

Report of Consolidated Financial Results

For the Year Ended March 31, 2026

May 12, 2026

Name of Company: Kanadevia Corporation
 Code Number: 7004 URL: <https://www.kanadevia.com/>
 Stock Exchange Listing: Tokyo
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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 fiscal year (April 1, 2025 - March 31, 2026)

(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) (%)	
Year ended March 31, 2026	645,222	5.7	12,192	(54.8)	13,621	(44.0)	11,137	(49.6)
Year ended March 31, 2025	610,523	9.8	26,946	10.8	24,329	(5.1)	22,103	16.3

	Net income per share (yen)	Net income per share-diluted (yen)	Return on equity (%)	Return on assets (%)	Operating income to net sales (%)
Year ended March 31, 2026	66.20	—	5.8	2.1	1.9
Year ended March 31, 2025	131.33	—	12.6	4.3	4.4

(Reference) Equity in net income of nonconsolidated subsidiaries and affiliates:

Yen 2,717 million (March 31, 2026), Yen 645 million (March 31, 2025)

(2) Financial position

	Total assets (million yen)	Net assets (million yen)	Shareholders' equity to total assets (%)	Shareholders' equity per share (yen)
Year ended March 31, 2026	718,640	203,400	27.4	1,169.89
Year ended March 31, 2025	609,666	197,895	31.1	1,125.91

(Reference) Shareholders' equity: Yen 196,812 million (March 31, 2026), Yen 189,364 million (March 31, 2025)

(3) Cash flows

	From operating activities (million yen)	From investing activities (million yen)	From financing activities (million yen)	Cash and cash equivalents at end of year (million yen)
Year ended March 31, 2026	11,647	(48,035)	41,544	77,304
Year ended March 31, 2025	24,769	(56,573)	30,150	68,707

2. Dividends

(Record Date)	Dividends per share			Total amount of dividend payment (million yen)	Dividend payout ratio (Consolidated) (%)	Dividend to net assets ratio (Consolidated) (%)
	Interim (yen)	Year-end (yen)	Annual (yen)			
Year ended March 31, 2025	0.00	25.00	25.00	4,212	19.0	2.4
Year ended March 31, 2026	0.00	25.00	25.00	4,212	37.8	2.2
Year ending March 31, 2027 (Forecast)	0.00	38.00	38.00	—	30.5	—

3. Forecast of consolidated earnings for the fiscal year ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(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 (yen)
	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	(million yen)	(%)	
Year ending March 31, 2026	640,000	(0.8)	25,500	109.2	22,000	61.5	21,000	88.6	124.83

4. Notes

(1) Changes in major subsidiaries 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, Hitachi Zosen Marine Engine Co., Ltd.

(2) 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

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

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

March 31, 2026	170,214,843 shares
March 31, 2025	170,214,843 shares

(ii) Number of shares held in treasury

March 31, 2026	1,984,270 shares
March 31, 2025	2,026,463 shares

(iii) Average number of shares during the respective periods

March 31, 2026	168,231,503 shares
March 31, 2025	168,299,597 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 March 31, 2026, 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.

(4) This report is out of scope of Statutory Audit.

(5) This report includes forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of Kanadevia Corporation in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause

Kanadevia Corporation's actual results, performance, achievements or financial position to be materially different from any future, performance, achievements or financial position expressed or implied by these forward-looking statements.

