



A corporate group that contributes to society through technology — We are the Kawada Group.

Kawada Technologies, Inc. (Stock Code: 3443)

Financial Summary for H1 FY3/2026

(April 1, 2025 through September 30, 2025)

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

Good morning, everyone. I am Kawada, Representative Director and President of Kawada Technologies Inc. Thank you very much for taking time out of your busy schedules today to attend our interim financial results briefing for the first half of the fiscal year ending March 2026. We will now begin the explanation. Please refer to the screen in front of you or the materials in your hand. For those participating via webinar, please view the screen or refer to the materials posted on our IR website.

- [1. Results for H1 FY3/2026](#)
- [2. Forecasts for Full-Year FY3/2026](#)
- [3. Progress and Partial Revisions on the Target Numbers of the 3rd Medium-Term Management Plan](#)
- [4. Outlook of Shareholder Return](#)

Today, we will first discuss the financial results, specifically:

- Performance of the first-half financial results for the fiscal year ending March 2026
- Outlook for the full-year performance for the fiscal year 2026
- Revision of numerical targets and progress of the 3rd Medium-Term Management Plan, and outlook for shareholder returns

After explaining these three points, we will introduce examples of how our strengths in robotics technology are being utilized in the construction industry, under the theme "Transforming Construction Sites with Construction x Robotics." I will provide an overview of the business performance, followed by Managing Director Watanabe, who will explain the performance by business segment and the full-year performance outlook.

1. Results for H1 FY3/2026

Now, I will begin by explaining the financial results for the first half of the fiscal year ending March 2026.

Status of Sales and Profits for H1 FY3/2026

4 / 26

Sales decreased as the projects did not make good progress in Steel construction and Civil engineering segments. Profits also decreased in comparison to the last FY, where large contract modifications were obtained.

(Million yen, unless otherwise stated)

	H1 FY3/2024		H1 FY3/2025		H1 FY3/2026		YoY (26 over 25)	
	result	% to sales	result	% to sales	result	% to sales	In amount	In %
Sales Revenues	64,325	100.0%	66,430	100.0%	55,346	100.0%	-11,084	-16.7%
Gross Profit	8,507	13.2%	10,581	15.9%	9,328	16.9%	-1,253	-11.8%
Operating Profit	3,096	4.8%	4,801	7.2%	3,172	5.7%	-1,629	-33.9%
Ordinary Profit	3,695	5.7%	6,443	9.7%	3,958	7.2%	-2,484	-38.6%
Net Income Attributable to Owners of Kawada	2,594	4.0%	5,017	7.6%	3,142	5.7%	-1,874	-37.4%
Earnings Per Share (yen)	147.82	-	290.82	-	180.53	-	-110.29	-37.9%

The revenue situation is as shown. This period, both sales and profit were below the previous period's results. This is due to the fact that in the Steel Construction segment and Civil Engineering segment, there were projects that were in the early stages of the process and had not yet reached full operation, or projects where the process was delayed compared to the initial assumptions at the beginning of the fiscal year. As a result, the progress of projects on hand as a whole was sluggish. Regarding profit in particular, while it is not at a bad level, it has significantly decreased this period compared to the previous period, which saw a large contract modification secured in the first half. The figures are as follows:

- Sales Revenues: 55.3 billion yen, down 17% from the previous period
- Gross profit: 9.3 billion yen, down 12%
- Operating profit: 3.1 billion yen, down 34%
- Ordinary profit: 3.9 billion yen, down 39%
- Interim net income attributable to owners of the parent: 3.1 billion yen, down 37%
- Interim net income per share: 180.53 yen, down 38%

Furthermore, as disclosed on November 11, it is unlikely that the progress of projects on hand will significantly improve in the latter half of the fiscal year. Therefore, we have revised downward both the full-year sales

forecast and the sales target in the 3rd Medium-Term Management Plan.
We will explain this point again later.

Order Status for H1 FY3/2026

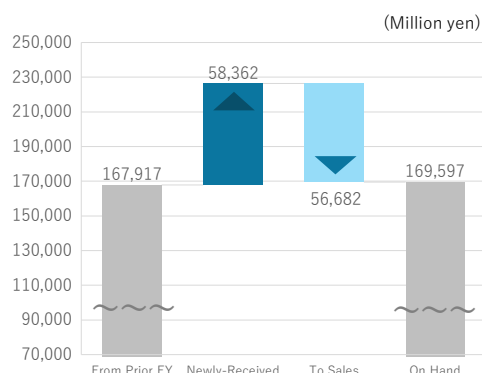
5 / 26

Newly-Received surged YoY as we accumulated contracts for a large renovation projects of steel bridges, large projects of architectural steel frames in the metropolitan areas and so on in the Steel Construction segment. With a lack of projects' progress, On hand has now reached the highest record level of about 170,000 million yen. It is going to be crucial how we manage this abundant On Hand.

(Million yen, unless otherwise stated)

	H1 FY3/2024	H1 FY3/2025	H1 FY3/2026	Change
From Prior FY	154,364	154,730	167,917	+13,186 +8.5%
Newly- Received	53,215	47,710	58,362	+10,651 +22.3%
To Sales	65,038	67,369	56,682	-10,687 -15.9%
On Hand	142,541	135,071	169,597	34,525 +25.6%

* Internal sales between business segments are not adjusted



Next, the order situation is as shown. The challenging business environment continues due to rising construction costs and labor shortages. However, orders exceeded the same period last year, driven by large-scale renewal projects for steel bridges in the Steel Construction segment and large-scale building steel projects in the Tokyo metropolitan area. Although we started this fiscal year with a very large order backlog, we were able to secure many new orders, while net sales decreased this fiscal year. As a result, the order backlog at the end of the first half reached a record high of 169.5 billion yen. How we manage this abundant order backlog will be a key point going forward. On the other hand, projects requiring factory operation are somewhat lacking, so we will actively pursue orders while carefully selecting projects.

