

Report of Consolidated Financial Results

For the Six Months Ended September 30, 2025

November 6, 2025

Name of Company: Kanadevia Corporation
Code Number: 7004 URL: <https://www.kanadevia.com/>
Stock Exchange Listing: Tokyo
Representative: Michi Kuwahara, President & Chief Executive Officer
Contact Person: Shunji Kimura, Executive Officer, General Manager of Accounting Department
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This "Consolidated Financial Results" has been prepared in accordance with accounting principles generally accepted in Japan.

(Figures are rounded down to the nearest million yen.)

1. Business results and financial position for the six months ended September 30, 2025 (April 1 - September 30, 2025)

(1) Results of operations (Accumulated)

(Percentages show rates of increase or decrease from the period a year earlier.)

	Net sales (million yen) (%)		Operating income (million yen) (%)		Ordinary income (million yen) (%)		Profit attributable to shareholders of Kanadevia (million yen) (%)	
6 months ended Sep. 30, 2025	267,714	(0.8)	(7,781)	—	(8,329)	—	(5,508)	—
6 months ended Sep. 30, 2024	269,960	16.3	3,163	183.4	639	(66.5)	(1,139)	—

	Net income per share (yen)	Net income per share-diluted (yen)
6 months ended Sep. 30, 2025	(32.74)	—
6 months ended Sep. 30, 2024	(6.77)	—

(2) Financial position

	Total assets (million yen)	Net assets (million yen)	Shareholders' equity to total assets (%)
As of September 30, 2025	582,844	186,789	30.5
As of March 31, 2025	609,666	197,895	31.1

(Reference) Shareholders' equity: Yen 177,896 million (September 30, 2025), Yen 189,364 million (March 31, 2025)

2. Dividends

Record Date	Dividends per share (yen)		
	Interim	Year-end	Annual
Year ended March 31, 2025	0.0	25.0	25.0
Year ending March 31, 2026	0.0		
Year ending March 31, 2026 (Forecast)		25.0	25.0

(Note) Revisions to the dividends forecast most recently announced : None

3. Forecast of consolidated earnings for the fiscal year ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(Percentages show rates of increase or decrease from the period a year earlier.)

	Net sales		Operating income		Ordinary income		Profit attributable to shareholders of Kanadevia		Net income per share – basic
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	
Year ending March 31, 2026	620,000	1.6	18,000	(33.2)	14,000	(42.5)	10,000	(54.8)	59.46

(Note) Revisions to the forecast of consolidated earnings most recently announced : Yes

4. Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: H&F Corporation, H&F SERVICES U.S.A., INC., H&F Services(Thailand) Co.,Ltd., H&F EUROPE LIMITED

(2) Specific accounting policies applied in the quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and restatements

(i) Changes in accounting policies as per the revision of accounting standards: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding (including treasury stock)

September 30, 2025 170,214,843 shares

March 31, 2025 170,214,843 shares

(ii) Number of shares held in treasury

September 30, 2025 1,969,977 shares

March 31, 2025 2,026,463 shares

(iii) Average number of shares during the respective periods

Six months ended September 30, 2025 168,221,525 shares

Six months ended September 30, 2024 168,410,306 shares

(Note) The number of treasury stock at end of period includes the Company's shares held by the BIP (Board Incentive Plan) Trust established for the remuneration plan for the Company's directors, etc. (271,016 shares as of September 30, 2025, 329,630 shares as of March 31, 2025). The Company's shares held by the BIP Trust are included in the number of shares of treasury stock which are deducted from the number of shares when calculating the average number of shares outstanding during the period.

