Kanadevia

Technology for people and planet

FY2026 1Q Financial Results

August 6, 2026

FY2026 1Q Performance Highlights

Order Intake

JPY **262.6** bn

+108% YoY

Strong order intake in Waste-to-Energy (WtE) EPC and O&M businesses

Secured a large-scale nuclear-related equipment project

Net Sales

JPY **141.7** bn

+13% YoY

Environment business remained solid in Japan and overseas, supported by a strong order backlog

Operating Profit

JPY **-2.4** bn

+JPY 1.6 bn YoY

Operating profit improved YoY, as higher revenue more than offset delays in Middle East projects, and higher SG&A expenses

Net Income

JPY **0.1** bn

+ JPY 3.7 bn YoY

Returned to profitability, supported by a JPY 4.5 bn gain on sale of a subsidiary

[1] EPC (Engineering, Procurement, Construction): A project delivery model under which a contractor undertakes the entire process, from engineering and procurement to construction.

FY2026 1Q Consolidated Results

Order intake, net sales, and all profit levels improved year on year

(JPY bn)	FY25 1Q	FY26 1Q	YoY
Order Intake	**126.3**	**262.6**	**136.3**
Net Sales	**125.4**	**141.7**	**+16.3**
Gross Profit	19.3	23.5	+4.2
SG & A	23.3	25.9	+2.6
Operating Profit	**-4.1**	**-2.4**	**+1.7**
Operating Margin	-3.2%	-1.7%	+1.5pts
Non-Operating Income (Expense)	-0.7	-0.5	+0.2
Ordinary Income	-4.7	-2.9	+1.8
Extraordinary Gain (Loss)	0.0	4.5	+4.5
Net Income	**-3.6**	**0.1**	**+3.7**
FX Rate (JPY/CHF)	175.6	201.8	+26.2

[YoY Highlights]

Gross Profit

Gross profit margin improved by 1.2 percentage points YoY to 16.6%

SG&A Expenses

SG&A expenses increased YoY, primarily due to higher personnel costs

Extraordinary Gain

Recognized a JPY 4.5 bn gain on the sale of a subsidiary

FY2026 Full Year Forecast

1Q performance was on track. Order intake forecast raised by JPY 30.0 bn

(JPY bn)	FY26 1Q Actual	FY26 Full Year Forecast		
		Initial(a)	Revised (b)	Change (b-a)
Order Intake	262.6	810.0	840.0	**+30.0**
Net Sales	141.7	640.0	640.0	-
Operating Income	-2.4	25.5	25.5	-
Oparating Margin	-1.7%	4.0%	4.0%	-
Ordinary Income	-2.9	22.0	22.0	-
Net Profit	0.1	21.0	21.0	-

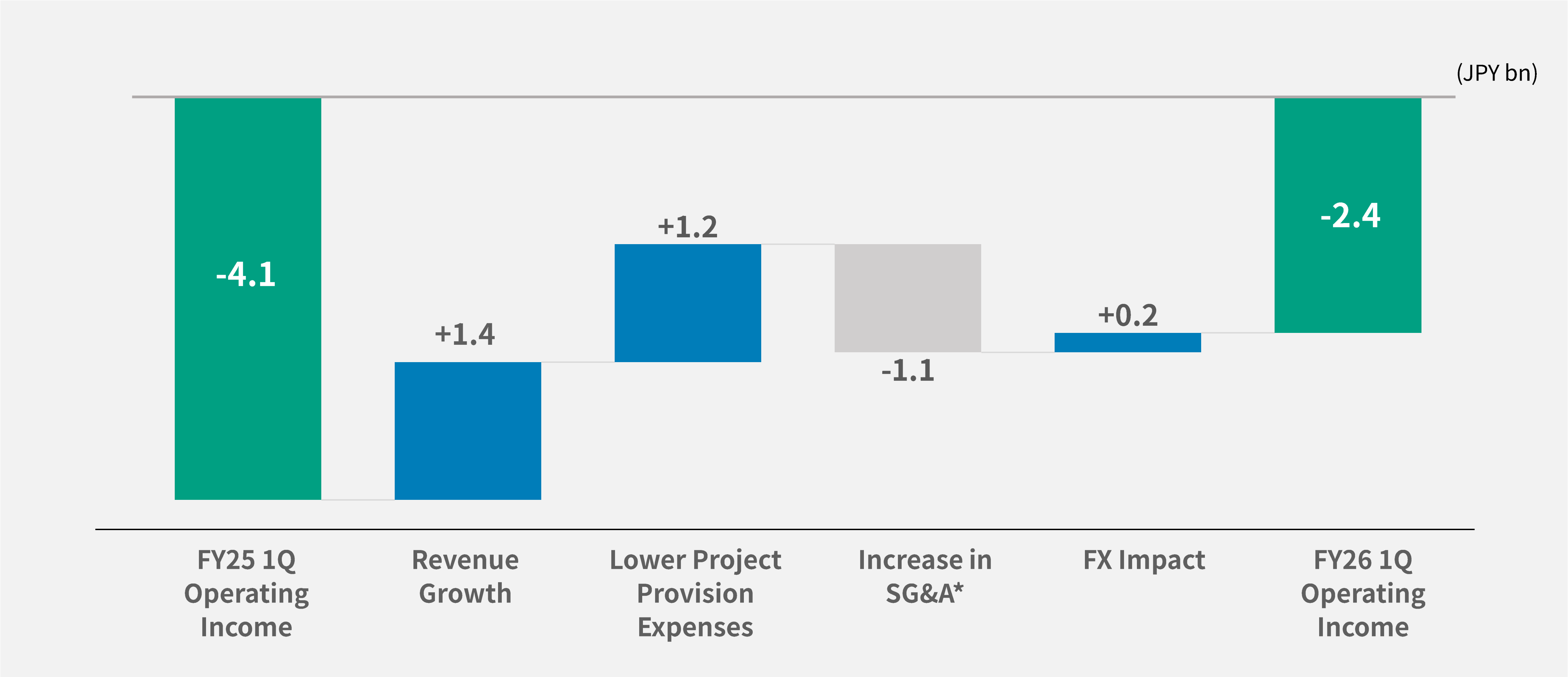
Assumed FX rates for FY26 forecast (No change from the initial forecast) :
JPY 180/CHF
JPY 145/USD
JPY 95/AUD

[Revision to Order Intake Forecast]

Based on a large nuclear-related equipment order received by NAC, our U.S. subsidiary, and the favorable order environment, the full-year order intake forecast has been raised from JPY 810.0 bn to JPY 840.0 bn.

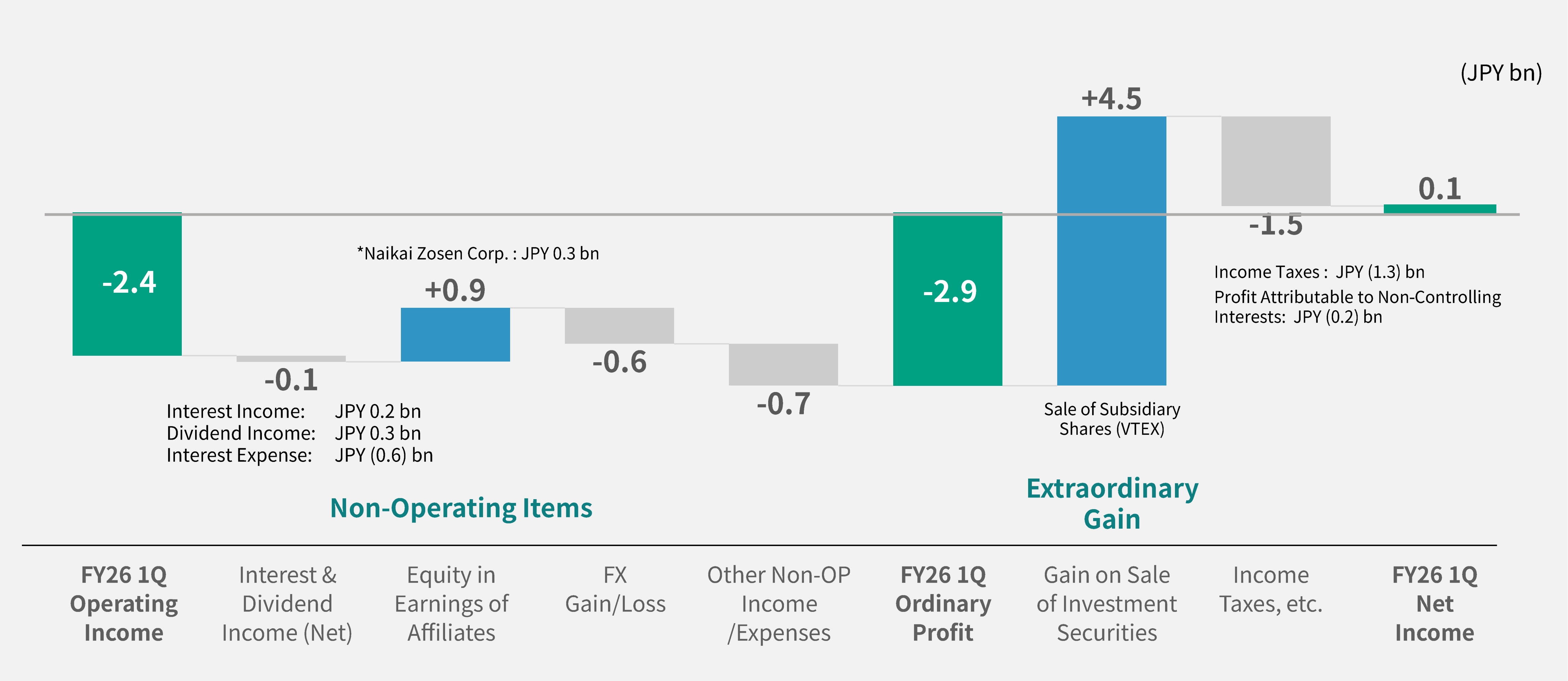
As revenue from this project is expected to be recognized mainly in and after the next fiscal year, forecasts for net sales and profits remain unchanged.

Operating Profit Variance Analysis



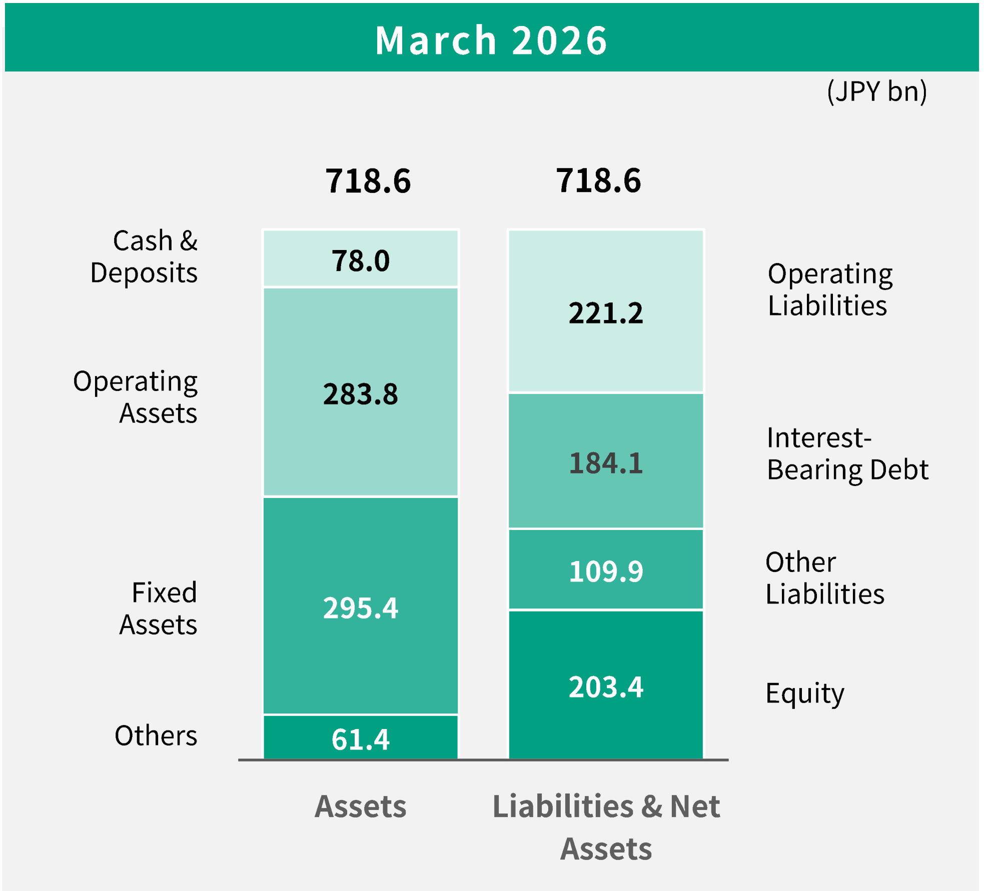
*Increase in SG&A represents the change excluding the impact of foreign exchange fluctuations