Key Metrics of B/S, Status of Cash flows

6 / 26

With strong collections of account receivables, short-term borrowings for working capital were repaid, leading to decrease in Total asset. Equity Ratio continued to improve. Allowance for construction losses continued to mount due to the increase of projects still on their early stages, and of renovation and maintenance projects, which often require “cost-preceding” status for longer period.

【Total Asset, Net Asset, Equity Ratio】 (Million yen, unless otherwise stated)

	Full-Year FY3/2024	Full-Year FY3/2025	H1 FY3/2026	YoY
Total Asset	160,238	165,511	162,503	-3,008 -1.8%
Net Asset	82,363	91,569	93,055	+1,486 +1.6%
Equity Ratio	51.1%	55.0%	57.0%	+2.0pts

【Cashflows】

(Million yen, unless otherwise stated)

	H1 FY3/2024	H1 FY3/2025	H1 FY3/2026	YoY
Operating	7,118	-5,038	4,061	+9,100
Investing	-859	-1,197	-39	+1,158
Financing	-8,215	4,781	489	-4,291

【Allowance for construction losses】 (Million yen, unless otherwise stated)

	Full-Year FY3/2024	Full-Year FY3/2025	H1 FY3/2026	YoY
Total	1,674	2,908	3,661	+752 +25.9%
Of which Steel Construction	1,212	1,839	2,055	+216 +11.7%
Of which Civil Engineering	461	1,068	1,598	+529 +49.6%

Next, we will discuss the main B/S indicators and cash flow situation. Total assets slightly decreased as the collection of operating receivables progressed and short-term borrowings for working capital were repaid, but net assets increased, and the equity ratio also improved. Construction loss allowances are on an increasing trend due to some projects being halted, an increase in projects in the early stages of the process, and projects such as renewal and maintenance that tend to be cost-preceding. Additionally, the collection of operating receivables has improved operating cash flow. From here, Managing Director Watanabe will explain the financial results by segment.

7 / 26



Civil Engineering

Architecture

Solution

- Steel Construction Segment: Engages in the design, fabrication and construction of steel bridges and building steel structures for super high-rise buildings, etc.

- Architecture Segment: Primarily conducts building business centered on pre-engineered metal buildings, which is often used for low-rise factories and warehouses.

- Solution Segment: Broadly consists of two parts: one is civil engineering software, such as our proprietary 3D CAD, and the other is the development and sales of humanoid robots, etc.

We will report categorized into these.

H1 FY3/2026 (i)Steel Construction Segment

8 / 26

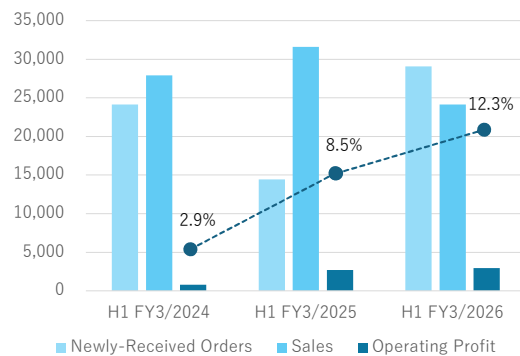
Steel Bridge : Order Placing was sluggish, yet Newly-Received Orders soared due to a large renovation project received as a joint venture. We have more projects with long construction periods on hand under the trend toward larger scale. Although Sales decreased for projects on hand made less progress, Operating Profit and Operating Margin increased YoY with several contract modifications.

Architectural Steel Frame : In the face of harsh circumstances, Newly-Received Orders surged YoY due to large projects in metropolitan area, including Osaka-IR related. Sales decreased with the weak projects' progress. Some contract modifications contributed to Profit, but as the decrease in Sales was too large to be offset, Profit decreased.

(Million yen, unless otherwise stated)

	1H FY3/2024	1H FY3/2025	1H FY3/2026	YoY
Newly-Received Orders	24,142	14,443	29,070	+14,627 +101.3%
Orders On Hand	81,231	70,408	100,285	+29,877 +42.4%
Sales	27,901	31,597	24,158	-7,439 -23.5%
Operating Profit	798	2,695	2,975	+280 +10.4%
Operating Margin	2.9%	8.5%	12.3%	+3.8pts

* Internal sales between business segments are not adjusted



First, the Steel Construction segment. Regarding steel bridges, although orders in the previous fiscal year were sluggish at 130,000 tons, we initially expected a decrease to 100,000 tons this fiscal year, but the current situation is that it is less than 100,000 tons. Amid fierce competition for orders, we secured a large-scale renewal project for expressways. This project would normally be ordered in the Civil Engineering segment as it usually involves precast PC slabs, but since this renewal project also included the replacement of steel deck slabs, it was ordered in this Steel Construction segment. Although orders in the first half of the previous fiscal year were low, this contributed to exceeding the previous period's results. On the other hand, as Mr. Kawada mentioned, there are projects that have not yet reached full operation or are delayed, and projects are becoming larger and longer-term. Therefore, although we initially anticipated a lower output for this fiscal year, the output did not increase as much as we expected, which led to a decrease in net sales. Regarding architectural steel frames, although there are slight delays in scheduled projects, we were able to secure orders for urban redevelopment in Tokyo and IR-related projects in Osaka, among others, which also allowed us to exceed the previous fiscal year's results. Regarding profit, with a certain level of contract modifications visible for both steel bridges and

architectural steel frames, it increased by 280 million yen from the previous period to 2.9 billion yen.

