

Kanadevia

Technology for people and planet

Dear Shareholders

I hereby deliver the Interim Business Report for the 129th Fiscal Year.

As of October of this year, we celebrated our first year as Kanadevia. During this year, we have engaged in branding activities through TV commercials, YouTube videos, and the like. We are steadily achieving results from efforts such as an improvement in awareness of Kanadevia Corporation (“the Company”) and an increase of job applicants in our recruitment activities.

On the other hand, we would like to again express our deepest apologies to everyone for causing considerable inconvenience and concern regarding the inappropriate conduct that came to light in the previous fiscal year in several businesses and products, including the incident with the marine engine business. We will continue to devote ourselves to recurrence prevention measures, and revisit the meanings behind our company name Kanadevia and Kanadevia Value, the basic philosophy of the Kanadevia Group (“the Group”), to promote the transformation of our organizational culture and mindset.

The current fiscal year marks the final year of the medium-term management plan “Forward 25.” Under the basic policies of “sustainable growth of existing businesses,” “creation and expansion of growth businesses,” and “promoting sustainable management,” we have made efforts to expand overseas businesses, promote Business Portfolio Management, strengthen the human capital that forms our foundation, and transform our organizational culture. In October of this year, in order to conduct human capital management that is closely linked with our business strategy, we have renamed the General Administration Headquarters to the People & Culture Headquarters, and conducted an organizational restructuring to review the structure of the Human Resources Department that falls under its jurisdiction. Regarding business performance, we revised the earnings forecast for the full year downward due to the deterioration of the Environment Business and Machinery & Infrastructure Business during the first half of fiscal year 2025. We sincerely apologize for not meeting the expectations of our shareholders. All of our officers and employees will do their utmost to ensure a swift turnaround so that we can announce a recovery in our business performance as soon as possible. Additionally, in August of this year, the Company was selected as a constituent of the “JPX-Nikkei Index 400” and “JPX-Nikkei Index Human Capital 100” stock indices for the first time. Going forward, we will aim for further enhancement of our corporate value and the growth of the Group as a global corporation, and strive to meet the expectations of our shareholders. We would like to ask for the continued support of our shareholders.



President and Chief Executive Officer

Michi Kuwahara

Kanadevia exhibition area at Expo 2025 visited by approximately 150 thousand people



[Kanadevia exhibition area]
Event to celebrate reaching
100 thousand visitors

During the World Expo 2025 Osaka, Kansai, Japan (“Expo 2025”), which ended in October of this year, the “Future City” Pavilion was visited by approximately 1.9 million people, with approximately 150 thousand visitors having the experience of creating energy from waste at the Kanadevia exhibition area. Furthermore, at the Japan Pavilion, our efforts towards realizing a sustainable society, such as generating electricity from food waste generated at the Expo venue using a biogas power plant designed and constructed by the Company, and sponsoring plant tours, were well received, making for a great opportunity to promote the Company.