Bridge from Operating Profit to Net Income



Financial Position

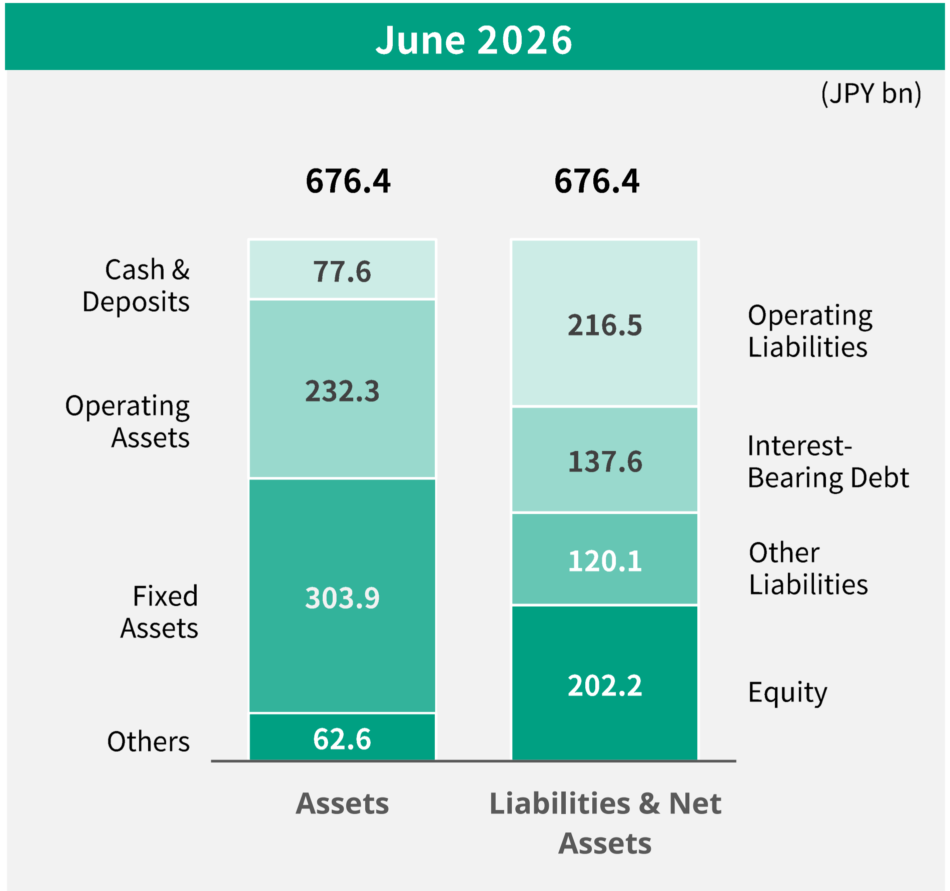
Interest-bearing debt reduced by JPY 46.5 bn through cash generated from trade receivables collection



Operating Assets
JPY (51.5)bn

Interest-Bearing Debt
JPY (46.5) bn

Equity Ratio
27.4% → 29.0%

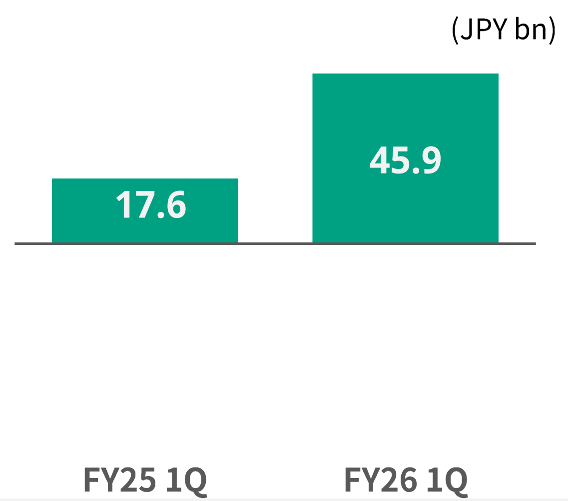


Cash Flows

Strengthened the balance sheet through cash generation from working capital improvements

Operating Cash Flow

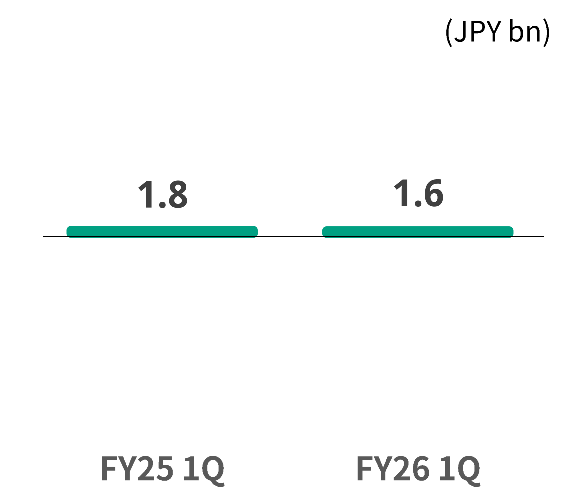
Working capital improved through receivable collections



	FY25 1Q	FY26 1Q
Income before Income Taxes	-4.7	+1.6
Working Capital Improvement	+22.7	+39.5

Investing Cash Flow

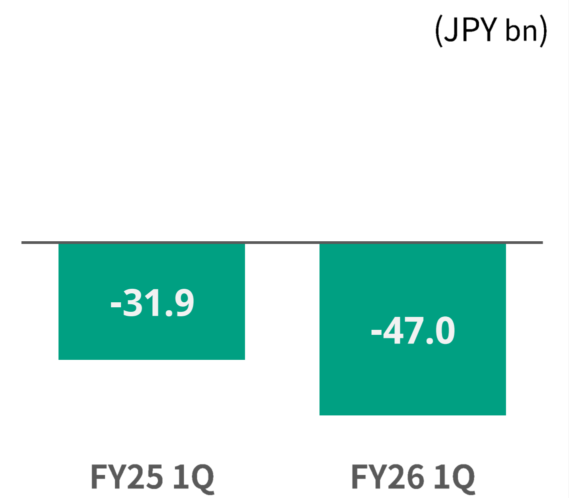
Recorded proceeds from portfolio transformation initiatives



	FY25 1Q	FY26 1Q
CapEx	-1.3	-5.1
Subsidiary Share Sale	+5.0	+7.6
Acquisition of Subsidiary Shares	-1.5	-

Financing Cash Flow

Reduced interest-bearing debt using generated cash



	FY25 1Q	FY26 1Q
Net Decrease in ST Borrowings	-27.6	-41.5
Repayment of LT Borrowings	-0.4	-1.1
Dividend Payments	-4.2	-4.2

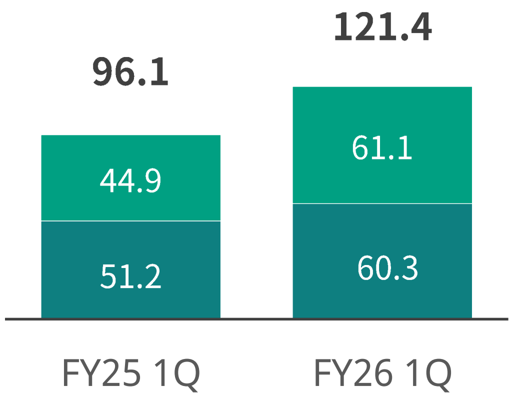
Net Sales & Operating Profit by Segment

(JPY bn)	FY2025 1Q Actual	FY2025 Full Year Actual	FY2026 1Q Actual (a)	FY2026 1Q YoY	FY2026 Full Year Forecast Initial (b)	FY2026 Full Year Forecast Current (c)	FY2026 Full Year Forecast Chg (c-b)	FY2026 Full Year Forecast Progress(a/c)
Net Sales	**125.4**	**645.2**	**141.7**	**+16.3**	**640.0**	**640.0**	**0.0**	**22.1%**
Environment	**96.1**	**505.2**	**121.4**	**+25.3**	**537.0**	**537.0**	**0.0**	**22.6%**
EPC	51.2	256.0	60.3	+9.1	288.0	276.0	-12.0	20.9%
O&M	44.9	249.2	61.1	+16.2	249.0	261.0	12.0	24.5%
Machinery & Infrastructu	**13.4**	**68.5**	**13.1**	**-0.3**	**61.0**	**61.0**	**0.0**	**21.5%**
Carbon Neutral Solutions	**15.1**	**69.2**	**6.3**	**-8.8**	**38.0**	**38.0**	**0.0**	**16.5%**
Other	**0.8**	**2.3**	**1.0**	**+0.2**	**4.0**	**4.0**	**0.0**	**24.5%**
Operating Profit	**-4.1**	**12.2**	**-2.4**	**+1.6**	**25.5**	**25.5**	**0.0**	**–**
Environment	**-0.6**	**16.7**	**-0.5**	**+0.1**	**26.7**	**26.7**	**0.0**	**–**
EPC	1.1	2.5	0.0	-1.2	8.4	5.9	-2.5	–
O&M	-1.8	14.2	-0.5	+1.3	18.3	20.8	2.5	–
Machinery & Infrastructu	**-2.1**	**-2.4**	**-0.8**	**+1.3**	**-0.6**	**-0.6**	**0.0**	**–**
Carbon Neutral Solutions	**-1.4**	**-2.5**	**-0.8**	**+0.5**	**-0.8**	**-0.8**	**0.0**	**–**
Other	**0.0**	**0.4**	**-0.2**	**-0.2**	**0.2**	**0.2**	**0.0**	**–**

Environment Business

Sales increased on a strong order backlog, while profit improvement was limited due to higher costs

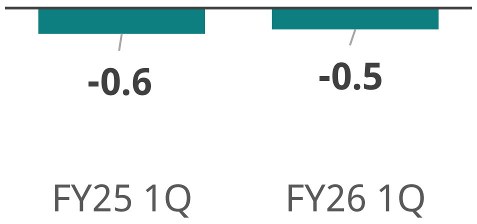
Net Sales (JPY bn)



- Both EPC and O&M businesses grew steadily, supported by a strong order backlog

Operating Profit (JPY bn)

	FY25 1Q	FY26 1Q
O&M	-1.8	-0.5
EPC	1.1	0



- Profit improvement was limited by higher procurement and labor costs
- Costs increased due to delays in the Abu Dhabi EPC project caused by the situation in the Middle East

Key Topics

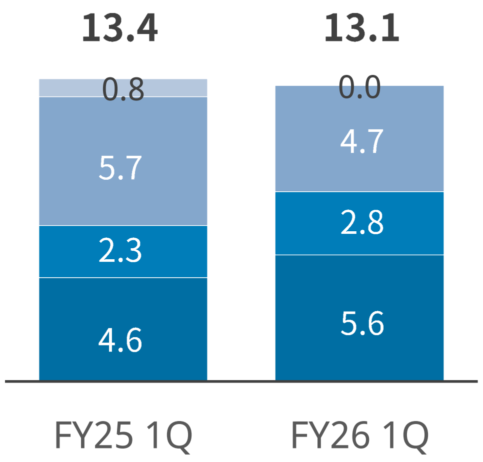
- The WtE plant under construction in Abu Dhabi has been delayed by approximately three months due to the situation in the Middle East, with no physical damage to the project
- Received orders in Japan for a WtE plant development and operation project (DBO) and the construction of a sludge recycling facility

Press Machine (Machinery)
Precision Machinery (Machinery)
Other Machinery
Infrastructure

Machinery & Infrastructure Business

Sales were largely unchanged, while improved Infrastructure profitability narrowed losses

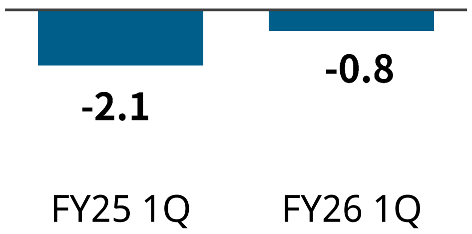
Net Sales (JPY bn)



- Sales declined due to the divestitures of the Press Machinery subsidiary and valve business subsidiary, while Infrastructure and Other Machinery posted revenue growth

Operating Profit (JPY bn)

	FY25 1Q	FY26 1Q
Press Machine	0.1	0.0
Precision Machinery	-0.2	-0.4
Other Machinery	0	0.2
Infrastructure	-2.0	-0.7



- Losses narrowed mainly due to improved profitability in the Infrastructure business

Key Topics

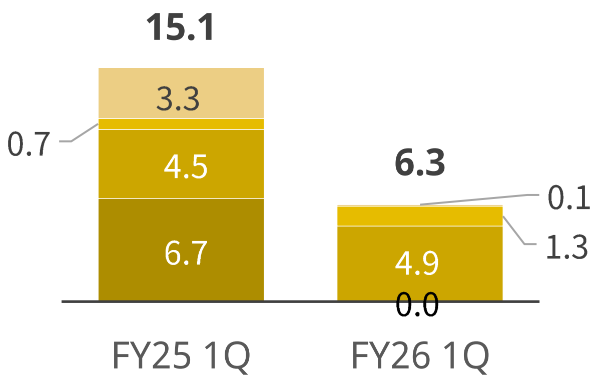
- Completed the sale of all shares of VTEX, a subsidiary engaged in the valve business for semiconductor, effective June 1, 2026.
- Stopped accepting new bridge orders and plans to cease operations at the Mukaishima Works during FY2026 after completing fabrication for existing projects

Wind Power
Decarbonization Systems
Process Equipment
Marine Engine

Carbon Neutral Solution Business

Sales declined due to Marine Engine deconsolidation, while operating losses narrowed

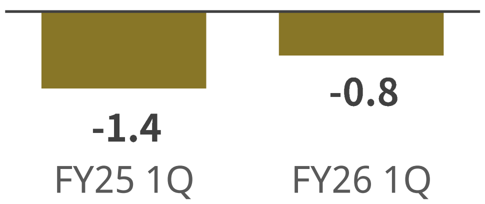
Net Sales (JPY bn)



- Marine Engine sales fell to zero following the deconsolidation of Hitachi Zosen Marine Engine.