H1 FY3/2026 (ii)Civil Engineering Segment

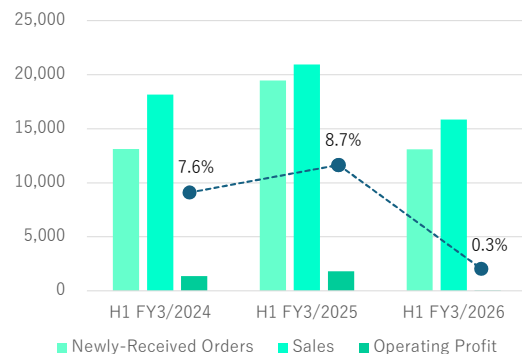
9 / 26

We piled up contracts under a difficult environment, Newly-Received Orders decreased compared to the previous FY, where large contract modifications were concentrated. Sales also decreased because projects that were received recently did not begin full operation, especially as to newly-construction and maintenance. Plus, some renovation and maintenance projects, which require extensive on-site engineering, are currently on "cost-preceding" status, resulting in plummeted Operating Profit.

(Million yen, unless otherwise stated)

	1H FY3/2024	1H FY3/2025	1H FY3/2026	YoY
Newly-Received Orders	13,120	19,454	13,110	-6,343 -32.6%
Orders On Hand	44,069	43,686	47,947	+4,260 +9.8%
Sales	18,151	20,952	15,863	-5,088 -24.3%
Operating Profit	1,372	1,828	48	-1,779 -97.3%
Operating Margin	7.6%	8.7%	0.3%	-8.4pts

* Internal sales between business segments are not adjusted



Next, the Civil Engineering segment. This is the main factor for the decline in revenue this time. Looking at the market environment, the market for concrete bridges and PC slab replacement combined has fallen from 410 billion yen to 340 billion yen, and this fiscal year, it is uncertain whether it will reach 300 billion yen, indicating a severe market environment. Furthermore, projects scheduled for order placement within this fiscal year include a considerable number of "discretionary contracts" that are extensions of ongoing projects, meaning that there are very few projects that can actually be competed for in this market. In such a situation, although we secured orders for slab construction projects, etc., repair projects were lower than the previous period's level due to a large-scale project of approximately 6 billion yen secured in the fourth quarter of the previous fiscal year and fewer orders placed this period. Regarding net sales, especially in this Civil Engineering segment, we are currently in a stage where costs are preceding. At this stage, the project design is mostly finalized, and costs are quite visible, but as the project has not progressed, we are unable to record expected contract modifications, which we call "cost-preceding." This is reflected in the increase in construction loss allowances, as Mr. Kawada explained earlier, and the increase in construction loss allowances is a major factor in the significant

decrease in operating profit. We believe that this cost-preceding factor is having a very significant impact, and we do not believe that profitability itself has been significantly disrupted. In this fiscal year's financial results as well, as I mentioned earlier, current period revenue is below the previous period, and the major factor for this is in civil engineering, and furthermore, we believe that the cause lies in cost-preceding.

H1 FY3/2026 (iii)Architecture Segment

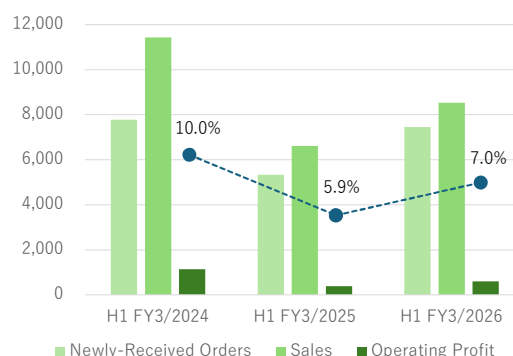
10 / 26

Newly-Received Orders increased as we received the construction contract for a large pre-engineered metal building project, following its design contract that we had already received. Contrary to Steel Contraction or Civil Engineering segments, projects progressed steadily, centering on large projects, resulting in Sales increase. Progress on profitable projects and cost reductions on near-completion projects contributed to Operating Profit.

(Million yen, unless otherwise stated)

	1H FY3/2024	1H FY3/2025	1H FY3/2026	YoY
Newly-Received Orders	7,777	5,332	7,451	+2,118 +39.7%
Orders On Hand	12,877	16,584	16,713	+128 +0.8%
Sales	11,427	6,610	8,525	+1,915 +29.0%
Operating Profit	1,137	393	598	+205 +52.2%
Operating Margin	10.0%	5.9%	7.0%	+1.1pts

* Internal sales between business segments are not adjusted



Next, the Architectural segment. Recently, there has been an increase in cases where design work and construction work are ordered separately. The background to this is that after receiving an order for design work, the initial design concept often changes significantly during the process, leading to a prolonged period until completion of the work, and thus taking time to secure orders for the subsequent construction phase. This period, orders exceeded the previous period, partly due to securing construction contracts for projects for which we had already undertaken design work. Regarding net sales, with large-scale projects, especially large logistics warehouses undertaken jointly with Sato Kogyo, an equity-method affiliate, and other projects on hand progressing smoothly, net sales increased compared to the previous period. Additionally, a large project was completed in the first quarter, and cost reductions were achieved during that process, resulting in higher profits than the previous period.

H1 FY3/2026 (iv)Solution Segment

11 / 26

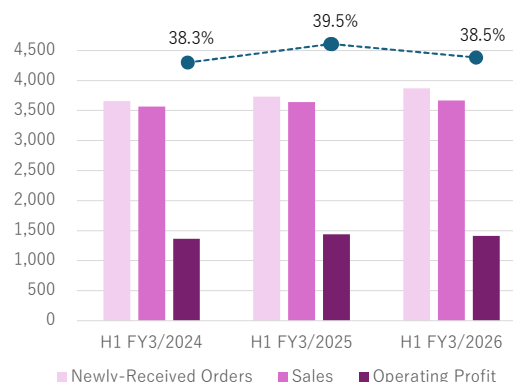
Software : Our cloud service, adding to “V-nas Clair” series, 3D-CAD system, performed well. Proactive promotion reduced Profit slightly.

