.	Name (Date of Birth)	Career Summary (Position and Areas of Responsibility at the Company, and Significant Concurrent Positions)	Number of the Company's Share Owned
9	Newly appointed	April 1980      Joined Nomura Securities Co., Ltd.	None
	Outside Director	July 2005      Joined JAPAN TOBACCO INC. June 2008      Senior Vice President, and CFO, JAPAN TOBACCO INC.	
	Independent Director	June 2010      Executive Vice President, and CFO, JAPAN TOBACCO INC.	
	Hideki Miyazaki (January 22, 1958)	June 2012      Director and Executive Vice President, JAPAN TOBACCO INC. January 2018    Director, JAPAN TOBACCO INC. March 2018      Joined JSR Corporation June 2018      Director and Managing Officer, and CFO, JSR Corporation June 2025      Outside Director (Audit & Supervisory Committee Member), Mizuho Securities Co., Ltd. (current position) June 2025      Outside Director, Nippon Sheet Glass Co., Ltd. (current position) (Significant concurrent position) Outside Director (Audit & Supervisory Committee Member), Mizuho Securities Co., Ltd. Outside Director, Nippon Sheet Glass Co., Ltd.	
		<Reasons for nominating the candidate as Outside Director and outline of expected roles> Mr. Miyazaki has worked for many years at a securities company and served as Director and Executive Vice President and CFO at a global consumer goods manufacturer and as CFO at a chemical manufacturer, and possesses extensive experience and wide-ranging insight into corporate management, finance and accounting, and business structure reform. As Outside Director, he is expected to provide appropriate opinions and advice from an independent standpoint to the Company, which is promoting stronger corporate governance and business structure reform. In addition, he is expected to fulfill the role of strengthening supervisory functions regarding business execution through involvement in decisions on executive appointments and Directors' remuneration as a member of the Nomination & Remuneration Advisory Committee. Therefore, the Company has designated him as a candidate for Outside Director.	
		<Matters concerning the independency> Although there is a business relationship between the Company and Nomura Securities Co., Ltd., where Mr. Miyazaki was formerly engaged in execution of business, the average annual value of transactions between the two companies in the past three fiscal years was less than 0.1% of Nomura Securities Co., Ltd.'s operating revenue and the Company received no sales revenue from Nomura Securities Co., Ltd. Although there is a business relationship between the Company and JSR Corporation, where Mr. Miyazaki was formerly engaged in execution of business, the average annual value of transactions between the two companies in the past three fiscal years was less than 0.1% of the Company's consolidated net sales and there were no payments made to JSR Corporation. Additionally, there is no business relationship between the Company and JAPAN TOBACCO INC., where he was formerly engaged in execution of business. Based on the above facts, the Company has determined that Mr. Miyazaki is independent, and plans to designate him as an independent director as prescribed by Tokyo Stock Exchange, Inc.	

- Notes:
1. With the approval of the annual general meeting of shareholders of SUMITOMO CHEMICAL COMPANY, LIMITED scheduled for June 24, 2026, Ms. Sakata plans to be appointed as a Director of SUMITOMO CHEMICAL.
  2. The name of Ms. Akiko Horiguchi registered in the family registry is Akiko Hotani.
  3. The name of Ms. Maki Miyazaki registered in the family registry is Maki Kuribayashi.
  4. The Company has concluded an agreement with Ms. Shinoi Sakata, Mr. Tetsuya Shoji, Ms. Akiko Horiguchi and Ms. Maki Miyazaki respectively that limits the maximum amount of their liabilities to the minimum amount stipulated by laws and regulations concerning liability for compensation for damages pursuant to the provisions of Article 423, paragraph 1 of the Companies Act. In the event that their reelection is approved, the Company intends to continue the said agreement. If Mr. Hideki Miyazaki is elected to the office of Outside Director, the Company intends to conclude a comparable agreement with him.
  5. The Company has concluded a directors and officers liability insurance agreement stipulated in Article 430-3, paragraph 1 of the Companies Act with an insurance company. This insurance agreement covers directors and officers for damages that may arise from accepting liability for the execution of their duties or from receiving claims related to pursuit of such liability, with certain exemption from indemnification of damages, for example, damages arising from acts conducted with the knowledge of non-compliance with the applicable laws and regulations. All the candidates for Director will be included as insureds in the said insurance agreement if the election is approved. In addition, the Company plans to renew the agreement with details of the same degree in the middle of their term of office.

## Reference

(Basic Approach to Corporate Governance)

Guided by our corporate philosophy of “We create value useful to society with technology and sincerity to contribute to a prosperous future,” and recognizing that it is imperative for sustainable growth and for an increase in the corporate value of the Company over the medium to long term to conscientiously meet the expectations of all stakeholders—starting with our shareholders—and to ensure the soundness, transparency, and efficiency of management, we have adopted the basic approach of focusing on enhancement of corporate governance as our priority management issue.



(Corporate Governance System)

- The Company is a company with a Board of Corporate Auditors, and Corporate Auditors are elected to make audits on the execution of duties of Directors.
- Board of Directors  
The Board of Directors consists of eight Directors including four Outside Directors (if Proposal 2 is approved, nine Directors, including five Outside Directors). They not only conduct matters stipulated by laws and regulations but also make decisions related to basic policy and important matters of the Kanadevia Group, and supervise the execution of business. At the Board of Directors, effort is made to ensure the transparency and soundness of management by conducting decision-making with respect to the opinions made by the outside directors from their independent perspective.
- Management Strategy Committee  
The Company has established the Management Strategy Committee comprising Executive Directors and key General Managers. The Company has adopted a business execution structure based on adequate deliberation about issues and countermeasures, etc. regarding important matters of business activities of each business department (including Group companies).
- Nomination & Remuneration Advisory Committee  
The Company has established the Nomination & Remuneration Advisory Committee as an advisory body for the Board of Directors on a voluntary basis, so as to enhance the independence and objectivity of functions as well as accountability of the Board of Directors with respect to such matters as the nomination of management and directors (including a succession plan) and their remuneration. As of April 1, 2026, the Committee comprises one Internal

Director (Michi Kuwahara, President, Group Chief Executive Officer) and four Outside Directors (the Chair of the Committee is an Outside Director), with Outside Corporate Auditors serving as observers.

<Roles and authorities of the Committee>

Based on consultation from the Board of Directors, the Committee will deliberate on the following items and provide recommendations to the Board of Directors. The Board of Directors will respect the recommendations from the Committee.

- (1) Matters concerning the nomination of candidates for director and corporate auditor
- (2) Matters concerning the appointment and dismissal of the President
- (3) Matters concerning the appointment and dismissal of the Representative Director
- (4) Matters concerning the appointment and dismissal of directors with titles
- (5) Matters concerning succession development plan for the President
- (6) Matters concerning the total maximum amount of remuneration of Directors
- (7) Matters concerning the total actual amount of remuneration of Directors
- (8) Matters concerning calculation methods of the amount of remuneration of Directors
- (9) Matters concerning the basic policies, rules, and procedures required for deliberating the preceding items
- (10) Other important management matters deemed necessary by the Board of Directors

(Policies relating to the election of Directors and Corporate Auditors)

Candidates for Director and Corporate Auditor must have superior character and insight, as well as the knowledge, experience, and ability required to suitably perform the duties demanded of each position. Candidates for Outside Director and Outside Corporate Auditor must have extensive experience, expert knowledge and wide-ranging insight into company management, and must fulfill the Company's Criteria for Independence of Outside Directors and Outside Corporate Auditors.

The nomination of candidates for Directors and Corporate Auditors is determined by the Board of Directors after consulting with the Nomination & Remuneration Advisory Committee.

#### **The Criteria for Independence of Outside Directors and Outside Corporate Auditors**

The Company determines that an outside director or an outside corporate auditor is independent if he/she does not fall into any of the following categories.

1. A major shareholder of the Company (a shareholder who holds 10% or more of the Company's voting rights on the last day of the most recent fiscal year), or one who executes business for that major shareholder
2. A major client of the Company, or one who has executed business at a major client of the Company during the past three years
  - \* A major client of the Company is defined as a party whose average annual transaction amount with the Company during the past three fiscal years is 2% or more of the Company's average consolidated sales.
3. One whose major client is the Company, or one who has executed business for that party during the past three years
  - \* One whose major client is the Company is defined as a party whose average annual transaction amount with the Company during the past three fiscal years is 2% or more of that party's average consolidated sales.
4. One who is a specialist or a consultant in a legal, accounting, or taxation field, and receives a large amount of money or other properties in addition to director's or corporate auditor's remuneration paid by the Company (referring to the person belonging to the organization if the one who received the relevant property is an organization such as corporation and association)
  - \* A large amount is defined as 10 million yen or more a year on average for the past three fiscal years.
5. One who executes business in an organization that receives a large amount of donation or grant from the Company
  - \* A large amount is defined as 10 million yen or more a year on average for the past three fiscal years.
6. A relative within the second degree of kinship with a person who meets any of the categories below
  - (1) One falling into any of categories 1– 5 above (excluding one that is not material)
  - (2) One who was a Director, an Executive Officer, or an important employee of the Kanadevia Group during the past three years

#### **Organization of Directors and Corporate Auditors after the approval of Proposal 2 (planned)**

(Basic policy for composition of the Board of Directors)

With a view to effectively fulfilling its roles and responsibilities, the Company's Board of Directors is to be composed of executive directors with expertise in the business areas of the Company's group and independent outside directors with extensive experience, specialized knowledge and wide-ranging insight concerning corporate management, such that the necessary level of knowledge, experience and skills for the Board of Directors as a whole can be achieved in a well-balanced manner and both the diversity in light of gender, international outlook and background careers and appropriate size commensurate with the nature of business and other factors can be ensured.

Independent outside directors are expected to engage in the management of the Company by leveraging their extensive experience and expertise outside the Company. In order to enhance the supervisory function of the Board of Directors and the transparency of business management, the Company elects independent Outside Directors so that they comprise at least one-third of all the Directors and at least one of whom is a person with experience of management of another company. If Proposal 2 is approved, independent Outside Directors will constitute a majority of the total number of Directors.

(Knowledge, experience and skills necessary for the Board of Directors as a whole)

With our mission of "taking on the challenge, through the power of technology, to create a world that lives in balance with nature," the Group has selected "Sustainability and ESG" as one of the skills required of all Directors to make sustainability the key focus in its management practices. Furthermore, from the perspectives of achieving sustainable growth of existing businesses, creation and expansion of growth businesses, and promotion of sustainable management (enhancing corporate value), toward the realization of value creation based on the management strategy for 2030, '2030 Vision', the Company has selected the following skills to be possessed by the Board of Directors as a whole: "Corporate Management," "Global Experience," "Sales, Marketing, and Business Strategy," "Engineering, Manufacturing, and SCM," "ICT, DX, and Innovation," "Human Resources and Human Resource Development," "Finance and Accounting," and "Legal Affairs, Risk Management, and Compliance" These categories will be reviewed as necessary.

Name	Position at the Company	Outside/Independent	Nomination & Remuneration Advisory Committee	Gender	Expertise (skills)								
					Sustainability and ESG	Corporate Management	Global Experience	Sales, Marketing, and Business Strategy	Engineering, Manufacturing, and SCM	ICT, DX, and Innovation	Human Resources and Human Resource Development	Finance and Accounting	Legal Affairs, Risk Management, and Compliance
Michi Kuwahara	Representative Director and President		○	Male	○	○	○		○		○	○	○
Koichiro Oshima	Representative Director and Senior Managing Executive Officer			Male	○		○	○				○	
Hitoshi Kogi	Representative Director and Senior Managing Executive Officer			Male	○			○	○				
Munenobu Hashizume	Director and Managing Executive Officer			Male	○	○		○		○			
Shinoi Sakata	Director	○	○	Female	○	○			○	○			
Tetsuya Shoji	Director	○	○ (Chair)	Male	○	○	○	○		○	○		
Akiko Horiguchi	Director	○	○	Female	○	○				○	○		
Hideki Miyazaki	Director	○	○	Male	○	○	○					○	
Maki Miyazaki	Director	○	○	Female	○		○						○
Yuichi Ohkura	Full-time Corporate Auditor			Male	○	○	○	○				○	○
Toshihiko Yasuda	Full-time Corporate Auditor			Male	○			○	○	○			
Koji Inada	Corporate Auditor	○	△	Male	○	○				○			○
Hirofumi Yasuhara	Corporate Auditor	○	△	Male	○	○	○					○	

(Note 1) The Representative Directors shall be determined at the Board of Directors meeting to be held after the conclusion of this General Meeting of Shareholders.

(Note 2) The above is not intended to represent all the knowledge or experience of each person.

(Note 3) Officers marked with △ in the Nomination & Remuneration Advisory Committee column attend as observers.

# Topics

## Topic 1: Order Received for UK's First Carbon Capture Facility at a Waste to Energy Plant

Our overseas subsidiary Kanadevia Inova AG received an order from ENCYCLIS LIMITED, a UK-based waste to energy (WtE) plant operator, for engineering, procurement, and construction (EPC) of a facility for capturing CO<sub>2</sub> from exhaust gas emitted by a UK WtE plant.

This project is part of the HyNet North West low-carbon energy project supported by the UK's Department for Energy Security and Net Zero, and will be the UK's first project for capturing CO<sub>2</sub> from WtE plants. This will also be the first project for Kanadevia Inova AG to deploy its carbon capture technology on a full commercial scale.

The carbon capture facility will be built adjacent to a WtE plant currently under construction in Cheshire, in northwestern England. Using amine scrubbing technology, in which amines are used as the absorbent for CO<sub>2</sub>, the facility will capture approximately 370,000 tons of CO<sub>2</sub> per year and is scheduled for completion in 2029. This captured CO<sub>2</sub> is planned to be stored permanently and stably in a depleted gas field in Liverpool Bay.

As a leading company in WtE, our Group will continue contributing to decarbonization and environmental conservation worldwide by promoting the effective use of waste together with climate change measures.



[Render of completed WtE plant equipped with carbon capture facilities]

## Topic 2: Launch of One of Japan's Largest Demonstration Projects for Green Hydrogen Production

Yamanashi Prefecture and 10 companies participating in the technical development project, including the Company, are promoting the “Development of energy demand conversion and usage technology at a large-scale P2G\* system for achieving carbon neutrality” under a subsidy from the Green Innovation Fund Project of the National Research and Development Agency, New Energy and Industrial Technology Development Organization (NEDO), and are currently conducting a demonstration of a P2G system for the decarbonization of the Suntory Minami Alps Hakushu Water Plant and the Suntory Hakushu Distillery.