Operating Profit (JPY bn)

	FY25 1Q	FY26 1Q
Wind Power	-0.3	-0.2
Decarbonization Systems	-0.1	-0.2
Process Equipment	-0.7	-0.4
Marine Engine	-0.2	0



- Losses narrowed due to improved profitability in Process Equipment, in addition to the deconsolidation of the Marine Engine business

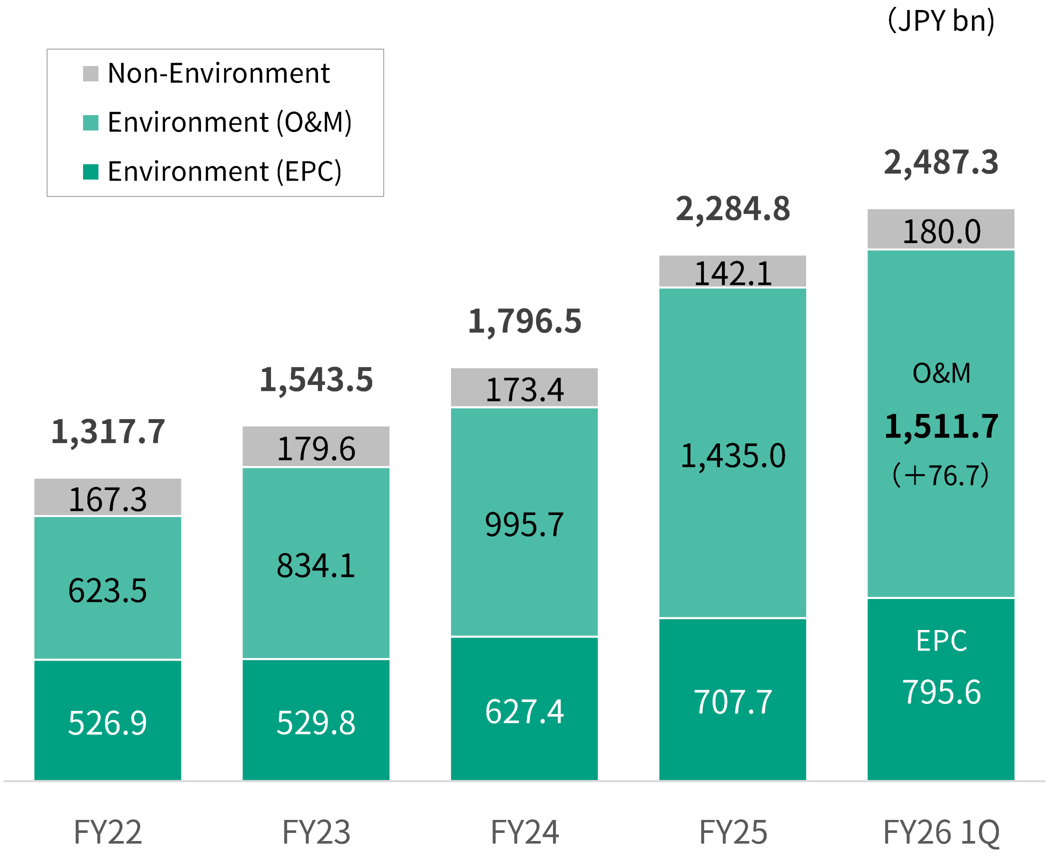
Key Topics

- Hitachi Zosen Marine Engine became an equity-method affiliate following the partial sale of shares (ownership: 65% → 40%) effective March 31, 2026
- Signed a cooperation agreement with Bahwan Engineering Company LLC to develop green hydrogen opportunities in Oman and the broader Middle East market

Order Intake and Order Backlog

Environmental recurring business continued to expand, driving backlog to a record high

(JPY bn)	FY2026			
	1Q		Full Year Forecast	
	Actual (a)	YoY	Current (b)	Progress(a/b)
Order Intake	**262.6**	**136.3**	**840.0**	**31.3%**
Environment	**201.6**	**115.0**	**713.0**	**28.3%**
EPC	87.6	68.2	324.0	27.0%
O&M	114.1	46.8	389.0	29.3%
Machinery & Infrastructure	**13.6**	**-10.6**	**55.0**	**24.8%**
Carbon Neutral Solutions	**46.7**	**32.2**	**68.0**	**68.7%**
Others	**0.6**	**-0.3**	**4.0**	**15.5%**



Selected Highlights (1)

Biomethane Project Approved
Italy

Inova

Project approved, contributing to sustainable energy supply and the local circular economy

Overview: Processes more than 63,000 tons of feedstock annually to produce biogas and upgrade it into biomethane of natural gas quality
Biomethane Production : 4,420,000S㎥/year
Location : Sicilia, Italy
Operation: Mar 2028

Awarded Waste-to-Energy Plant Contract
Japan

Kanadevia

Awarded in recognition of Kanadevia's efficient energy recovery, advanced energy-saving technologies, and operational excellence

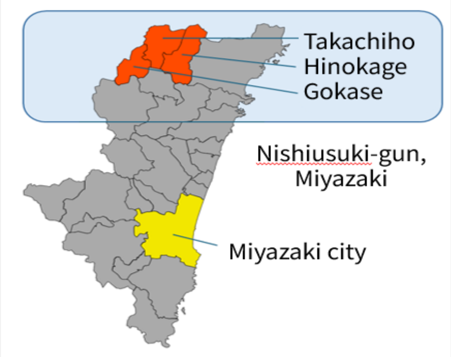
Contract Scope : DBO
Location : Nishinomiya, Hyogo
Waste Capacity : 432 t/day
Design & Construction: May 2026 - Mar 2035
Operation: May 2026 - Mar 2052

Awarded Sewage Sludge Recycling Center Contract
Japan

Kanadevia

Recovers phosphorus from human waste and septic tank sludge, contributing to a circular economy

Contract Scope : Construction
Waste capacity : 37 kl/day
Location : Nishiusuki-gun, Miyazaki
Completion: Mar 2029



Selected Highlights (2)

Acquisition of a Water Treatment Company — Australia

Osmoflo

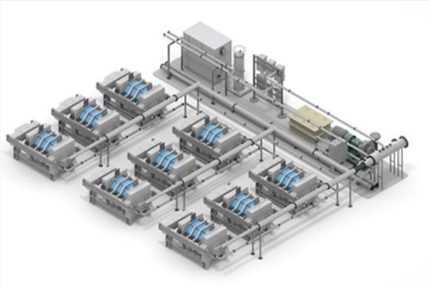
- Acquisition of Guidera O'Connor Pty Ltd, an Australian water and wastewater treatment EPC company
- Completion expected around September 2026
- Expand into the municipal market in addition to the private-sector market, further strengthening our presence in Australia

<Guidera O'Connor Pty Ltd>
Location: South Australia, Australia
Business: Design and construction of water and wastewater treatment plants and related infrastructure
Established: Dec 10, 2001
Revenue: AUD 114.8 mn (FY2025)
Employees: 180 (Jun 2026)

Collaboration Agreement in the Hydrogen Sector — Oman

Kanadevia

- Signed a collaboration agreement with Bahwan Engineering Company LLC to develop green hydrogen projects in Oman using hydrogen production systems
- Collaborate across the full value chain of low-carbon fuel projects, including green hydrogen and e-methane, from bid preparation through engineering, procurement, manufacturing, and sales



Demonstration of Sewage Sludge Gasification — Japan

Kanadevia

- Gasify sewage sludge at high temperatures to recover hydrogen-rich fuel gas, evaluate its suitability for power generation and hydrogen utilization, and assess the feasibility of an integrated gasification-to-power system

Demonstration site: Kagoshima, Japan
Processing Capacity: 2t/day
Project Period: Apr 2026-Mar 2028

Business Integration with Nippon Steel Engineering Co., Ltd.

Due diligence underway since business integration consideration was announced on February 5, 2026

Aims of the Business Integration Consideration

- While continuing to pursue standalone growth, considering the possibility of accelerating discontinuous growth through business integration as an important option for capturing greater growth opportunities and strengthening medium- to long-term competitiveness

Expected Synergies

- Building a stable and growth-oriented earnings base through domestic and international business expansion centered on WtE business
- Enhancing technological competitiveness to handle design through implementation in decarbonization fields including Carbon Capture and Storage (CCS).
- Strengthening the business operation structure integrating organization, human resources, and operations to support global business expansion

Current Progress

- Due diligence is ongoing with the aim of executing a definitive agreement in September 2026
- Integration terms, including the post-integration governance and business operation framework as well as capital conditions such as the integration ratio, will be discussed based on the results of DD

Kanadevia × 日鉄エンジニアリング NIPPON STEEL ENGINEERING

(Note) : The content described in this document is at the consideration stage toward business integration, and no decisions have been made at this point.

Initiatives to Prevent Recurrence of Quality Misconduct

Quality Misconduct Recurrence Prevention Initiatives

Monitoring Behavioral Change Through Employee Surveys

Guided by the Kanadevia Values, "Strive boldly to achieve success," "Communicate with sincerity," and "Learn broadly, think deeply," we monitor behavioral change through internal surveys from five perspectives to assess the effectiveness of recurrence prevention measures. Sample questions and recent responses are shown below.

