

Kawada Technologies, Inc. (Stock Code: 3443)

Financial Summary for FY202503 First Half

(April 1, 2024 through September 30, 2024)

Note: This document is an English translation from the original Japanese-language document.
All financial information is prepared in accordance with Japanese GAAP.

Kawada Group celebrated the 100th-year anniversary since its foundation in May 2022.
We have and will always contribute to the society through world-class technologies and quality.



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1. Results for FY202503 1st Half
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1. Results for FY202503 1st Half

Highlights for FY202503 1st Half

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Sales increased slightly but profits significantly YoY, due to winning contract modifications following completions of large-scale projects, also attaining modifications previously expected in the 2nd half of the FY earlier, adding to making efforts for further cost reduction, etc. Equity-method investment profit was higher than planned, leading to higher Ordinary Profit and Net Income.

(Million Yen)

	FY202403 1 st Half		FY202503 1 st Half		YoY	Latest Forecast for FY202503 *1		Progress
	amount	Ratio to sales	amount	Ratio to sales		amount	Ratio to sales	
Sales Revenues	64,325	100.0%	66,430	100.0%	+2,104 (+3.3%)	130,000 (128,000)	100.0%	51.1%
Gross Profit	8,507	13.2%	10,581	15.9%	+2,074 (+24.4%)	-	-	-
Operating Profit	3,096	4.8%	4,801	7.2%	+1,704 (+55.0%)	7,900 (5,800)	6.1%	60.8%
Ordinary Profit	3,695	5.7%	6,443	9.7%	+2,748 (+74.4%)	9,400 (7,200)	7.2%	68.5%
Net Income Attributable to owners of KAWADA	2,594	4.0%	5,017	7.6%	+2,422 (+93.4%)	6,900 (5,200)	5.3%	72.7%
Earnings Per Share *2	147.82円	-	290.82円	-	+143.00 (+96.7%)	398.96yen (301.88yen)	-	72.9%

*1 The Numbers are based of the announcement on November 12th,2024. The previous numbers are in parentheses.

*2 On assumption of the stock-split on April 1st, 2024 taking effect at the beginning of the previous FY.

Financial, Cash Flow, Orders and Dividend Status

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◎ Financial Status

(Million Yen)

	FY202403 Year end	FY202503 1st Half	Change
Total Assets	160,238	163,265	3,026 (1.9%)
Net Assets	82,363	85,792	3,429 (4.2%)
Equity Ratio	51.1%	52.2%	+1.1 points

◎ Cash Flow Status

(Million Yen)

	FY202403 1st Half	FY202503 1st Half	YoY
Operating Activities	7,118	-5,038	-12,157
Investing Activities	-859	-1,197	-337 (-39.3%)
Financing Activities	-8,215	4,781	12,997

◎ Orders Status *2

(Million Yen)

	FY202303	FY202403 1st Half	FY202403	FY202503 1st Half	YoY (over FY202403 1st Half)
From Prior FY	146,334	154,364		154,730	366 (0.2%)
Newly-received	127,657	53,215	131,241	47,710	-5,504 (-10.3%)
Sold	119,626	65,038	130,876	67,369	2,331 (3.6%)
On Hand	154,364	142,541	154,730	135,071	-7,469 (-5.2%)

◎ DPS *1

(Million Yen)

	FY 202403	FY 202503
Interim	-	45.00
Year End	131.00	55.00
Total	131.00	100.00

*1 On assumption of the stock-split on 1st April, 2024 taking effect at the beginning of the previous FY.

*2 Internal sales between business segments are not adjusted

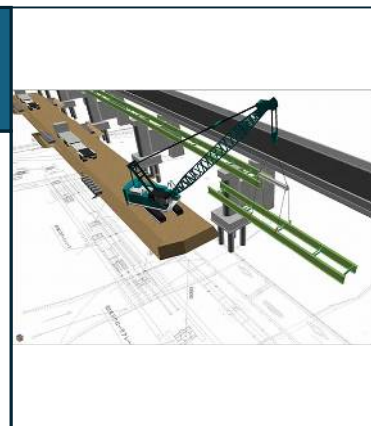
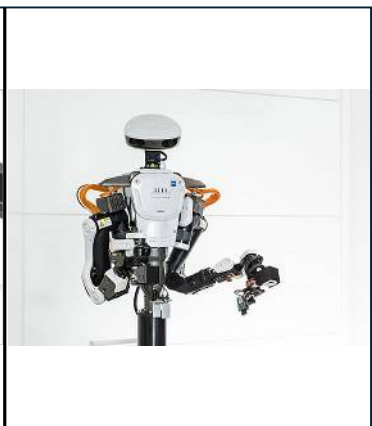
2. Results for FY202503 1st Half (By Segment)

Overviews of Business Segments

Steel Construction	
Design, fabrication and construction of steel bridges, steel structures, etc. Trade of steel products	Tokyo Gate Bridge (Tokyo)

Civil Engineering	
Planning, fabrication and construction of PC bridges, "Prebeam" bridges and structures. Maintenance and repair of bridges	Fudo Ohashi Bridge (Gunma Pref.)