The newly constructed P2G system has Japan's largest water electrolysis capacity of 16 MW, and if operated 24 hours a day, 365 days a year, it will be capable of producing 2,200 tons of green hydrogen annually and reducing CO<sub>2</sub> emissions by 16,000 tons per year. The green hydrogen produced will be used as a heat source for steam at the Suntory Minami Alps Hakushu Water Plant, with future use at the Suntory Hakushu Distillery and in surrounding areas is also planned and under consideration.

One of the two water electrolysis equipment installed in this P2G system is a 6MW-class unit manufactured by the Company. Through this demonstration project, we are working to accelerate the development of lower-cost, higher-efficiency, larger-scale, and modular electrolyzers, while we aim to promote the practical implementation of green hydrogen production infrastructure and contribute to the realization of a carbon neutral society.

\* Abbreviation for Power to Gas system. These systems use power generated from renewable energy sources to produce hydrogen through water electrolysis.



[6MW-class water electrolysis equipment introduced by the Company]

### **Topic 3: Mutsu Ogawara Wind Power Plant Commences Commercial Operation**

On March 2, 2026, Mutsu Ogawara Wind Power LLC, invested by the Company, ITOCHU Corporation, and Tokyo Century Corporation commenced commercial operation of the onshore wind power plant it had been developing in Rokkasho Village, Kamikita District, Aomori Prefecture.

This onshore wind power plant consists of 15 turbines and is expected to supply enough power to meet the annual consumption demand of 46,000 typical households and to reduce CO<sub>2</sub> emissions by roughly 81,000 tons per year. In addition to executing the EPC (engineering, procurement, and construction) of the wind power facilities, the Company will be responsible for operation and maintenance services for approximately 20 years.

The Company will contribute to local decarbonization and the reduction of environmental impact through the steady operation of this onshore wind power plant, and will continue to be dedicated to technological development toward the full-fledged deployment of offshore wind farms.



[Onshore wind power plant completed in Rokkasho Village, Kamikita District, Aomori Prefecture]

#### Topic 4: Opening of the Kanadevia Virtual Museum, a Metaverse Facility for Displaying Our Products

With the aim of making the Company's products and technologies easier to understand and more accessible, we have opened the Kanadevia Virtual Museum, an online exhibition facility in virtual space (the metaverse) on the Internet.

This museum has been designed as a comprehensive exhibition space where visitors can view our diverse range of large-scale products—such as WtE plants, methanation systems, offshore wind power generation facilities, and seabed-type flap gates—in a single virtual space, and can intuitively gain an understanding of our broad technological domains and the interconnections among our businesses.

Many of our products are large-scale structures dispersed across Japan and overseas, and safety considerations have limited opportunities to display and view the actual products. By overcoming these limitations and visualizing areas that are not normally accessible, such as the interiors of plants and underwater structures, the museum offers a more detailed and realistic viewing experience.

The museum is accessible from VR devices, PCs, smartphones, and other devices as long as an Internet connection is available. In particular, using a VR device allows visitors to experience the products at full scale with a strong sense of immersion. To access the browser version, please visit our website below to have a “closer look.” To use the app version, please download the “cluster” app and experience our products and technologies.

<https://www.kanadevia.com/company/dx/case/case07.html> (in Japanese)



[Our products in the metaverse]

# Business Report

(From April 1, 2025 to March 31, 2026)

## I. Matters Concerning the Current Status of the Corporate Group

### (1) Business Developments and Results

#### 1) Overall summary

Reviewing the economic circumstances during fiscal year 2025, the global economy followed a recovery trajectory. Although adjustments to excess supply in China continued to pose a downside risk, inflationary pressures began to ease, and production and capital investment—particularly in AI-related fields—expanded. In Japan, on the other hand, despite lingering impacts from factors such as U.S. trade policies, the economy experienced a modest recovery amid an improving employment and income environment. However, both the global economy and the Japanese economy require careful attention to the impact of the heightened tensions in the Middle East situation that have emerged since the end of February 2026.

Amid this environment, in fiscal year 2025, the final year of the three-year medium-term management plan “Forward 25” launched in fiscal year 2023, for a leap forward in the achievement of the Sustainable Vision for 2050 and the long-term 2030 Vision, the Kanadevia Group actively promoted various priority measures to complete the medium-term plan, based on the basic policies of “Sustainable growth of existing businesses,” “Creation and expansion of growth businesses,” and “Promoting sustainable management (Enhancement of corporate value).”

#### • Status of orders, sales, and profit/loss

Total order intake for fiscal year 2025 was higher than fiscal year 2024 at 897.7 billion yen due to increased orders in the Environment Business and Carbon Neutral Solution Business. Net sales were also higher than fiscal year 2024 at 645.2 billion yen due to an increase in sales in the Environment Business, despite decreases in the Machinery & Infrastructure Business and Carbon Neutral Solution Business.

In terms of profit and loss, operating income was lower than fiscal year 2024 at 12.1 billion yen, mainly due to a decline in earnings in the Environment Business. Consequently, both ordinary income and profit attributable to shareholders of Kanadevia decreased to 13.6 billion yen and 11.1 billion yen, respectively.

(Billions of yen)

	FY 2024	FY 2025	Change (year on year)
Order intake	765.9	897.7	131.8 (+17.2%)
Net sales	610.5	645.2	34.7 (+5.7%)
Operating income	26.9	12.1	-14.8 (-54.8%)
Ordinary income	24.3	13.6	-10.7 (-44.0%)
Profit attributable to shareholders of Kanadevia	22.1	11.1	-11.0 (-49.6%)

2) Summary by business segments

**Environment**

**Major Lines of Business**

- Waste to Energy (“WtE”) plants, Recycling systems
- Energy systems (Power generation facilities)
- Desalination plants and other plants
- Water and sludge treatment facilities
- Biomass utilization system
- IPP (Independent Power Producer) business

(Billions of yen)

Business segment	Order intake		Net sales		Operating income	
	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025
Environment	617.4	726.0	453.5	505.2	25.4	16.7

Total order intake increased from fiscal year 2024 by 108.6 billion yen to 726.0 billion yen due to orders in Japan for key equipment improvement projects at four WtE plants including that of the Omiya District Environmental Improvement Association in Ibaraki Prefecture and for the construction of water treatment facilities for Fukuoka City, the Association for broader area of Toyama District and three others, and orders overseas for the construction of a WtE plant in Malaysia and the supply of equipment for seawater desalination plants in Republic of Cabo Verde (an island country located off the west coast of Africa) by the Company, as well as for the construction of a carbon capture facility and a WtE plant in the UK by overseas subsidiaries.



HirakataKyotanabe Regional Flammable Waste Treatment Facility  
(Kyotanabe City, Kyoto Prefecture)

Net sales increased from fiscal year 2024 by 51.7 billion yen to 505.2 billion yen due to the completion of projects in Japan including WtE plants for the HirakataKyotanabe Environmental facilities association in Kyoto Prefecture and Osaka Prefecture and for the association of local municipal offices in the Noshiro-Yamamoto area of Akita Prefecture, as well as water treatment facilities for Narita City in Chiba Prefecture, the Miyoshi-Wide Area Union in Tokushima Prefecture and Inazawa City in Aichi Prefecture, and the completion of projects overseas including WtE plants in Taiwan by the Company and in the UK by an overseas subsidiary.



Kanadevia Narita Purification Center  
(Narita City, Chiba Prefecture)

Operating income decreased from fiscal year 2024 by 8.7 billion yen to 16.7 billion yen due mainly to factors including a decline in highly profitable projects and the impact of technical troubles at overseas subsidiaries.

## Machinery & Infrastructure

### Major Lines of Business

- Plastic machinery
- Pharmaceutical machinery
- Electronics systems, control equipment
- Hydraulic gates
- Marine civil engineering
- Disaster prevention systems
- Boilers
- Food machinery
- Precision machinery
- Bridges
- Steel stacks
- Shield tunneling machines
- Press machines for automotive industry

(Billions of yen)

Business segment	Order intake		Net sales		Operating income	
	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025
Machinery & Infrastructure	91.2	89.5	83.0	68.5	1.0	-2.4

Although order intake for precision machinery increased, including an order for vacuum equipment for the storage ring of the large-scale synchrotron radiation facility, and infrastructure also increased due to factors such as the receipt of an order for surface water intake equipment for the Sakuma Dam, total order intake decreased from fiscal year 2024 by 1.7 billion yen to 89.5 billion yen due to the sale of the business of press machines for automotive industry. Net sales decreased from fiscal year 2024 by 14.5 billion yen to 68.5 billion yen due to a decrease in infrastructure and the sale of the business of press machines for automotive industry, despite an increase in precision machinery.

Operating income decreased from fiscal year 2024 by 3.4 billion yen to an operating loss of 2.4 billion yen due mainly to a deterioration in earnings for bridges.

In addition, in light of the challenging business environment, including the contraction of the Japanese new bridge construction market, the Company's Board of Directors resolved on February 5, 2026, to withdraw from the bridge construction business and to terminate operations at the Mukaishima Works. Since that date, marketing activities for new projects have been suspended. The termination of operations at the



Prototype of vacuum equipment for the storage ring of the large-scale synchrotron radiation facility and a full view of the facility (Photograph of the full view of the facility courtesy of National Research and Development Agency RIKEN)



Marine observation equipment for Fisheries environment improvement work in Muroto

Mukaishima Works is scheduled for within fiscal year 2026 after completion of work on existing orders, while withdrawal from the bridge construction business is scheduled for within fiscal year 2030 after completion of on-site construction work for existing orders. However, the Company will continue to conduct on-site inspections and follow-up monitoring of bridges and other structures currently in use that were affected by the inappropriate conduct at the Mukaishima Works, as announced on November 6, 2025, even after withdrawal from the bridge construction business.

Misaki Offshore Area (Muroto Misaki Offshore Section 10) for Kochi Prefecture

## Carbon Neutral Solution

### Major Lines of Business

- Marine diesel engines
- Pressure vessels and other process equipment
- Electrolysis & PtG
- NOx removal catalysts
- Nuclear power generation-related equipment
- Wind power generation

(Billions of yen)

Business segment	Order intake		Net sales		Operating income	
	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025
Carbon Neutral	54.0	79.9	70.2	69.2	0.1	-2.5

Total order intake increased 25.9 billion yen from fiscal year 2024 to 79.9 billion yen due to a substantial increase in marine diesel engines, despite decreases as a result of delays in the timing of orders for pressure vessels and other process equipment and for nuclear power generation-related equipment.

Net sales decreased from fiscal year 2024 by 1.0 billion yen to 69.2 billion yen, due to factors such as a decrease in wind power generation, despite an increase in marine diesel engines.

Operating income decreased from fiscal year 2024 by 2.6 billion yen to an operating loss of 2.5 billion yen due to deteriorated profitability of marine diesel engines and a decrease in profit of nuclear power generation-related equipment.



P2G system with water electrolysis equipment for Keihinjima No. 1, Tokyo



Process equipment for a chemical plant

**Other Businesses**

Total order intake decreased from fiscal year 2024 by 1.0 billion yen to 2.3 billion yen, and net sales decreased by 1.5 billion yen to 2.3 billion yen. Operating income decreased from fiscal year 2024 by 0.1 billion yen to 0.3 billion yen.

(Note) Following the transfer of all issued shares of H&F Corporation which was a consolidated subsidiary of the Company, to AMADA CO., LTD. on May 1, 2025, etc., “press machines for automotive industry” in the Machinery & Infrastructure Business has been excluded from the Group’s major lines of business.

## (2) Capital Investment

In fiscal year 2025, the Company carried out total capital investments of 25,207 million yen, mainly consisting of rationalization investment for improving productivity, capital investment for developing and commercializing new products and businesses, and capital investment for strengthening production capacity.

- Major capital investment by business segment

(Millions of yen)

Business Segment	Amount	Summary of Investment
Environment	17,625	Construction of biogas supply plant, subsidiary head office renovation, replacement of power plant electricity transmission and reception measurement equipment
Machinery & Infrastructure	4,752	Expanding casting plants, installing manufacturing equipment for synchrotron radiation facility project
Carbon Neutral Solution	1,723	Constructing water electrolysis equipment assembly plant, upgrading plant buildings, introducing airtight testing facilities
Others/Common division	1,104	Upgrading plant buildings
Total	25,207	

(Note) Capital investment not attributable to any business segment is included under Other Businesses.

## (3) Funds Procurement

In fiscal year 2025, 32,824 million yen in funds was financed through long-term borrowings primarily to appropriate funds for future working capital and business investment and to repay long-term borrowings.

## (4) Trends in Assets and Profit and Loss

(Billions of yen)

	FY 2022	FY 2023	FY 2024	FY 2025
Order intake	737.5	715.1	765.9	897.7
Net sales	492.6	555.8	610.5	645.2
Operating income	20.0	24.3	26.9	12.1
Ordinary income	17.8	25.6	24.3	13.6
Profit attributable to shareholders of Kanadevia	15.5	18.9	22.1	11.1
Net income per share (Yen)	92.43	112.74	131.33	66.20
Total assets	479.6	533.5	609.6	718.6

(5) Sustainability

1) Sustainable Vision

Positioning our mission as “Taking on the challenge, through the power of technology, to create a world that lives in balance with nature,” the Group will make sustainability the key focus in its management practices, in order to secure new business opportunities and ensure the Group’s sustainable growth. Representing the sustainable goals the Group aims to achieve by 2050, our Sustainable Vision is as follows.



2) Pillars of success (Materiality)

The Group has laid down seven elements that are essential to the achievement of our Sustainable Vision as pillars of success (materiality). For each of these pillars of success, we have identified measures focused on challenges and recognition of associated social issues, and have formulated targets (KPIs) to be achieved by 2050 and a roadmap for getting there, and are promoting various initiatives.



Please see the Integrated Report 2025 for information on our sustainability promotion system, pillars of success, and targets for 2050.

<https://www.kanadevia.com/english/ir/data/annual.html>

3) Details of key initiatives in fiscal year 2025

[Carbon neutrality] [Complete circulation of resources] [Maximization of environment’s recovery power]

The Group aims to achieve a net-zero environmental impact by containing the environmental impacts of its supply chain and the environmental impacts of customers using the Group’s products and services within the range of the environmental resilience that each region inherently possesses.

Accordingly, we systematically analyzed risks and opportunities related to climate change and natural capital, compiled strategies and transition plans based on the analysis, and published the TCFD & TNFD Integrated Report 2025 in October 2025\*. These initiatives have been highly evaluated by investors, including being selected as one of the companies with “excellent TNFD disclosure” in the “2024 Sustainability Investment Report” published by the Government Pension Investment Fund (GPIF) in August 2025.

As part of our efforts in the business, we received an order for the construction of a waste-to-energy (WtE) plant in Malacca State, Malaysia, in collaboration with the Malakoff Group, an independent power producer in Malaysia. Through this project, the Group aims to contribute to solving regional environmental issues by providing technologies and know-how that contribute to the appropriate treatment of waste and the advancement of energy recovery.