<Sample Survey Questions>

1. Management Commitment

I believe that our management team makes the right decisions for the company

Management clearly communicates its quality-related policies

2. "Sincere Dialogue" and "Bold Challenges" Within the Company

I am conscious of improving productivity in my daily work and put it into practice

My workplace provides an environment where employees can freely express their opinions without fear of retaliation

3. "Sincere Dialogue" with Customers

I actively communicate with business partners and relevant departments

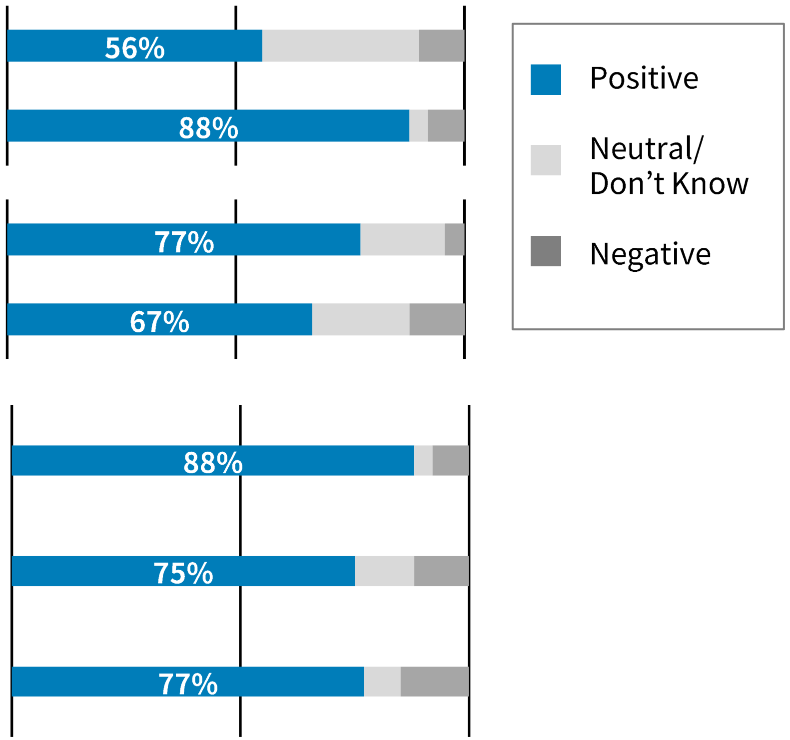
4. Think Deeply (Root Cause Analysis and Corrective Actions)

When implementing quality improvements, I support my explanations with objective data

5. Learn Broadly (Organizational Learning)

During the past year, I have shared mistakes and lessons learned within the company and promoted improvement initiatives

Answers (Most Recent)



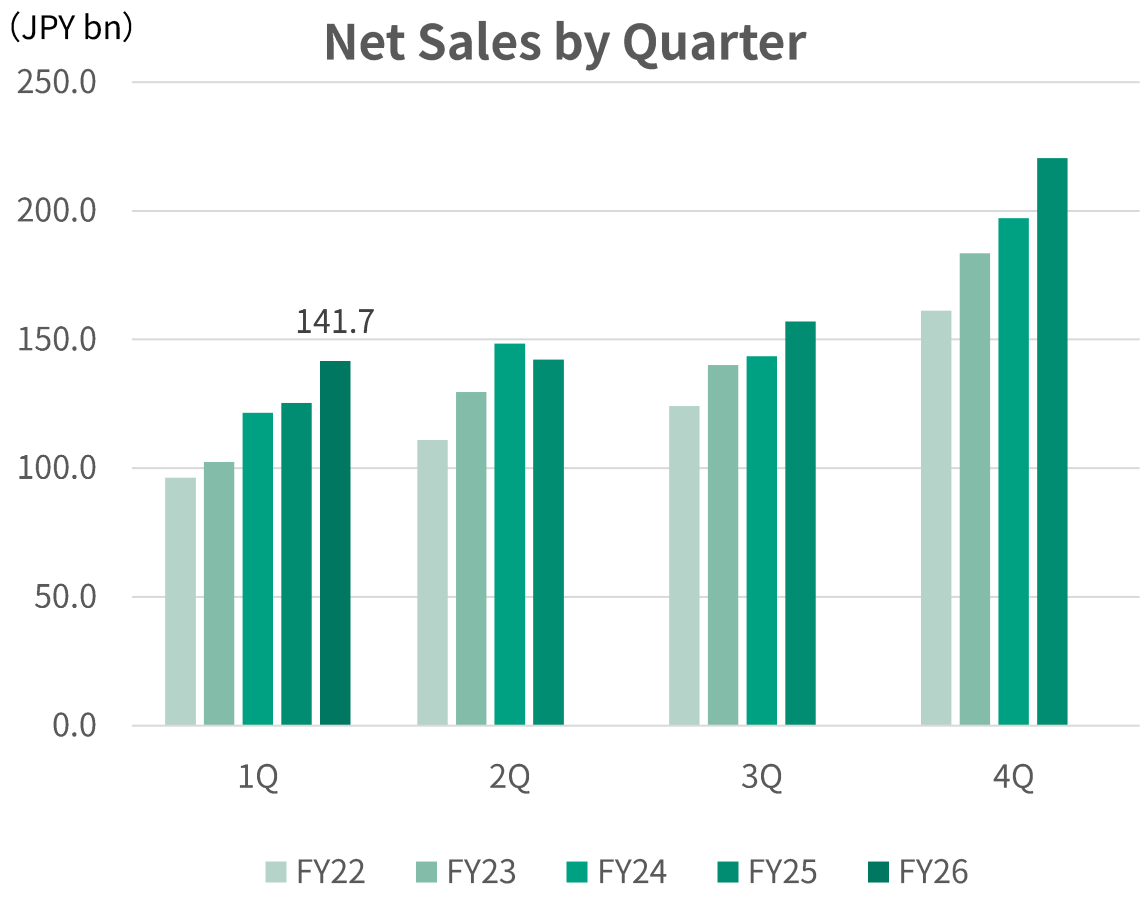
Quality Misconduct Recurrence Prevention Initiatives

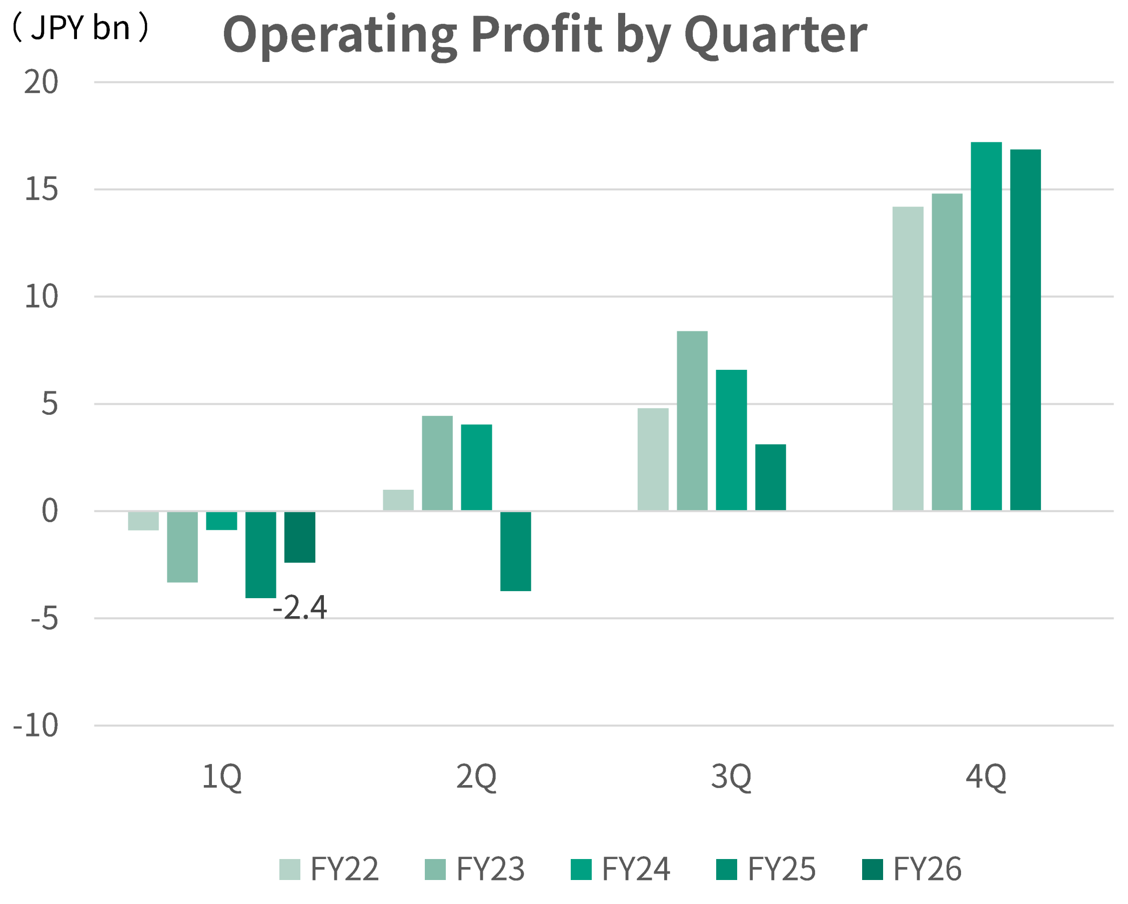
Key Recurrence Prevention Measures and FY2026 Implementation Plan

Action	FY2026			
	1Q	2Q	3Q	4Q
1. Leadership Commitment	• CEO's new fiscal year message	• Quality Policy Communication Meeting (Town Hall Meetings)	• CEO's mid-year message • New employee induction ceremony message	• CEO's year-end message
2. Organizational Culture and Awareness	• Town hall meetings • Career growth seminar	• Town Hall Meeting • Career interview training • Establishment of disciplinary rules for managers	• Town Hall Meeting • Compliance e-Learning • Compliance seminar	• Town Hall Meeting • Compliance training for group companies
3. Improvement of Business Processes	• Clarification of the Three Lines Model • Prevention of falsification through digital tools	Operation and continuous improvement →	→	→
4. Initiatives to Prevent Quality Misconduct	• Review of quality compliance committee rules • Quality assurance regulations	• 5th Quality Compliance Committee • 1st Quality Committee • Quality Misconduct Prevention Day Event	• 2nd Quality Committee	• 6th Quality Compliance Committee • 3rd Quality Committee • Recurrence prevention update meeting
5. Strengthening Quality Assurance Functions	• Revision and rollout of a tier-based quality training curriculum	• Establishment of group quality policy • Launch of QMS Office • Quality training for sales staff	• Quality compliance training	• Quality awareness survey
6. Strengthening Board Oversight	• Report on recurrence prevention progress	• Report on recurrence prevention progress • Compliance committee report	• Report on recurrence prevention progress	• Report on recurrence prevention progress

Financial Information

Net Sales & Operating Profit by Quarter





Profit and Loss Statements

(JPY bn)	Full Year				Quarterly				
	FY23	FY24	FY25	FY26 (Forecast)	FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q
Net Sales	**555.8**	**610.5**	**645.2**	**640.0**	**125.4**	**142.3**	**157.0**	**220.5**	**141.7**
Cost of Sales	460.5	496.3	536.2		106.2	122.5	127.2	180.4	118.2
Gross Profit	**95.3**	**114.2**	**109.1**		**19.3**	**19.8**	**29.9**	**40.1**	**23.5**
SG&A	71.0	87.2	96.9		23.3	23.5	26.8	23.3	25.9
Operating Profit	**24.3**	**26.9**	**12.2**	**25.5**	**-4.1**	**-3.7**	**3.1**	**16.9**	**-2.4**
Non-Operating Income	5.9	3.3	10.1		1.8	1.2	2.0	5.1	2.0
Non-Operating Expenses	4.6	5.9	8.7		2.5	1.1	1.8	3.3	2.5
Recurring Profit	**25.6**	**24.3**	**13.6**	**22.0**	**-4.7**	**-3.6**	**3.4**	**18.6**	**-2.9**
Extraordinary Income	0.0	2.9	2.0		0	0	0	2.0	4.5
Extraordinary Losses	1.6	3.6	4.6		0	0	3.2	1.4	0
Profit before Income Taxes	24.1	23.7	11.0		-4.7	-3.6	0.1	19.2	1.6
Total Income taxes	5.0	1.4	-0.3		-1.1	-1.7	0.9	1.6	1.3
Net Income	**19.0**	**22.1**	**11.1**	**21.0**	**-3.6**	**-1.9**	**-0.8**	**17.4**	**0.1**

Balance Sheets

(JPY bn)	Full Year FY22	FY23	FY24	FY25	Quarterly FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q
Cash and Deposits	86.4	71.6	70.8	78.0	53.3	50.4	68.8	78.0	77.6
Operating Assets	215.6	254.7	251.1	283.8	220.1	231.7	268.6	283.8	232.3
Tangible Fixed Assets	98.3	104.5	136.1	143.6	131.8	133.2	141.3	143.6	144.4
Intangible Fixed Assets	11.1	19.3	41.2	62.9	44.8	45.5	47.2	62.9	62.3
Investments and Other Assets	51.4	62.7	75.3	88.8	78.2	79.1	84.1	88.8	97.2
Others	17.0	20.8	35.3	61.4	36.5	42.9	45.3	61.4	62.6
Total Assets	**479.7**	**533.6**	**609.7**	**718.6**	**564.6**	**582.8**	**655.2**	**718.6**	**676.4**
Operating Liabilities	184.8	190.8	188.2	221.2	183.6	185.6	214.5	221.2	216.5
Current Interest Bearing Debt	18.0	31.3	48.1	78.1	19.8	40.8	88.7	78.1	52.6
Non-current Interest Bearing Debt	68.5	60.1	87.7	106.0	87.7	86.3	76.1	106.0	85.0
Others	67.1	82.4	87.8	110.0	83.6	83.4	89.0	110.0	120.1
Total Liabilities	**338.4**	**364.6**	**411.8**	**515.2**	**374.7**	**396.1**	**468.3**	**515.2**	**474.2**
Shareholders' Equity	139.6	162.7	189.4	196.8	181.2	177.9	176.7	196.8	196.4
Non-Controlling Interests	1.7	6.3	8.5	6.6	8.6	8.9	10.2	6.6	5.8
Total Net Assets	**141.3**	**168.9**	**197.9**	**203.4**	**189.9**	**186.8**	**186.9**	**203.4**	**202.2**
Total Liabilities and Net Assets	**479.7**	**533.6**	**609.7**	**718.6**	**564.6**	**582.8**	**655.2**	**718.6**	**676.4**