Architecture	
Design and construction of conventional buildings and pre-engineered metal building system buildings	Polatech West Japan Shiga Factory (Shiga Pref.)

Solution		
(1)Development and sales of ASP service. Analysis, design and drawing of bridges. (2)Development, design, sales and consultation on various machines, computer systems. (3)Manufactures and sales of next-generation industrial robots	Architectural 3D-CAD V-nasClair	NEXTAGE

Business Segments Overview for FY202503 1st Half 8 / 20

Sales and profits increased with the projects' good progress and contract modifications attained in Steel Construction(SC) and Civil Engineering(CE), while in Architecture(AC) sales and profits decreased due to several large-scale projects still in designing phase and not yet to make full-swing progress.

SC

Steel bridge : Received orders firmly but decreased compared to the prior FY, where there were large-scale orders. Projects made steady progress, including those large-scale ones. Sales and profits increased significantly due to winning several contract modifications.

Architectural : Struggled to receive orders for projects including metropolitan redevelopments being pushed back currently. Still, the orders on hand
Steel Frame progressed favorably and sales and profits increased with contract modifications attained.

→ **Orders Received 14,443M (-9,699M -40.2%) , Sales 31,597M (+3,696M +13.2%)**
Operating profit 2,695M (+1,896M +237.6%)

CE

Orders increased substantially with piling up new projects for MLIT and local governments. Managed to receive a large-scale renovation order from highway express company, which we struggled to win in the previous FY. Sales increased as orders on hand progressed steadily, and profit increased significantly for attaining contract alterations following completions.

→ **Orders Received 19,454M (+6,333M 48.3%) , Sales 20,952M (+2,801M +15.4%)**
Operating Profit 1,828M (+455M +33.2%)

AC

Negotiations for some large-scale projects are still ongoing and not recorded in the 1st half. Projects did not progress smoothly as a whole for some are still in their initial phases. Sales and profit decreased significantly despite rigorous efforts for cost reduction and attaining some contract modifications.

→ **Orders Received 5,332M (-2,445M -31.4%) , Sales 6,610M (-4,817M -42.2%)**
Operating Profit 393M (-744M -65.4%)

SL

Software-related : Our products continued to be favorable, Sales and profits increased, while receiving order for commissioned design decreased in the backdrop that MLIT's order volume also decreased.

Robotics-related : Still struggling to receive orders. Sales declined.

→ **Orders Received 3,733M (+73M +2.0%) , Sales 3,643M (+75M +2.1%)**
Operating Profit 1,440M (+73M +5.4%)

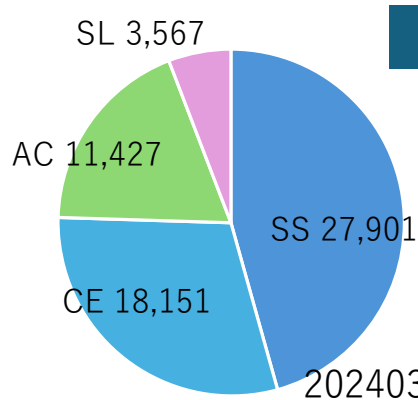
*Internal sales between business segments are not adjusted

P/L Summary by Segments for FY202503 1st Half

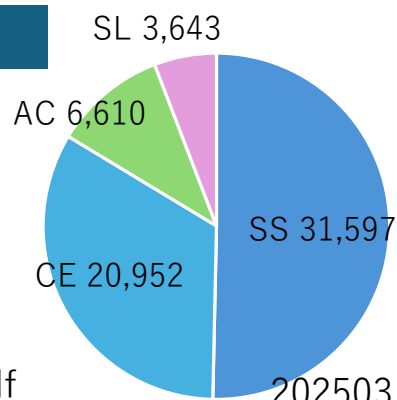
In SC and CE, Profits significantly increased YoY due to winning contract modifications following completion of large projects, etc.. Projects progress was slow in AC, yet SL maintained solid growth.