\* [https://www.kanadevia.com/english/ir/data/pdf/tcfdtnfd2025\\_E.pdf](https://www.kanadevia.com/english/ir/data/pdf/tcfdtnfd2025_E.pdf)

## (6) Issues to be Addressed

With regard to our performance in the final year (fiscal year 2025) of our medium-term management plan “Forward 25,” while total order intake and net sales exceeded forecasts set at the beginning of the period due to the growth of our overseas subsidiary Kanadevia Inova Group, in addition to the effects of a weak yen, operating income, ordinary income, and profit attributable to shareholders of Kanadevia were each revised downward twice during the course of the fiscal year, primarily due to our response to quality-related nonconformities. As announced on February 5, 2026, against the backdrop of discussions toward a business integration with Nippon Steel Engineering Co., Ltd. and the acceleration of business portfolio management, we have decided to postpone the announcement of the next medium-term management plan for the time being. For fiscal year 2026, we will continue to promote priority measures in line with the basic policies of “Forward 25” set out below. Our consolidated performance forecast for fiscal year 2026 is stated below.

	(Billions of yen)
	Forecasts for FY 2026
Order intake	810.0
Net sales	640.0
Operating income (margin)	25.5 (4.0%)
Ordinary income	22.0
Profit attributable to shareholders of Kanadevia	21.0

### ■ Medium-term management plan “Forward 25”

#### 1) Sustainable growth of existing businesses

##### (i) Expanding overseas businesses

The Group is working together to grow business focusing primarily on the Waste to X (converting waste into energy or materials), nuclear-related, and water businesses. In fiscal year 2025, the Group’s overseas net sales ratio reached 51% due to growth in Kanadevia Inova Group’s Waste to X (in particular, converting waste into gas or energy for Renewable Gas) business. The Kanadevia Inova Group has actively continued its M&A and business investment activities: in the US, it acquired Matrix Power Services, Inc, a waste-to-energy (WtE) plant company; and in Denmark, it acquired intellectual property rights related to WtE plant combustion equipment from Babcock & Wilcox A/S. The Company is expanding its business in Southeast Asia, such as by securing an order for the construction of a WtE plant in Malaysia, and we have opened a regional base in Thailand to manage our Southeast Asia business. Centering on this regional base, we will accelerate business development in the Southeast Asian region.

##### (ii) Promoting structural reform

Assessing our businesses from the perspectives of both social and corporate sustainability, we are moving forward with reviews and reforms of our business portfolio. We made several decisions in fiscal year 2025, including the withdrawal from the bridge construction business (suspension of marketing activities for new projects as of February 5, 2026, planned termination of operations at the Mukaishima Works in fiscal year 2026, and planned withdrawal from the business in fiscal year 2030), the partial transfer of our shares of Hitachi Zosen Marine Engine Co., Ltd. (effective March 31, 2026), the transfer of all of our shares of V TEX Corporation (effective June 1, 2026),

and the transfer of our all-solid-state lithium-ion battery business (effective July 1, 2026). We are also carrying out deliberations on a potential business integration with Nippon Steel Engineering Co., Ltd. as a priority issue.

(iii) Expanding O&M/Service, improving profitability of EPC/New Production

Aiming to achieve a sales ratio of 50% in O&M/Service (businesses associated with post-delivery services and long-term contracts) and make EPC/New businesses (businesses delivering new goods to customers) profitable by fiscal year 2025, we seek to enhance profitability by creating new business models and increasing value added to products and businesses through the promotion of DX, among other efforts. In fiscal year 2025, the sales ratio in O&M/Service was somewhat low, at 44%. While O&M/Service business net sales are growing for both the Company and the Kanadevia Inova Group, the growth rate of the sales ratio has slowed in relative terms as the net sales for business overall have expanded as well. With respect to increasing revenue for EPC/New businesses, due to factors such as the rising prices of goods and rising interest rates in recent years, we have failed to achieve profitability for multiple products, including in the environment business. We will continue to strive to improve productivity.

**2) Creation and expansion of growth businesses**

We are actively investing in our priority fields of investment including decarbonization, resource circulation, and water businesses, etc. In fiscal year 2025, we invested in the Japan Hydrogen Fund with the aim of forming global water electrolysis equipment business projects and accelerating integration in strategic partnerships. We also continue to invest in the fields of WtE, Power to Gas, floating offshore wind power generation facilities, etc. with subsidies.

**3) Promoting sustainable management (Enhancement of corporate value)**

We are working to strengthen our human capital, decarbonize our business activities, promote DX strategies, and implement thorough risk management.

With respect to strengthening our human capital, on October 1, 2025, we created the People & Culture Headquarters with the aim of enriching our strategic initiatives linked to our management strategies. Going forward, through this Headquarters, we will promote human capital management, diversity management, health management, and employee engagement. In particular, with respect to health management, we share information about issues with parties such as occupational health physicians and health insurance societies, with the President holding ultimate responsibility, and are promoting various measures including certification as a Certified Health & Productivity Management Outstanding Organization (“White 500”). For the promotion of DX strategies, we are preparing a platform for using generative AI in operations and we are improving productivity. At the same time, we are developing DX personnel to promote our DX strategies. To implement thorough risk management, we manage risk of the Group led by the supervision of our Enterprise Risk Management Department, which introduces and promotes systems for identifying important strategic risks, defining risk tolerance levels, and strategically managing risk based on these risk tolerance levels.

For information on the decarbonization of our business activities, please see the Sustainability section above.

■ **Measures to Prevent Recurrences of Inappropriate Conduct within the Group**

With respect to the inappropriate conduct related to some of our businesses and products in our marine engines, flammable waste incineration facilities, sewage treatment facilities, bridges, casting products, and special valves, we are working to prevent the recurrence of such conduct through the recurrence prevention measures announced on March 25 and

April 30, 2025. The main initiatives are outlined below. We will continue to transform our organizational culture and make improvements to our business processes.

### **Details of recurrence prevention measures**

#### **1. Commitment of top management**

Under the leadership of our top management, we will demonstrate, both internally and externally, a clear commitment to breaking with inappropriate conduct.

Examples) Communication through the President's New Year's address, etc., creating a public and internal disclosure website

#### **2. Organizational culture reform and mindset reform**

We will institute human resource measures, including transforming our organizational culture and providing training, to provide all employees with an ethical awareness that enables them to refuse to engage in inappropriate conduct.

Examples) Officer training; management training; deliberations regarding revising our corporate philosophy, with the participation of a wide range of employees; social gatherings between executives and employees; deliberations regarding more actively rotating personnel; examination of behavior in line with our code of conduct as part of evaluations of managers

#### **3. Improvements to business processes**

We will eliminate processes that contribute to inappropriate conduct, streamline our operational processes, and revise our operation management regulations to prevent inappropriate conduct.

Examples) Introduction of digital tools for reporting nonconformity and preventing tampering, review and revision of regulations concerning nonconformity management

#### **4. Initiatives for preventing quality misconduct**

Our top management will assess and communicate quality management conditions in a timely fashion and we create mechanisms which will make it easy for employees to consult about issues or concerns.

Examples) Holding Quality Compliance Committee meetings, holding internal briefings on the progress of recurrence prevention measures, using chat bots

#### **5. Strengthening quality assurance functions**

We will increase the number of personnel in the quality assurance departments and conduct training and educational activities to provide them with the knowledge and skills they need.

Examples) Enhancing communication from the quality assurance departments, implementing quality compliance e-learning

#### **6. Strengthening supervisory function of the Board of Directors**

We will increase the frequency of reporting to the Board of Directors and clarify the reporting lines used to share information regarding serious compliance risks.

Examples) Establishing the Quality Reform Promotion Department, regular reporting (twice a year) to the Board of Directors on the activities of the Compliance Committee

### **Evaluation of the effectiveness of recurrence prevention measures**

Recurrence prevention measures consist of "hard" measures, such as the creation of rules and mechanisms, and "soft" measures, such as education and organizational culture reforms. To evaluate the effectiveness of soft measures, we will define the concrete behavior expected of officers and employees in order to achieve our organization's desired state, and evaluate over the medium to long term how effective these measures are in transforming behavior.

The effectiveness of recurrence prevention measures is being reviewed with evaluation from independent external experts, and we will continue to communicate the progress on an ongoing basis.

Lastly, we will continue to engage in thorough safety management and compliance, which is an important element of achieving sustainable growth and enhancing the corporate value of the Group. With respect to compliance, on January 1, 2026, we established the Legal and Intellectual Property Headquarters to promote healthy corporate growth by dealing with increasingly complex and diverse legal risks and by strategically leveraging intellectual property.

We would like to thank our shareholders for their understanding of the Group's management policy and for their continued support and cooperation going forward.

## (7) Significant Parent Company and Subsidiaries (As of March 31, 2026)

## 1) Parent company

The Company does not have a parent company.

## 2) Significant subsidiaries

Name of Company	Amount of Capital	Holding Ratio (Direct) (%)	Major Lines of Business
IMEX Co., Ltd.	¥1,484 million	100.0	Design, manufacture and sale of boilers, pressure vessels, diesel engines, industrial machinery, and steel structures
Kanadevia Engineering Corporation	¥1,242 million	100.0	Comprehensive examination, maintenance, checking and repair of products made of steel, concrete, etc., various types of plant equipment, piping equipment, etc., and design, creation, and on-site construction of chemical plants, industrial machinery and nuclear power generation-related equipment, etc.
Kanadevia E&E Corporation	¥200 million	100.0	Design, construction, operation, maintenance and management of WtE plants and recycling systems, and maintenance and management of various types of plant
Kanadevia Environment Service Co., Ltd.	¥100 million	100.0	Operation and maintenance of WtE plants and recycling systems
Kanadevia Inova AG	CHF40 million	100.0	Design, construction, operation, maintenance and management of WtE plants, biogas generation facilities, metal recovery facilities, hydrogen generation systems, etc.
Osmoflo Holdings Pty Ltd	AUD57 million	100.0	Design, manufacture, sale, and operation of desalination and industrial water treatment systems
Kanadevia Inova Steinmüller GmbH	EUR90 million	–	Design, construction, maintenance and management, upgrades, and renovation of WtE plants and flue gas treatment facilities
NAC International Inc.	USD43 million	–	Design, transport and consulting related to the storage and transportation equipment of spent nuclear fuel

Name of Company	Amount of Capital	Holding Ratio (Direct) (%)	Major Lines of Business
NIAGARA ENERGY PRODUCTS, Inc.	CAD32 million	–	Manufacture and sale of dry storage containers for radioactive waste

(Notes) 1. There are 168 consolidated subsidiaries, including the 9 significant subsidiaries mentioned above, and 37 equity method companies.

2. As of May 1, 2025, the Company transferred all issued shares of its significant subsidiary H&F Corporation to AMADA CO., LTD. As a result, H&F Corporation ceased to be a subsidiary of the Company.

3. As of March 31, 2026, the Company transferred 25% of the issued shares of its significant subsidiary Hitachi Zosen Marine Engine Co., Ltd. to Imabari Shipbuilding Co., Ltd. As a result, the Company's holding ratio in Hitachi Zosen Marine Engine Co., Ltd. became 40%, which has changed it from a consolidated subsidiary of the Company to an equity method company of the Company.

4. Kanadevia Inova Steinmüller GmbH is a wholly-owned subsidiary of Kanadevia Inova AG, a company that is wholly owned by the Company.

5. NAC International Inc. is a wholly-owned subsidiary of Kanadevia HOLDINGS U.S.A. Inc., a holding company in the United States that is wholly owned by the Company. NIAGARA ENERGY PRODUCTS, Inc. is a wholly-owned subsidiary of NAC International Inc.

6. As of the end of fiscal year 2025, there were no specified wholly-owned subsidiaries.

### 3) Corporate reorganization including business transfer and merger

- As of April 1, 2025, the Company merged with Promotec Corporation, a wholly-owned subsidiary of the Company.

- As of May 1, 2025, the Company transferred all issued shares of its wholly-owned subsidiary H&F Corporation and the business of the after-sales service portions of press machines manufactured by H&F Corporation among the businesses of its subsidiaries, Kanadevia (Shanghai) Trading Co., Ltd., Kanadevia India Private Limited, and PT. Kanadevia INDONESIA, to AMADA CO., LTD.

- As of March 31, 2026, the Company transferred a portion of the shares of its subsidiary Hitachi Zosen Marine Engine Co., Ltd. to Imabari Shipbuilding Co. Ltd.

- The Company resolved at the meeting of the Board of Directors held on March 4, 2026, that it would transfer its all-solid-state lithium-ion battery business to SUZUKI MOTOR CORPORATION. The transfer is scheduled to take place on July 1, 2026.

- The Company resolved at the meeting of the Board of Directors held on March 26, 2026, that it would transfer all issued shares of its wholly-owned subsidiary V TEX Corporation to KITZ CORPORATION. The transfer is scheduled to take place on June 1, 2026.

### 4) Significant technology alliances

Alliance Partner	Country	Contents of Alliance
Everllence SE	Germany	MAN B&W-type diesel engines

(Note) Effective as of June 4, 2025, Everllence SE changed its trade name from MAN Energy Solutions SE.

## (8) Major Sales Offices, Plants, etc. (As of March 31, 2026)

## 1) The Company

Head Office	7-89, Nanko-kita 1-chome, Suminoe-ku, Osaka
Tokyo Head Office	26-3, Minami-ohi 6-chome, Shinagawa-ku, Tokyo
Domestic Offices	Sapporo Office (Sapporo), Sendai Office (Sendai), Nagoya Office (Nagoya), Hiroshima Office (Hiroshima), Fukuoka Office (Fukuoka)
Works, etc.	Technical Research Institute (Osaka), Ibaraki Works (Hitachi-omiya), Maizuru Works (Maizuru), Chikkou Works (Osaka), Sakai Works (Sakai), Mukaishima Works (Onomichi), Innoshima Works (Onomichi), Ariake Works (Tamana-gun, Kumamoto), Wakasa Works (Oi-gun, Fukui)
Overseas Offices	Taipei Branch (Taiwan), Abu Dhabi Branch (United Arab Emirates)

(Note) Following the withdrawal from the bridge construction business, Mukaishima Works will terminate its operations in fiscal year 2026.