Cash Flows

(JPY bn)	Full Year FY22	FY23	FY24	FY25	Quarterly FY26 1Q
Cash Flows from Operating Activities	**28.0**	**0.5**	**24.8**	**11.6**	**45.9**
Cash Flows from Investing Activities	**-2.5**	**-21.5**	**-56.6**	**-48.0**	**1.6**
Cash Flows from Financing Activities	**-7.8**	**-2.6**	**30.2**	**41.5**	**-47.0**
Foreign Currency Translation Differences	1.2	5.0	0.6	3.4	-0.3
Increase in Cash and Cash Equivalents	18.9	-18.6	-1.1	8.6	0.2
Cash and Cash Equivalents at Beginning	66.0	84.9	69.8	68.7	77.3
Cash and Cash Equivalents at End	**84.9**	**69.8**	**68.7**	**77.3**	**77.5**

Key Financial Indicators

(JPY bn)	FY22	FY23	FY24	FY25	FY26 (Forecast)
Shareholders' Equity Ratio	29.1%	30.5%	31.1%	27.4%	30.2%
Interest Bearing Debt	86.5	91.4	135.8	184.1	171.0
R&D Expenses	8.6	11.2	12.0	12.6	14.4
Capital Investment	7.9	9.6	27.5	25.2	27.8
Depreciation	10.5	11.1	11.9	15.6	15.7
ROE	11.5%	12.6%	12.6%	5.8%	10.2%
ROIC	6.2%	7.4%	6.8%	2.5%	4.9%

Order Intake / Net Sales / Operating Profit

Environment Business

(JPY bn)	Full Year FY23	FY24	FY25	FY26 (Forecast)	Quarterly FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q
Inova group	156.2	218.3	282.7	195.0	7.5	73.3	2.4	199.6	46.4
Ex. Inova group	38.6	91.1	55.6	129.0	11.9	13.8	11.3	18.7	41.1
EPC	**194.9**	**309.4**	**338.3**	**324.0**	**19.3**	**87.0**	**13.7**	**218.3**	**87.6**
Inova group	165.6	142.9	249.7	260.0	18.7	24.1	71.9	135.0	45.1
Ex. Inova group	198.3	165.0	138.0	129.0	48.6	35.4	26.4	27.6	69.0
O&M	**364.0**	**308.0**	**387.7**	**389.0**	**67.3**	**59.5**	**98.3**	**162.6**	**114.1**
Order Intake	**558.9**	**617.4**	**726.0**	**713.0**	**86.6**	**146.5**	**112.0**	**380.9**	**201.6**
Inova group	165.4	176.7	179.1	207.0	38.7	39.0	47.3	54.1	45.3
Ex. Inova group	67.1	67.1	76.9	69.0	12.5	15.9	22.2	26.4	15.0
EPC	**232.5**	**243.9**	**256.0**	**276.0**	**51.2**	**54.9**	**69.4**	**80.5**	**60.3**
Inova group	32.9	63.7	99.3	111.0	22.7	25.6	20.7	30.3	32.7
Ex. Inova group	141.8	145.9	149.9	150.0	22.3	31.4	33.3	62.9	28.4
O&M	**174.8**	**209.6**	**249.2**	**261.0**	**44.9**	**57.0**	**54.0**	**93.3**	**61.1**
Net Sales	**407.3**	**453.5**	**505.2**	**537.0**	**96.1**	**111.9**	**123.4**	**173.8**	**121.4**
Inova group	7.9	11.0	4.6	11.5	2.6	-1.3	-0.4	3.8	1.2
Ex. Inova group	-6.5	-3.9	-2.1	-5.6	-1.5	-1.2	0.2	0.3	-1.2
EPC	**1.5**	**7.1**	**2.5**	**5.9**	**1.1**	**-2.5**	**-0.2**	**4.1**	**0**
Inova group	2.0	1.3	-0.2	8.4	-0.6	0.9	-0.9	0.4	0.5
Ex. Inova group	15.7	17.0	14.4	12.4	-1.2	-0.5	4.5	11.6	-1.0
O&M	**17.7**	**18.3**	**14.2**	**20.8**	**-1.8**	**0.4**	**3.6**	**11.9**	**-0.5**
Operating Income	**19.1**	**25.4**	**16.7**	**26.7**	**-0.6**	**-2.1**	**3.4**	**16.0**	**-0.5**

Order Intake/Net Sales/Operating Profit

Machinery & Infrastructure Business

(JPY bn)	Full Year				Quarterly				
	FY23	FY24	FY25	FY26 (Forecast)	FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q
Press Machine	22.0	23.3	0	0	0.1	-0.1	0	0	0
Precision Machinery	23.7	32.1	38.6	25.0	15.1	6.6	6.4	10.4	5.5
Others	9.1	9.6	17.5	10.0	6.9	4.9	2.7	3.0	3.4
Machinery	**54.7**	**65.0**	**56.1**	**35.0**	**22.1**	**11.5**	**9.2**	**13.4**	**9.0**
Infrastructure	**26.1**	**26.2**	**33.4**	**20.0**	**2.2**	**5.4**	**18.1**	**7.7**	**4.7**
Order Intake	**80.8**	**91.2**	**89.5**	**55.0**	**24.3**	**16.8**	**27.3**	**21.1**	**13.6**
Press Machine	19.5	21.6	0.9	0	0.8	0.1	0	0	0
Precision Machinery	28.0	25.8	34.2	25.0	5.7	7.9	8.8	11.7	4.7
Others	12.9	9.6	11.5	10.0	2.3	2.4	2.9	3.9	2.8
Machinery	**60.3**	**57.0**	**46.5**	**35.0**	**8.8**	**10.4**	**11.7**	**15.6**	**7.5**
Infrastructure	**30.6**	**26.0**	**21.9**	**26.0**	**4.6**	**4.7**	**6.0**	**6.6**	**5.6**
Net Sales	**91.0**	**83.0**	**68.5**	**61.0**	**13.4**	**15.1**	**17.8**	**22.1**	**13.1**
Press Machine	0.8	1.3	0	0	0.1	-0.1	0	0	0
Precision Machinery	1.2	-0.1	1.4	0.5	-0.2	0.3	0.4	0.9	-0.4
Others	0.5	0.2	0.5	0.5	0.0	0.1	0.0	0.3	0.2
Machinery	**2.6**	**1.5**	**1.9**	**1.0**	**-0.1**	**0.4**	**0.4**	**1.2**	**-0.2**
Infrastructure	**0.4**	**-0.5**	**-4.3**	**-1.6**	**-2.0**	**-0.7**	**-0.9**	**-0.8**	**-0.7**
Operating Income	**3.0**	**1.0**	**-2.4**	**-0.6**	**-2.1**	**-0.3**	**-0.5**	**0.4**	**-0.8**

Order Intake/Net Sales/Operating Profit

Carbon Neutral Solution Business

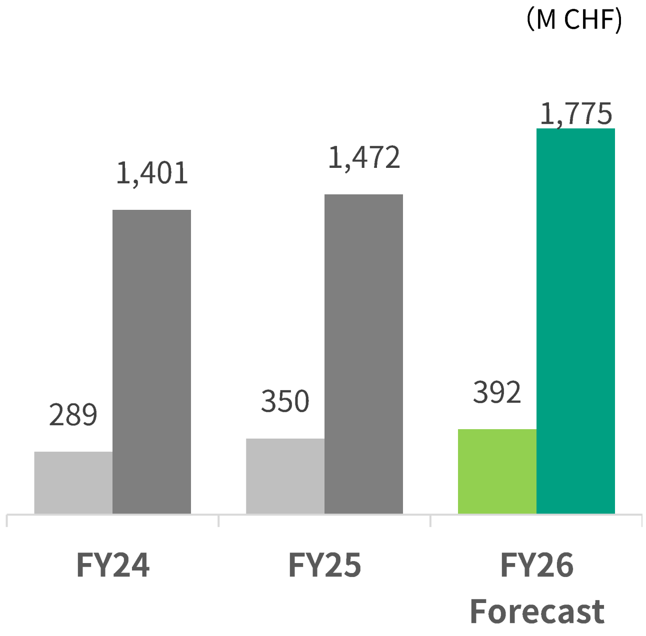
(JPY bn)	Full Year				Quarterly				
	FY23	FY24	FY25	FY26 (Forecast)	FY25 1Q	FY25 2Q	FY25 3Q	FY25 4Q	FY26 1Q
Marine Engine	37.1	18.8	49.6	0	3.4	13.7	6.1	26.5	0
Process Equipment	20.7	30.7	24.9	60.0	10.3	2.2	6.4	5.9	45.7
Decarbonization System	3.8	4.0	4.9	7.5	0.7	1.3	1.0	1.9	0.9
Wind Power	11.1	0.5	0.5	0.5	0.1	0.1	0.2	0.2	0.1
Order Intake	**72.6**	**54.0**	**80.0**	**68.0**	**14.5**	**17.3**	**13.7**	**34.5**	**46.7**
Marine Engine	24.2	27.0	30.3	0	6.7	7.4	7.8	8.3	0
Process Equipment	21.8	26.7	26.1	32.0	4.5	4.8	4.7	12.1	4.9
Decarbonization System	4.4	3.9	3.9	5.0	0.7	0.7	1.1	1.5	1.3
Wind Power	4.8	12.6	9.0	1.0	3.3	1.6	1.8	2.3	0.1
Net Sales	**55.3**	**70.2**	**69.2**	**38.0**	**15.1**	**14.5**	**15.4**	**24.3**	**6.3**
Marine Engine	-0.3	-0.2	-0.9	0	-0.2	-0.4	0.1	-0.4	0
Process Equipment	2.0	1.1	-0.4	1.3	-0.7	-0.7	0.0	1.0	-0.4
Decarbonization System	0.5	-0.3	-0.4	-1.2	-0.1	-0.2	0.1	-0.2	-0.2
Wind Power	-0.3	-0.5	-0.8	-0.9	-0.3	-0.3	-0.1	-0.1	-0.2
Operating Profit	**1.8**	**0.1**	**-2.5**	**-0.8**	**-1.4**	**-1.6**	**0.1**	**0.4**	**-0.8**

(Reference)

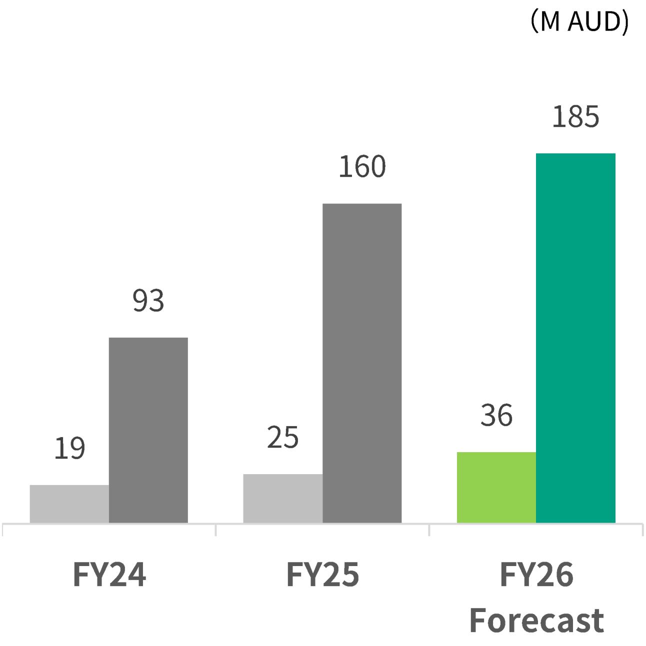
Net Sales Trends of Key Overseas Subsidiaries

Actual (1Q) | Results (Full Year) | Actual (FY26 1Q) | Forecast (FY26 Full Year)

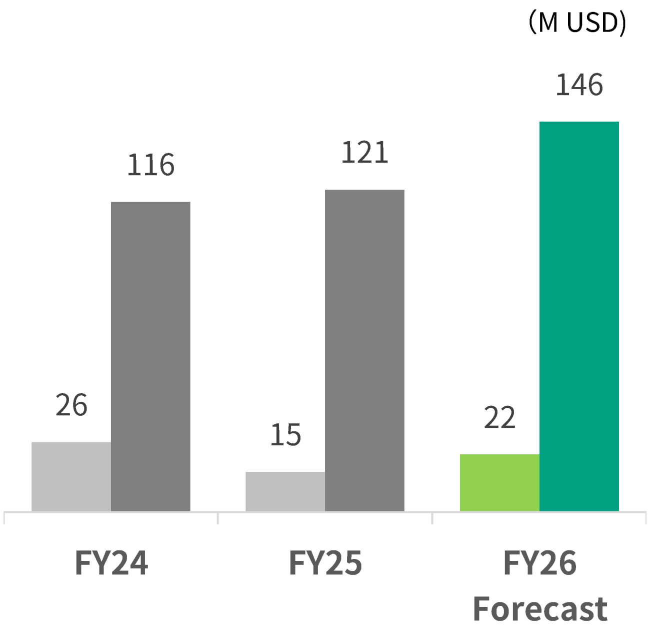
Inova (WtX Business)



Osmoflo (Water Business)



NAC (Nuclear Equipment)



Appendix

Company Profile

Kanadevia Corporation

Founded	April 1, 1881
Location	Head Office(Osaka): 1-7-89 Nanko Kita, Suminoe-ku, Osaka Head Office(Tokyo): Omori Bellport D Building 15F, 6-26-3 Minami-Oi, Shinagawa-ku, Tokyo
Representative	Michi Kuwahara
Number of Employees	12,668 (As of March 31, 2026)
Group Companies	168 Consolidated Subsidiaries, 37 Equity-Method Affiliates
About Business	Design and manufacture of waste-to-energy plants, seawater desalination plants, water supply/sewage and sludge recycling treatment plants, process equipment, precision machinery, floodgates, disaster prevention equipment, etc.