(5) Review for attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

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

5. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	70,763	50,399
Notes and accounts receivable - trade, and contract assets	228,020	201,777
Securities	1	1
Merchandise and finished goods	2,049	2,247
Work in process	8,261	14,005
Raw materials and supplies	12,772	13,645
Other	36,135	43,887
Allowance for doubtful accounts	(889)	(1,031)
Total current assets	357,114	324,932
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	41,034	39,921
Land	52,414	51,751
Other, net	42,612	41,559
Total property, plant and equipment	136,060	133,232
Intangible assets		
Goodwill	14,060	15,214
Other	27,158	30,328
Total intangible assets	41,218	45,542
Investments and other assets		
Other	75,947	79,853
Allowance for doubtful accounts	(694)	(728)
Total investments and other assets	75,252	79,124
Total non-current assets	252,532	257,899
Deferred assets	20	12
Total assets	609,666	582,844

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	56,913	47,521
Electronically recorded obligations - operating	8,910	6,643
Short-term borrowings	36,396	39,660
Current portion of bonds payable	10,000	—
Lease liabilities	1,661	1,166
Accrued expenses	81,803	73,832
Income taxes payable	4,966	3,177
Contract liabilities	40,600	57,556
Provision for share-based payments	52	60
Provision for expenses related to quality misconduct	1,484	1,143
Provision for construction warranties	17,394	16,167
Provision for loss on construction contracts	7,063	7,828
Other	27,034	26,753
Total current liabilities	294,283	281,511
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	70,132	69,051
Lease liabilities	7,574	7,225
Deferred tax liabilities	5,820	5,587
Retirement benefit liability	16,468	16,143
Provision for retirement benefits for directors (and other officers)	29	25
Provision for loss on litigation	946	896
Provision for demolition and removal	858	858
Asset retirement obligations	1,125	1,127
Other	4,532	3,626
Total non-current liabilities	117,488	114,542
Total liabilities	411,771	396,054
Net assets		
Shareholders' equity		
Share capital	45,442	45,442
Capital surplus	7,802	7,802
Retained earnings	118,870	109,149
Treasury shares	(1,334)	(1,283)
Total shareholders' equity	170,780	161,110
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,476	1,788
Deferred gains or losses on hedges	528	1,314
Revaluation reserve for land	(20)	(20)
Foreign currency translation adjustment	2,794	2,100
Remeasurements of defined benefit plans	13,804	11,604
Total accumulated other comprehensive income	18,583	16,785
Non-controlling interests	8,530	8,893
Total net assets	197,895	186,789
Total liabilities and net assets	609,666	582,844

6. Profit and loss statements

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	269,960	267,714
Cost of sales	227,203	228,654
Gross profit	42,757	39,059
Selling, general and administrative expenses	39,593	46,840
Operating profit (loss)	3,163	(7,781)
Non-operating income		
Interest income	722	343
Dividend income	251	214
Share of profit of entities accounted for using equity method	—	1,065
Other	367	1,436
Total non-operating income	1,340	3,060
Non-operating expenses		
Interest expenses	530	665
Share of loss of entities accounted for using equity method	829	—
Foreign exchange losses	308	1,893
Other	2,196	1,048
Total non-operating expenses	3,864	3,608
Ordinary profit (loss)	639	(8,329)
Profit (loss) before income taxes	639	(8,329)
Income taxes	1,695	(2,871)
Loss	(1,056)	(5,457)
Profit attributable to non-controlling interests	83	50
Loss attributable to owners of parent	(1,139)	(5,508)

7. Supplementary Information

(1) Consolidated Information by segments

i) Order Intake

(Unit: billion yen)

Business Segment	Fiscal year ended Sep. 30, 2024	Fiscal year ended Sep. 30, 2025	Difference	Order backlog as of Sep. 30, 2025
Environment	229.9	233.1	3.2	1,668.0
Machinery & Infrastructure	41.3	41.1	(0.2)	74.5
Carbon Neutral Solution	12.1	31.8	19.7	88.2
Other	1.5	1.5	0.0	0.4
Total	284.8	307.5	22.7	1,831.1

ii) Statements of Operations

(Unit: billion yen)