## 2) Subsidiaries

## &lt;Domestic subsidiaries&gt;

IMEX Co., Ltd.	2293-1, Innoshimahabu-cho, Onomichi, Hiroshima
Kanadevia Engineering Corporation	15-26, Tsuru-machi 2-chome, Taisho-ku, Osaka
Kanadevia E&E Corporation	1-2-1, Benten, Minato-ku, Osaka
Kanadevia Environment Service Co., Ltd.	1-1, Minami-machi, Kawasaki-ku, Kawasaki

## &lt;Overseas subsidiaries&gt;

Kanadevia Inova AG	Switzerland
Osmoflo Holdings Pty Ltd	Australia
Kanadevia Inova Steinmüller GmbH	Germany
NAC International Inc.	U.S.A.
NIAGARA ENERGY PRODUCTS, Inc.	Canada
Kanadevia U.S.A. Ltd.	U.S.A.
Kanadevia India Private Limited	India
Kanadevia (THAILAND) CO., LTD.	Thailand
PT. Kanadevia INDONESIA	Indonesia
Kanadevia VIETNAM CO., LTD.	Vietnam
Kanadevia (Shanghai) Trading Co., Ltd.	China

(9) Status of Employees (As of March 31, 2026)

1) Status of employees of the Group

Business Segment	Number of Employees
Environment	8,989
Machinery & Infrastructure	1,843
Carbon Neutral Solution	693
Others	167
Corporate (Common division)	974
Total	12,666 (year-on-year decrease of 298)

(Note) For the number of employees, the number of employees currently working at the Group is provided.

2) Status of employees of the Company

Number of Employees	Average Age	Average Years of Service
4,088 (year-on-year increase of 124)	43.9	15.8

(Note) For the number of employees, the number of employees currently working at the Company is provided. The number includes 159 employees on loan to the Company from outside.

(10) Major Lenders (As of March 31, 2026)

Lender	Amount (Millions of yen)
MUFG Bank, Ltd.	44,341
Mizuho Bank, Ltd.	21,700
The Bank of Kyoto, Ltd.	10,900
Sumitomo Mitsui Trust Bank, Limited	8,400
The Hiroshima Bank, Ltd.	7,300
Resona Bank, Limited	7,000

(11) Other Significant Matters Concerning the Current Status of the Group

- On February 5, 2026, the Company's Board of Directors resolved to commence discussions on business integration with Nippon Steel Engineering Co., Ltd., and entered into a basic memorandum of understanding regarding these discussions with Nippon Steel Engineering on the same date. This initiative aims to create a corporate group with an industry-leading management foundation and cutting-edge technologies by integrating the two companies with a strong affinity in business domains and strategic direction, amid significant changes in the business environment. The Company will conduct a broad review regarding the feasibility and terms of the proposed business integration with Nippon Steel Engineering.

## II. Matters Concerning Stock in the Company (As of March 31, 2026)

- (1) Total Number of Shares Authorized to Be Issued 400,000,000 shares  
(2) Total Number of Issued Shares 170,214,843 shares  
(including 1,713,254 shares of treasury stock)  
(3) Number of Shares Constituting One Unit of Shares 100 shares  
(4) Number of Shareholders 72,261 (Year-on-year increase of 678 shareholders)  
(5) Major Shareholders (Top 10)

Name of Shareholder	Numbers of Shares Held (Thousands of shares)	Holding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	29,082	17.3
Custody Bank of Japan, Ltd. (Trust Account)	8,980	5.3
STATE STREET BANK AND TRUST COMPANY 505301	5,556	3.3
STATE STREET BANK AND TRUST COMPANY 505223	5,370	3.2
MUFG Bank, Ltd.	5,291	3.1
STATE STREET BANK AND TRUST COMPANY 505001	4,013	2.4
HSBC-FUND SERVICES HSBC – 006 MF EFM	3,100	1.8
HSBC BANK PLC A/C M AND G (ACS) VALUE PARTNERS CHINA EQUITY FUND	3,086	1.8
Kanadevia Employee Shareholding Association	2,636	1.6
THE BANK OF NEW YORK MELLON 140042	2,621	1.6

(Note) The holding ratio does not include treasury stock (1,713,254 shares). The number of treasury stock does not include shares of the Company held by the BIP trust established for the remuneration of Directors, etc.

- (6) Shares Granted to Officers of the Company as Consideration for Their Performance of Duties During Fiscal Year 2025

Details of share-based remuneration granted during fiscal year 2025 were as follows.

Classification	Number of shares (shares)	Eligible persons to be granted (persons)
Directors (excluding Outside Directors)	25,446	4

- (Notes) 1. Details of the share-based remuneration of the Company are provided in IV. (4) “Remuneration, etc. of Directors and Corporate Auditors” on pages 49 to 53 in the Business Report.  
2. The number of shares shown above includes the number of shares (12,946 shares) converted into cash for monetary payments.

### III. Matters Concerning Share Acquisition Rights of the Company

Not applicable

### IV. Matters Concerning the Company's Directors and Auditors

#### (1) Status of Directors and Corporate Auditors

Name	Position	Areas of Responsibility	Significant Concurrent Positions
Michi Kuwahara	Representative Director, President and Chief Executive Officer		
Hitoshi Kogi	Director and Senior Managing Executive Officer	Responsible for Sales, Sales Planning Dept. and Yumeshima Area Development Promotion Dept.	
Munenobu Hashizume	Director and Managing Executive Officer	General Manager of Information and Communication Technology Promotion Headquarters	
Hiroshi Miyazaki	Director and Managing Executive Officer	General Manager of Corporate Planning Headquarters, and General Manager of Quality Reform Promotion Dept.	President, Kanadevia HOLDINGS U.S.A. Inc.
Shinoi Sakata	Director		Outside Director, Senshu Ikeda Holdings, Inc. Non-Executive Director (non-full-time), The Senshu Ikeda Bank, Ltd.
Tetsuya Shoji	Director		Corporate Advisor, NTT DOCOMO BUSINESS, Inc. Outside Director, Mitsubishi Logistics Corporation Outside Director, JAPAN TOBACCO INC.

Name	Position	Areas of Responsibility	Significant Concurrent Positions
Akiko Horiguchi	Director		Representative Director, President and Executive Officer, Oki WorkWel Co., Ltd.
Maki Miyazaki	Director		Managing Partner, Law Offices of YUMOTO, OTA & MIYAZAKI
Yuichi Ohkura	Full-time Corporate Auditor		
Toshihiko Yasuda	Full-time Corporate Auditor		
Koji Inada	Corporate Auditor		Outside Director, TOYO TEC CO., LTD. Advisor, The Kansai Electric Power Company, Incorporated
Hirofumi Yasuhara	Corporate Auditor		Outside Corporate Auditor, Sumitomo Rubber Industries, Ltd. Outside Director, Sumitomo Densetsu Co., Ltd.

(Notes) 1. Positions and areas of responsibility, and significant concurrent positions both describe conditions as of March 31, 2026. Changes during fiscal year 2025 are as follows.

(1) Changes in position and areas of responsibility

Name	After Change	Before Change	Date of Change
Michi Kuwahara	Representative Director, President and Chief Executive Officer	Representative Director, President and Chief Operating Officer	April 1, 2025
Hiroshi Miyazaki	Director and Managing Executive Officer, General Manager of Corporate Planning Headquarters, and General Manager of Quality Reform Promotion Dept.	Director and Managing Executive Officer, General Manager of Corporate Planning Headquarters	July 1, 2025

(2) Changes in significant concurrent positions

- As of March 31, 2026, Director Hiroshi Miyazaki retired from the position of President of Kanadevia HOLDINGS U.S.A. Inc.
  - As of June 20, 2025, Director Shinoi Sakata retired from the position of Outside Director of Nomura Research Institute, Ltd., and as of June 25, 2025, assumed the positions of Outside Director of Senshu Ikeda Holdings, Inc. and Non-Executive Director (non-full-time) of The Senshu Ikeda Bank, Ltd.
  - As of June 26, 2025, Director Tetsuya Shoji retired from the position of Outside Director of circlace Inc., and as of March 27, 2026, retired from the position of Outside Director of SAPPORO HOLDINGS LIMITED.
  - As of March 31, 2026, Director Akiko Horiguchi retired from the position of Representative Director, President and Executive Officer of Oki WorkWel Co., Ltd.
2. The responsibilities of Directors Hitoshi Kogi, Munenobu Hashizume and Hiroshi Miyazaki pertain to their roles as executive officers who also serve as directors.
3. Directors Shinoi Sakata, Tetsuya Shoji, Akiko Horiguchi and Maki Miyazaki are Outside Directors.

4. Corporate Auditors Koji Inada and Hirofumi Yasuhara are Outside Corporate Auditors.
5. The Company has designated all Outside Directors and Outside Corporate Auditors as independent directors and corporate auditors, as prescribed by Tokyo Stock Exchange, Inc.
6. Full-time Corporate Auditor Yuichi Ohkura and Corporate Auditor Hirofumi Yasuhara possess considerable knowledge of finance and accounting as described below.
  - Full-time Corporate Auditor Yuichi Ohkura has experience serving as a managing executive officer of the Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFJ Bank, Ltd.) and as a representative director of its affiliated company.
  - Corporate Auditor Hirofumi Yasuhara has many years of experience in accounting and financial operations, including experience as CFO in domestic and overseas affiliates of Panasonic Corporation (currently, Panasonic Holdings Corporation).
7. At the 128th Ordinary General Meeting of Shareholders held on June 24, 2025, Hitoshi Kogi and Hiroshi Miyazaki were newly elected as Directors and assumed the position thereof. At the same meeting, Yuichi Ohkura and Toshihiko Yasuda were newly elected as Corporate Auditors and assumed the position thereof.
8. At the conclusion of the 128th Ordinary General Meeting of Shareholders held on June 24, 2025, Directors Sadao Mino and Satoshi Kimura, and full-time Corporate Auditor Kazuhisa Yamamoto retired due to the expiry of their term of office, and full-time Corporate Auditor Masayuki Morikata retired due to his resignation.
9. Positions and areas of responsibility, and significant concurrent positions were changed as follows on April 1, 2026.

(1) Changes in position and areas of responsibility

Name	Position	Areas of Responsibility
Michi Kuwahara	Representative Director, President	Group Chief Executive Officer
Hitoshi Kogi	Director and Senior Managing Executive Officer	Responsible for Sales and Sales Planning Dept.
Hiroshi Miyazaki	Director	

(2) Changes in significant concurrent positions

- As of April 1, 2026, Director Akiko Horiguchi assumed the position of Advisor of Oki WorkWel Co., Ltd.

(2) Outline of Agreements for Limitation of Liabilities

The Company has entered into an agreement with each of Outside Directors and Corporate Auditors, which limits the maximum amount of their liabilities for damages stipulated in Article 423, paragraph 1 of the Companies Act to the minimum amount stipulated by laws and regulations.

(3) Outline of Directors and Officers Liability Insurance Agreement

The Company has concluded a directors and officers liability insurance agreement stipulated in Article 430-3, paragraph 1 of the Companies Act with an insurance company. This insurance agreement covers insureds for damages that may arise from accepting liability for the execution of their duties or from receiving claims related to pursuit of such liability, with certain exemption from indemnification of damages, for example, damages arising from acts conducted with the knowledge of non-compliance with the applicable laws and regulations. The insureds under the insurance agreement are directors and corporate auditors of the Company.

(4) Remuneration, etc. of Directors and Corporate Auditors

1) Matters Concerning Resolution of the General Meeting of Shareholders Regarding Remuneration, etc. of Directors and Corporate Auditors

Eligible Person	Type of Remuneration	Maximum amount of remuneration and the number of points to be granted	Resolution of the General Meeting of Shareholders	Number of Eligible Officers at the time of Resolution
Directors	Monetary remuneration	¥550 million or less per year (excluding remuneration for duties as employees by Directors who also serve as employees)	115th Ordinary General Meeting of Shareholders held on June 22, 2012	10
Of which, Directors excluding outside directors and non-residents of Japan	Share-based remuneration	Per fiscal year: - Maximum contribution amount to the trust: ¥225 million - Maximum number of points to be granted: 180,000 points	127th Ordinary General Meeting of Shareholders held on June 20, 2024	4
Corporate Auditors	Monetary remuneration	¥100 million or less per year	115th Ordinary General Meeting of Shareholders held on June 22, 2012	4 (including 2 Outside Corporate Auditors)

(Note) The resolution of the General Meeting of Shareholders regarding share-based remuneration shown above introduced a share-based remuneration plan not only for directors (excluding outside directors and non-residents of Japan) but also for executive officers (excluding non-residents of Japan). Accordingly, the maximum contribution amount to the trust and number of points to be granted for share-based remuneration shown above represent the maximum amount for both directors (excluding outside directors and non-residents of Japan) and executive officers (excluding non-residents of Japan). At the time of the resolution, there were 18 executive officers (excluding non-residents of Japan) who did not concurrently serve as directors.

2) Matters Concerning Policy for Determining Details of Remuneration, etc. for Directors and Corporate Auditors

a) Policy for Determining Details of Individual Remuneration, etc. for Directors

The outline of policy for determining the content of individual remuneration, etc. for Directors is as follows.

Said policy is decided by the Board of Directors, after consultation with the Nomination & Remuneration Advisory Committee voluntarily established by the Company (Comprised of Chairman of the Board of Directors and Outside Directors, with Outside Director serving as the Chair of the Committee.) In addition, the Nomination & Remuneration Advisory Committee regularly reviews the said policy and remuneration levels to ensure that the remuneration provides a healthy incentive for directors.

(Remuneration System)

- Remuneration for Directors consists of fixed remuneration, corporate performance-linked bonus in order to further enhance the willingness of Directors to contribute toward improving corporate performance, and corporate performance-linked share-based remuneration in order to raise their awareness of the need to contribute to improving medium to long term business performance and maximizing corporate value, and the remuneration of each Director is decided within the total remuneration limit determined by a resolution of the General Meeting of Shareholders. However, from the perspective of assuring independence, remuneration for Outside Directors consists only of fixed remuneration.
- The fixed remuneration is annual flat-rate remuneration set separately for each executive position, and the amount designated per month is paid every month. The amount is determined from a comprehensive perspective on the level of other companies, the Company's performance and other related factors.
- The indicator for the calculation of corporate performance-linked bonus is profit attributable to shareholders of Kanadevia, which is the final profit as a result of corporate management, as a performance indicator for a single fiscal year. Based on the amount obtained by multiplying the amount designated per month of fixed remuneration per annum by the number of months of payment (0-9 months for the Chairman and President) according to the relevant profit level, the remuneration amount is determined within the range of 50% to 150% thereof, taking into account the performance, business execution status and other related elements of each Director's division, and is paid at a specified time each year. The total amount of corporate performance-linked bonus for Directors shall not exceed the total base amount of each Director.
- Corporate performance-linked share-based remuneration shall be calculated based on the medium- to long-term corporate performance indicators, namely the level of target achievement in consolidated operating income margin and consolidated net sales, along with the evaluation of non-financial value, etc. in each fiscal year, which are of primary concern from the perspective of management strategy. For corporate performance-linked share-based remuneration, the share granting points for each Director shall be calculated based on the basic points determined for each executive position, according to the level of target achievement against corporate performance targets for each fiscal year (calculated multiplying the basic points by the coefficient which is corresponding to level of target achievement in consolidated operating income margin and consolidated net sales (0-200% for the Chairman and President) and which is added or subtracted the adjustments based on the evaluation of non-financial value, etc.). Such share granting points shall then be converted to shares of common stock in the Company on a one share to one point basis, which shall later be granted to each Director through the Trust at a certain time in each year. A certain proportion of the shares to be granted shall remain in the form of shares, while the rest shall further be converted to cash, both of which shall later be granted or paid to each Director at a certain time in each year.
- The composition ratio of remuneration for individual Directors varies according to the amount of corporate performance-linked bonus and corporate performance-linked share-based remuneration. The proportion between fixed remuneration, corporate performance-linked bonus and corporate performance-linked share-based remuneration for the Chairman and President's remuneration, etc. varies within a range between 100%:0%:0% (when there is no payment of corporate performance-linked bonus nor corporate performance-linked share-based remuneration) and 38%:43%:19% (when the number of months of payment is the full number of months and the assessment value of the individual Director is at maximum for the corporate

performance-linked bonus, and corporate performance-indexation factor is at maximum in calculating corporate performance-linked share-based remuneration).