Founder: E.H. Hunter

Hitz Hitachi Zosen 日立造船

Kanadevia

1881
Founded as Osaka Iron Works with shipbuilding as its original business

1943
Changed company name to Hitachi Zosen

2002
Separated shipbuilding business

October 1, 2024
Changed company name to Kanadevia

Major Overseas Subsidiaries

Kanadevia Inova (Switzerland)	WtE, Biogas
Osmoflo Holdings (Australia)	Seawater Desalination, Water Treatment
NAC International (USA)	Design of storage and transportation equipment for spent nuclear fuel, etc.

History of Business Transformation

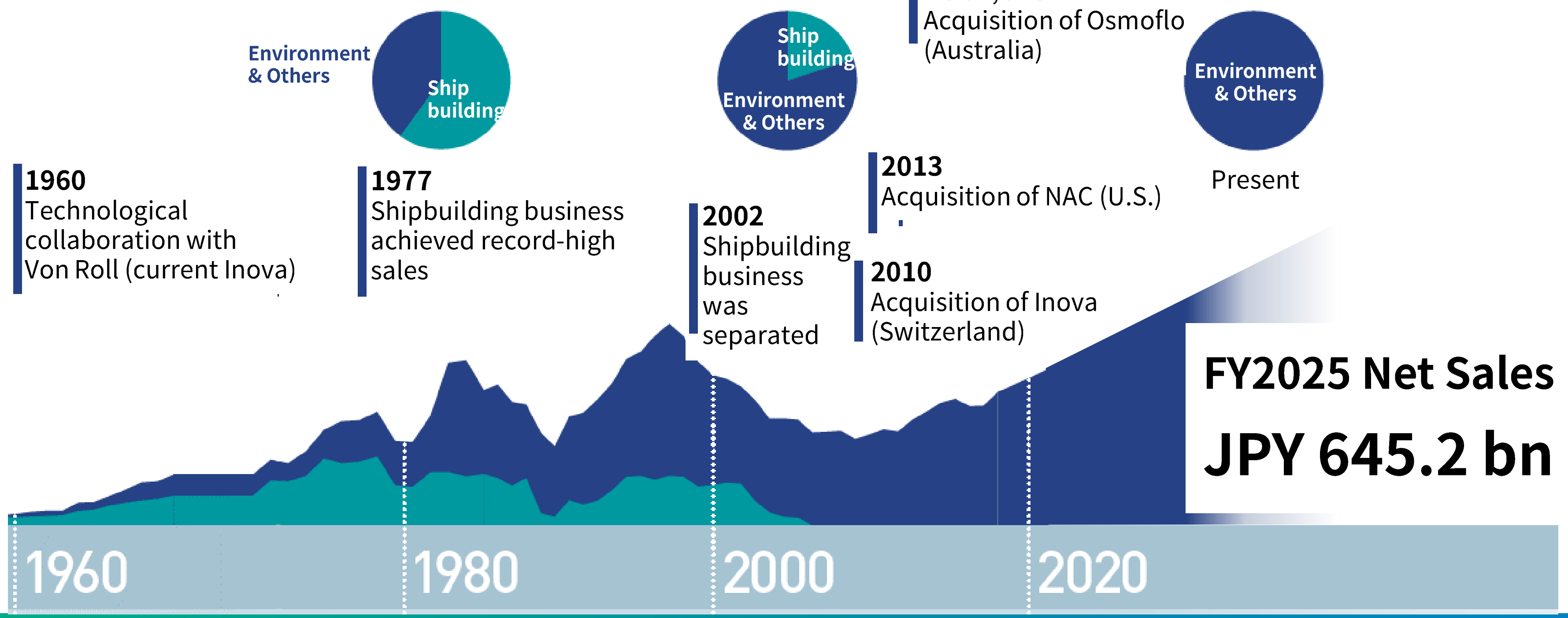
1881	Shipbuilding business started by E.H. Hunter
1936	Joined Hitachi Group
1947	Separated from Hitachi Group
1960s—	Entered the environment business
2002	Shipbuilding business was separated
2010	Acquisition of Inova
Oct. 2024	Company name change to *Kanadevia Corporation*

2024
Acquisition of Babcock & Wilcox Renewable Service (Denmark)

2022
Acquisition of Steinmüller

2021
Shield tunneling machine business integrated with Kawasaki Heavy Industries

2017
Launched long-term vision, and Acquisition of Osmoflo (Australia)



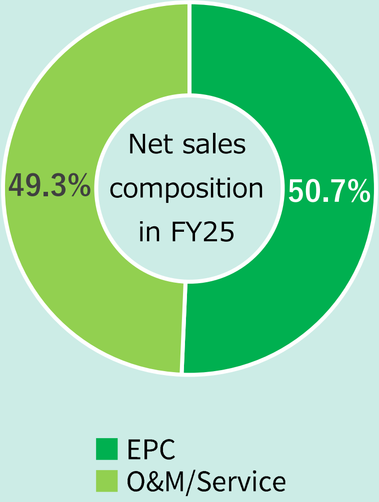
Business Portfolio

Business：https://www.kanadevia.com/english/business/

Environment

Growth Field centered on Overseas Markets

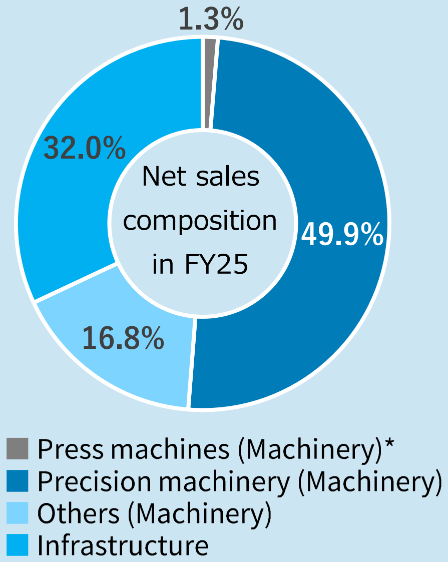
- WtE Plants
- Water/Sludge Treatment Plants
- Biogas
- Desalination Plants
- Energy Systems (Power Generation Equipment)
- Wholesale electricity etc.



Machinery & Infrastructure

Niche Industry Sector

- Precision Machinery
- Plastic Machinery
- Food and Pharmaceutical Equipment
- Hydraulic Gate
- Marine Civil Engineering
- Disaster Prevention System
- Boiler etc.

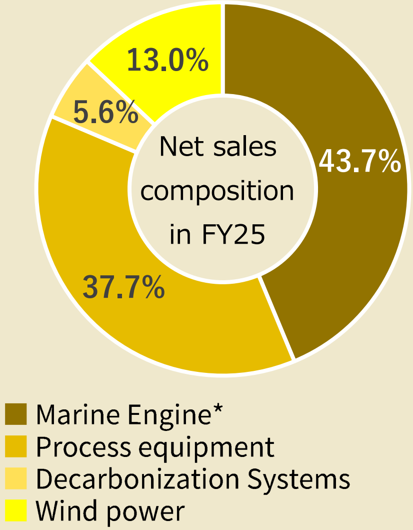


* Business transfer in May 2025

Carbon Neutral Solution

Next-Generation Growth Field

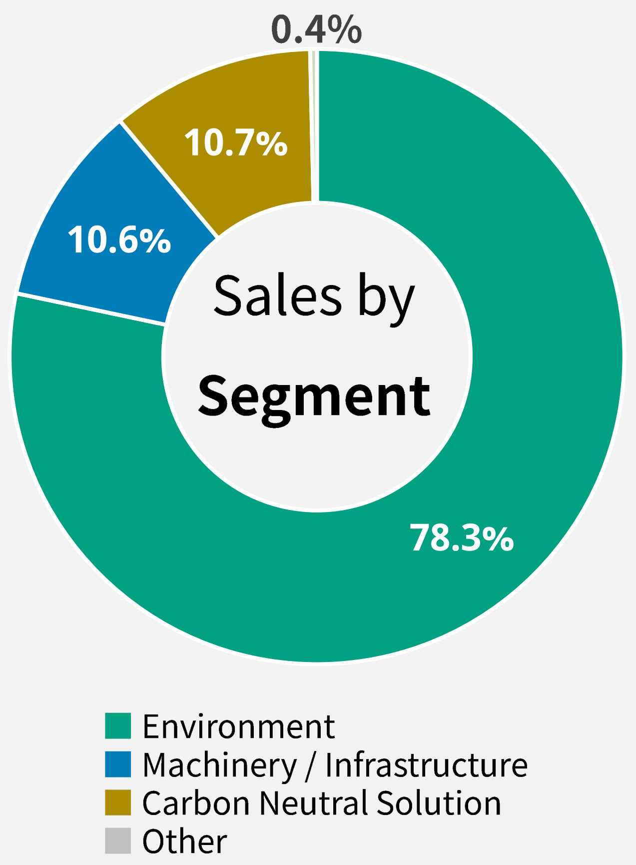
- Pressure Vessels
- Nuclear Fuel Related Equipment
- Hydrogen Generation Systems
- Methanation Equipment
- Wind Power Generation
- SCR etc.

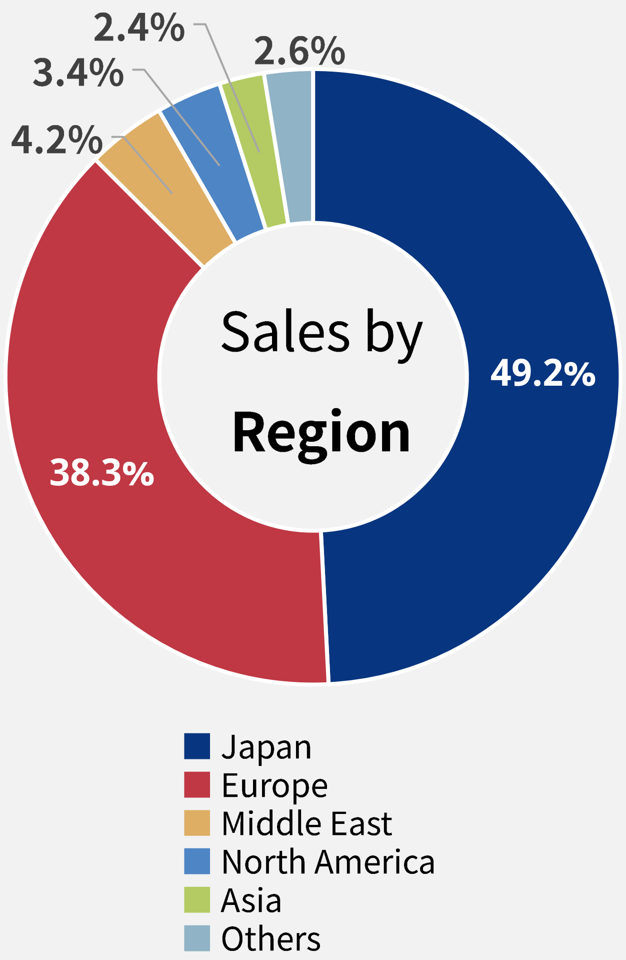


* Transfer of shares in the marine engine subsidiary and its transition to an equity-method affiliate in March 2026

EPC：Engineering, Procurement, and Construction in plant construction.
O&M/Service：Incidental projects after the handover of plants, such as maintenance, operation, management, and other services, and projects based on long-term contracts, such as power generation.