(Million Yen)

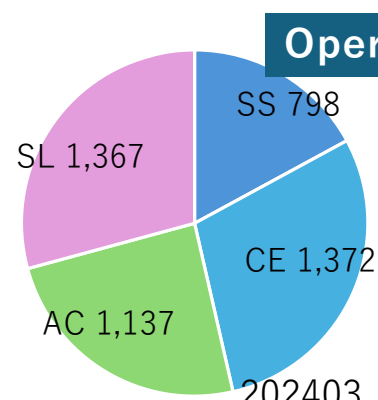
	FY202403 1 st Half			FY202503 1 st Half			YoY		
	Sales	Operating Profit	Margin	Sales	Operating Profit	Margin	Sales	Operating Profit	Margin
S C	27,901	798	2.9%	31,597	2,695	8.5%	3,696 (13.2%)	1,896 (237.6%)	5.7points
C E	18,151	1,372	7.6%	20,952	1,828	8.7%	2,801 (15.4%)	455 (33.2%)	1.2points
A C	11,427	1,137	10.0%	6,610	393	5.9%	-4,817 (-42.2%)	-744(-65.4%)	-4.0points
S L	3,567	1,367	38.3%	3,643	1,440	39.5%	75 (2.1%)	73 (5.4%)	1.2points



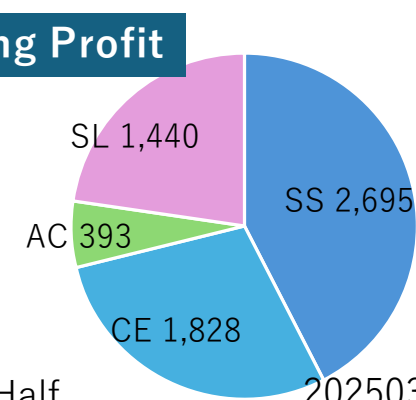
202403 1st Half



202503 1st Half



202403 1st Half



202503 1st Half

*Internal sales between business segments are not adjusted

Order Status by segment for FY202503 1st Half

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In Steel Construction(SC), we managed to accumulate new orders and contract modifications in steel bridge business while orders in the market decreased YoY. But in architectural steel frames business, there were some project delays centering around large-scale metropolitan redevelopments, leading to significant decrease in order status for the segment. In Civil Engineering(CE), on the other hand, contracts of newly construction and renovation were piled up, and orders on hand increased considerably YoY. In Architecture(AC), an order entry for a large project for which its designing is underway was delayed to the 2nd Half of the FY or later. Solution(SL) continued stable growth.

(Million Yen)

	From Previous FY			Newly-received			To sales			On hand		
	FY 202403	FY 202503	YoY	FY202403 1 st Half	FY202503 1 st Half	YoY	FY202403 1 st Half	FY202503 1 st Half	YoY	FY202403 1 st Half	FY202503 1 st Half	YoY
S C	84,990	87,561	2,571 (3.0%)	24,142	14,443	-9,699 (-40.2%)	27,901	31,597	3,696 (13.2%)	81,231	70,408	-10,823 (-13.3%)
C E	49,100	45,184	-3,915 (-8.0%)	13,120	19,454	6,333 (48.3%)	18,151	20,952	2,801 (15.4%)	44,069	43,686	-383 (-0.9%)
A C	16,526	17,862	1,335 (8.1%)	7,777	5,332	-2,445 (-31.4%)	11,427	6,610	-4,817 (-42.2%)	12,877	16,584	3,707 (28.8%)
S L	3,355	3,498	142 (4.2%)	3,659	3,733	73 (2.0%)	3,567	3,643	75 (2.1%)	3,448	3,588	140 (4.1%)

*Internal sales between business segments are not adjusted

2. Forecasts for FY202503 Full Year

Forecast for FY202503 Full Year

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We have announced the upward revision of the FY202503 forecast on November 12th, for we won contract modifications related to large-scale projects, completed projects in the FY more than expected. We expect additional modifications and cost reduction in the 2nd half, but it is still not easy to predict. Profit level has been getting nearer to that of the previous FY, and we will increase it further.

(Million Yen)

	FY202303	FY202403	FY202505 (Forecast) *2	YoY(in percentage)		Progress at the half-end to the full-year
				FY23 to 24	FY24 to 25 (Forecast)	
Sales	118,086	129,127	130,000 (128,000)	11,041 (9.4%)	873 (0.7%)	51.1%
Operating Profit	5,025	8,734	7,900 (5,800)	3,709 (73.8%)	-834 (-9.6%)	60.8%
Ordinary Profit	6,298	10,538	9,400 (7,200)	4,240 (67.3%)	-1,138 (-10.8%)	68.5%
Net Income Attributable to owners of KAWADA	4,231	7,541	6,900 (5,200)	3,310 (78.2%)	-641 (-8.5%)	72.7%
Earnings Per Share *1	239.94円	434.06円	398.96円 (301.88)	194.12円 (80.9%)	-35.1円 (-8.1%)	72.9%

*1 On assumption of the stock-split on April 1st, 2024 taking effect at the beginning of the previous FY.