Robot : Direct sales increased, pushing up Newly-Received Orders YoY. Profit only dipped while Sales decreased.

(Million yen, unless otherwise stated)

	1H FY3/2024	1H FY3/2025	1H FY3/2026	YoY
Newly-Received Orders	3,659	3,733	3,872	+139 +3.7%
Orders On Hand	3,448	3,588	3,809	+220 +6.1%
Sales	3,567	3,643	3,666	+23 +0.6%
Operating Profit	1,367	1,440	1,411	-29 -2.1%
Operating Margin	38.3%	39.5%	38.5%	-1.0pts

* Internal sales between business segments are not adjusted



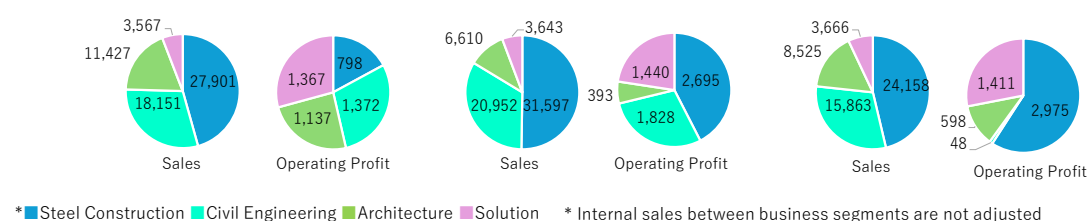
Regarding the Solution segment, this segment is basically not significantly off plan. While our 3D CAD, V-nas Clair, and cloud services are performing well, the rapid growth seen at one point has slowed down somewhat. I will explain new initiatives later, but while it is growing, the growth has slowed down a bit. We see this as a plateau, and we expect further growth from here. The slight decrease in operating profit is due to the fact that human resources are crucial for this company, so we have been investing in securing talent through TV commercials and other means, as well as increasing brand awareness in new markets. These factors led to an increase in selling, general and administrative expenses.

H1 FY3/2026 Overview of Sales and Profit by Segment

12 / 26

(Million yen, unless otherwise stated)

	H1 FY3/2024			H1 FY3/2025			H1 FY3/2026		
	Sales	Operating Profit	Operating Margin	Sales	Operating Profit	Operating Margin	Sales	Operating Profit	Operating Margin
Steel Construction	27,901	798	2.9%	31,597 +13.2%	2,695 +237.6%	8.5% +5.6pts	24,158 -23.5%	2,975 +10.4%	12.3% +3.8pts
Civil Engineering	18,151	1,372	7.6%	20,952 +15.4%	1,828 +33.2%	8.7% +1.1pts	15,863 -24.3%	48 -97.3%	0.3% -8.4pts
Architecture	11,427	1,137	10.0%	6,610 -42.2%	393 -65.4%	5.9% -4.1pts	8,525 +29.0%	598 +52.2%	7.0% +1.1pts
Solution	3,567	1,367	38.3%	3,643 +2.1%	1,440 +5.4%	39.5% +1.2pts	3,666 +0.6%	1,411 -2.1%	38.5% -1.0pts

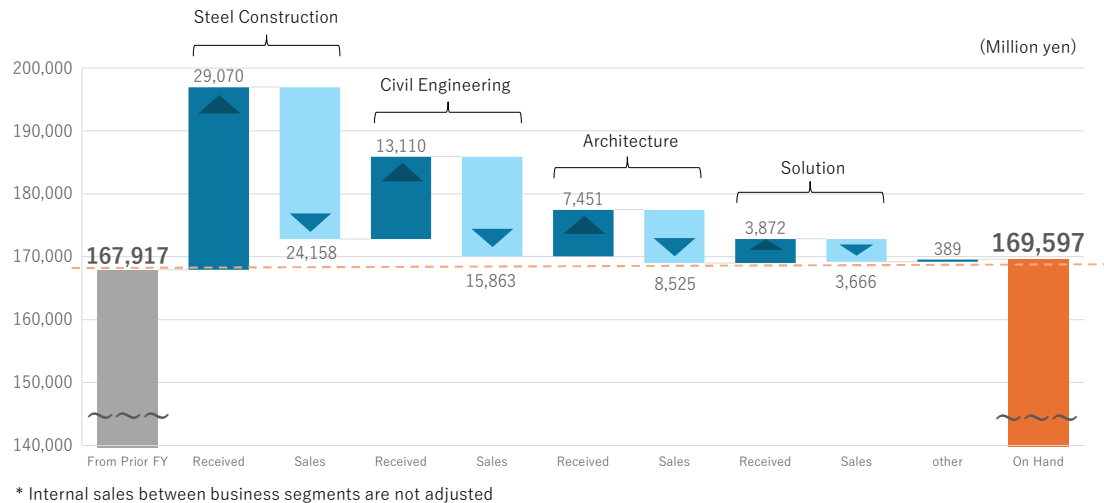


For your reference, we have included a transition of segment-specific revenues, but please note that revenues can fluctuate significantly depending on factors including the timing of recording contract modifications, so please view this as a reference only.

H1 FY3/2026 Order Status by Segment

13 / 26

Orders on hand is at the record high level. But it is effectively even higher as we have several design works with “the right of first negotiation” for receiving the following fabrication and construction contracts, which are not included in the numbers yet. It is key to handle this amount steadily. Sales recording are concerned to become slower due to the scarcity of labors, lengthening of projects periods in the face of the trend toward larger scale, etc.



