

Report of Consolidated Financial Results

For the Three Months Ended June 30, 2025

August 5, 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
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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 three months ended June 30, 2025 (April 1 - June 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) (%)	
3 months ended June 30, 2025	125,441	3.2	-4,055	—	-4,731	—	-3,632	—
3 months ended June 30, 2024	121,563	18.6	-878	—	-2,062	—	-2,813	—

	Net income per share (yen)	Net income per share-diluted (yen)
3 months ended June 30, 2025	-21.60	—
3 months ended June 30, 2024	-16.70	—

(2) Financial position

	Total assets (million yen)	Net assets (million yen)	Shareholders' equity to total assets (%)
As of June 30, 2025	564,559	189,883	32.1
As of March 31, 2025	609,666	197,895	31.1

(Note) Shareholders' equity: Yen 181,236 million (June 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	27,000	0.2	23,000	-5.5	16,000	-27.6	95.13

(Note) Revisions to the forecast of consolidated earnings most recently announced : No

4. Notes

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

Exclude four company from consolidated: 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)

June 30, 2025 170,214,843 shares

March 31, 2025 170,214,843 shares

(ii) Number of shares held in treasury

June 30, 2025 1,997,603 shares

March 31, 2025 2,026,463 shares

(iii) Average number of shares during the respective periods

Three months ended June 30, 2025 168,197,790 shares

Three months ended June 30, 2024 168,521,349 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. (299,816 shares as of June 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 June 30, 2025
Assets		
Current assets		
Cash and deposits	70,763	53,250
Notes and accounts receivable - trade, and contract assets	228,020	194,411
Securities	1	1
Merchandise and finished goods	2,049	2,362
Work in process	8,261	10,451
Raw materials and supplies	12,772	12,832
Other	36,135	37,369
Allowance for doubtful accounts	△889	△892
Total current assets	357,114	309,787
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	41,034	38,822
Land	52,414	51,617
Other, net	42,612	41,334
Total property, plant and equipment	136,060	131,773
Intangible assets		
Goodwill	14,060	15,330
Other	27,158	29,480
Total intangible assets	41,218	44,810
Investments and other assets		
Other	75,947	78,967
Allowance for doubtful accounts	△694	△796
Total investments and other assets	75,252	78,170
Total non-current assets	252,532	254,755
Deferred assets	20	17
Total assets	609,666	564,559

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	56,913	42,194
Electronically recorded obligations - operating	8,910	8,645
Short-term borrowings	36,396	8,410
Current portion of bonds payable	10,000	10,000
Lease liabilities	1,661	1,386
Accrued expenses	81,803	75,443
Income taxes payable	4,966	3,157
Contract liabilities	40,600	57,303
Provision for share-based payments	52	55
Provision for expenses related to quality misconduct	1,484	1,148
Provision for construction warranties	17,394	17,347
Provision for loss on construction contracts	7,063	6,778
Other	27,034	25,942
Total current liabilities	294,283	257,812
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	70,132	70,417
Lease liabilities	7,574	7,256
Deferred tax liabilities	5,820	6,205
Retirement benefit liability	16,468	15,290
Provision for retirement benefits for directors (and other officers)	29	25
Provision for loss on litigation	946	946
Provision for demolition and removal	858	858
Asset retirement obligations	1,125	1,126
Other	4,532	4,736
Total non-current liabilities	117,488	116,863
Total liabilities	411,771	374,676
Net assets		
Shareholders' equity		
Share capital	45,442	45,442
Capital surplus	7,802	7,802
Retained earnings	118,870	111,025
Treasury shares	△1,334	△1,308
Total shareholders' equity	170,780	162,961
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,476	1,603
Deferred gains or losses on hedges	528	1,594
Revaluation reserve for land	△20	△20
Foreign currency translation adjustment	2,794	1,517
Remeasurements of defined benefit plans	13,804	13,579
Total accumulated other comprehensive income	18,583	18,275
Non-controlling interests	8,530	8,646
Total net assets	197,895	189,883
Total liabilities and net assets	609,666	564,559