(Matters Concerning Procedures for Determining the Amount of Remuneration and Delegation)

- Among individual remuneration for Directors, fixed remuneration is decided by the Board of Directors. With regard to corporate performance-linked bonus, the Board of Directors determines the total amount thereof and the Chairman of the Board (or the President, if the position of Chairman of the Board is vacant), who is delegated by the Board of Directors, determines the amount (allocation by evaluation) of corporate performance-linked bonus for each Director in accordance with the method of decision-making specified by the Board of Directors. The amount of corporate performance-linked share-based remuneration for each Director shall be determined depending on the level of achievement of corporate performance targets for each fiscal year in accordance with the Share-Based Remuneration Rules established by a resolution of the Board of Directors. All decisions made by the Board of Directors shall be based on deliberations and reports by the Nomination & Remuneration Advisory Committee.

b) Policy for Determining Details of Individual Remuneration etc. for Corporate Auditors

From the perspective of assuring independence, remuneration for Corporate Auditors is limited to fixed remuneration, and is determined through consultation with Corporate Auditors according to details of the duties of each Corporate Auditor within the total amount determined by resolution of the General Meeting of Shareholders. Said policy is decided by the Board of Corporate Auditors.

3) Total Amount of Remuneration, etc. of Directors and Corporate Auditors

Classification	Total Amount of Remuneration, etc. (Millions of yen)	Total Amount by Type of Remuneration etc. (Millions of yen)			Number of Applicable Officers (persons)
		Fixed remuneration	Corporate performance-linked bonus	Corporate Performance-linked share-based remuneration	
Director (of which, Outside Directors)	226 (48)	187 (48)	30 (—)	8 (—)	10 (4)
Corporate Auditor (of which, Outside Corporate Auditors)	82 (20)	82 (20)	— (—)	— (—)	6 (2)
Total (of which, Outside Directors and Outside Corporate Auditors)	309 (68)	270 (68)	30 (—)	8 (—)	16 (6)

- (Notes) 1. The total amount of remuneration etc. for Directors does not include remuneration for duties as employees by Directors who also serve as employees. Among the above, Hitoshi Kogi, Munenobu Hashizume and Hiroshi Miyazaki are Directors who also serve as employees. However, they are not paid salaries as employees.
2. Due to the inappropriate conduct in relation to some of our businesses and products, including marine engines, flammable waste incineration facilities, sewage treatment facilities, bridges, casting products, and special valves announced on March 25 and April 30, 2025, three Directors have returned 10% to 30% of their monthly fixed remuneration for a period of two to three months. Two Corporate Auditors have also voluntarily returned 10% to 20% of their monthly fixed remuneration for a period of two months. The returned remuneration is not included in the total amount in the above.
3. Corporate performance-linked share-based remuneration is the total amount expensed based on the corporate performance-linked share-based remuneration plan approved at the 127th Ordinary General Meeting of Shareholders held on June 20, 2024.
4. As of March 31, 2026, there are eight (8) Directors (including four (4) Outside Directors) and four (4) Corporate Auditors (including two (2) Outside Corporate Auditors), and the difference from the above number of applicable persons is due to the inclusion of two (2) Directors (including zero (0) Outside Director) and two (2) Corporate Auditors (including zero (0) Outside Corporate Auditor), who retired at the conclusion of the 128th Ordinary General Meeting of Shareholders held on June 24, 2025.
5. The indicator for the calculation of corporate performance-linked bonus is profit attributable to shareholders of Kanadevia, which is the final profit as a result of corporate management, as a performance indicator for a single fiscal year, and the actual result amounted to 11.1 billion yen. The total amount of corporate performance-linked bonus is calculated according to the profit level of the relevant profit attributable to shareholders of Kanadevia. The calculation method for the amounts of corporate performance-linked bonus is provided in the remuneration system in (4) 2) “a) Policy for Determining Details of Individual Remuneration, etc. for Directors” on page 49 to 50.
6. Corporate performance-linked share-based remuneration shall be calculated based on the medium to long-term corporate performance indicators, namely the level of target achievement in consolidated operating income margin and consolidated net sales, along with the evaluation of non-financial value, etc. in each

fiscal year, which are of primary concern from the perspective of management strategy. The actual result is shown below. The calculation method for the amounts of corporate performance-linked share-based remuneration is provided in the remuneration system in (4) 2) “a) Policy for Determining Details of Individual Remuneration, etc. for Directors” on page 49 to 50.

Indicator	Actual	
	FY 2024	FY 2025
Consolidated operating income margin	4.4%	1.9%
Consolidated net sales	¥610.5 billion	¥645.2 billion
Non-financial value, etc. (Employee engagement index)	44%	48%

7. Corporate performance-linked share-based remuneration which is non-monetary remuneration, consists of shares of the Company, and the conditions, etc. at the time of allotment are as described in the (4) 2) “a) Policy for Determining Details of Individual Remuneration, etc. for Directors” on page 49 to 50. The status of shares granted during fiscal year 2025 is provided in II. (6) “Shares Granted to Officers of the Company as Consideration for Their Performance of Duties During Fiscal Year 2025” on page 45.
8. The Board of Directors determines the total amount of corporate performance-linked bonus, and delegates the Representative Director, President, Group Chief Executive Officer Michi Kuwahara to determine the amount (allocation by evaluation) thereof for each Director (excluding Outside Directors). This is because he has been deemed to be appropriate for conducting the evaluation on the performance, business execution status and other related elements of each Director’s division. In addition, in order that the said delegation is exercised properly, the remuneration amount shall be determined within the range of 50% to 150% of the base amount of corporate performance-linked bonus, in accordance with the method of decision-making specified by the Board of Directors, based on deliberations and reports by the Nomination & Remuneration Advisory Committee.
9. The Board of Directors deems that the individual remuneration for Directors for fiscal year 2025 is in accordance with the policy, because it is determined in accordance with the decision-making procedure described in the policy for determining details of individual remuneration, etc. for Directors.

(5) Matters Concerning Outside Directors and Outside Corporate Auditors

1) Concurrent positions as executive officers and outside directors for other corporations, etc. served by Outside Directors and Outside Corporate Auditors

Classification	Name	Concurrent Positions
Outside Director	Shinoi Sakata	Outside Director, Senshu Ikeda Holdings, Inc. Non-Executive Director (non-full-time), The Senshu Ikeda Bank, Ltd.
	Tetsuya Shoji	Corporate Advisor, NTT DOCOMO BUSINESS, Inc. Outside Director, Mitsubishi Logistics Corporation Outside Director, JAPAN TOBACCO INC.
	Akiko Horiguchi	Representative Director, President and Executive Officer, Oki WorkWel Co., Ltd.
	Maki Miyazaki	Managing Partner, Law Offices of YUMOTO, OTA & MIYAZAKI
Outside Corporate Auditor	Koji Inada	Outside Director, TOYO TEC CO., LTD. Advisor, The Kansai Electric Power Company, Incorporated
	Hirofumi Yasuhara	Outside Corporate Auditor, Sumitomo Rubber Industries, Ltd. Outside Director, Sumitomo Densetsu Co., Ltd.

(Notes) 1. Concurrent positions are as of March 31, 2026.

2. The relationships between the Company and the companies where our outside directors and outside corporate auditors hold significant concurrent positions are as follows. There is no special relationship between the other companies where the concurrent positions are held and the Company.
- Although there is a business relationship between the Company and NTT DOCOMO BUSINESS, Inc., where Outside Director Tetsuya Shoji holds a concurrent position, the average annual value of transactions between the two companies in the past three fiscal years was less than 0.1% of the Company's consolidated net sales and less than 0.1% of NTT DOCOMO BUSINESS, Inc.'s consolidated operating revenue.
  - Although there is a business relationship between the Company and TOYO TEC CO., LTD., where Outside Corporate Auditor Koji Inada holds a concurrent position, the average annual value of transactions between the two companies in the past three fiscal years was less than 0.1% of TOYO TEC CO., LTD.'s consolidated net sales and there were no sales from the Company. In addition, although there is a business relationship between the Company and The Kansai Electric Power Company, Incorporated, where Outside Corporate Auditor Koji Inada holds a concurrent position, the average annual value of transactions between the two companies in the past three fiscal years was less than 0.2% of the Company's consolidated net sales and less than 0.1% of The Kansai Electric Power Company, Incorporated's consolidated net sales.
  - Although there is a business relationship between the Company and Sumitomo Densetsu Co., Ltd., where Outside Corporate Auditor Hirofumi Yasuhara holds a concurrent position, the average annual value of transactions between the two companies in the past three fiscal years was less than 0.1% of the Company's consolidated net sales and less than 0.1% of Sumitomo Densetsu Co., Ltd.'s consolidated net sales.

2) Main activities during fiscal year 2025

Classification	Name	Attendance			Main Activities
		Board of Directors meetings	Board of Corporate Auditors meetings	Nomination & Remuneration Advisory Committee	
Outside Director	Shinoi Sakata	16/16	—	12/12	Based on her extensive experience serving as an Executive Officer of a chemical manufacturer, as a Representative Director of an information company and in other positions, as well as her wide-ranging knowledge concerning safety and sustainability assessment of technological strategies and corporate management thereby gained, made statements to ensure the improvement of the Group's corporate value and the validity and appropriateness of the Company's decision-making and business execution. Also served as a member of the Nomination & Remuneration Advisory Committee and supervised management from an independent and objective standpoint.
	Tetsuya Shoji	16/16	—	12/12	Based on his extensive experience serving as a representative director of a telecommunications carrier, etc. and being involved in the management of multiple companies, and his wide-ranging knowledge concerning corporate management thereby gained, made statements to ensure the improvement of the Group's corporate value and the validity and appropriateness of the Company's decision-making and business execution. Also served as Chair of the Nomination & Remuneration Advisory Committee and supervised management from an independent and objective standpoint.

Classification	Name	Attendance			Main Activities
		Board of Directors meetings	Board of Corporate Auditors meetings	Nomination & Remuneration Advisory Committee	
Outside Director	Akiko Horiguchi	16/16	–	12/12	Based on her extensive experience serving as Head of Public Relations and Head of Human Resources Division at an information and communication equipment manufacturer, as a Representative Director of a special affiliate subsidiary and in other positions, as well as her wide-ranging knowledge concerning corporate management and diversity-focused management thereby gained, made statements to ensure the improvement of the Group's corporate value and the validity and appropriateness of the Company's decision-making and business execution. Also served as a member of the Nomination & Remuneration Advisory Committee and supervised management from an independent and objective standpoint.
	Maki Miyazaki	16/16	–	12/12	Based on her extensive experience and expertise in international corporate legal matters as the managing partner of a law firm, made statements to ensure the improvement of the Group's corporate value and the validity and appropriateness of the Company's decision-making and business execution. Also served as a member of the Nomination & Remuneration Advisory Committee and supervised management from an independent and objective standpoint.

Classification	Name	Attendance			Main Activities
		Board of Directors meetings	Board of Corporate Auditors meetings	Nomination & Remuneration Advisory Committee	
Outside Corporate Auditor	Koji Inada	16/16	8/8	12/12	Based on his extensive experience serving as head of IT department and corporate planning of an electric power company and as a director and representative executive officer, as well as his wide-ranging knowledge concerning ICT, digital and corporate management thereby gained, made statements to ensure the legality and appropriateness of the Company's decision-making and business execution.
	Hirofumi Yasuhara	15/16	8/8	11/12	Based on his extensive experience serving as a Senior Audit & Supervisory Board Member at an electronics and machinery manufacturer, and as a Representative Director and the person responsible for departments in charge of accounting divisions within the same group company, as well as his wide-ranging knowledge concerning corporate management, finance and accounting thereby gained, made statements to ensure the legality and appropriateness of the Company's decision-making and business execution.

- (Notes) 1. In addition to the above-stated number of Board of Directors meetings held, there were four occasions of a written resolution, which is deemed to be a resolution of the Board of Directors under the provisions of Article 370 of the Companies Act and Article 25 of the Company's Articles of Incorporation.
2. Outside Corporate Auditors attend the Nomination & Remuneration Advisory Committee meetings as observers, and not as Committee members.
3. As announced on March 25 and April 30, 2025, the Group was found to have engaged in inappropriate conduct in relation to some of our businesses and products, including marine engines, flammable waste incineration facilities, sewage treatment facilities, bridges, casting products, and special valves. The Outside Directors and Outside Corporate Auditors were not aware of the inappropriate conduct until it was uncovered through an internal investigation conducted in response to an alert issued for marine engines by the Ministry of Land, Infrastructure, Transport and Tourism in April 2024, followed by an investigation by a Special Investigation Committee established in July 2024. However, prior to this, they had been requesting thorough compliance with laws and regulations and had issued related warnings at meetings of the Board of Directors, etc. After becoming aware of the inappropriate conduct, the Outside Directors and Outside Corporate Auditors have fulfilled their responsibilities by receiving ongoing reports

on the investigation into its causes and measures to prevent recurrence, and by providing recommendations to ensure thorough legal compliance.

## V. Status of Accounting Auditor

(1) Name of Accounting Auditor      KPMG AZSA LLC

(2) Amount of Remuneration, etc. of Accounting Auditor

(Millions of yen)

Category	Amount of Remunerations, etc.
Amount of remuneration, etc. payable by the Company	110
Total amount of cash and other financial benefits payable by the Company and its subsidiaries	195

(Notes) 1. In the audit agreement between the Company and the Accounting Auditor, no differentiation is made between remuneration on the basis of the Companies Act and remuneration on the basis of the Financial Instruments and Exchange Act, and it is not possible to make a substantial differentiation between the two. As a consequence, the amount of remuneration, etc. for services as Accounting Auditor of the Company provided in the table above is the total of the two.