5.Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	70,763	78,010
Notes and accounts receivable - trade, and contract assets	228,020	261,165
Securities	1	1
Merchandise and finished goods	2,049	2,442
Work in process	8,261	7,935
Raw materials and supplies	12,772	12,240
Other	36,135	62,982
Allowance for doubtful accounts	(889)	(1,623)
Total current assets	357,114	423,152
Non-current assets		
Property, plant and equipment		
Buildings and structures	96,434	81,236
Accumulated depreciation	(55,400)	(51,324)
Buildings and structures, net	41,034	29,912
Machinery, equipment and vehicles	106,407	118,049
Accumulated depreciation	(84,928)	(77,540)
Machinery, equipment and vehicles, net	21,478	40,509
Tools, furniture and fixtures	23,520	23,162
Accumulated depreciation	(18,299)	(17,737)
Tools, furniture and fixtures, net	5,221	5,424
Land	52,414	52,123
Leased assets	1,377	902
Accumulated depreciation	(947)	(597)
Leased assets, net	429	304
Right-of-use assets	14,978	15,066
Accumulated depreciation	(6,397)	(4,378)
Right-of-use assets, net	8,581	10,687
Construction in progress	6,901	4,681
Total property, plant and equipment	136,060	143,642
Intangible assets		
Goodwill	14,060	31,105
Other	27,158	31,834
Total intangible assets	41,218	62,940
Investments and other assets		
Investment securities	27,571	37,166
Long-term loans receivable	3,628	3,096
Retirement benefit asset	16,192	14,484
Deferred tax assets	21,341	25,610
Other	7,213	9,231
Allowance for doubtful accounts	(694)	(744)
Total investments and other assets	75,252	88,844
Total non-current assets	252,532	295,427
Deferred assets		
Bond issuance costs	20	59
Total deferred assets	20	59
Total assets	609,666	718,640

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	56,913	60,721
Electronically recorded obligations - operating	8,910	6,414
Short-term borrowings	36,396	66,197
Current portion of bonds payable	10,000	10,000
Lease liabilities	1,661	1,901
Accrued expenses	81,803	99,162
Income taxes payable	4,966	3,750
Contract liabilities	40,600	54,853
Provision for share-based payments	52	27
Provision for Costs Related to Improper Quality Practices	1,484	1,355
Provision for construction warranties	17,394	19,733
Provision for loss on construction contracts	7,063	8,047
Provision for demolition and removal	—	159
Other	27,034	46,225
Total current liabilities	294,283	378,551
Non-current liabilities		
Bonds payable	10,000	—
Long-term borrowings	70,132	96,461
Lease liabilities	7,574	9,496
Deferred tax liabilities	5,820	6,501
Retirement benefit liability	16,468	14,844
Provision for retirement benefits for directors (and other officers)	29	21
Provision for Costs Related to Improper Quality Practices	—	959
Provision for loss on litigation	946	584
Provision for demolition and removal	858	505
Asset retirement obligations	1,125	1,628
Other	4,532	5,684
Total non-current liabilities	117,488	136,687
Total liabilities	411,771	515,239
Net assets		
Shareholders' equity		
Share capital	45,442	45,442
Capital surplus	7,802	7,802
Retained earnings	118,870	125,794
Treasury shares	(1,334)	(1,298)
Total shareholders' equity	170,780	177,740
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,476	1,448
Deferred gains or losses on hedges	528	1,943
Revaluation reserve for land	(20)	(20)
Foreign currency translation adjustment	2,794	5,598
Remeasurements of defined benefit plans	13,804	10,101
Total accumulated other comprehensive income	18,583	19,071
Non-controlling interests	8,530	6,588
Total net assets	197,895	203,400
Total liabilities and net assets	609,666	718,640