*2 Inside parenthesis is the previous forecast announced on August 9th, 2024. Present forecast is announced on November 12th, 2024.

Forecast for FY202503 Full Year (1) Steel Construction Segment 13 / 20

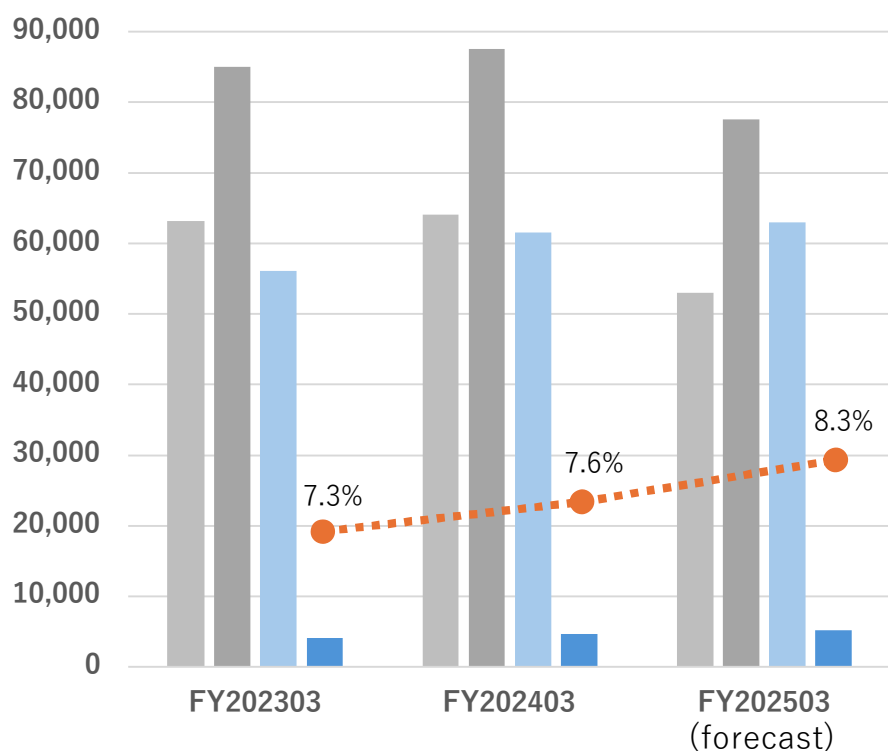
Steel Bridge: Although order volume in the market for the FY decreases, we aim to accumulate more orders from MLIT and local governments, adding to orders of the construction part for a large-scale project of highway companies. The Market shift from newly-construction to renovation and maintenance continues. Large-scale projects tend to have long construction period, and that could limit a contribution in Sales, Profits in each FY.

Also, we are working hard to consider measures against a structural issue, shrinking in volume of fabrication in our factories, a structural issue.

Architectural: Struggle to receive orders due to delays of planning and construction term, including for large-scale projects in metropolitan areas.

Steel Frame Projects on hand generally progress good and we expect them to contribute to sales and profits, but still need to pay close attention to the effect of worker shortage and price hike for materials.

(Million Yen)



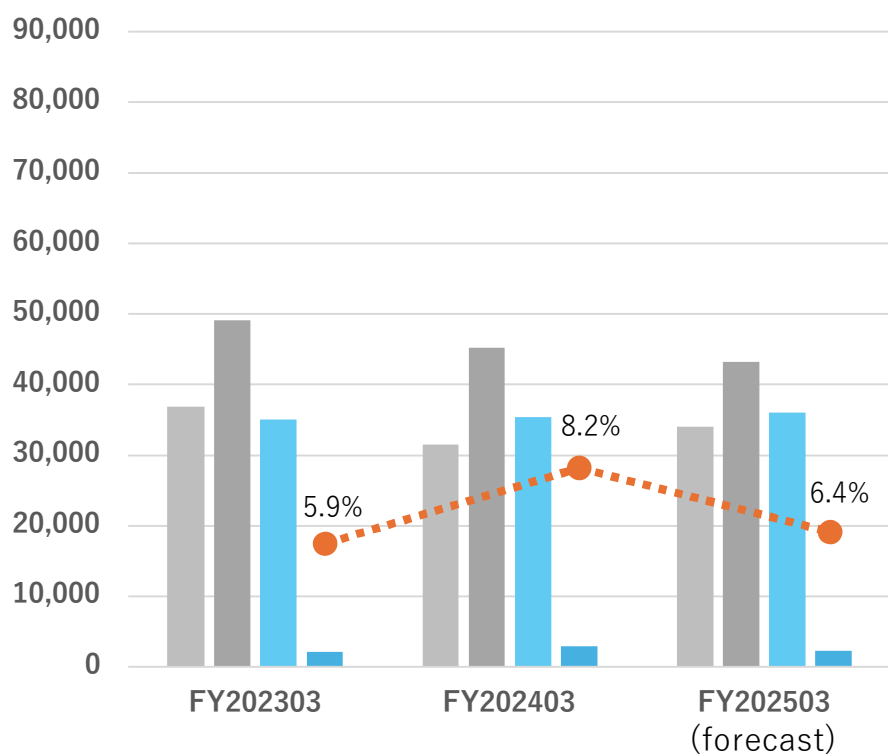
	FY202303	FY202403	FY202503 (forecast)	YoY	
				FY23 to 24	FY24 to 25 (forecast)
Newly-Received Orders	63,192	64,091	53,000	898 (1.4%)	-11,091 (-17.3%)
Orders on hand at the end of FY	84,990	87,561	77,561	2,571 (3.0%)	-10,000 (-11.4%)
Sales	56,071	61,519	63,000	5,448 (9.7%)	1,481 (2.4%)
Operating Profit	4,097	4,648	5,200	551 (13.5%)	552 (11.9%)
Operating Profit /Sales	7.3%	7.6%	8.3%	0.3points	0.7points