2. In addition to the above, there is additional remuneration of 4 million yen for the audit for the previous consolidated fiscal year.

3. The Board of Corporate Auditors has consented to the amount of remuneration, etc. for the Accounting Auditor as a result of having verified and discussed the reasonableness of the Accounting Auditor's audit plan and the basis for the estimate of remuneration, based on a review and evaluation of reports from relevant internal departments and results of audit for fiscal year 2024.

4. Of the Company's significant subsidiaries, the auditing of Kanadevia Inova AG, Osmoflo Holdings Pty Ltd, and Kanadevia Inova Steinmüller GmbH is performed by audit corporations other than the Accounting Auditor of the Company (including those with equivalent status overseas. The same shall apply hereinafter in this note), while NAC International Inc. and NIAGARA ENERGY PRODUCTS, Inc. have received reviews by audit corporations other than the Accounting Auditor of the Company.

(3) Non-audit Services

The Company pays the Accounting Auditor fees for the retained service with respect to assistance for the adoption of international financial reporting standards, which is a service (Non-audit service) other than services provided for in Article 2, paragraph 1 of the Certified Public Accountants Act.

(4) Policy for Determining Dismissal or Non-reappointment of Accounting Auditor

If it is deemed that the Accounting Auditor falls within the grounds of each item of Article 340, paragraph 1 of the Companies Act and that no improvement in the situation is expected, the Board of Corporate Auditors shall dismiss the Accounting Auditor based on the agreement of all the Corporate Auditors.

If the Board of Corporate Auditors determines the Accounting Auditor is unsuitable after taking into consideration such matters as the execution of duties of the Accounting Auditor and the number of years it has been performing audits, the Board of Corporate Auditors shall determine details of a proposal for dismissal or non-reappointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders.

## VI. Matters Concerning the Development of Systems to Ensure Appropriateness of Operations, etc.

### (1) Systems to Ensure Appropriateness of Operations

The following summarizes the contents of the resolutions of the Company's Board of Directors concerning the development of systems to ensure that the execution of duties by Directors is in compliance with laws and regulations and the Articles of Incorporation and other systems necessary to ensure the appropriateness of operations.

As announced on March 25 and April 30, 2025, inappropriate conduct occurred in connection with some of the Group's businesses and products, including marine engines, flammable waste incineration facilities, sewage treatment facilities, bridges, casting products, and special valves. In response, and with the aim of thoroughly preventing the recurrence of inappropriate conduct and fostering an organizational culture in which all Directors, Corporate Auditors and employee possess the ethical awareness to reject violations of laws and regulations and corporate ethics, the Board of Directors resolved on April 23, 2025 to partially revise the Company's basic policy for the development of the systems above ("Basic Policy on Internal Controls"). The following also outlines the details of the revisions (including additions) (including systems that were already in place prior to the revisions).

#### 1) Systems to Ensure that the Execution of Duties by Directors and Employees of the Company and Group Companies Complies with the Laws and Regulations and the Articles of Incorporation

a) The Company shall formulate the Charter of Ethical Behavior with which all Directors, Corporate Auditors, and employees must comply, and shall make this charter known to all Directors, Corporate Auditors, and employees. In addition, the President shall ceaselessly and clearly demonstrate the spirit of such charter to the Directors, Corporate Auditors, and employees, thus ensuring that compliance with laws and regulations and corporate ethics forms the basis of the Company's existence and the premise of all corporate activities.

b) The Company shall establish the Compliance Committee, with a President and Director of the Company as Chairperson. This Committee shall continuously implement measures with respect to compliance and shall make reports on its activities to the Board of Directors of the Company.

[Addition] The Company shall establish a Marketing Compliance Committee under the Compliance Committee to provide guidance and oversight related to compliance with laws, regulations, and corporate ethics in marketing activities. The Committee shall report on its activities to the Compliance Committee. Similarly, the Company shall establish a Quality Compliance Committee under the Compliance Committee to strengthen the quality assurance framework and prevent quality-related misconduct. The Committee shall report on its activities to the Compliance Committee.

c) The Company shall work to prevent violations of laws and regulations, discover such violations at an early stage and deal with them promptly and effectively by establishing a whistle-blowing system that enables the opinions of Directors, Corporate Auditors, and employees regarding compliance to be reflected in company management.

d) The Company shall have all Directors, Corporate Auditors, and employees of the Company enter into covenants regarding compliance with laws and regulations and corporate ethics and develop disciplinary measures to be taken against violators and those who are aware of violations but conceal them.

[Addition] The Company's Group companies shall have all their Directors, Corporate Auditors, and employees enter into the covenants.

e) Rules on the management of financial data and other important facts about the operations of the Company and the Group shall be formulated, and such facts shall be

disclosed in a timely and appropriate manner.

- f) To ensure the reliability of its financial reporting on the basis of the Financial Instruments and Exchange Act, the Company shall establish a department in charge of this purpose, and shall regularly evaluate the development and management of financial reporting through a system of cooperation among departments of the Company and work to make improvements accordingly.

[Addition] The results of evaluations and improvements regarding the development and management of these systems shall be reported to the Board of Directors.

- g) The department of the Company in charge of internal auditing shall perform audits of compliance and shall report to the Board of Directors.
- h) The Charter of Ethical Behavior shall be made known to Group companies, which shall develop structures for compliance with laws and regulations and corporate ethics based on the circumstances of each company with support from the Company. Furthermore, the Company's whistle-blowing system shall be made available for use by the Directors, Corporate Auditors, and employees of Group companies.
- i) Internal auditing performed by the department of the Company in charge of internal auditing shall also be applicable to Group companies, and the Company's rules regarding internal auditing shall apply mutatis mutandis to the guidelines for such auditing.
- j) The Company shall determinedly eliminate and block anti-social forces, and the department in charge of general affairs shall construct and develop a system for this purpose in cooperation with external specialist bodies such as law enforcement.

2) Systems to Retain and Manage Information Concerning the Directors' Execution of Duties

- a) Minutes of meetings of the Board of Directors and other management bodies holding meetings shall be prepared, retained, and managed appropriately by the administrative offices of each management body in accordance with laws and regulations and internal rules.
- b) Records of information concerning decision making and execution of duties by the Directors shall be retained and managed appropriately in accordance with the rules on the management of documents or electromagnetic records stipulated by the Company.
- c) Rules regarding the retention, management and operation of company secrets, significant matters that are not publicly disclosed, and personal information shall be formulated, and the relevant information shall be managed with due care.

3) Rules and Other Organizational Structures of the Company and Group Companies Concerning Management of Risk of Loss

- a) Risks that may occur in the course of business operations shall be evaluated and monitored continuously. Risks with the potential to have a substantial impact on the financial position and business results shall be reported to the Board of Directors of the Company.

[Addition] The above-mentioned risks shall be evaluated and monitored by the departments in charge at the Company and its Group companies in accordance with the type of risk. These departments shall also take timely and appropriate corrective action and provide education and guidance to facilitate such action. Furthermore, the department in charge of compliance, department in charge of quality assurance, and other administrative departments shall appropriately and clearly allocate responsibility for risks and continuously evaluate and monitor the risks inherent in each department in charge of the Company and its Group companies. These departments shall also implement corrective action and provide education and guidance, in the same manner as the departments in charge.

In addition, the Company shall establish a system to promptly report to the Board of Directors any risks identified in the initiatives of each department in charge or administrative department, or in the initiatives described in item (b) below, that may significantly affect the Company's financial condition or business performance, or seriously undermine stakeholder confidence.

Moreover, to oversee the above initiatives, the Company shall introduce and promote an enterprise risk management system that comprehensively identifies and assesses group-wide risks, including those related to compliance and fraud prevention, defines risk tolerance levels, and evaluates and addresses risks based on these risk tolerance levels.

- b) To prevent and eliminate risks related to earnings from individual products, appropriate risk management shall be carried out through deliberations to identify and evaluate risks and formulation of avoidance measures at the Risk Examination Committee, which is composed of relevant related departments.

[Addition] To prevent and eliminate risks related to the return or recoverability of business investments, appropriate risk management shall be carried out through deliberations to identify and evaluate risks and formulation of avoidance measures at the Investment Committee, which is composed of relevant departments.

- c) To promptly and appropriately deal with such a serious risk that has emerged, systems shall be developed in advance including the formulation of rules on such matters as means of transmitting information, methods of handling such events, and structures for their management.

- d) The department of the Company in charge of internal auditing shall monitor risk management statuses at each department in charge of the Company and each Group company. It shall also perform audits of the effectiveness and adequacy of risk management and make reports on this to the Board of Directors of the Company.

[Addition] In addition to the above, the department of the Company in charge of internal auditing shall provide feedback on the results of the audits to each department in charge. Furthermore, the department of the Company in charge of internal auditing shall ensure the effectiveness of the audits for the purpose of fraud prevention, and perform audits of the effectiveness and adequacy of the risk management, by having the administrative department share the details of their risk management with each department in charge.

#### 4) Systems to Ensure that Directors of the Company and Group Companies Execute their Duties in an Efficient Manner

- a) Meetings of the Board of Directors shall in principle be held once a month and extraordinary meetings of the Board of Directors shall be held as necessary to determine important matters and to supervise the execution of business. For meetings of the Board of Directors to be operated appropriately and efficiently, rules on the matters to be decided upon at the meetings and standards for submitting such matters for deliberation and reporting on them shall be formulated.

- b) The Company shall establish a Management Strategy Committee comprising the Company's key management personnel, including the President, at which sufficient advance deliberations on basic strategies and important matters shall be carried out, thus putting in place a system enabling accurate managerial judgment.

- c) The Board of Directors of the Company shall determine the Group's medium-term management plans and plans for each year. Based on such plans, all Directors of the Company shall develop detailed measures and systems for efficient business execution, and make progress reports on these measures to the Board of Directors of the Company.

- d) The Company shall establish the Management Plan Follow-Up Committee with the President and Director of the Company as Chairperson. This Committee shall monitor and inspect progress made with the measures and work towards the early discovery and

prevention of problems, thus ensuring efficient business operations.

- e) To efficiently achieve management targets, the Company shall formulate rules on organizational structure, division of duties, and decision-making authority, and clarify duties and authorities. The Company shall also formulate rules on the operation of information and communication systems and the protection of information assets, and shall utilize such rules effectively.
  - f) The department of the Company in charge of internal auditing shall perform audits to determine whether business operations at each department in charge of the Company and each Group company are carried out efficiently in accordance with laws and regulations, the Articles of Incorporation and other internal rules, and shall report to the Board of Directors on this matter.
- 5) Systems for Reporting to the Company on the Matters regarding Execution of Duties by Directors of Group Companies
- To carry out deliberations on establishing internal control systems and to share information on Group management policies and other matters, the Company shall regularly hold conferences attended by the Directors of the Company and the President and Director of each Group company. Group companies shall report any material events at the conferences.
- 6) Other Systems to Ensure Appropriateness of Operations in the Group Consisting of the Company and the Group companies
- a) Regarding the management of Group companies, the Company shall supervise and monitor the appropriateness of operations at Group companies, while also respecting their autonomy, by assigning Directors and Corporate Auditors of the Company to work at each Group company, thus working to strengthen governance and supervisory functions under Group management.
  - b) The Company shall establish a main control division to control and guide Group companies, thus advancing efficient Group management in accordance with the standards for Group control and management. The control division shall also provide support for the establishment of internal control systems at each Group company.  
[Revised] The Company shall establish functional divisions in order to control and guide Group companies, thus advancing efficient Group management in accordance with the standards for Group control and management. The control division shall also provide support for the establishment of internal control systems at each Group company.
- 7) Matters Concerning Employees who are Requested by Corporate Auditors to Assist in the Duties of Corporate Auditors and Matters Concerning Ensuring the Independence from Directors of Such Employees and the Effectiveness of Directions to Such Employees
- a) The Company shall put in place the Assistant to the Corporate Auditors as a body to assist the Corporate Auditors of the Company in their duties.
  - b) Employees belonging to other departments shall not be precluded from serving concurrently as staff in the Assistant to the Corporate Auditors. However, if Corporate Auditors request the assignment of dedicated staff to the Assistant to the Corporate Auditors, this shall not be refused without rational grounds.
  - c) When performing duties in accordance with the directions of the Corporate Auditors, staff in the Assistant to the Corporate Auditors shall not be under the command of Directors or other business executives.
  - d) Personnel matters relating to staff in the Assistant to the Corporate Auditors shall be determined by the Directors after deliberations with the Corporate Auditors.

- 8) Systems for Reporting to Corporate Auditors of the Company by Directors and Employees of the Company and Group Companies, Other Systems Concerning Reporting to Corporate Auditors, and Systems to Ensure that Persons who Report to Corporate Auditors Are not Treated Unfavorably as a Result of Making Such Report
  - a) If a Director of the Company discovers a matter with the potential to cause substantial harm to the Company and the Group, such Director shall report such matter to the Board of Corporate Auditors of the Company immediately.
  - b) To monitor important decision-making processes and the status of business execution, the Corporate Auditors of the Company shall be permitted to attend meetings of the Board of Directors and other important meetings of the Company, and shall be permitted to request explanations on such matters from Directors or employees. Furthermore, when they are unable to attend such meetings due to circumstances, Corporate Auditors shall be permitted to receive explanations of the contents of such meetings, and inspect minutes and other related documents.
  - c) Corporate Auditors of the Company shall be permitted to inspect important documents related to business execution, and to request explanations of such matters from Directors or employees of the Company and Group companies as necessary.
  - d) Representative Directors of the Company shall regularly hold talks with Corporate Auditors of the Company, make reports to the Corporate Auditors of the Company regarding important matters with an impact on the Company and the Group, and exchange opinions with the Corporate Auditors on such matters.
  - e) It is prohibited for Directors and employees of the Company or Group Companies who report to Corporate Auditors of the Company to be treated unfavorably as a result of making such report.
- 9) Matters Concerning the Policy Relating to Advance Payment of Expenses Accompanying Execution of Duties by the Corporate Auditors or Reimbursement thereof, or Other Treatments of Expenses or Liabilities Generated from Execution of those Relevant Duties When Corporate Auditors of the Company request advance payment of expenses and others on the basis of Article 388 of the Companies Act for executing their duties, those expenses or liabilities shall be processed immediately through deliberation within the department in charge, except as may be recognized as unnecessary for executing duties of the Corporate Auditor.
- 10) Other Systems to Ensure that Corporate Auditors Effectively Perform Audits
  - a) The Directors of the Company shall cooperate with the Corporate Auditors of the Company to enable them to perform effective audits through cooperation with the Accounting Auditor, the department in charge of internal auditing, and the Corporate Auditors of Group companies.
  - b) The Directors of the Company shall have an awareness and understanding of the importance and usefulness of auditing by the Corporate Auditors. They shall also inform employees of the rules relating to auditing operations and auditing standards and help to establish an environment in which the Corporate Auditors can perform their audits effectively.
  - c) The department of the Company in charge of internal auditing shall provide internal audit plans, internal audit reports and other necessary information it receives in the course of performing internal auditing to the Corporate Auditors.