As Mr. Kawada also mentioned earlier, the order backlog is at a record high. At the end of the previous fiscal year, we had an order backlog of 167 billion yen. In the Steel Construction segment, orders were 29 billion yen, and completed projects were 24 billion yen. In Civil Engineering, conversely, orders decreased by approximately 2.7 billion yen due to fewer orders, but there was no significant change in Building and Solution. The Steel Construction segment saw an increase of approximately 5 billion yen in order backlog during this interim period, but the overall order backlog, including the decrease in Civil Engineering, stands at 169 billion yen.

2. Forecasts for Full-Year FY3/2026

Next, the performance outlook for the full-year for the fiscal year ending at the end of March 2026.

Forecast for Full-Year FY3/2026

15 / 26

Projects on hand are predicted to progress slower than expected at the beginning of the FY in Steel Construction, Civil Engineering, and Architecture, therefore the Sales forecast are revised downward. Yet with more contract modifications expected for projects near completion now, each profits forecasts are kept unchanged.

(Million yen, unless otherwise stated)

	Full-Year FY3/2025	H1 FY3/2026	Full-Year FY3/2026 (previous forecast) *1	Full-Year FY3/2026 (current forecast)*2	Change	
					Fr. FY2025 to FY2026	Fr. Previous to Current forecast
Sales Revenues	132,905	55,346	125,000	115,000	-17,905 -13.5%	-10,000 -8.0%
Operating Profit	9,684	3,172	7,800	7,800	-1,884 -19.5%	-
Ordinary Profit	12,616	3,958	9,600	9,600	-3,016 -23.9%	-
Net Income Attributable to Owners of Kawada	11,107	3,142	7,500	7,500	-3,607 -32.5%	-
Earning Per Share(yen)	642.96	180.53	431.42	430.05	-212.91 -33.1%	-

*1 Announced on May 13th, 2025 *2 Announced on November 11th, 2025

As Mr. Kawada explained earlier, due to the progress in the Steel Construction and Civil Engineering segments being slower than initially anticipated, it is difficult to cover this in the latter half of the period. Therefore, we have revised net sales from 125 billion yen to 115 billion yen. However, at this stage, we believe that operating profit, ordinary profit, and other profits are still achievable targets, so we have not revised them at this time.

Forecast for FY3/2026 (i)Steel Construction Segment

16 / 26

Sales target decreased, while Profit target increased.

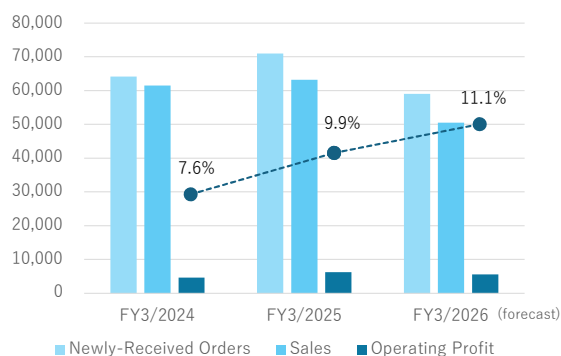
Steel bridge: New-construction market is on the downward trend in the long term, but renovation and maintenance market remains at a certain scale, and the overall market is on the increasing trend. Although a big project is to begin operation fully in several years, the environment is harsh for current FY.

Architectural: Some projects are delayed due to multiple factors including surged construction costs, labor shortage, so-called work style revolution. Large projects are still being planned, such as ones in metropolitan areas or Osaka-IR related, and we expect solid demand overall.

(Million yen, unless otherwise stated)

	FY3/2024	FY3/2025	FY3/2026 (previous forecast)	FY3/2026 (previous forecast)	Change
Newly-Received Orders	64,091	70,983	59,000	59,000	-11,983 -16.9%
Orders On Hand	87,561	95,372	98,372	103,872	+8,500 +8.9%
Sales	61,519	63,172	56,000	50,500	-12,672 -20.1%
Operating Profit	4,648	6,274	5,250	5,600	-674 -10.7%
Operating Margin	7.6%	9.9%	9.4%	11.1%	+1.2pts

* Internal sales between business segments are not adjusted



In the Steel Construction segment, while it is challenging to accumulate orders in the current market environment as mentioned earlier, we aim to achieve our targets by including contract modifications and other factors for existing projects. Therefore, the current period's order target remains unchanged at 59 billion yen. For completed projects, due to the reasons mentioned earlier, we have reduced it by approximately 5.5 billion yen. However, operating profit has been revised to 5.6 billion yen, as a somewhat higher level of contract modifications than initially anticipated has become visible for both steel bridges and architectural steel frames within the Steel Construction segment.

Forecast for FY3/2026 (ii)Civil Engineering Segment

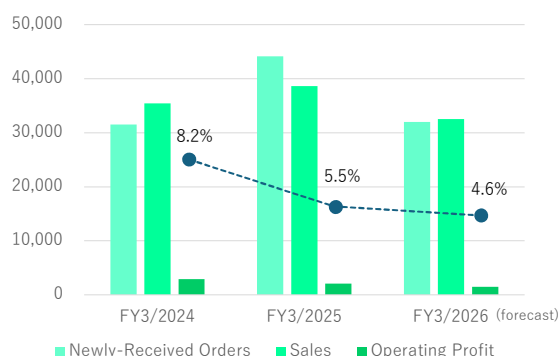
17 / 26

Same as steel bridges, the market for pre-stressed concrete, or PC, bridges, is on the downward trend in the long term. Highway companies' placings for large floor slab replacement are currently weak under temporal budget constraints, labor scarcity etc. Although fierce competition for receiving orders continues, the target for Newly-received orders is kept unchanged. Orders on hand is not expected to progress good, and targets for Sales and Operating profit are revised downward.