The column charts above indicate (from the left to right) Newly-received orders, Orders on hand at the end of the FY, Sales, and Operating Profit. Line graph indicates Operating Profit margin on Sales. Internal sales between business segments are not adjusted.

Forecast for FY202503 Full Year (2) Civil Engineering Segment

We aim to pile up more orders, including newly-construction works for MLIT and local governments. Due to the market shift from newly-construction to renovation and maintenance, the ratio of large-scale deck replacement works of highway companies to the whole order volume in the market for the FY is now substantial. Although some order placings started to delay, we have received orders steadily. Many projects on hand are going to be completed in the FY, and we endeavor to attain contract modifications at the completions, so as to minimize our cost rate.

(Million Yen)



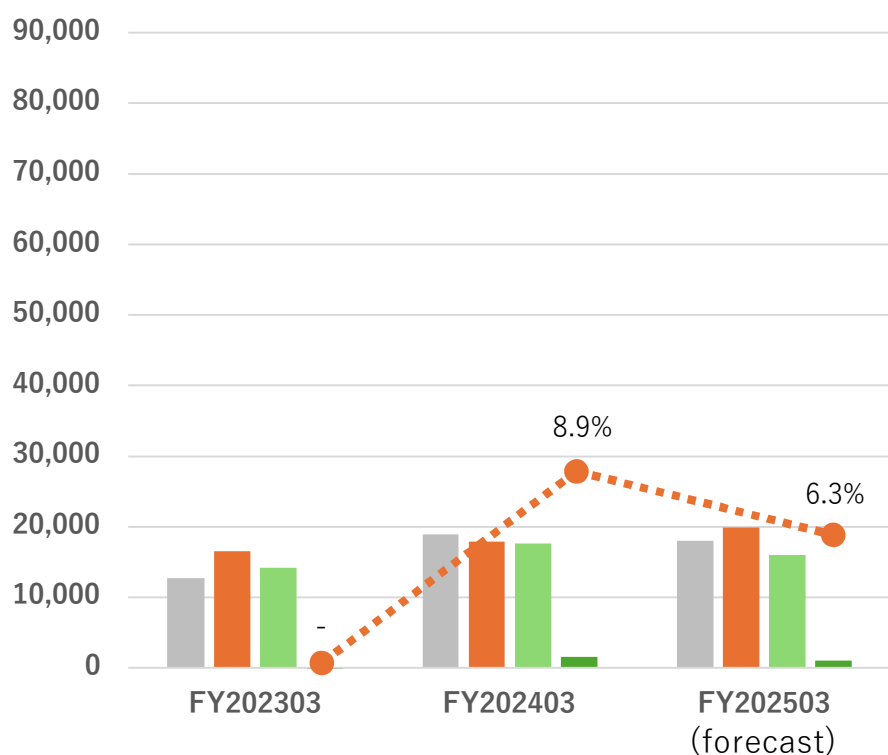
	FY202303	FY202403	FY202503 (forecast)	YoY	
				FY23 to 24	FY24 to 25 (forecast)
Newly-Received Orders	36,879	31,516	34,000	-5,362 (-14.5%)	2,484 (7.9%)
Orders on hand at the end of FY	49,100	45,184	43,184	-3,916 (-8.0%)	-2,000 (-4.4%)
Sales	35,035	35,432	36,000	396 (1.1%)	568 (1.6%)
Operating Profit	2,067	2,891	2,300	824 (39.9%)	-591 (-20.4%)
Operating Profit /Sales	5.9%	8.2%	6.4%	2.3points	-1.8points

The column charts above indicate (from the left to right) Newly-received orders, Orders on hand at the end of the FY, Sales, and Operating Profit. Line graph indicates Operating Profit margin on Sales. Internal sales between business segments are not adjusted.