## (2) Outline of Status of Systems to Ensure the Appropriateness of Operations

Outline of status of systems to ensure the appropriateness of operations is as follows.

### 1) Regarding Compliance

Within “Kanadevia Value,” the values at the core of the Group’s business activities, one of the management stances aimed at achieving the corporate philosophy is the “thorough implementation of compliance.” This clearly shows that “thorough implementation of compliance” is crucial to meet the expectations and gain the understanding of the stakeholders that support the Company’s business activities. Furthermore, the President himself has taken various opportunities, such as the New Year’s address and workshops, to clearly state that compliance should be the ultimate priority in company management. Each April, the Company distributes the Kanadevia Group Charter of Ethical Behavior cards (published in Japanese, English, and Chinese) to be carried by employees at all times. This features a Message from the President based on the compliance situation in the previous fiscal year and is used as the code upon which employees carry out their work.

The Compliance Committee, on which the President serves as Chairperson, decides the basic policy and specific measures for fiscal year 2025 based on the compliance situation for fiscal year 2024, and engages in compliance activities across the entire Group. Specifically, it ensures the thorough implementation of compliance through means such as implementing e-learning, holding various workshops and lectures, and providing information through internal newsletters. It also detects improper conduct at an early stage through the whistle-blowing system and deals with this swiftly. Moreover, in addition to having set up a regular reporting system from domestic and overseas Group companies and overseas offices, the Company checks the state of compliance at each company and office once every six months, and undertakes appropriate follow-up as necessary, thereby ensuring compliance across the entire Group.

With regard to inappropriate conduct in connection with some of our businesses and products, including marine engines, flammable waste incineration facilities, sewage treatment facilities, bridges, casting products, and special valves, the Company reviewed the state of compliance, and the President issued communications regarding the investigation into the causes, formulation and implementation of measures to prevent recurrence, and reinforcement of compliance on an ongoing basis.

### 2) Regarding Risk Management

The Group has been promoting the implementation of an enterprise risk management framework (hereinafter referred to as “ERM”) to centrally identify, organize, and visualize risks (uncertainties of opportunities and threats) arising from safety, quality, compliance, environment, disasters, information security, and other aspects of business operations, and to examine countermeasures, with the aim of appropriately managing such risks and maximizing corporate value.

Under the Group’s ERM framework, the Board of Directors determines the risk management policy and ultimately supervises its implementation, and the Risk Management Committee has been established under the Board, comprising of the President serving as the Chair and members of the Management Strategy Committee, among others. In accordance with the risk management policy, the Committee evaluates and identifies major risks from the perspectives of impact and likelihood of occurrence, and assigns responsibility for responding to each risk to the responsible departments and Group companies according to the level of importance. At the same time, the Committee monitors the status of implementation and issues necessary instructions. In addition, the Company is working to enhance the effectiveness of risk management through a three-

lines-of-defense system, in which the business execution departments (first line), the department in charge of risk management (second line), and the department in charge of internal auditing (third line) work together. The department in charge of internal auditing audits the effectiveness of risk management and internal control from an independent standpoint and reports the results to the Board of Directors.

In fiscal year 2025, the Risk Management Committee held two meetings, during which it formulated regulations governing the above framework and identified top risks that could have a significant impact on the corporate philosophy and Group strategies.

While developing ERM, we are also working to address individual risks and issues that have already materialized.

With regard to the recurrence prevention measures for the quality-related inappropriate conduct announced on March 25 and April 30, 2025, the Group is implementing six recurrence prevention measures throughout the entire Group (commitment of top management, organizational culture reform and mindset reform, improvements to business processes, initiatives for preventing quality misconduct, strengthening quality assurance functions, and strengthening supervisory function of the Board of Directors) in accordance with the action plan. Moreover, in collaboration with external experts, we are defining desired behavioral changes based on our desired state and verifying the effectiveness of various measures which fall under soft approaches such as education and organizational culture reform.

In addition, because the Group's business structure creates value through the accumulation of individual order-based projects, it is important to manage individual project risks that may materialize on a project-by-project basis. For individual projects, each responsible department clarifies risks related to safety, technology (quality), estimates, delivery schedule, and contracts from the project estimate stage onward, implements necessary countermeasures according to the level of importance of the risks, and then decides whether to accept the order. After order intake, the Company continues to monitor progress as appropriate and ensures safety, quality, and schedule performance through early detection and early response.

Moreover, in business investment projects that involve investing in shares, the Company thoroughly manages risks throughout the entire process, from initial assessment to post-decision follow-up, including confirming alignment with the management strategy and clarifying exit strategies.

Individual projects are managed by the responsible department within the Corporate Planning Headquarters, while business investment projects are deliberated by the Investment Committee, which has decision-making authority. Important risks of Group companies including major subsidiaries in Japan and overseas are also reported to and deliberated by the Company as necessary.

The Company is strengthening its handling of country risks of its overseas projects. In particular, the Company is advancing necessary measures, including the preparation of emergency response guidelines and the conclusion of overseas safety and medical service contracts, in order to enhance the safety and medical support systems for employees dispatched overseas.

### 3) Regarding the Execution of Duties by Directors

In fiscal year 2025, meetings of the Board of Directors were held 16 times. During these meetings, the status and recurrence prevention measures concerning the inappropriate conduct identified in certain businesses and products, including the marine engine business and bridges, were reported and deliberated. The Board also discussed and determined important management matters (management basic policies, progress of the

medium-term management plan, budget formulation and follow-up, consideration of business integration with Nippon Steel Engineering Co., Ltd., withdrawal from the bridge construction business and termination of operations at the Mukaishima Works, partial transfer of shares in Hitachi Zosen Marine Engine Co., Ltd. to Imabari Shipbuilding Co., Ltd., and other measures for promotion of the selection and concentration of businesses based on portfolio management, development of ERM, promotion of sustainability, promotion of safety and health and health management, promotion of compliance, and the status of important investment projects in domestic and overseas subsidiaries, etc.) prescribed by laws and regulations, the Articles of Incorporation, and Rules of the Board of Directors, while supervising the execution of duties by the Directors. To further enhance and promote the efficiency of discussions by the Board of Directors, the Company conducts a questionnaire survey and interview with individual Directors to assess and analyze the effectiveness of the Board of Directors as a whole, and uses issues identified to improve the operations of the Board of Directors.

#### 4) Regarding the Management of Group Companies

We regularly hold liaison meetings to promote information sharing on Group management policies and management plans, and supervise and provide guidance to Group companies regarding their management status, including the status of compliance and internal control operations and initiatives for preventing and promptly correcting inappropriate conduct.

In particular, important business activities of Group companies are deliberated and decided at the Company's Management Strategy Committee and meetings of the Board of Directors, through which the Group pursues the sharing of management strategies, efficient business operations, and maximization of synergies across the Group, while ensuring the appropriateness of business activities and preventing the occurrence of various risks and quality-related inappropriate conduct.

#### 5) Regarding Internal Auditing

To evaluate and improve the effectiveness of the risk management, control, and governance processes of the Company and its Group companies, in accordance with the Internal Auditing Rule and based on an annual audit plan taking into consideration such factors as business type, scale, and importance, the Internal Auditing Department (Internal Auditing Section) implements ongoing internal audits related to all management activities of domestic and overseas Group companies (business risks, compliance, finance and accounting, operational controls and procedures, quality management, safety and environment management, IT management, etc.), to conduct evaluations and provide advice and correction guidance from an objective standpoint. In particular, in response to the recent escalation in information security risks, the Company has been enhancing its auditing efforts related to IT management. In addition, the Company is progressively reinforcing the auditing system for overseas branches and overseas Group companies, in response to their increasing importance.

The Internal Auditing Department also submits reports on the results of audits, as well as the status of corrective actions to Directors, Corporate Auditors, and responsible persons of audited segments from time to time, while providing regular comprehensive reports on the status of audits to the Management Strategy Committee, as well as the Board of Directors.

#### 6) Regarding Audits Performed by Corporate Auditors

Corporate Auditors conduct reviews of operations and internal control system and audit

the status of assets at respective business locations and segments, as well as carrying out similar investigations on major domestic and overseas subsidiaries. They have made audits on the execution of business of Directors and others by receiving reports on important matters through attending important internal meetings such as meetings of the Board of Directors and the Management Strategy Committee, meetings with the Representative Directors, and by stating opinions where necessary. Furthermore, Corporate Auditors are in close cooperation with Outside Directors such as by exchanging information appropriately. In fiscal year 2025, the Board of Corporate Auditors held eight meetings at which information regarding auditing was exchanged, opinions on auditing were collected from each Corporate Auditor, and resolutions were passed.

Corporate Auditors exchange information about such matters as audit plans and results with the Accounting Auditor on a regular basis, while monitoring and verifying whether the Accounting Auditor is conducting its audits appropriately. In addition, Corporate Auditors implement regular information exchanges and maintain close collaboration with the Internal Auditing Department by receiving such matters as audit plans and results, as well as necessary information obtained through audits with respect to internal auditing, in order to promote effective and efficient audits.

# Consolidated Financial Statements

## Consolidated Balance Sheets

As of March 31, 2026

(Millions of yen)

<b>Assets</b>	<b>718,640</b>
<b>Current assets</b>	<b>423,152</b>
Cash and time deposits	78,010
Notes, accounts receivable - trade, and contract assets	261,165
Securities	1
Merchandise and finished goods	2,442
Work in progress	7,935
Raw materials and supplies	12,240
Other current assets	62,982
Allowance for doubtful receivables	-1,623
<b>Noncurrent assets</b>	<b>295,427</b>
Property, plant and equipment, net	[143,642]
Buildings and structures	29,912
Machinery, equipment and vehicles	40,509
Tools, furniture and fixtures	5,424
Land	52,123
Lease assets	304
Right-of-use assets	10,687
Construction in progress	4,681
Intangible assets	[62,940]
Goodwill	31,105
Other intangible assets	31,834
Investments and other noncurrent assets	[88,844]
Investments in securities	37,166
Long-term loans receivable	3,096
Net defined benefit assets	14,484
Deferred tax assets	25,610
Other investments and noncurrent assets	9,231
Allowance for doubtful receivables	-744
<b>Deferred assets</b>	<b>59</b>
Bond issue expenses	59
<b>Total assets</b>	<b>718,640</b>

	(Millions of yen)
<b>Liabilities</b>	<b>515,239</b>
<b>Current liabilities</b>	<b>378,551</b>
Notes and accounts payable - trade	60,721
Electronically recorded obligations	6,414
Short-term borrowings	66,197
Current portion of bonds payable	10,000
Lease obligations	1,901
Accrued expenses	99,162
Accrued income taxes	3,750
Contract liabilities	54,853
Provision for share-based payments	27
Provision for expenses related to quality-related inappropriate conduct	1,355
Reserve for product warranty	19,733
Reserve for losses on construction contracts	8,047
Provision for demolition and removal	159
Other current liabilities	46,225
<b>Noncurrent liabilities</b>	<b>136,687</b>
Long-term borrowings	96,461
Lease obligations	9,496
Deferred tax liabilities	6,501
Net defined benefit liability	14,844
Directors' and corporate auditors' severance and retirement benefits	21
Provision for expenses related to quality-related inappropriate conduct	959
Provision for loss on litigation	584
Provision for demolition and removal	505
Asset retirement obligations	1,628
Other noncurrent liabilities	5,684
<b>Net assets</b>	<b>203,400</b>
<b>Shareholders' equity</b>	<b>177,740</b>
Common stock	45,442
Capital surplus	7,802
Retained earnings	125,794
Treasury stock, at cost	-1,298
<b>Accumulated other comprehensive income</b>	<b>19,071</b>
Net unrealized holding gains (losses) on securities	1,448
Net unrealized holding gains (losses) on hedging derivatives	1,943
Land revaluation difference	-20
Foreign currency translation adjustments	5,598
Remeasurements of defined benefit plans	10,101
<b>Non-controlling interests in consolidated subsidiaries</b>	<b>6,588</b>
<b>Total liabilities and net assets</b>	<b>718,640</b>

## Consolidated Statements of Income

For the fiscal year ended March 31, 2026

(Millions of yen)

<b>Net sales</b>		<b>645,222</b>
<b>Cost of sales</b>		<b>536,156</b>
<b>Gross profit</b>		<b>109,066</b>
Selling, general and administrative expenses		96,874
<b>Operating income</b>		<b>12,192</b>
<b>Non-operating income</b>		
Interest income	2,691	
Dividend income	315	
Equity in net profit of affiliates	2,717	
Other non-operating income	4,405	10,128
<b>Non-operating expenses</b>		
Interest expense	2,314	
Foreign exchange losses	3,329	
Other non-operating expenses	3,055	8,699
<b>Ordinary income</b>		<b>13,621</b>
<b>Extraordinary income</b>		
Gain on bargain purchase	1,607	
Reversal for loss on lawsuits	235	
Reserve on demolition and removal	193	2,037
<b>Extraordinary loss</b>		
Impairment losses	1,908	
Expenses related to quality-related inappropriate conduct	2,711	4,619
<b>Profit before income taxes and non-controlling interests</b>		<b>11,038</b>
Income taxes - current	3,368	
Income taxes - deferred	-3,693	-325
<b>Profit</b>		<b>11,364</b>
Profit attributable to non-controlling interests		226
<b>Profit attributable to shareholders of Kanadevia</b>		<b>11,137</b>

[Reference] Monetary amounts in the Consolidated Financial Statements are presented with amounts of less than 1 million yen discarded.

## Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	45,442	7,802	118,870	-1,334	170,780
Changes of items during the period					
Cash dividends			-4,212		-4,212
Profit attributable to shareholders of Kanadevia			11,137		11,137
Treasury stock disposed, net		0		52	52
Treasury stock purchased, net				-16	-16
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	6,924	35	6,959
Balance at end of year	45,442	7,802	125,794	-1,298	177,740

	Accumulated other comprehensive income						Non-controlling interests in consolidated subsidiaries	Total net assets
	Net unrealized holding gains (losses) on securities	Net unrealized holding gains (losses) on hedging derivatives	Land revaluation difference	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of year	1,476	528	-20	2,794	13,804	18,583	8,530	197,895
Changes of items during the period								
Cash dividends								-4,212
Profit attributable to shareholders of Kanadevia								11,137
Treasury stock disposed, net								52
Treasury stock purchased, net								-16
Net changes of items other than shareholders' equity	-28	1,414	-	2,803	-3,702	487	-1,942	-1,454
Total changes of items during the period	-28	1,414	-	2,803	-3,702	487	-1,942	5,504
Balance at end of year	1,448	1,943	-20	5,598	10,101	19,071	6,588	203,400

[Reference] Monetary amounts in the Consolidated Financial Statements are presented with amounts of less than 1 million yen discarded.