6. Consolidated statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	610,523	645,222
Cost of sales	496,338	536,156
Gross profit	114,184	109,066
Selling, general and administrative expenses	87,238	96,874
Operating profit	26,946	12,192
Non-operating income		
Interest income	905	2,691
Dividend income	179	315
Foreign exchange gains	477	—
Share of profit of entities accounted for using equity method	645	2,717
Other	1,120	4,405
Total non-operating income	3,329	10,128
Non-operating expenses		
Interest expenses	817	2,314
Foreign exchange losses	—	3,329
Other	5,128	3,055
Total non-operating expenses	5,946	8,699
Ordinary profit	24,329	13,621
Extraordinary income		
Gain on bargain purchase	—	1,607
Reversal for loss on lawsuits	—	235
Reserve on demolition and removal	—	193
Settlement income	2,187	—
Reversal of provision for loss on business liquidation	729	—
Total extraordinary income	2,916	2,037
Extraordinary losses		
Impairment losses	—	1,908
Costs related to quality misconduct	3,567	2,711
Total extraordinary losses	3,567	4,619
Profit before income taxes	23,678	11,038
Income taxes - current	5,115	3,368
Income taxes - deferred	(3,728)	(3,693)
Total income taxes	1,386	(325)
Profit	22,291	11,364
Profit attributable to non-controlling interests	188	226
Profit attributable to owners of parent	22,103	11,137

7. Consolidated statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	22,291	11,364
Other comprehensive income		
Valuation difference on available-for-sale securities	326	(187)
Deferred gains or losses on hedges	(179)	626
Foreign currency translation adjustment	619	3,208
Remeasurements of defined benefit plans, net of tax	7,970	(3,865)
Share of other comprehensive income of entities accounted for using equity method	97	1,041
Total other comprehensive income	8,834	822
Comprehensive income	31,126	12,187
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	30,893	11,624
Comprehensive income attributable to non-controlling interests	232	562

8. Consolidated statement of Shareholder's Equity

For the year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,442	7,805	100,651	(1,034)	152,865
Changes during period					
Dividends of surplus			(3,876)		(3,876)
Profit attributable to owners of parent			22,103		22,103
Disposal of treasury shares		0		0	0
Purchase of treasury shares				(299)	(299)
Changes of Equity Fluctuations		(3)	(21)		(24)
Reversal of revaluation reserve for land			12		12
Net changes in items other than shareholders' equity					
Total changes during period	—	(3)	18,218	(299)	17,915
Balance at end of period	45,442	7,802	118,870	(1,334)	170,780

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,114	737	(7)	2,194	5,755	9,792	6,288	168,946
Changes during period								
Dividends of surplus								(3,876)
Profit attributable to owners of parent								22,103
Disposal of treasury shares								0
Purchase of treasury shares								(299)
Changes of Equity Fluctuations								(24)
Reversal of revaluation reserve for land								12
Net changes in items other than shareholders' equity	362	(208)	(12)	600	8,049	8,790	2,242	11,032
Total changes during period	362	(208)	(12)	600	8,049	8,790	2,242	28,948
Balance at end of period	1,476	528	(20)	2,794	13,804	18,583	8,530	197,895

For the year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,442	7,802	118,870	(1,334)	170,780
Changes during period					
Dividends of surplus			(4,212)		(4,212)
Profit attributable to owners of parent			11,137		11,137
Disposal of treasury shares		0		52	52
Purchase of treasury shares				(16)	(16)
Changes of Equity Fluctuations					—
Reversal of revaluation reserve for land					—
Net changes in items other than shareholders' equity					
Total changes during period	—	0	6,924	35	6,959
Balance at end of period	45,442	7,802	125,794	(1,298)	177,740

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,476	528	(20)	2,794	13,804	18,583	8,530	197,895
Changes during period								
Dividends of surplus								(4,212)
Profit attributable to owners of parent								11,137
Disposal of treasury shares								52
Purchase of treasury shares								(16)
Changes of Equity Fluctuations								—
Reversal of revaluation reserve for land								—
Net changes in items other than shareholders' equity	(28)	1,414	—	2,803	(3,702)	487	(1,942)	(1,454)
Total changes during period	(28)	1,414	—	2,803	(3,702)	487	(1,942)	5,504
Balance at end of period	1,448	1,943	(20)	5,598	10,101	19,071	6,588	203,400