Forecast for FY202503 Full Year (3)Architecture Segment

Demand for distribution warehouses continues. In the background of “Year 2024 problem”, there is strong need for middle-scale distribution bases between production areas and consumption areas, of which we expect to take advantage with our pre-engineered metal building system. There are lots of inquiries coming in, but we having secured several large-scale projects on hand, internal and external resources shortage emerges as a challenge. We aim to increase profit margin with selective order receiving.

(Million Yen)



	FY202303	FY202403	FY202503 (forecast)	YoY	
				FY23 to 24	FY24 to 25 (forecast)
Newly-Received Orders	12,719	18,936	18,000	6,217 (+48.9%)	-936 (-4.9%)
Orders on hand at the end of FY	16,526	17,862	19,862	1,335 (8.1%)	2,000 (11.2%)
Sales	14,158	17,601	16,000	3,442 (24.3%)	-1,601 (-9.1%)
Operating Profit	△423	1,574	1,000	1,997 (-)	-574 (-36.5%)
Operating Profit /Sales	-	8.9%	6.3%	-	-2.6points

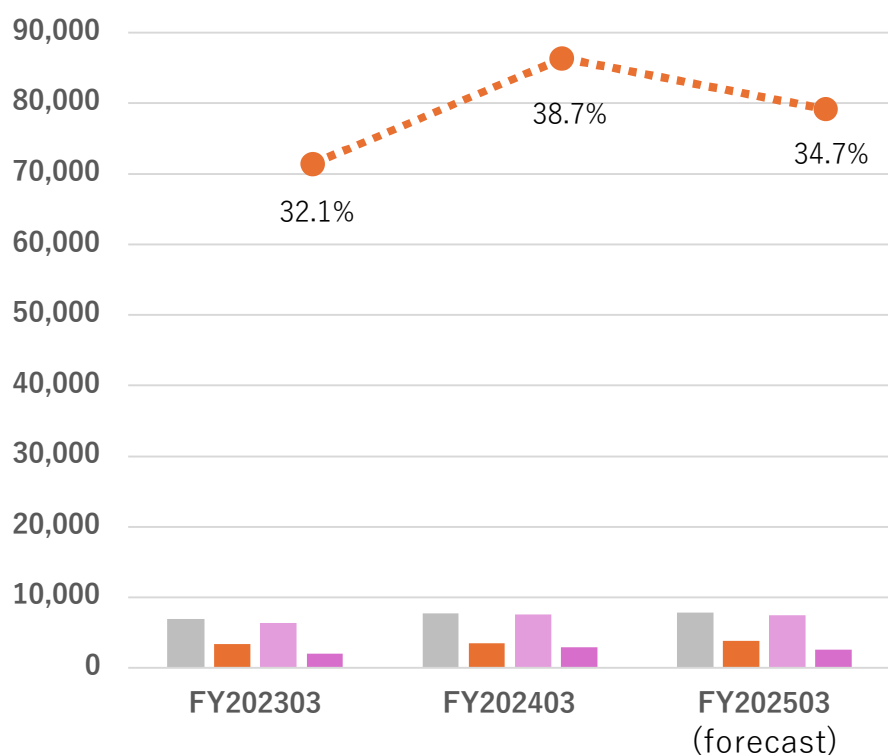
The column charts above indicate (from the left to right) Newly-received orders, Orders on hand at the end of the FY, Sales, and Operating Profit. Line graph indicates Operating Profit margin on Sales. Internal sales between business segments are not adjusted.

Forecast for FY202503 Full Year (4)Solution Segment

Software-Related: Expecting in-house products such as 3D-CAD and information sharing service keep showing strong performance, we aim to become the “de-facto standard” of the industry. Besides, we are pushing forward various new projects, pursuing for more growth.

Robot-Related : Marketing struggles, but there are sticking needs for automation and labor-saving. We endeavor to increase our robots’ usability by accelerating the development of package applications.

(Million Yen)



	FY202303	FY202403	FY202503 (forecast)	YoY	
				FY23 to 24	FY24 to 25 (forecast)
Newly-Received Orders	6,922	7,692	7,800	699 (10.0%)	108 (1.4%)
Orders on hand at the end of FY	3,355	3,498	3,798	140 (4.2%)	300 (8.6%)
Sales	6,371	7,550	7,500	1,178 (18.5%)	150 (2.0%)
Operating Profit	2,047	2,919	2,600	871 (42.6%)	-319 (-10.9%)
Operating Profit /Sales	32.1%	38.7%	34.7%	6.6points	-4.0points

The column charts above indicate (from the left to right) Newly-received orders, Orders on hand at the end of the FY, Sales, and Operating Profit. Line graph indicates Operating Profit margin on Sales. Internal sales between business segments are not adjusted.

