

Report of Consolidated Financial Results

For the Nine Months Ended December 31, 2025

February 5, 2026

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 nine months ended December 31, 2025 (April 1 - December 31, 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) (%)	
9 months ended Dec. 31, 2025	424,740	2.7	(4,666)	—	(4,963)	—	(6,311)	—
9 months ended Dec. 31, 2024	413,432	11.0	9,746	2.5	5,917	(35.3)	5,393	(9.5)

	Net income per share (yen)	Net income per share-diluted (yen)
9 months ended Dec. 31, 2025	(37.52)	—
9 months ended Dec. 31, 2024	32.04	—

(2) Financial position

	Total assets (million yen)	Net assets (million yen)	Shareholders' equity to total assets (%)
As of December 31, 2025	655,217	186,893	27.0
As of March 31, 2025	609,666	197,895	31.1

(Reference) Shareholders' equity: Yen 176,653 million (December 31, 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	13,500	(49.9)	13,000	(46.6)	5,000	(77.4)	29.73

(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)

December 31, 2025 170,214,843 shares

March 31, 2025 170,214,843 shares

(ii) Number of shares held in treasury

December 31, 2025 1,970,878 shares

March 31, 2025 2,026,463 shares

(iii) Average number of shares during the respective periods

Nine months ended December 31, 2025 168,229,116 shares

Nine months ended December 31, 2024 168,336,574 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 December 31, 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 December 31, 2025
Assets		
Current assets		
Cash and deposits	70,763	68,770
Notes and accounts receivable - trade, and contract assets	228,020	232,075
Securities	1	1
Merchandise and finished goods	2,049	3,178
Work in process	8,261	18,850
Raw materials and supplies	12,772	14,459
Other	36,135	46,749
Allowance for doubtful accounts	(889)	(1,467)
Total current assets	357,114	382,617
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	41,034	31,079
Land	52,414	51,593
Other, net	42,612	58,616
Total property, plant and equipment	136,060	141,290
Intangible assets		
Goodwill	14,060	15,482
Other	27,158	31,728
Total intangible assets	41,218	47,210
Investments and other assets		
Other	75,947	84,856
Allowance for doubtful accounts	(694)	(767)
Total investments and other assets	75,252	84,089
Total non-current assets	252,532	272,589
Deferred assets	20	9
Total assets	609,666	655,217

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	56,913	42,128
Electronically recorded obligations - operating	8,910	7,766
Short-term borrowings	36,396	77,165
Current portion of bonds payable	10,000	10,000
Lease liabilities	1,661	1,552
Accrued expenses	81,803	81,846
Income taxes payable	4,966	3,299
Contract liabilities	40,600	82,804
Provision for share-based payments	52	47
Provision for expenses related to quality misconduct	1,484	2,075
Provision for construction warranties	17,394	16,913
Provision for loss on construction contracts	7,063	7,903
Other	27,034	28,823
Total current liabilities	294,283	362,326
Non-current liabilities		
Bonds payable	10,000	—
Long-term borrowings	70,132	68,275
Lease liabilities	7,574	7,797
Deferred tax liabilities	5,820	6,184
Retirement benefit liability	16,468	16,235
Provision for retirement benefits for directors (and other officers)	29	25
Provision for loss on litigation	946	896
Provision for demolition and removal	858	1,073
Asset retirement obligations	1,125	1,128
Other	4,532	4,378
Total non-current liabilities	117,488	105,996
Total liabilities	411,771	468,323
Net assets		
Shareholders' equity		
Share capital	45,442	45,442
Capital surplus	7,802	7,802
Retained earnings	118,870	108,345
Treasury shares	(1,334)	(1,284)
Total shareholders' equity	170,780	160,305
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,476	2,208
Deferred gains or losses on hedges	528	1,488
Revaluation reserve for land	(20)	(20)
Foreign currency translation adjustment	2,794	1,029
Remeasurements of defined benefit plans	13,804	11,642
Total accumulated other comprehensive income	18,583	16,347
Non-controlling interests	8,530	10,240
Total net assets	197,895	186,893
Total liabilities and net assets	609,666	655,217

6. Profit and loss statements

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	413,432	424,740
Cost of sales	341,393	355,805
Gross profit	72,038	68,935
Selling, general and administrative expenses	62,292	73,602
Operating profit (loss)	9,746	(4,666)
Non-operating income		
Interest income	948	1,065
Dividend income	170	304
Share of profit of entities accounted for using equity method	—	1,773
Foreign exchange gains	319	—
Other	936	1,934
Total non-operating income	2,374	5,077
Non-operating expenses		
Interest expenses	829	1,037
Share of loss of entities accounted for using equity method	407	—
Foreign exchange losses	—	2,904
Other	4,965	1,433
Total non-operating expenses	6,202	5,374
Ordinary profit (loss)	5,917	(4,963)
Extraordinary income		
Settlement income	2,205	—
Reversal of provision for loss on business liquidation	729	—
Total extraordinary income	2,934	—
Extraordinary losses		
Impairment losses	—	1,612
Expenses related to quality misconduct	—	1,401
Provision for decommissioning and removals	—	214
Total extraordinary losses	—	3,228
Profit (loss) before income taxes	8,852	(8,192)
Income taxes	3,330	(1,929)
Profit (loss)	5,522	(6,263)
Profit attributable to non-controlling interests	128	48
Profit (loss) attributable to owners of parent	5,393	(6,311)