		Fiscal year ended Sep. 30, 2024		Fiscal year ended Sep. 30, 2025		Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Operating income & Net sales	Environment	199.5	5.5	208.0	(2.7)	8.5	(8.2)
	Machinery & Infrastructure	34.7	(1.3)	28.5	(2.4)	(6.2)	(1.1)
	Carbon Neutral Solution	33.9	(1.3)	29.6	(2.9)	(4.3)	(1.6)
	Other	1.8	0.2	1.6	0.3	(0.2)	0.1
	Total	269.9	3.1	267.7	(7.7)	(2.2)	(10.8)
Ordinary Income		0.6		(8.3)		(8.9)	
Profit attributable to shareholders of Kanadevia		(1.1)		(5.5)		(4.4)	

iii) Consolidated Balance Sheet

(Unit: billion yen)

	As of Mar. 31, 2025	As of Sep. 30, 2025	Difference
Cash and time deposits	70.8	50.4	(20.4)
Trade notes and accounts and contract assets	228.0	201.8	(26.2)
Inventories	23.1	29.9	6.8
Tangible & intangible fixed assets	177.3	178.7	1.4
Others	110.4	122.0	11.6
Total Assets	609.6	582.8	(26.8)
Notes and accounts payable	65.8	54.1	(11.7)
Interest bearing debt	135.8	127.1	(8.7)
Others	210.1	214.8	4.7
Total Liabilities	411.7	396.0	(15.7)
Shareholders' equity	170.8	161.1	(9.7)
Accumulated other comprehensive income	18.6	16.8	(1.8)
Non controlling interests	8.5	8.9	0.4
Total Net Assets	197.9	186.8	(11.1)
Total Liabilities and Net Assets	609.6	582.8	(26.8)

iv) Consolidated Statements of Cash Flows

(Unit: billion yen)

	Fiscal year ended Sep. 30, 2024	Fiscal year ended Sep. 30, 2025	Difference
Cash flows from operating activities	35.3	(3.6)	(38.9)
Cash flows from investing activities	(26.8)	(3.7)	23.1
Cash flows from financing activities	(21.1)	(12.3)	8.8
Foreign exchange translation	1.0	0.5	(0.5)
Increase/decrease in cash & cash equivalents	(11.6)	(19.1)	(7.5)
Cash & cash equivalents at beginning of year	69.7	68.7	(1.0)
Cash & cash equivalents at end of year	58.1	49.6	(8.5)

(2) Forecast of Consolidated Information by segments for fiscal year ending March 31, 2026

i) Order Intake

(Unit: billion yen)

Business Segment	Forecast Released on August 5, 2025	Forecast Released on Nov. 6, 2025	(Forecast) Difference
Environment	560.0	560.0	0.0
Machinery & Infrastructure	67.0	67.0	0.0
Carbon Neutral Solution	70.0	70.0	0.0
Other	3.0	3.0	0.0
Total	700.0	700.0	0.0

ii) Statements of Operations

(Unit: billion yen)

		Forecast Released on August 5, 2025		Forecast Released on Nov. 6, 2025		(Forecast) Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Operating income & Net sales	Environment	470.0	25.7	476.0	19.7	6.0	(6.0)
	Machinery & Infrastructure	70.0	0.8	69.0	(1.9)	(1.0)	(2.7)
	Carbon Neutral Solution	77.0	0.3	72.0	0.0	(5.0)	(0.3)
	Other	3.0	0.2	3.0	0.2	0.0	0.0
	Total	620.0	27.0	620.0	18.0	0.0	(9.0)
Ordinary Income		23.0		14.0		(9.0)	
Profit attributable to shareholders of Kanadevia		16.0		10.0		(6.0)	

(Notes)

Operating Income is expected to decrease by 9 billion yen from that released on August 5, 2025 due to cost increases and troubles in Environment Business and Machinery & Infrastructure Business. Ordinary income and net income attributable to shareholders of Kanadevia are also expected to decrease by 9 billion yen and by 6 billion yen respectively.

The impact of the inappropriate conduct in marine engine business and the inappropriate conduct related to businesses other than marine engines has not been determined yet. We will promptly incorporate any anticipated impact on our business performance into our forecast.