# Non-consolidated Financial Statements

## Non-consolidated Balance Sheets

As of March 31, 2026

	(Millions of yen)
<b>Assets</b>	<b>413,769</b>
<b>Current assets</b>	<b>203,450</b>
Cash and time deposits	21,852
Trade notes receivable	3,304
Trade accounts receivable	44,466
Contract assets	66,610
Securities	1
Work in progress	3,446
Raw materials and supplies	1,959
Advance payments	17,270
Prepaid expenses	831
Other accounts receivable	11,108
Advances paid	3,955
Short-term loans receivable	28,377
Other current assets	1,792
Allowance for doubtful receivables	-1,526
<b>Noncurrent assets</b>	<b>210,312</b>
Property, plant and equipment, net	[74,899]
Buildings	14,572
Structures	3,433
Machinery and equipment	5,612
Vehicles	18
Tools, furniture and fixtures	975
Land	47,647
Lease assets	677
Construction in progress	1,960
Intangible assets	[3,999]
Patent rights	0
Software	2,032
Rights of using facilities	83
Other intangible assets	1,882
Investments and other noncurrent assets	[131,414]
Investments in securities	4,205
Stocks of subsidiaries and affiliates	38,332
Investments in capital of subsidiaries and affiliates	3,249
Long-term loans receivable	71,103
Noncurrent prepaid expenses	1,333
Deferred tax assets	13,650
Other investments and noncurrent assets	2,015
Allowance for doubtful receivables	-2,475
<b>Deferred assets</b>	<b>6</b>
Bond issue expenses	6
<b>Total assets</b>	<b>413,769</b>

	(Millions of yen)
<b>Liabilities</b>	<b>306,268</b>
<b>Current liabilities</b>	<b>204,069</b>
Trade notes payable	3
Electronically recorded obligations	3,934
Trade accounts payable	21,905
Current portion of bonds payable	10,000
Short-term borrowings	59,730
Lease obligations	195
Other accounts payable	4,559
Accrued expenses	34,477
Provision for share-based payments	27
Accrued income taxes	306
Contract liabilities	9,662
Deposits received	45,703
Reserve for product warranty	2,292
Reserve for losses on construction contracts	3,599
Provision for demolition and removal	159
Provision for expenses related to quality-related inappropriate conduct	966
Other current liabilities	6,545
<b>Noncurrent liabilities</b>	<b>102,199</b>
Long-term borrowings	86,670
Lease obligations	456
Employees' severance and retirement benefits	12,617
Provision for demolition and removal	505
Provision for expenses related to quality-related inappropriate conduct	959
Asset retirement obligations	794
Other noncurrent liabilities	196
<b>Net assets</b>	<b>107,500</b>
<b>Shareholders' equity</b>	<b>106,825</b>
Common stock	45,442
Capital surplus	10,194
Legal capital surplus	5,946
Other capital surplus	4,248
Retained earnings	52,487
Legal retained earnings	3,484
Other retained earnings	49,002
Retained earnings brought forward	49,002
Treasury stock, at cost	-1,298
<b>Valuation and translation adjustments</b>	<b>674</b>
Net unrealized holding gains (losses) on securities	-23
Net unrealized holding gains (losses) on hedging derivatives	1,038
Land revaluation difference	-340
<b>Total liabilities and net assets</b>	<b>413,769</b>

## Non-consolidated Statements of Income

For the fiscal year ended March 31, 2026

		(Millions of yen)
<b>Net sales</b>		<b>214,500</b>
<b>Cost of sales</b>		<b>178,182</b>
<b>Gross profit</b>		<b>36,317</b>
Selling, general and administrative expenses		34,412
<b>Operating income</b>		<b>1,904</b>
<b>Non-operating income</b>		
Interest income	2,112	
Dividend income	2,497	
Other non-operating income	1,763	6,373
<b>Non-operating expenses</b>		
Interest expense	1,406	
Other non-operating expenses	2,495	3,901
<b>Ordinary income</b>		<b>4,376</b>
<b>Extraordinary income</b>		
Gain on sale of investment securities	9,753	
Reserve on demolition and removal	193	
Gain on extinguishment of shares due to merger	48	9,996
<b>Extraordinary loss</b>		
Expenses related to quality-related inappropriate conduct	2,506	
Impairment losses	1,908	4,414
<b>Profit before income taxes</b>		<b>9,958</b>
Income taxes - current	-1,573	
Income taxes - deferred	1,510	-63
<b>Profit</b>		<b>10,021</b>

# Non-consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of year	45,442	5,946	4,248	10,194	3,063	43,615	46,679	-1,334	100,982
Changes of items during the period									
Cash dividends						-4,212	-4,212		-4,212
Reserve for dividends payment					421	-421	-		-
Profit						10,021	10,021		10,021
Treasury stock disposed, net			0	0				52	52
Treasury stock purchased, net								-16	-16
Net changes of items other than shareholders' equity									
Total changes of items during the period	-	-	0	0	421	5,387	5,808	35	5,843
Balance at end of year	45,442	5,946	4,248	10,194	3,484	49,002	52,487	-1,298	106,825

	Valuation and translation adjustments				Total net assets
	Net unrealized holding gains (losses) on securities	Net unrealized holding gains (losses) on hedging derivatives	Land revaluation difference	Total valuation and translation adjustments	
Balance at beginning of year	-21	907	-340	546	101,528
Changes of items during the period					
Cash dividends					-4,212
Reserve for dividends payment					-
Profit					10,021
Treasury stock disposed, net					52
Treasury stock purchased, net					-16
Net changes of items other than shareholders' equity	-2	130	-	128	128
Total changes of items during the period	-2	130	-	128	5,972
Balance at end of year	-23	1,038	-340	674	107,500

[Reference] Monetary amounts in the Non-consolidated Financial Statements are presented with amounts of less than 1 million yen discarded.

# Audit Report

## Independent Auditor's Report for Consolidated Financial Statements

May 14, 2026

The Board of Directors  
Kanadevia Corporation

KPMG AZSA LLC  
Osaka Office

Sung-Jung Hong  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Takehiro Nakamura  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Audit Opinion**

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the consolidated financial statements of Kanadevia Corporation, which comprise the consolidated balance sheets, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements applicable to the fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of Kanadevia Corporation and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2026 in accordance with accounting principles generally accepted in Japan.

### **Basis for Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan (including the provisions applicable to the audit of financial statements of public interest entities), and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for expression of our opinion.

### **Other Information**

Other information comprises a business report and its supplementary schedules. It is the responsibility of management to prepare and disclose other information, and it is the responsibility of Corporate Auditors and the Board of Corporate Auditors to supervise Directors in their execution of duties relating to the development and operation of a reporting process for the other information. Our audit opinion concerning the consolidated financial statements does not cover the other information, and we do not express any opinions as to the matters included in the other information. Our responsibility for auditing consolidated financial statements is to review the other information, and in connection with this review, discuss whether there is any material discrepancy between the other information and the consolidated financial statements or knowledge which we obtained in the course of audit and pay attention as to whether there is any indication of material error in the other information, other than such material discrepancy. We are required to report any material

error in the other information found as a result of the work performed. There are no matters to be reported by us in relation to the other information.

### **Responsibilities of Management, Corporate Auditors and Board of Corporate Auditors for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Corporate Auditors and Board of Corporate Auditors are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for expression of our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its

consolidated subsidiaries to provide a basis for expression of our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion. We report to the Corporate Auditors and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Corporate Auditors and the Board of Corporate Auditors with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related measures in order to eliminate obstruction factors or safeguards to reduce them to an acceptable level.

**Conflicts of Interest**

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

## Independent Auditor's Report for Non-consolidated Financial Statements

May 14, 2026

The Board of Directors  
Kanadevia Corporation

KPMG AZSA LLC  
Osaka Office

Sung-Jung Hong  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Takehiro Nakamura  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Audit Opinion**

Pursuant to Article 436, paragraph (2), item (i) of the Companies Act, we have audited the non-consolidated financial statements of Kanadevia Corporation, which comprise the non-consolidated balance sheets, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, the notes to the non-consolidated financial statements, and the supplementary schedules (hereafter collectively referred to as the “non-consolidated financial statements”) of Kanadevia Corporation applicable to the 129th fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of Kanadevia Corporation, applicable to the fiscal year ended March 31, 2026 in accordance with accounting principles generally accepted in Japan.

### **Basis for Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan (including the provisions applicable to the audit of financial statements of public interest entities), and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for expression of our opinion.

### **Other Information**

Other information comprises a business report and its supplementary schedules. It is the responsibility of management to prepare and disclose other information, and it is the responsibility of Corporate Auditors and the Board of Corporate Auditors to supervise Directors in their execution of duties relating to the development and operation of a reporting process for the other information. Our audit opinion concerning the non-consolidated financial statements does not cover the other information, and we do not express any opinions as to the matters included in the other information. Our responsibility for auditing the non-consolidated financial statements is to review the other information, and in connection with this review, discuss whether there is any material discrepancy between the other information and the non-consolidated financial statements or knowledge which we obtained in the course of audit and pay attention as to whether there is any indication of material error in the other information, other than such material discrepancy. We are required to

report any material error in the other information found as a result of the work performed. There are no matters to be reported by us in relation to the other information.

### **Responsibilities of Management, Corporate Auditors and Board of Corporate Auditors for the Non-Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Corporate Auditors and Board of Corporate Auditors are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

### **Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements**

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for expression of our opinion.
- When auditing the non-consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the non-consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements or, if the notes to the non-consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements and notes to the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the non-consolidated financial statements, including the related notes thereto, and whether the non-consolidated financial statements fairly present the underlying transactions and accounting events.

We report to the Corporate Auditors and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Corporate Auditors and the Board of Corporate Auditors with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related measures in order to eliminate obstruction factors or safeguards to reduce them to an acceptable level.

**Conflicts of Interest**

We or engagement partners have no interests in the Company, which should be stated in compliance with the Certified Public Accountants Act.

## Audit Report

With respect to the Directors' performance of their duties during the 129th fiscal year (from April 1, 2025 to March 31, 2026), the Board of Corporate Auditors has prepared this audit report as the consensus of all its members after deliberations based on the audit reports prepared by each Corporate Auditor, and hereby reports as follows:

### 1. Method and Contents of Audit by Corporate Auditors and the Board of Corporate Auditors

- (1) The Board of Corporate Auditors determined the audit policies, audit plan, etc., received reports from each Corporate Auditor on the progress and results of audits, exchanged opinions, and shared information. Additionally, they received reports from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary.
- (2) In accordance with the audit standards for Corporate Auditors determined by the Board of Corporate Auditors and based on the audit policies and audit plan, each Corporate Auditor took steps to facilitate mutual understanding with Directors, the department in charge of internal auditing, and other employees, strove to collect information and establish an environment for auditing, and performed audits using the methods below. Regarding the results of their investigations or audit activities, each Corporate Auditor provided opinions to Directors and those in charge of various departments as necessary.
  - (i) Each Corporate Auditor attended meetings of the Board of Directors and other important meetings, received reports from Directors and other employees on the status of their performance of duties and requested explanations as necessary, inspected documents regarding important decisions and the like, and investigated the status of the business operations and assets at Head Office and major business locations. With respect to the subsidiaries, they took steps to facilitate mutual understanding and information exchange with Directors, Corporate Auditors, etc., at each subsidiary, received reports from subsidiaries on their respective businesses periodically, and investigated as necessary.
  - (ii) Each Corporate Auditor discussed the audit plan with the department in charge of internal auditing in advance and received explanations on the results of audits, and regarding matters mentioned in audits, each Corporate Auditor confirmed that they had been rectified in a timely manner.
  - (iii) Each Corporate Auditor received reports on a regular basis from the Directors and employees, etc., requested explanations as necessary, and provided opinions with respect to matters mentioned in the business report. Such matters consist of the contents of the Board of Directors' resolutions regarding the development and maintenance of the system to ensure that the Directors' performance of their duties complied with applicable laws and regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, paragraphs (1) and (3) of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of the corporate group consisting of a joint stock company (kabushiki kaisha) and its subsidiaries, and the systems developed and maintained based on such resolutions (internal control systems). Regarding internal control over financial reporting, each Corporate Auditor received reports from Directors and others as well as KPMG AZSA LLC concerning the evaluation of said internal control and the audit status, and requested explanations as necessary.

- (iv) Each Corporate Auditor monitored and verified whether the Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary. In addition, each Corporate Auditor was informed of the establishment of the “System for ensuring that duties are performed appropriately” (matters stipulated in the items of Article 131 of the Corporate Calculation Regulations) in accordance with “Standards for the Quality Control of Audits” (Business Accounting Council), etc. by the Accounting Auditor and requested explanations as necessary.

Based on the above-described methods, each Corporate Auditor examined the business report and the supplementary schedule thereto, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and the supplementary schedule thereto, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements), for the fiscal year under consideration.

## 2. Results of Audits

### (1) Results of Audit of Business Report, etc.

- (i) We acknowledge that the business report and the supplementary schedule thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
- (ii) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors’ performance of their duties.
- (iii) We acknowledge that the Board of Directors’ resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the contents in the business report and Directors’ performance of their duties concerning the internal control systems, including internal control over financial reporting.

As stated in the Business Report, the Group received from the Special Investigation Committee the investigation results and recommendations for measures to prevent recurrence regarding inappropriate conduct in relation to some of its businesses and products, including marine engines, flammable waste incineration facilities, sewage treatment facilities, bridges, casting products, and special valves last year, and set six measures to prevent recurrence (commitment of top management, organizational culture reform and mindset reform, improvements to business processes, initiatives for preventing quality misconduct, strengthening quality assurance functions, and strengthening supervisory function of the Board of Directors), which are to be implemented across the entire Group. The Group is implementing the measures in line with the implementation plan. The Board of Corporate Auditors will continue to monitor and verify the effectiveness of the measures.

### (2) Results of Audit of Non-consolidated Financial Statements and Their Supplementary Schedules

We acknowledge that the methods and results of audit performed by the Accounting Auditor KPMG AZSA LLC are appropriate.

### (3) Results of Audit of Consolidated Financial Statements

We acknowledge that the methods and results of audit performed by the Accounting

Auditor KPMG AZSA LLC are appropriate.

May 18, 2026

The Board of Corporate Auditors, Kanadevia Corporation		
Full-time Corporate Auditor	Yuichi Ohkura	(Seal)
Full-time Corporate Auditor	Toshihiko Yasuda	(Seal)
Outside Corporate Auditor	Hirofumi Yasuhara	(Seal)
Outside Corporate Auditor	Koji Inada	(Seal)