7. Supplementary Information

(1) Consolidated Information by segments

i) Order Intake

(Unit: billion yen)

Business Segment	Fiscal year ended Dec. 31, 2024	Fiscal year ended Dec. 31, 2025	Difference	Order backlog as of Dec. 31, 2025
Environment	359.4	345.1	(14.3)	1,660.6
Machinery & Infrastructure	63.0	68.3	5.3	84.0
Carbon Neutral Solution	22.0	45.5	23.5	86.6
Other	2.4	2.0	(0.4)	0.5
Total	446.8	460.9	14.1	1,831.7

ii) Statements of Operations

(Unit: billion yen)

		Fiscal year ended Dec. 31, 2024		Fiscal year ended Dec. 31, 2025		Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Operating income Net sales &	Environment	305.7	11.7	331.5	0.7	25.8	(11.0)
	Machinery & Infrastructure	56.1	(1.0)	46.3	(2.8)	(9.8)	(1.8)
	Carbon Neutral Solution	48.8	(1.5)	44.9	(2.8)	(3.9)	(1.3)
	Other	2.8	0.5	2.0	0.3	(0.8)	(0.2)
	Total	413.4	9.7	424.7	(4.6)	11.3	(14.3)
Ordinary Income		5.9		(4.9)		(10.8)	
Profit attributable to shareholders of Kanadevia		5.3		(6.3)		(11.6)	

iii) Consolidated Balance Sheet

(Unit: billion yen)

	As of Mar. 31, 2025	As of Dec. 31, 2025	Difference
Cash and time deposits	70.8	68.8	(2.0)
Trade notes and accounts and contract assets	228.0	232.0	4.0
Inventories	23.1	36.5	13.4
Tangible & intangible fixed assets	177.3	188.5	11.2
Others	110.4	129.4	19.0
Total Assets	609.6	655.2	45.6
Notes and accounts payable	65.8	49.9	(15.9)
Interest bearing debt	135.8	164.8	29.0
Others	210.1	253.6	43.5
Total Liabilities	411.7	468.3	56.6
Shareholders' equity	170.8	160.3	(10.5)
Accumulated other comprehensive income	18.6	16.4	(2.2)
Non controlling interests	8.5	10.2	1.7
Total Net Assets	197.9	186.9	(11.0)
Total Liabilities and Net Assets	609.6	655.2	45.6

iv) Consolidated Statements of Cash Flows

(Unit: billion yen)

	Fiscal year ended Dec. 31, 2024	Fiscal year ended Dec. 31, 2025	Difference
Cash flows from operating activities	8.9	(3.5)	(12.4)
Cash flows from investing activities	(42.8)	(19.1)	23.7
Cash flows from financing activities	10.8	23.8	13.0
Foreign exchange translation	1.2	(2.0)	(3.2)
Increase/decrease in cash & cash equivalents	(21.9)	(0.8)	21.1
Cash & cash equivalents at beginning of year	69.7	68.7	(1.0)
Cash & cash equivalents at end of year	47.8	67.9	20.1

(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 Nov. 6, 2025	Forecast Released on Feb. 5, 2026	(Forecast) Difference
Environment	560.0	572.0	12.0
Machinery & Infrastructure	67.0	75.0	8.0
Carbon Neutral Solution	70.0	70.0	0.0
Other	3.0	3.0	0.0
Total	700.0	720.0	20.0

ii) Statements of Operations

(Unit: billion yen)

		Forecast Released on Nov. 6, 2025		Forecast Released on Feb. 5, 2026		(Forecast) Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Operating income & Net sales	Environment	476.0	19.7	478.0	16.2	2.0	(3.5)
	Machinery & Infrastructure	69.0	(1.9)	69.0	(1.9)	0.0	0.0
	Carbon Neutral Solution	72.0	0.0	70.0	(1.0)	(2.0)	(1.0)
	Other	3.0	0.2	3.0	0.2	0.0	0.0
	Total	620.0	18.0	620.0	13.5	0.0	(4.5)
Ordinary Income		14.0		13.0		(1.0)	
Profit attributable to shareholders of Kanadevia		10.0		5.0		(5.0)	

(Notes)

Operating Income is expected to decrease by 4.5 billion yen from that released on November 6, 2025, due to technical troubles in Environment Business. Although there is an increase in Share of profit of entities accounted for using equity method, Ordinary income is projected to fall by 1 billion yen due to the decline in Operating income. Furthermore, Profit attributable to shareholders of Kanadevia is also expected to decrease by 5 billion yen due to the recording of Extraordinary losses. If the further impact of the inappropriate conduct in marine engine business and the inappropriate conduct related to businesses other than marine engines are anticipated, we will promptly incorporate any anticipated impact on our business performance into our forecast.