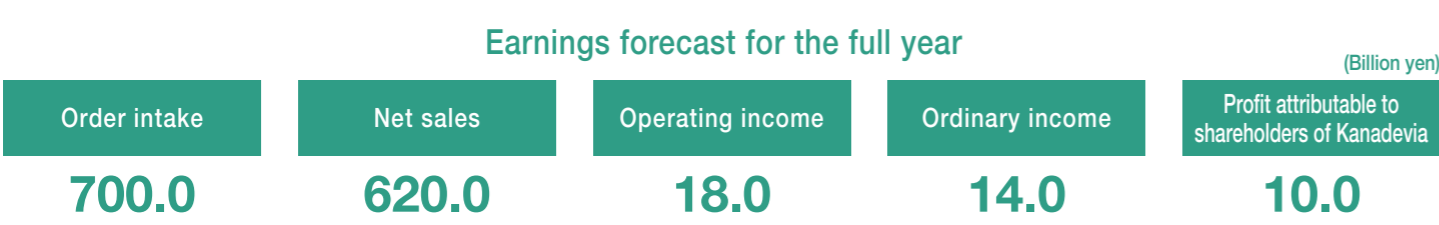
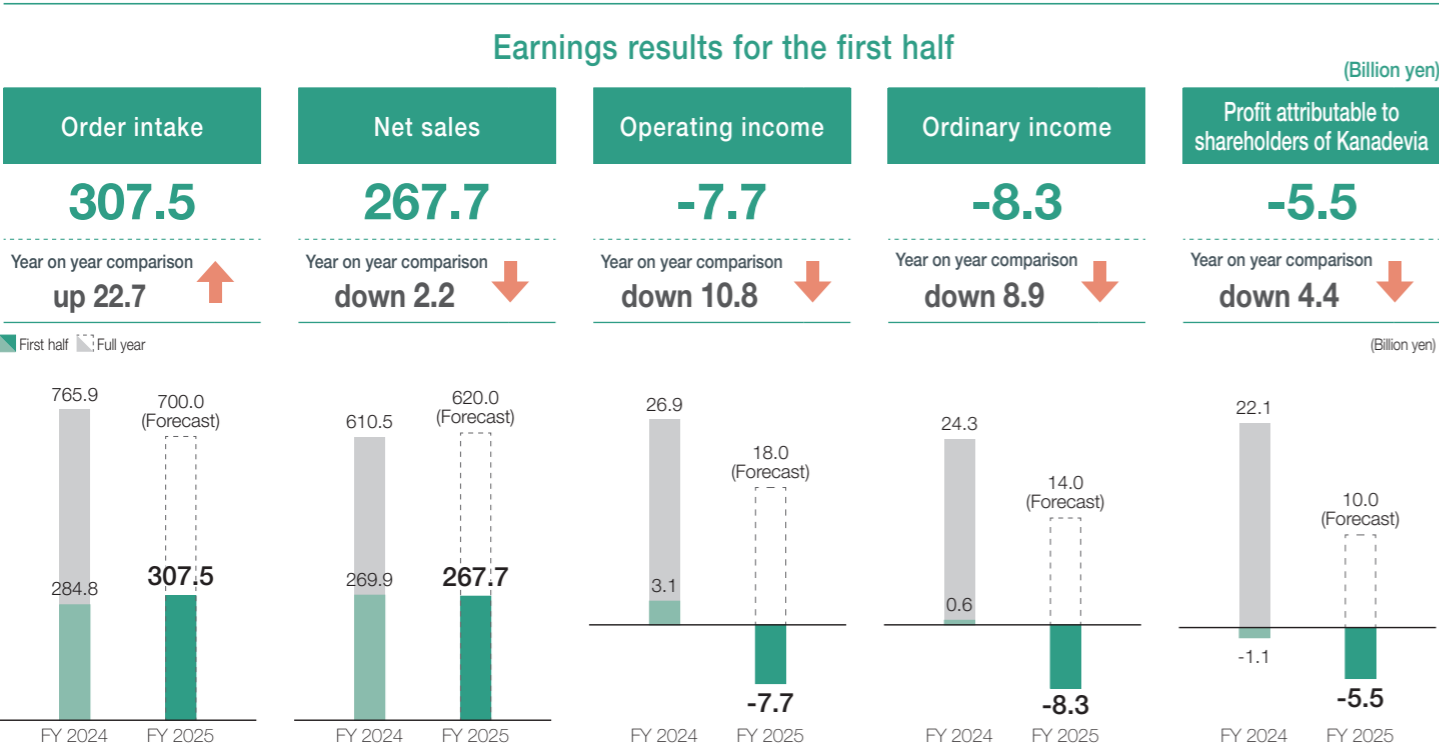
Financial Highlights (Consolidated)

Financial results for the first half of fiscal year 2025

During the first half of fiscal year 2025, economic conditions gradually recovered due to improvements in the employment and income environment as well as various governmental policies. However, the outlook remained uncertain due to the impacts of U.S. trade policy, continuing price increases, and fluctuations in the financial and capital markets.