(Million yen, unless otherwise stated)

	FY3/2024	FY3/2025	FY3/2026 (previous forecast)	FY3/2026 (previous forecast)	Change
Newly-Received Orders	31,516	44,137	32,000	32,000	-12,137 -27.5%
Orders On Hand	45,184	50,700	47,700	50,200	-500 -1.0%
Sales	35,432	38,622	35,000	32,500	-6,122 -15.9%
Operating Profit	2,891	2,106	1,900	1,500	-606 -28.8%
Operating Margin	8.2%	5.5%	5.4%	4.6%	-0.9pts

* Internal sales between business segments are not adjusted



Next, the Civil Engineering segment. In the Civil Engineering segment, we have not yet lowered the order target at this stage, but net sales have been reduced by approximately 2.5 billion yen due to slightly slower progress. Operating profit has been slightly revised downward to 1.5 billion yen, considering the pace of contract modifications up to this interim stage. Overall, the picture is that the Steel Construction segment is covering the "cost-preceding" situation in Civil Engineering.

Forecast for FY3/2026 (iii)Architecture Segment

18 / 26

Demands for multiple-floored distribution warehouses in urban outskirts are now shifted to large low-rise distribution warehouses in local cities. We expect that the trend of manufacture sites relocations inbound stimulates new demands. As some design works tend to require more time due to specification changes, entering into contracts for the following construction parts are concerned to be delayed to the next FY. Sales forecast is lowered as projects that are quick to be sold were not received in the first half as many as expected. A multiple-floored warehouse, which we tackle as joint venture with Sato Kyogo, is now completing, and we will pursue to improve its profitability.

(Million yen, unless otherwise stated)

	FY3/2024	FY3/2025	FY3/2026 (previous forecast)	FY3/2026 (previous forecast)	Change
Newly-Received Orders	18,936	15,398	19,000	19,000	+3,602 +23.4%
Orders On Hand	17,862	17,788	18,788	20,788	+3,000 +16.9%
Sales	17,601	15,473	18,000	16,000	+527 +3.4%
Operating Profit	1,574	1,444	850	900	-544 -37.7%
Operating Margin	8.9%	9.3%	4.7%	5.6%	-3.7pts

* Internal sales between business segments are not adjusted



Next, the Architectural segment. For orders, there is still the challenge of whether the construction portion can be secured for projects currently in the design phase, but at this stage, we are maintaining the initial forecast of 19 billion yen. Net sales are projected to be 16 billion yen, a slight decrease, partly due to fewer orders in the first half of the current period. Operating profit is projected to be 900 million yen, a slight increase due to solid performance at present.

Forecast for FY3/2026 (iv)Solution Segment

19 / 26

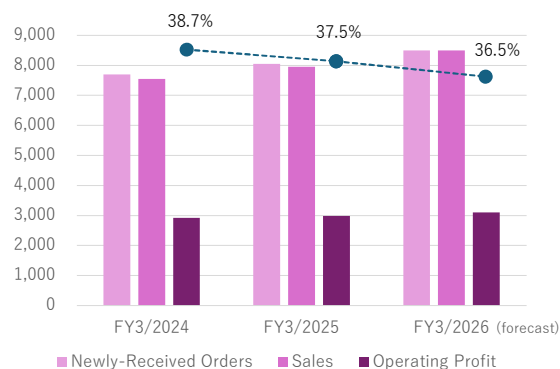
Software: Our 3D-CAD system and cloud service are expected to be in good form continuously. While aiming to transform from software company to “Information Service Consultant”, we will contribute to public infrastructure fields through visualizing underground water pipes, electricity and communication conduits.

Robot : Amid AI's accelerating development and widening usage, adding to labor shortage, real-world application of robots is now proceeding faster. We continue to go into the black.

(Million yen, unless otherwise stated)

	FY3/2024	FY3/2025	FY3/2026 (previous forecast)	FY3/2026 (previous forecast)	Change
Newly-Received Orders	7,692	8,053	8,500	8,500	+447 +5.6%
Orders On Hand	3,498	3,603	3,603	3,603	-
Sales	7,550	7,949	8,500	8,500	+551 +6.9%
Operating Profit	2,919	2,982	3,100	3,100	+118 +4.0%
Operating Margin	38.7%	37.5%	36.5%	36.5%	-1.0pts

* Internal sales between business segments are not adjusted



Regarding the Solution segment, both net sales and operating profit remain unchanged from the initial forecast. As mentioned, while software growth has slowed somewhat, the Ministry of Land, Infrastructure, Transport and Tourism plans to implement the integration of 3D models and 2D drawings within the next three years as part of its promotion of BIM/CIM. Since our specialty 3D CAD also includes 2D capabilities, we aim to further expand our business by leveraging our advantages.

3. Progress and Partial Revisions on the Target Numbers of the 3rd Medium-Term Management Plan

Regarding the revision of numerical targets and progress of the 3rd Medium-Term Management Plan,

Outline of the 3rd Medium-Term Management Plan (through FY3/2024 to FY3/2025) 21 / 26

Purpose	To realize KAWADA VISION, we aim for both sustainable growth of our group and realization of the sustainable society. Business environments changing substantially, we face sincerely with the <u>Business Challenges</u> , tackling them quickly and flexibly <u>to become a resilient company</u> .		
Business Challenge	Promote management to <u>(1)increase ROE</u> , considering capital costs, and <u>(2)enhance management base</u>	(1) Increase ROE	Increase profitability in the core businesses, expand business fields in other growing businesses, and shift to capital-efficient management
		(2) Enhance Management Base	Increase productivity through securing talents, talent trainings and DX, building IP landscape, promoting sustainable management for the sustainable society.
Theme : Transforming to a resilient company to realize KAWADA VISION			
Principles	Sustainable Growth of Core Businesses	Participate in big projects and the expanding bridge renewal and maintenance market with technologies we have attained for over 100years.	
	Enhance and Create Growing Businesses	Allocate management resources into promising business fields and generate new business opportunities with KAWADA-original value creation.	
	Promoting Sustainability Management	Maximize our long-term corporate value, solving social issues with sincere and responsible corporate management under our philosophy of “Creation of a Safe, Comfortable and Sustainable Society”,	
	Shifting to Capital-Efficient Management	Pushing forward ROE-focused management in the spirit of our “Eight-Way Satisfaction”.	