9. Consolidated statement of Cash Flow

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	23,678	11,038
Depreciation	11,913	15,635
Impairment losses	—	1,908
Gain on bargain purchase	—	(1,607)
Increase (decrease) in provision for loss on litigation	—	(235)
Increase (decrease) in provision for dismantlement	—	(193)
Increase (decrease) in provision for loss on business liquidation	(729)	—
Amortization of goodwill	1,453	2,401
Increase (decrease) in retirement benefit liability	366	(1,035)
Increase (decrease) in allowance for doubtful accounts	(149)	(384)
Increase (decrease) in provision for loss on construction contracts	569	1,429
Increase (decrease) in provision for construction warranties	(1,346)	1,112
Increase (decrease) on Reserve for expenses related to quality	1,484	830
Interest and dividend income	(1,084)	(3,006)
Interest expenses	817	2,314
Loss on net monetary position	629	209
Foreign exchange losses (gains)	(477)	3,329
Share of loss (profit) of entities accounted for using equity method	(645)	(2,717)
Loss (gain) on valuation of investment securities	1,233	50
Decrease (increase) in accounts receivable - trade, and contract assets	15,764	(32,963)
Decrease (increase) in inventories	(647)	291
Increase (decrease) in trade payables	4,325	481
Increase (decrease) in accrued expenses	(3,628)	10,412
Increase (decrease) in contract liabilities	(8,508)	13,483
Decrease (increase) in other current assets	(11,799)	(18,025)
Increase (decrease) in other current liabilities	(2,669)	16,989
Other, net	(3,997)	(6,692)
Subtotal	26,552	15,058
Interest and dividends received	1,543	3,389
Interest paid	(429)	(2,303)
Income taxes paid	(2,896)	(4,496)
Net cash provided by (used in) operating activities	24,769	11,647
Cash flows from investing activities		
Payments into time deposits	(2,319)	(678)
Proceeds from withdrawal of time deposits	2,076	639
Purchase of property, plant and equipment	(25,181)	(21,694)
Proceeds from sale of property, plant and equipment	223	98
Purchase of intangible assets	(3,253)	(3,579)
Purchase of investment securities	(2,632)	(763)
Payments for investments in capital of subsidiaries and associates	(0)	(343)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(25,056)	(19,064)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(15)	4,367
Payments for acquisition of businesses	—	(4,726)
Long-term loan advances	(2,517)	(214)
Other, net	2,104	(2,075)
Net cash provided by (used in) investing activities	(56,573)	(48,035)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	23,390	27,670
Proceeds from long-term borrowings	34,355	32,824
Repayments of long-term borrowings	(12,627)	(4,322)
Redemption of bonds	(10,000)	(10,000)
Dividends paid	(3,876)	(4,212)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(24)	—
Other, net	(1,066)	(414)
Net cash provided by (used in) financing activities	30,150	41,544
Effect of exchange rate change on cash and cash equivalents	584	3,440
Net increase (decrease) in cash and cash equivalents	(1,067)	8,597
Cash and cash equivalents at beginning of period	69,774	68,707
Cash and cash equivalents at end of period	68,707	77,304

10. Supplementary Information

(1) Consolidated Information by segments

i) Order Intake

(Unit: billion yen)

Business Segment	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Difference	Order backlog as of March 31, 2026
Environment	617.4	726.0	108.6	2,142.7
Machinery & Infrastructure	91.2	89.5	(1.7)	83.3
Carbon Neutral Solution	54.0	79.9	25.9	58.3
Other	3.3	2.3	(1.0)	0.4
Total	765.9	897.7	131.8	2,284.7

ii) Statements of Operations

(Unit: billion yen)

		Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026		Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Operating income Net sales &	Environment	453.5	25.4	505.2	16.7	51.7	(8.7)
	Machinery & Infrastructure	83.0	1.0	68.5	(2.4)	(14.5)	(3.4)
	Carbon Neutral Solution	70.2	0.1	69.2	(2.5)	(1.0)	(2.6)
	Other	3.8	0.4	2.3	0.3	(1.5)	(0.1)
	Total	610.5	26.9	645.2	12.1	34.7	(14.8)
Ordinary Income		24.3		13.6		(10.7)	
Profit attributable to shareholders of Kanadevia		22.1		11.1		(11.0)	

iii) Consolidated Balance Sheet

(Unit: billion yen)