6. Profit and loss statements

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	121,563	125,441
Cost of sales	102,223	106,161
Gross profit	19,340	19,280
Selling, general and administrative expenses	20,218	23,335
Operating loss	△878	△4,055
Non-operating income		
Interest income	283	136
Dividend income	135	23
Share of profit of entities accounted for using equity method	—	462
Foreign exchange gains	128	—
Other	199	1,209
Total non-operating income	746	1,831
Non-operating expenses		
Interest expenses	222	328
Share of loss of entities accounted for using equity method	1,079	—
Foreign exchange losses	—	1,609
Other	628	569
Total non-operating expenses	1,930	2,507
Ordinary loss	△2,062	△4,731
Loss before income taxes	△2,062	△4,731
Income taxes	712	△1,148
Loss	△2,775	△3,582
Profit attributable to non-controlling interests	38	49
Loss attributable to owners of parent	△2,813	△3,632

7. Supplementary Information

(1) Consolidated Information by segments

i) Order Intake

(Unit: billion yen)

Business Segment	Fiscal year ended June. 30, 2024	Fiscal year ended June. 30, 2025	Difference	Order backlog as of June. 30, 2025
Environment	175.3	86.6	-88.7	1,618.8
Machinery & Infrastructure	21.9	24.2	2.3	72.8
Carbon Neutral Solution	6.2	14.5	8.3	86.0
Other	0.8	0.9	0.1	0.5
Total	204.2	126.2	-78.0	1,778.1

ii) Statements of Operations

(Unit: billion yen)

		Fiscal year ended June. 30, 2024		Fiscal year ended June. 30, 2025		Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Operating income	Environment	87.9	0.7	96.1	-0.6	8.2	-1.3
	Machinery & Infrastructure	16.4	-1.2	13.4	-2.1	-3.0	-0.9
	Carbon Neutral Solution	16.6	-0.5	15.1	-1.4	-1.5	-0.9
	Other	0.6	0.2	0.8	0.1	0.2	-0.1
	Total	121.5	-0.8	125.4	-4.0	3.9	-3.2
Ordinary Income		-2.0		-4.7		-2.7	
Profit attributable to shareholders of Kanadevia		-2.8		-3.6		-0.8	

iii) Consolidated Balance Sheet

(Unit: billion yen)

	As of Mar. 31, 2025	As of Jun. 30, 2025	Difference
Cash and time deposits	70.8	53.2	-17.6
Trade notes and accounts and contract assets	228.0	194.4	-33.6
Inventories	23.1	25.6	2.5
Tangible & intangible fixed assets	177.3	176.6	-0.7
Others	110.4	114.7	4.3
Total Assets	609.6	564.5	-45.1
Notes and accounts payable	65.8	50.8	-15.0
Interest bearing debt	135.8	107.5	-28.3
Others	210.1	216.3	6.2
Total Liabilities	411.7	374.6	-37.1
Shareholders' equity	170.8	163.0	-7.8
Accumulated other comprehensive income	18.6	18.3	-0.3
Non controlling interests	8.5	8.6	0.1
Total Net Assets	197.9	189.9	-8.0
Total Liabilities and Net Assets	609.6	564.5	-45.1

iv) Consolidated Statements of Cash Flows

(Unit: billion yen)

	Fiscal year ended Jun. 30, 2024	Fiscal year ended Jun. 30, 2025	Difference
Cash flows from operating activities	46.8	17.6	-29.2
Cash flows from investing activities	-21.2	1.8	23.0
Cash flows from financing activities	-10.5	-31.8	-21.3
Foreign exchange translation	2.9	-3.8	-6.7
Increase/decrease in cash & cash equivalents	18.0	-16.2	-34.2
Cash & cash equivalents at beginning of year	69.7	68.7	-1.0
Cash & cash equivalents at end of year	87.7	52.5	-35.2

(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 May. 12, 2025	Forecast Released on August. 5, 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 May. 12, 2025		Forecast Released on August. 5, 2025		(Forecast) Difference	
		Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Operating income & Net sales	Environment	470.0	24.5	470.0	25.7	0.0	1.2
	Machinery & Infrastructure	70.0	2.0	70.0	0.8	0.0	-1.2
	Carbon Neutral Solution	77.0	0.3	77.0	0.3	0.0	0.0
	Other	3.0	0.2	3.0	0.2	0.0	0.0
	Total	620.0	27.0	620.0	27.0	0.0	0.0
Ordinary Income		23.0		23.0		0.0	
Profit attributable to shareholders of Kanadevia		16.0		16.0		0.0	

(Notes)

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.