In this environment, the consolidated financial results for the first half of fiscal year 2025 of the Group were as follows. Order intake was 307.5 billion yen, due to an increase in the Carbon Neutral Solution Business, while net sales were 267.7 billion yen, mainly due to a decrease in the Machinery & Infrastructure Business. In addition, operating income was negative 7.7 billion yen, mainly due to a decrease in the Environment Business. Accordingly, ordinary income was negative 8.3 billion yen and profit attributable to shareholders of Kanadevia was negative 5.5 billion yen. We would like to ask for your understanding in that we have decided not to pay an interim dividend for the current fiscal year.

As for the earnings forecast for the full year, we expect deterioration caused by higher costs and a trouble in the Environment Business and Machinery & Infrastructure Business, and have revised profits downward to the following forecast dated November 6. There will be no change to the year-end dividend forecast. Our profits are concentrated in the second half under our Group's business structure.



For detailed financial information, please refer to "Investor Relations" on the corporate website.

<https://www.kanadevia.com/english/ir/>



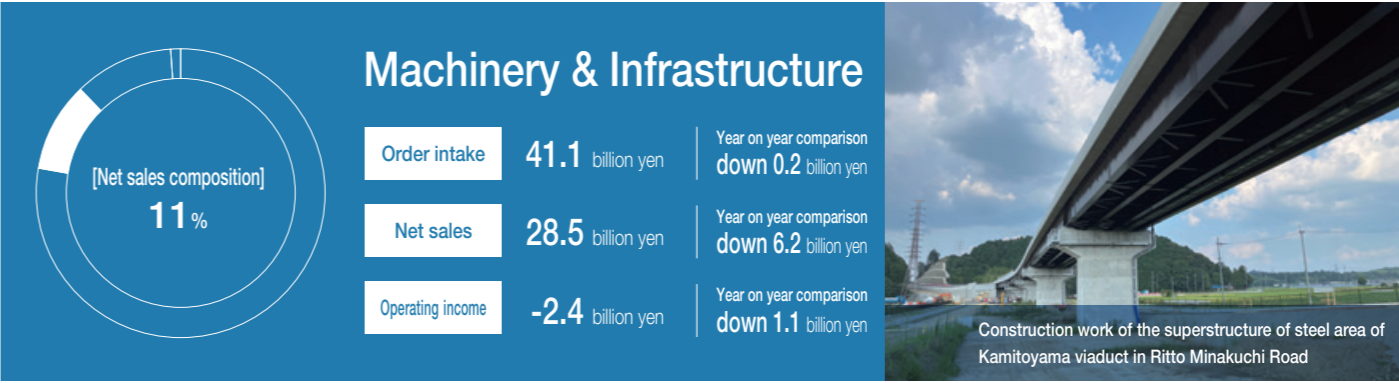
Summary by Business Segment



Total order intake increased from the same period of the previous fiscal year to 233.1 billion yen. Orders were received for upgrading works on core equipment for four Waste to Energy (WtE) plants, construction works of water treatment facilities for Association for broader area of Toyama District, Sakata District Local Government Association, Saga City, and Matsumoto City in Japan, and overseas construction works of the first CO₂ capture facility at the UK's WtE plant.

Net sales increased from the same period of the previous fiscal year to 208.0 billion yen, mainly due to the completion of a water treatment facility for Narita City and Miyoshi Wide-Area Union, and overseas, the completion of an WtE plant in the UK, and an increase in revenue through M&A of overseas subsidiaries.

Operating income decreased from the same period of the previous fiscal year to negative 2.7 billion yen, mainly due to a decrease in the number of high-margin projects and an impact from higher costs.



Total order intake decreased from the same period of the previous fiscal year to 41.1 billion yen, despite receiving orders mainly for water gate construction and vacuum system equipment for the storage ring at the SPring-8-II, large synchrotron radiation facility.

Net sales decreased from the same period of the previous fiscal year to 28.5 billion yen, mainly due to the sale of the press business, despite increased sales of precision machinery and the completion of works, such as construction work of the superstructure of steel area of Kamitoyama viaduct in Ritto Minakuchi Road and the superstructure of Gamagouhara River Bridge in Susami Kushimoto Road for the Ministry of Land, Infrastructure, Transport and Tourism Kinki Regional Development Bureau.