	As of March 31, 2025	As of March 31, 2026	Difference
Cash and time deposits	70.8	78.0	7.2
Trade notes and accounts and contract assets	228.0	261.2	33.2
Inventories	23.1	22.6	(0.5)
Other current assets	35.2	61.3	26.1
Tangible & intangible fixed assets	177.3	206.6	29.3
Other non-current assets	75.2	88.9	13.7
Total Assets	609.6	718.6	109.0
Notes and accounts payable	65.8	67.1	1.3
Interest bearing debt	135.8	184.1	48.3
Others	210.1	264.0	53.9
Total Liabilities	411.7	515.2	103.5
Shareholders' equity	170.8	177.7	6.9
Accumulated other comprehensive income	18.6	19.1	0.5
Non controlling interests	8.5	6.6	(1.9)
Total Net Assets	197.9	203.4	5.5
Total Liabilities and Net Assets	609.6	718.6	109.0

iv) Consolidated Statements of Cash Flows

(Unit: billion yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Difference
Cash flows from operating activities	24.8	11.6	(13.2)
Cash flows from investing activities	(56.6)	(48.0)	8.6
Cash flows from financing activities	30.2	41.5	11.3
Foreign exchange translation	0.6	3.5	2.9
Increase/decrease in cash & cash equivalents	(1.0)	8.6	9.6
Cash & cash equivalents at beginning of year	69.7	68.7	(1.0)
Cash & cash equivalents at end of year	68.7	77.3	8.6

(2) Forecast of Consolidated Information by segments for fiscal year ending March 31, 2027

i) Order Intake

(Unit: billion yen)

Business Segment	(Actual) Fiscal year ended March 31, 2026	(Forecast) Fiscal year ending March 31, 2027	(Forecast) Difference
Environment	726.0	713.0	(13.0)
Machinery & Infrastructure	89.5	55.0	(34.5)
Carbon Neutral Solution	79.9	38.0	(41.9)
Other	2.3	4.0	1.7
Total	897.7	810.0	(87.7)

ii) Statements of Operations

(Unit: billion yen)

		(Actual) Fiscal year ended March 31, 2026		(Forecast) Fiscal year ending March 31, 2027		(Forecast) Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Operating income & Net sales	Environment	505.2	16.7	537.0	26.7	31.8	10.0
	Machinery & Infrastructure	68.5	(2.4)	61.0	(0.6)	(7.5)	1.8
	Carbon Neutral Solution	69.2	(2.5)	38.0	(0.8)	(31.2)	1.7
	Other	2.3	0.3	4.0	0.2	1.7	(0.1)
	Total	645.2	12.1	640.0	25.5	(5.2)	13.4
Ordinary Income		13.6		22.0		8.4	
Profit attributable to shareholders of Kanadevia		11.1		21.0		9.9	

(Notes)

Business Outlook

Regarding the outlook for consolidated business performance for the next fiscal year, the order intake target is 810.0 billion, which is below the current fiscal year due to decreases in the Machinery & Infrastructure and Marine Engine businesses, among other factors.

Net sales are expected to remain at the same level as the current fiscal year at 640.0 billion, as decreases in the Machinery & Infrastructure and Marine Engine businesses will be offset by increases at overseas subsidiaries in the Environmental business.

In terms of profit performance, operating income is expected to exceed the current fiscal year at 25.5 billion due to the absence of technical trouble-related expenses recorded in the current fiscal year and smaller deterioration in Infrastructure profitability.

In addition, ordinary income is expected to be 22.0 billion, and profit attributable to owners of parent is expected to be 21.0 billion.