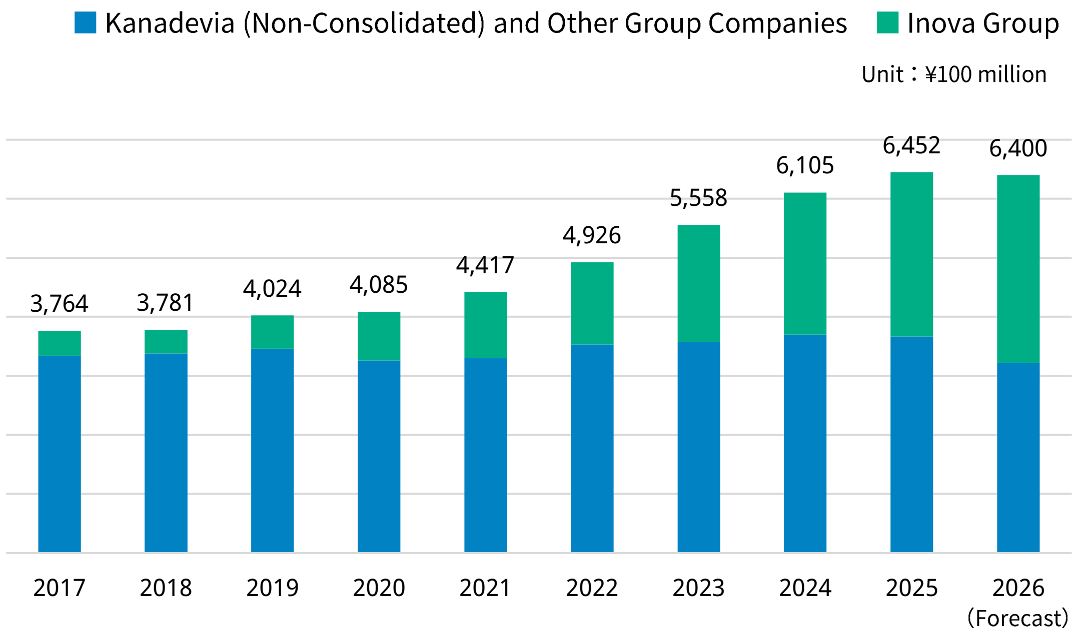
Net Sales Composition（fiscal 2025）



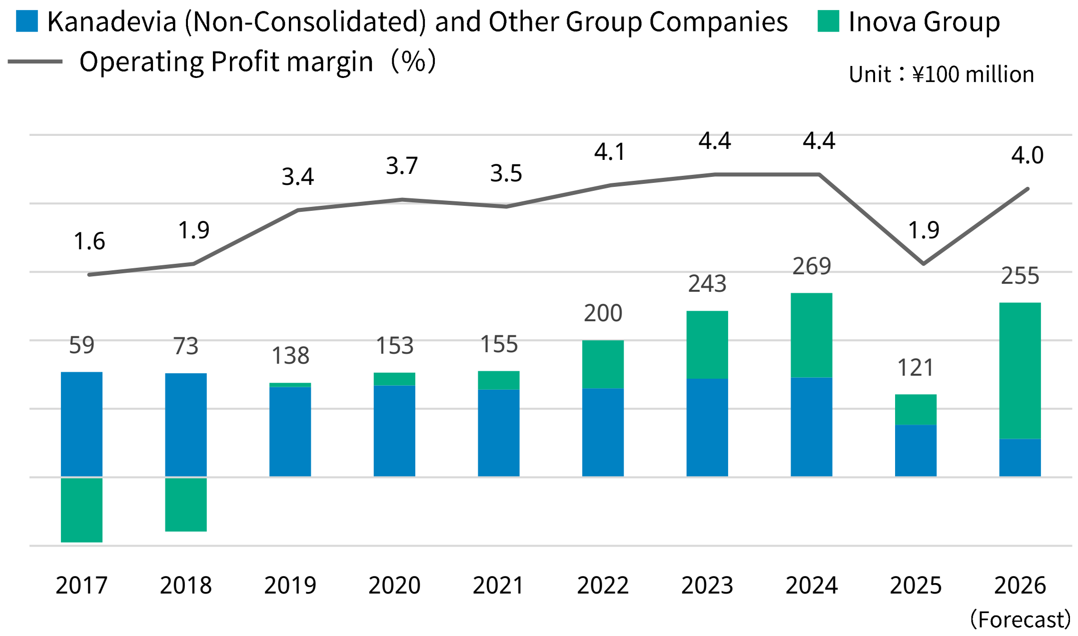


Consolidated Revenue and Operating Profit Trends

Net Sales



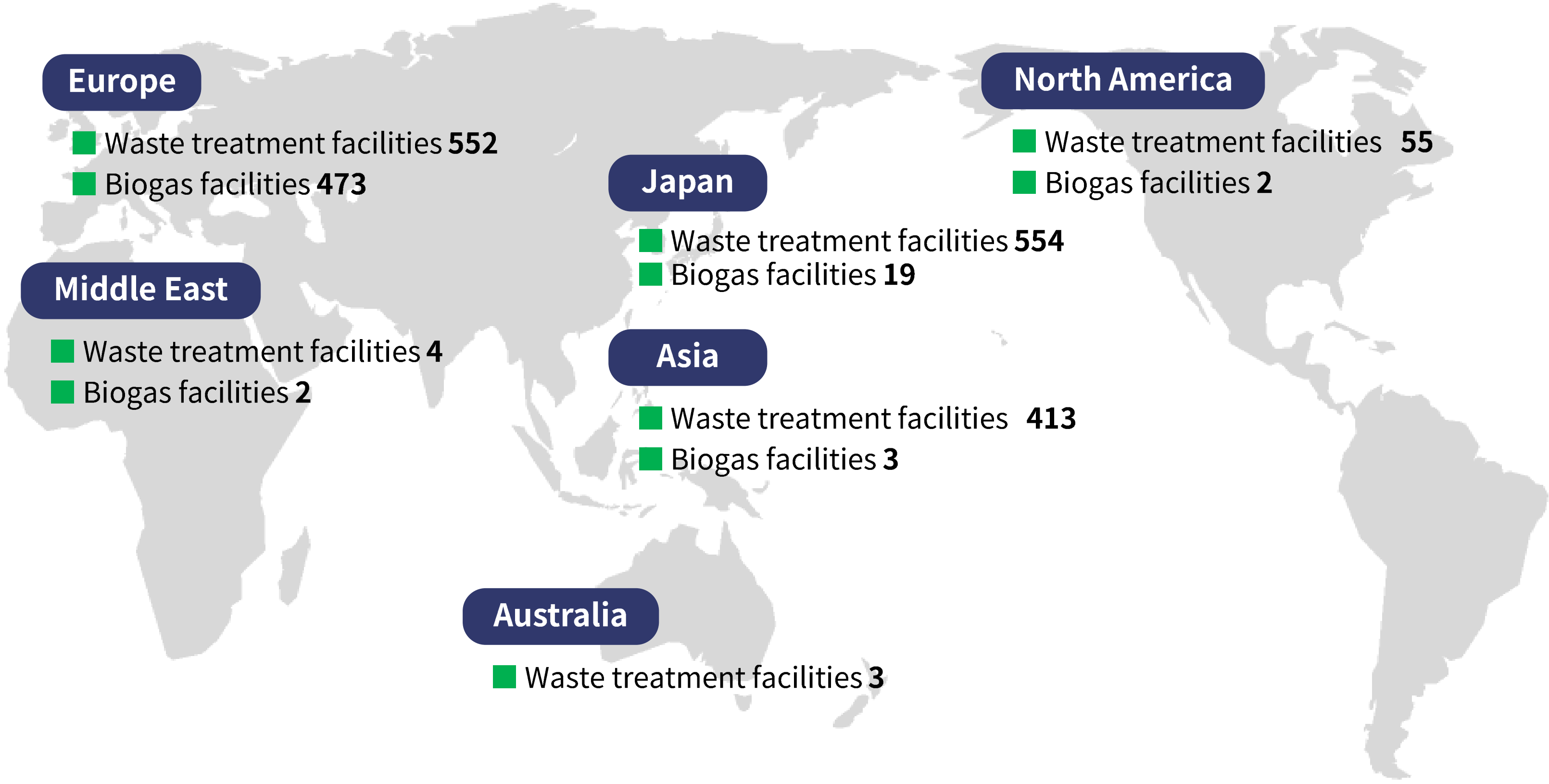
Operating Profit/Operating Profit margin



World’s Number One Provider of Waste Treatment Solutions

Track record (as of the end of March 2026)

*including licensees



Waste treatment plant delivery record

No.1 in the world

Expanding to **45** countries and regions around the world

Total **1,581** facilities

Biogas plant delivery record

World-class

Expanding to **21** countries and regions around the world

Total **499** facilities

Number of operating waste treatment plants

54 facilities in Japan

5 facilities overseas

Environment Business - Japan

- Providing environmental plants for essential infrastructure, including WtE and water treatment
- Providing long-term infrastructure services covering EPC through O&M

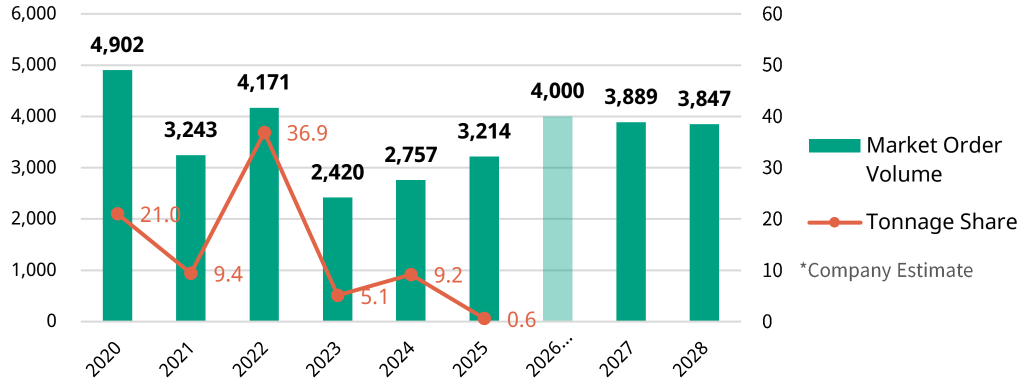
Market Environment (Waste-to-Energy Plants)

- Primary customers are local governments, with comprehensive evaluation-based bidding as the standard procurement method
- Annual order volume of 3,000–5,000 t/day expected to remain stable, with new plant construction driven mainly by replacement demand
- Continuous replacement demand (rebuilding and major refurbishment) driven by the aging of existing facilities

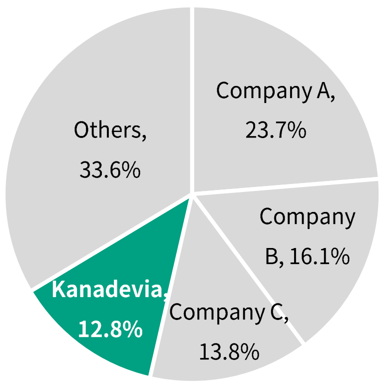
Business Characteristics / Strengths

- Extensive know-how in waste combustion backed by proven experience, along with a strong foundation in maintenance services
- Capability to offer integrated solutions by combining technologies across divisions and group companies, including CO_2 capture and methanation
- Advancing remote monitoring and operation, as well as combustion forecasting and autonomous operation utilizing AI technologies

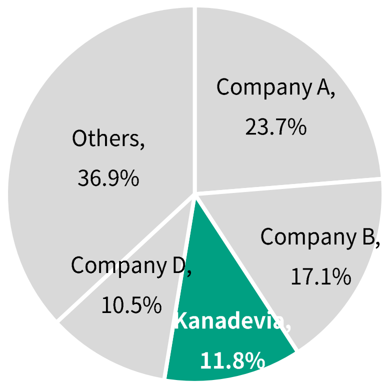
Domestic Waste-to-Energy : Market Order Volume and Our Market Share



EPC Ton Share



Operational Count



*Based on FY2021-FY2025 results (Kanadevia estimate)

Environment Business - Overseas

- Global WtX expansion led by Kanadevia Inova in Switzerland
- Strengthening the value chain through strategic M&A