The overview has already been mentioned, so please refer to it later.

Partial Revision of Targets (Sales Revised Downward)

22 / 26

(Million yen, unless otherwise stated)

	The 1 st Plan (result)	The 2 nd Plan (result)	The 3 rd Plan (original)	The 3 rd Plan (previous)	The 3 rd Plan (present, amended on Nov. 11 th , 2025)
Sales Revenues (3-year cumulative)	352,600	337,300	391,000 or more	391,000 or more	377,000 or more (-3.6%)
Operating Profit (3-year cumulative)	17,200	17,000	18,600 or more	26,100 or more	26,100 or more
Net Income (i) (3-year cumulative)	16,500	15,700	15,600 or more	26,100 or more	26,100 or more
Net Income (ii) (3-year cumulative, excluding the effect of equity-method application)	10,900	10,900	12,100 or more	19,600 or more	19,600 or more
ROE (i) (at the 3 rd FY)	11.3%	5.8%	8.0% or more	8.0% or more	8.0% or more
ROE (ii) (at the 3 rd FY, excluding the effect of equity-method application)	15.8%	7.3%	11.0% or more	11.0% or more	11.0% or more
Shareholders Return (average for 3 years)	8.5%	16.0%	30.0% target	30.0% target	30.0% target

What we have changed here is, as I have been mentioning, net sales. Since we have reduced the current period's forecast by approximately 10 billion yen, the total for the medium-term plan period has been changed to 377 billion yen or more. Operating profit and net income for the current period remain unchanged from the initial announcement at this stage.

Progress for Target Numbers

23 / 26

Sales Target is revised downward (from 391,000 mil to 377,000 mil, in 3-year cumulative), but others kept unchanged

(Million yen, unless otherwise stated)

	Original Target (on May 13, 2024)	Current Target Amended on Nov. 11, 2025	Progress								
			FY3/2024 (1 st year)		FY3/2025 (2 nd year)			FY3/2026 (3 rd year, forecast)			
			result	progress	result	In total	Progress	forecast	In total	progress	% to original
Sales Revenues (3-year cumulative)	391,000	377,000	129,100	33.0%	132,900	262,000	67.0%	115,000	377,000	100.0%	96.4%
Operating Profit (3-year cumulative)	18,600	26,100	8,700	33.5%	9,600	18,400	70.6%	7,800	26,200	100.4%	141.0%
Net Income (i) (3-year cumulative)	15,600	26,100	7,500	28.9%	11,100	18,600	71.5%	7,500	26,100	100.2%	167.6%
Net Income (ii) (3-year cumulative, excluding the effect of equity-method application)	12,100	19,600	5,800	29.7%	8,000	13,800	70.8%	5,800	19,600	100.4%	162.6%
ROE (i) (at the 3 rd FY)	8.0%	8.0%	9.6%	-	12.8%	-	-	8.0%	-	To achieve	
ROE (ii) (at the 3 rd FY, excluding the effect of equity- method application)	11.0%	11.0%	13.8%	-	17.0%	-	-	11.1%	-	To achieve	
Shareholders Return (average for 3 years)	roughly 30.0%	roughly 30.0%	30.2%	-	29.6%*	-	-	30.2%	30.0%	To achieve	

*Based on the Dividend Policy, the profits and losses caused by non-recurring special factors are excluded. If included, the ratio is 22.6%.

This is also for your reference, but the current fiscal year is the final year of the three-year plan, and we have shown the progress to date, including the interim results and forecasts. Please refer to this later.

4. Outlook of Shareholder Return

Regarding the outlook for shareholder returns,

Outlook for Shareholder Return

25 / 26

Annual dividend is predicted to be 130 yen. Interim dividend is 65 yen, and year-end dividend is also 65 yen

Dividend Policy (amended on Nov. 12th, 2024)

- We recognize shareholders return as one of the primary initiatives, as well as increasing company value
- Basic idea is to continue stable dividend with a target for consolidated dividend ratio of roughly 30%, excluding profits and losses caused by non-recurring special factors (please refer to the right box)
- Annual 90 yen per share is the floor set for the remaining period of the 3rd mid-term plan (FY3/2026)

Q. What is "profits and losses caused by non-recurring special factors"?

A. It's purely accounting profits and losses, accrued outside of normal business activities, with no future cash-flow expected to follow

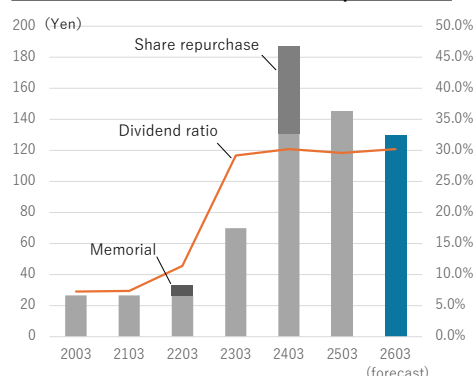
* It does not necessarily mean items in "extraordinary items" on P/L

	FY3/2024	FY3/2025	FY3/2026 (forecast)
EPS *1	434.06 yen	642.96 yen	430.05 yen
Dividend per Share *2	131 yen	145 yen (incl. interim 45 yen)	130 yen (incl. interim 65 yen)
Dividend Ratio	30.2%	29.6% *2	30.2%
Share Repurchase	999 million yen	-	TBD
Total Payout Ratio	43.2%	29.6% *2	30.2%

*1 Calculated as if the stock split of April 1, 2024 took effect at the beginning of the presented period.