4. Modification for Dividend Policy, Dividend Forecast, etc.

Modification of Dividend Policy and Dividend Forecast

- Interim dividend system was introduced from the current FY, and paid out 45 yen per stock as interim dividend with September 30th, 2024 as the record date.
- Year-end dividend of 55 yen per stock is projected (making 100 yen in total for the FY, decreased by 31 yen YoY, with the stock-split considered)
- Modification of Dividend Policy on November 12th : **“in a case where the net profit is substantially affected by unordinary special causes, we could calculate dividend excluding those effects”**
 - *For we believe dividends based on accounting but “without-cashflow-base” profit would impair our stable business management, our possibility for future growth, resulting in damaging our stakeholders’ long-term profit.
- The floor of 90 yen per share is set for the term of the 3rd Medium-Term Management Plan (April, 2023 through March, 2026)

	FY202303	FY202403	FY202503 (forecast)
Net Profit	4,231 million yen	7,541 million yen	6,900 million yen
EPS	239.94 yen	434.06 yen	398.96 yen
Dividend Per Share	70 yen	131 yen	100 yen Including the interim dividend of 45yen
Dividend Ratio	29.2%	30.2%	25.1% (30.2%)
Dividend in total	1,234 million yen	2,256 million yen	1,729 million yen

*The number inside the parentheses is calculated excluding the effects of unordinary special causes

* A stock-split of 3-to-1 of common share took effect on April 1st, 2024, and numbers before the present FY are calculated on the assumption that the said split had made at the beginning of the presented period. The number of stocks at FY202503 1st half is used as that of FY202503. Dividend ratio is calculated as “Dividend per share / EPS”.

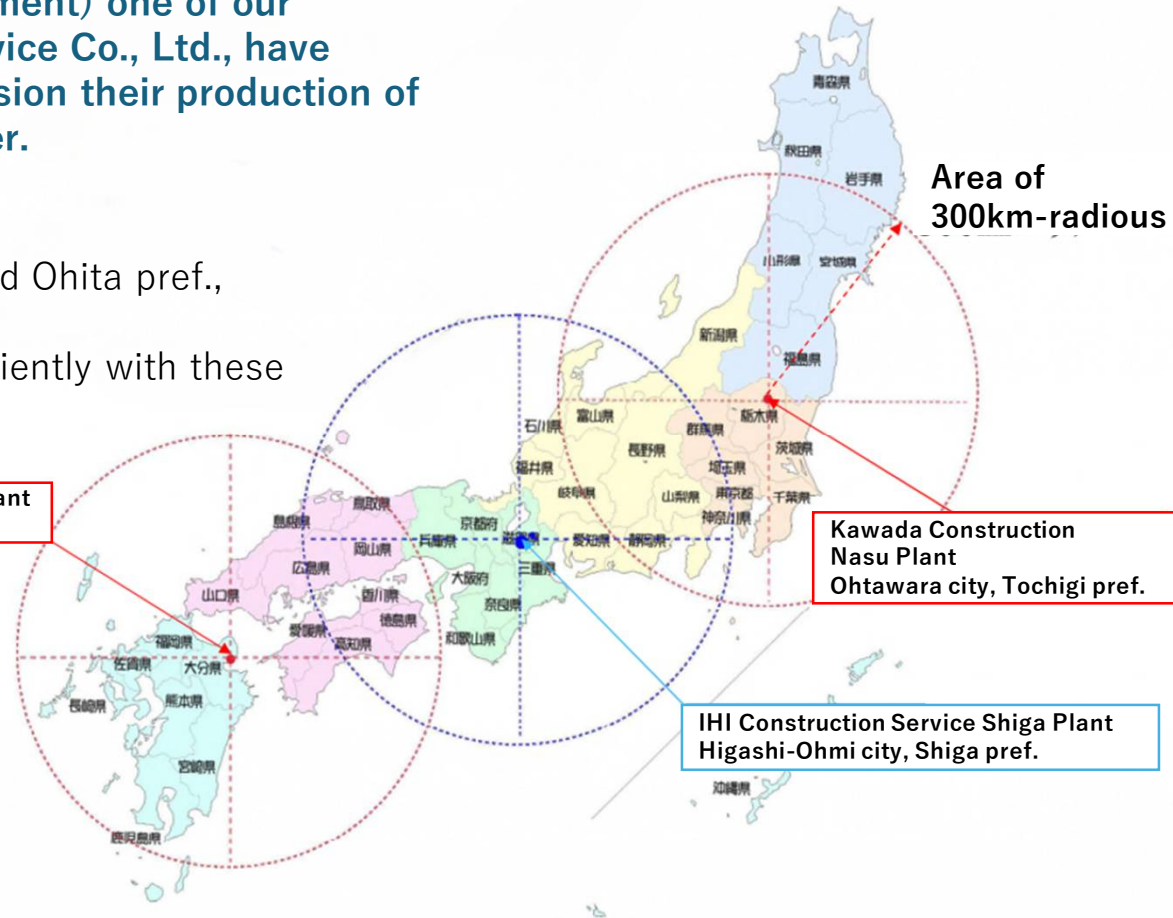
Topics(1) Business Alliance in Prestressed Concrete Bridge Business