Operating income also decreased from the same period of the previous fiscal year to negative 2.4 billion yen, mainly due to accident-related deteriorating infrastructure profitability.



Total order intake increased from the same period of the previous fiscal year to 31.8 billion yen, mainly due to orders for marine engines for domestic shipyards.

Net sales decreased from the same period of the previous fiscal year to 29.6 billion yen, due to decreased sales mainly caused by delays in order timing for the nuclear power business at overseas subsidiaries, despite the completion of works on heat exchangers for domestic refineries.

Operating income also decreased from the same period of the previous fiscal year to negative 2.9 billion yen, mainly due to the nuclear power equipment at overseas subsidiaries.

(Note) In Other Businesses, order intake was 1.5 billion yen, net sales were 1.6 billion yen, and operating income amounted to 0.3 billion yen.

Corporate data

(as of September 30, 2025)

Date of founding	April 1, 1881
Capital	45,442,365,005 yen
Number of employees	4,049 (consolidated: 12,727)

Stock data

(as of September 30, 2025)

Total number of shares authorized to be issued	400,000,000 shares
Total number of issued shares	170,214,843 shares
Number of shareholders	68,301
Number of shares constituting one unit of shares	100 shares
Major shareholders	

Name of shareholders	Numbers of shares held (Thousands of shares)	Holding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	29,854	17.7
Custody Bank of Japan, Ltd. (Trust Account)	9,341	5.5
STATE STREET BANK AND TRUST COMPANY 505301	6,364	3.8
MUFG Bank, Ltd.	5,291	3.1
STATE STREET BANK AND TRUST COMPANY 505223	4,542	2.7
THE BANK OF NEW YORK MELLON 140042	4,192	2.5
HSBC BANK PLC A/C M AND G (ACS) VALUE PARTNERS CHINA EQUITY FUND	3,957	2.3
JP MORGAN CHASE BANK 385632	3,166	1.9
Kanadevia Employee Shareholding Association	2,672	1.6
Sompo Japan Insurance Inc.	2,358	1.4

Note : The holding ratio is calculated excluding the number of treasury stock.

Connect to corporate website

<https://www.kanadevia.com/english/>



Shareholder information

Fiscal year	April 1 to March 31
Public notices	Via the corporate website (https://www.kanadevia.com/) (in Japanese) If we are unable to give an electronic public notice because of an accident or any other unavoidable reason, public notices may be given in the "The SANKEI" newspaper.
Shareholder registry administrator and special account custodian	Mitsubishi UFJ Trust and Banking Corporation
Contact	3-6-3 Fushimimachi, Chuo-ku, Osaka, 541-8502, Japan Mitsubishi UFJ Trust and Banking Corporation Osaka Corporate Agency Division Telephone: 0120-094-777 (toll free in Japan)
Stock listing	Tokyo Stock Exchange

Procedures concerning shares

For procedures of address change or request for sale/additional purchase of shares less than one unit, etc., please contact the securities company or other financial institution where your account has been opened.

If shares are registered in a special account because you have not opened with a securities company, etc., please contact the above address of Mitsubishi UFJ Trust and Banking Corporation, which is the special account custodian.

Individual number ("My Number")

For procedures on shares and other tax related affairs, notification of your "My Number," which people who have a certificate of residence in Japan are notified of by their municipality, is required. We request you to notify your individual number in a securities company, etc. where your account has been opened, if you have not done so yet.

Integrated Report

We are issuing an integrated report that contains the management plan, financial information, and ESG information to explain to our stakeholders the measures we are taking to realize value creation in line with the Group's long-term vision. Please refer to our website.



YouTube Channel

Kanadevia Group Channel has been created on "YouTube" video sharing site to present the Group's business, history and other information.

[Click here to view the commercials currently being broadcast.](#)



IR mail delivery (Japanese Only)

We deliver IR-related information and news releases, etc. by email.

If you wish to receive IR mails, please subscribe to "RIMSNET" IR mail delivery service (free of charge) operated by Mitsubishi UFJ Trust and Banking Corporation in the following site:

<https://rims.tr.mufg.jp/?sn=7004> (in Japanese)