*2 Calculated excluding the effects of "fair value adjustment from Sato Kogyo's new implementation of equity-method" and "income tax-deferred due to the review of recoverability of deferred tax asset", according to the dividend policy. If not, the ratio is 22.6%.

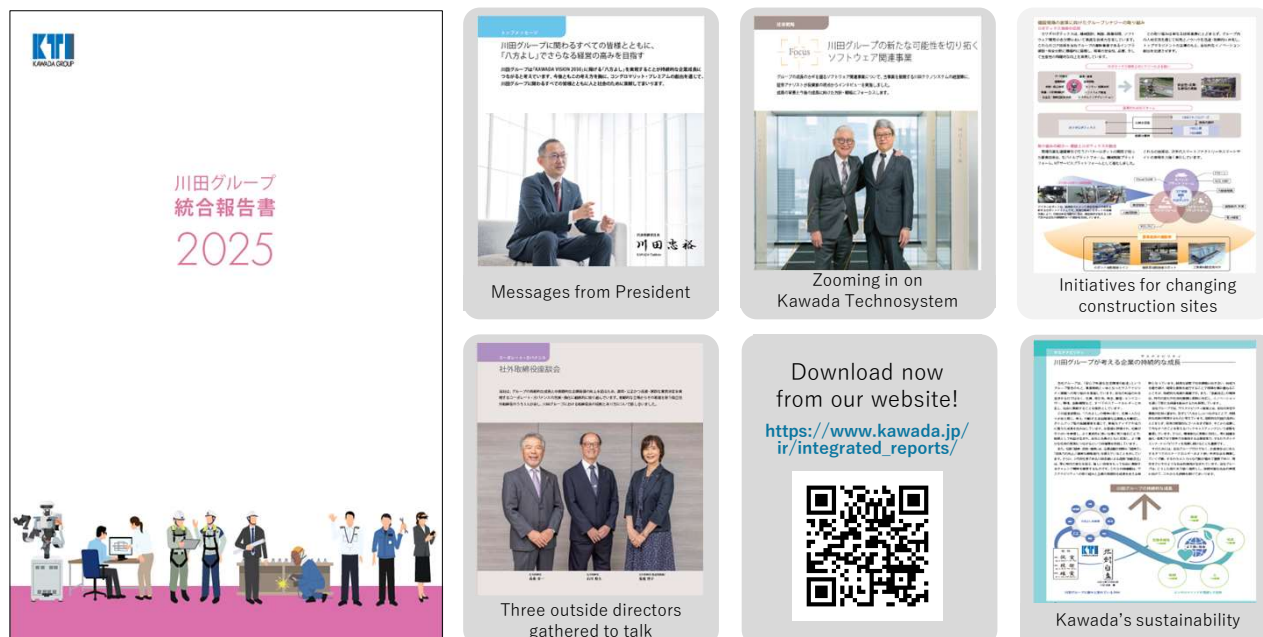
Trend of total shareholders return per stock *1



Since we have not changed the current period's profit forecast from the initial plan, we aim for stable dividends with a dividend payout ratio of approximately 30%. Based on an estimated net income per share of 430 yen, we are currently considering a dividend per share of 130 yen, with an interim dividend of 65 yen.

“Integrated Report 2025” is out, please have a look!

26 / 26



I would also like to report one thing. Following last year, we have again prepared our group's integrated report this year. This time, in addition to the content from the previous year, we have included new content such as a special feature on Kawada TechnoSystem, which drives revenue in the Solution segment, a topic of high interest to everyone, and a roundtable discussion with outside directors. It can be downloaded from our website, so please take a look.

Thank you for listening so far. This concludes the discussion on financial results. We will continue to strive to achieve each target set forth in the 3rd Medium-Term Management Plan, as well as to increase corporate value and return profits to our shareholders. We appreciate your understanding and continued support. That concludes my presentation.

(ref.) Financial Indicators of The Last 5 FY

(Million yen, unless otherwise stated)

	FY3/2022	FY3/2023	FY3/2024	FY3/2025	1H FY3/2026
Sales Revenues	103,760	118,086	129,127	132,905	55,346
Operating Profit	6,412	5,025	8,734	9,684	3,172
Ordinary Profit	7,689	6,298	10,538	12,616	3,958
Net Income attributable to owners of Kawada	5,176	4,231	7,541	11,107	3,142
Earnings Per Share (yen) *	292.54	239.94	434.06	642.96	180.53
Net income / equity (%)	7.6	5.8	9.6	12.8	3.42%
Ordinary Profit / Total Asset (%)	5.5	4.3	6.5	7.7	2.41%
Operating Profit / Sales (%)	6.2	4.3	6.8	7.3	5.73%
Total Asset	133,337	162,158	160,238	165,511	162,503
Net Asset	71,921	76,697	82,363	91,569	93,055
Equity Ratio (%)	53.2	46.6	51.1	55.0	57.0%
Net Asset per share (yen) *	4,009.61	4,288.11	4,754.54	5,238.20	5,307.07
Cashflow from Operating activities	20,391	-9,673	13,320	9,839	4,061
Cashflows from Investing Activities	-1,948	-1,504	-2,553	-2,981	-39
Cashflows from Financing Activities	-15,811	12,213	-10,337	-8,659	489
Yearly Dividend per share (yen) *	33.33 (incl. memorial 6.67)	70	131	145 (incl. interim 45)	130 (forecast, incl. interim 65)

* Calculated as if the stock split of April 1, 2024 took effect at the beginning of the presented period.

The information in this document is based on assumption considering 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.

- Contact -
ir.kti@kawada.jp

 KAWADA technologies