Kawada Construction, Inc. (in Civil Engineering Segment) one of our consolidated subsidiaries, and IHI Construction Service Co., Ltd., have entered into a business alliance contract to commission their production of products for prestressed concrete bridges each other.

*Published on October 1st, 2024

Kawada Construction has its plants in Tochigi pref. and Ohita pref., and IHI Construction Service in Shiga pref.

→So together we cover the whole mainland more efficiently with these three plants work in unison.



- Impacts expected**
- Cost reduction for PC bridge products by manufacturing in corporation
 - Cost reduction for products delivery
 - Shortened construction period
 - As countermeasure for Year 2024 problem in delivery industry, etc.

Topics(2) Kawada's Integrated Report released

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Kawada's Integrated Report has been released in November, 2024. Please take a look!



KAWADA GROUP

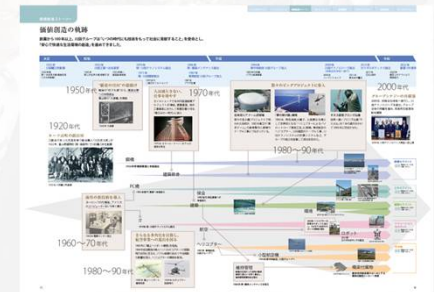
川田グループ
統合報告書
2024



(P3~)
Expanding Kawada's business field



(P7~)
Tadahiyo Kawada, the President
of KTI speaks with his passion



(P13~)
Founded as an ironwork, we've
grown to a group of companies with
variety of businesses



(P15~)
Diverse businesses work in
unison to create synergy



(P23~)
Leaders of each business
segment explains its status



(P39~)
Introducing our initiatives for
Sustainability

*URL https://www.kawada.jp/ir/integrated_reports/



(Appendix) Financial Summary

(Million Yen)

	FY202003	FY202103	FY202203	FY202303	FY202403	FY202503 1st-Half
Sales Revenues	127,048	115,545	103,760	118,086	129,127	66,430
Operating Profit	6,759	5,565	6,412	5,025	8,734	4,801
Ordinary Profit	8,543	8,048	7,689	6,298	10,538	6,443
Net Income attributable to owners of Kawada	6,449	6,340	5,176	4,231	7,541	5,017
Earning Per Share(yen)*	366.23	359.10	292.54	239.94	434.06	290.82
EPS/Equity(%)	11.3	10.1	7.6	5.8	9.6	6.0
Ordinary Profit / Total Asset (%)	6.4	5.6	5.5	4.3	6.5	4.0
Operating Profit / Sales (%)	5.3	4.8	6.2	4.3	6.8	7.2
Total Asset	139,093	147,408	133,337	162,158	160,216	163,265
Net Asset	60,630	66,964	71,921	76,697	82,341	85,792
Equity Ratio(%)	43.0	44.8	53.2	46.6	51.1	52.2
Net Asset per Share(yen)	3,395.07	3,740.50	4,009.61	4,288.11	4,753.28	4,931.86
Cashflow from Operating Activities	-4,126	-2,547	20,391	-9,673	13,320	-5,038
Cashflow from Investing Activities	-2,764	-4,183	-1,948	-1,504	-2,553	-1,197
Cashflow from Financing Activities	5,535	8,220	-15,811	12,213	-10,337	4,781
Yearly Dividend per share(yen)	26.67	26.67	33.33 (including memorial dividend of 6.67)	70	131	100 (including interim dividend of 45)

* On assumption of the stock-split on April 1st, 2024 taking effect at the beginning of the presented FY.

The information in this document is based on assumption in light of information available as of the date of announcement of this material, and the factors of uncertainty that may possibly impact the future results of operations. These forward-looking statements involve risks, uncertainties and other factors that may cause actual results and achievements to differ from those anticipated in these statements.

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 **KAWADA technologies**