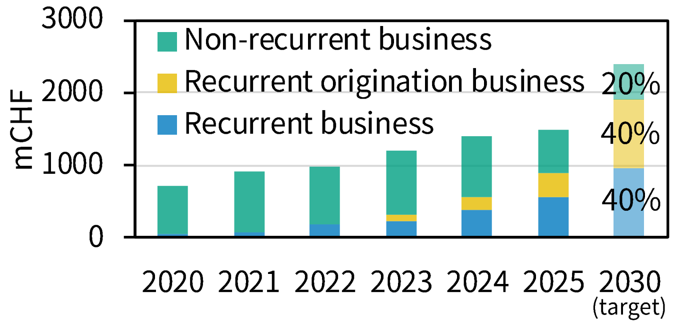
Market Environment

- Europe has traditionally been the core market, while demand for WtX has recently emerged in emerging regions such as the Middle East and Southeast Asia, driven by rising environmental awareness and growing demand for clean energy
- In Europe, demand for biogas is also increasing, supported by the need to strengthen energy security

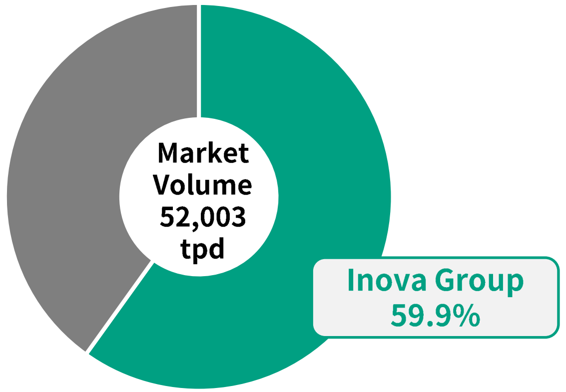
Kanadevia Inova

- Entered into a technical partnership with the Company in the 1960s and became part of the Group in 2010
- Extensive experience and expertise in delivering turnkey contracts for large-scale plants
- Also engages in project development and asset management, securing long-term and stable revenue across the entire value chain
- Promoting the development and commercialization of broader WtX solutions, including CO_2 and metal recovery and recycling, beyond conventional WtE

Revenue trends of Inova



Market Share in EMEA (Cumulative, 2021–2025)



Source: Prepared by Kanadevia based on the ESWET Report (2026)

Machinery & Infrastructure Business

Machinery

- Providing products to a wide range of industries—including food, healthcare, and transportation—primarily for private-sector customers

Precision Machinery

- Providing industrial machinery for food, pharmaceuticals, and chemicals, including coating equipment for perovskite solar cells, where demand is expected to expand. Supporting customers from the product development stage through prototype collaboration and delivering optimal equipment

Electronic Control Equipment

- Directly selling hardware and software—including electronic boards, video recording devices, and various control systems—to customers. Also offering data sales and analytics services based on analyzed data

Infrastructure

- Providing integrated design, construction, and maintenance services for floodgates and disaster prevention systems

Water Gate

- Contributing to national resilience and safe, secure communities, with increasing demand for hydropower floodgate systems driven by carbon neutrality initiatives
- TANGENT Kanadevia (Thailand) responding to region-specific demand for flood control measures and hydropower projects in Southeast Asia

Flap Gate

- Our proprietary technology utilizing natural forces such as tsunamis and storm surges

Carbon Neutral Solution Business

- Promoting decarbonization solutions to achieve carbon neutrality
- Leading decarbonization through high-quality products and advanced technologies, contributing to a sustainable society

Process Equipment

- Meeting growing demand for alternative fuel tanks such as ammonia
- Accelerating global expansion of spent fuel transport and storage solutions with NAC International (U.S.)

Decarbonization Systems

- Scaling up hydrogen production and methanation systems to support the large-scale adoption of hydrogen and synthetic methane
- Decided to construct a mass production plant for water electrolysis stacks

Wind Power

- Providing integrated services covering project development, EPC, and O&M for onshore wind power
- Promoting offshore wind foundation manufacturing by leveraging marine structure technologies and a large-scale dock

Spent Nuclear Fuel Casks

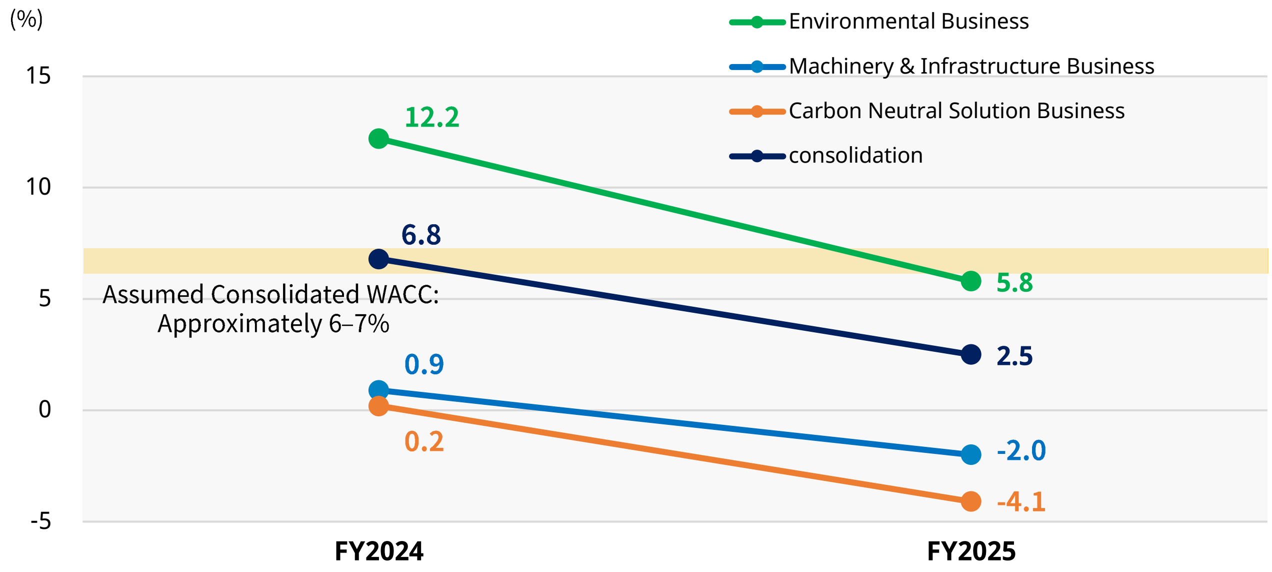
Hydrogen Production Systems

Methanation Systems

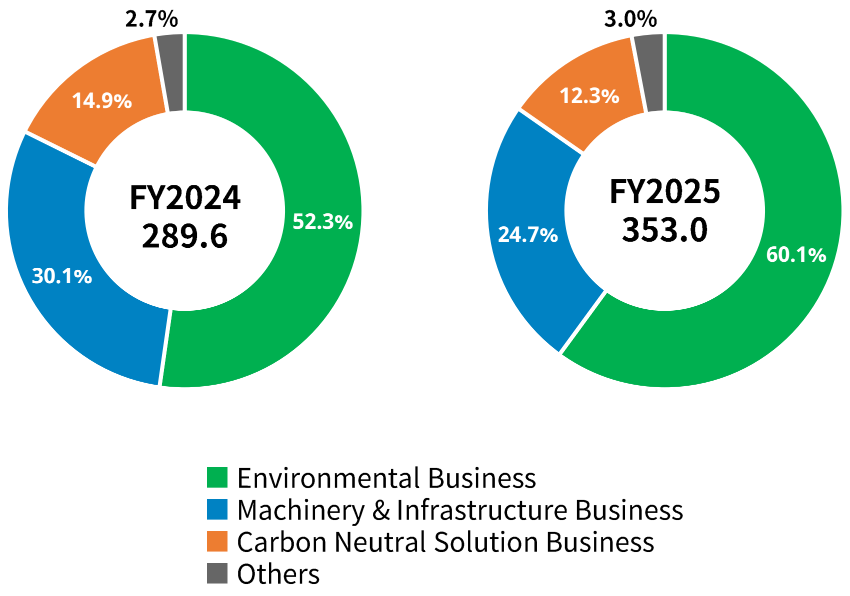
Offshore Wind Power

Onshore Wind Power

ROIC by Segment



Investment Ratio by Segment (Billions of JPY)



Environmental Business

ROIC declined in FY2025 due to increased invested capital from Inova M&A.

Advancing PMI to boost overseas profitability.

Machinery & Infrastructure Business

Profitability challenges remain; promoting portfolio management for improvement.

Carbon Neutral Solution Business

Driving initiatives for medium- to long-term market growth; investments prioritized.

Business Portfolio Management

Highlights of Initiatives Since FY2023

Date	Content	Acquisition	Strategic Alliance	Transfer /Exit
April 2023	Kanadevia spun off its marine engine business, and began alliance with Imabari Shipbuilding Co., Ltd.		○	
May 2023	Kanadevia established an operations tie-up with TRE Holdings Corporation in the environmental business segment		○	
June 2023	NAC International acquired Canadian company NIAGARA ENERGY PRODUCTS	○		
March 2024	Inova acquired Italian company Schmack Biogas	○		
June 2024	Inova acquired Danish company Babcock & Wilcox Renewable Service	○		
October 2024	Inova makes French EST Industries a subsidiary	○		
January 2025	Inova acquires biogas plant asset management company	○		
April 2025	Inova acquires Waste to Energy plant related company in the U.S.	○		
April 2025	Inova acquires intellectual property rights and engineers for Waste to Energy plant combustion equipment	○		
May 2025	Transfer of press machinery subsidiary			○
February 2026	Announced withdrawal from the bridge business and the termination of operations at the Mukaishima Works			○
March 2026	Inova acquires Irish O&M company (acquisition contract signed March 2025)	○		
March 2026	Transfer of shares in the marine engine subsidiary and its transition to an equity-method affiliate			○
June 2026	Transfer of the special valve subsidiary			○
July 2026	Transfer of solid-state battery business			○

Business Environment and Aims for Integration Consideration

Key trends and challenges

Continued changes in the macro environment

- Domestic labor shortages and tighter labor markets
- Increasing disaster and geopolitical risks
- Greater need for global management capabilities

Near-term replacement demand and medium- to long market trends

- Aging facilities built largely in the 1990s
- Market impacts from demographics; broader area coverage and consolidation of facilities
- Expansion of resource-circulation domains overseas

Requirements toward realizing a decarbonized society

- Growing global need for resource recycling and decarbonization
- Insufficient number of labors capable of social implementation

Aims/Objectives of the Business Integration Consideration

Enhancement of Human Capital, Organization and Business Fundamentals

- Improve productivity by organizational streamlining, accelerating adoption of AI/robotics, and DX initiatives
- Provide diverse career opportunities Securing HR
- Strengthen supply chain through joint procurement, etc.

Securing Recurring Earnings Base/ Accelerating Overseas Expansion

- Maximize order intake for anticipated replacement of aging facilities and secure O&M demand
- Respond to widening and consolidation of waste-to-energy facilities, strengthen regional complementarity
- Optimize technology adoption for environmental performance and regional characteristics; pursue global expansion

Acceleration of Technological Innovation and Commercialization

- As a key player in realizing resource circulation and decarbonization, take on the challenge of social implementation of advanced technologies
- Build a track record in the early phase and nurture businesses that will become the next pillar of earnings

Business Portfolio Management

Key Initiatives Comprising the Business Portfolio

Leveraging world-class positioning and technologies to accelerate "Waste to Energy" and "Waste to X"

WtE

- EPC of facilities and equipment that enable hygienic waste treatment and resource utilization
- Comprehensive post-delivery support to ensure stable O&M

Water Treatment

- Provide advanced technologies for the hygienic treatment of organic waste, including night soil.

Tank/Pipeline

- Design, manufacture, and construction of high quality tanks utilizing optimal steel and advanced technologies

Integrations

Resource Circulation

Decarbonization

Strengthen

Resilience

Strengthen

Industrial Architecture

- Delivery of industrial buildings—from advanced facilities employing seismic isolation and vibration-control technologies to offices

Integrating advanced technologies to facilitate the clean-energy transition while ensuring supply stability

Offshore Wind Power

- Construction of wind-turbine foundations, incl. jackets and monopiles
- End-to-end services from engineering and design to construction

CCUS／CCS

- Integrated solutions spanning CO_2 separation/capture through storage
- Integrated CO_2 solutions from capture to storage

On-site Energy Supply

- Power-supply and energy-management services supporting renewable energy use
- Efficient on-site heat and electricity supply using low-environmental-impa ct fuels

Developing infrastructure for stable energy supply and foundational technologies for resource circulation and decarbonization

Kanadevia

Technology for people and planet

(Cautionary Statement)
The forward-looking statements in this document, including performance forecasts, are based on information currently available and on certain assumptions deemed reasonable at this time. Actual results may differ materially due to various factors.