

“Creating a Safe, Comfortable and Sustainable Society” with KAWADA’s Technology

Kawada Technologies, Inc. (Stock Code: 3443)

# Financial Summary for FY3/2026

(April 1, 2025 through March 31, 2026)

**KAWADA**

What will we challenge next?

## 【Part 1】

1. Financial Results for the FY Ended March 2026
2. Forecast for the FY Ending March 2027
3. Shareholder Returns

## 【Part 2】

The 4th Medium-Term Management Plan

## 【Part 1】

### 1. Financial Results for the FY Ended March 2026

# FY3/2026 — Revenue Summary

Closed with lower revenue and lower profit. Revenue decreased due to fewer projects contributing to this term's completed work amid longer project schedules caused by larger-scale projects and a shortage of personnel. Although we secured multiple major contract modifications, SG&A increased and profit declined.

(Million yen, unless otherwise stated)

	FY3/2024		FY3/2025		FY3/2026		YoY (26 on 25)	
	result	% to sales	result	% to sales	result	% to sales	In amount	In %
<b>Sales</b>	129,127	100.0%	132,905	100.0%	<b>115,025</b>	<b>100.0%</b>	<b>-17,880</b>	<b>-13.5%</b>
<b>Gross Profit</b>	20,098	15.6%	21,742	16.4%	<b>21,354</b>	<b>18.6%</b>	<b>-387</b>	<b>-1.8%</b>
<b>Operating Profit</b>	8,734	6.8%	9,684	7.3%	<b>8,598</b>	<b>7.5%</b>	<b>-1,086</b>	<b>-11.2%</b>
<b>Ordinary Profit</b>	10,538	8.2%	12,616	9.5%	<b>11,055</b>	<b>9.6%</b>	<b>-1,561</b>	<b>-12.4%</b>
<b>Net Income Attributable to Owners of Kawada</b>	7,541	5.8%	11,107	8.4%	<b>8,782</b>	<b>7.6%</b>	<b>-2,325</b>	<b>-20.9%</b>
<b>Earnings Per Share (yen)</b>	144.69円	-	214.32	-	<b>168.03</b>	-	<b>46.29</b>	<b>-21.6%</b>

\* Calculated assuming the April 1,2024 and April 1,2026 stock splits were in effect at the start of the displayed period.

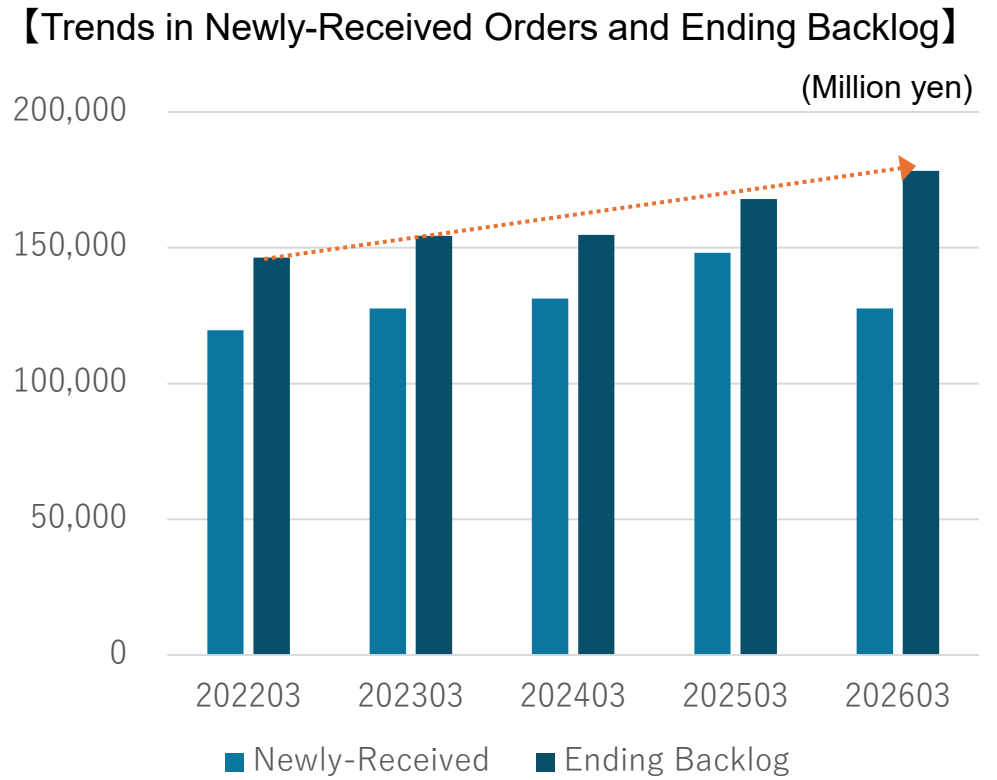
# Orders Status for FY3/2026

Orders for steel and PC bridges remained weak throughout the year; competition for orders was intense and the environment stayed very challenging. Orders in the Steel Construction and Civil Engineering segments, which include these projects, fell sharply YoY. Other segments were roughly flat, but overall orders declined about 14%. Due to sluggish progress on backlog projects, ending order backlog exceeded the previous year and reached a record high.

(Million yen)

	FY3/2024	FY3/2025	FY3/2026	YoY (26 on 25)
<b>Opening Backlog</b>	154,364	154,730	<b>167,917</b>	+13,186 +8.5%
<b>Newly-Received</b>	131,241	148,202	<b>127,638</b>	-20,564 -13.9%
<b>To Sales</b>	130,876	135,015	<b>117,248</b>	-17,767 -13.2%
<b>Ending Backlog</b>	154,730	167,917	<b>178,306</b>	+10,389 +6.2%

\* Internal sales between business segments are not adjusted



# Key Metrics of B/S, Status of Cash flows, Provisions

Collection of receivables progressed and short-term borrowings for working capital were repaid. Total assets decreased and net assets increased. ROE and ROA declined YoY. Provisions increased due to cost-preceding for projects ordered in the Steel Construction segment during the term.

## 【Total assets / Net assets / Related indicators】

(Million yen)

	FY3/2024	FY3/2025	FY3/2026	YoY (26 on 25)
<b>Total Asset</b>	160,238	165,511	<b>162,986</b>	-2,525 -1.5%
<b>Net Asset</b>	82,363	91,569	<b>99,510</b>	+7,941 +8.7%
<b>Equity Ratio</b>	51.1%	55.0%	<b>60.7%</b>	+5.7pp
<b>ROE ※</b>	9.6%	12.8%	<b>9.2%</b>	-3.6pp
<b>ROA ※</b>	6.5%	7.7%	<b>6.7%</b>	-1.0pp

\*ROE numerator is net income, ROA numerator is ordinary income.

## 【Cash Flows】

(Million yen)

	FY3/2024	FY3/2025	FY3/2026	YoY (26 on 25)
<b>Operating</b>	13,320	9,839	<b>15,160</b>	+5,321
<b>Investing</b>	-2,553	-2,981	<b>-1,828</b>	+1,153
<b>Financing</b>	-10,337	-8,659	<b>-10,134</b>	-1,475

## 【Provisions for Construction Losses】

(Million yen)

	FY3/2024	FY3/2025	FY3/2026	YoY (26 on 25)
<b>Total</b>	1,674	2,908	<b>3,805</b>	+897 +30.9%
<b>Of which Steel Construction</b>	1,212	1,839	<b>2,678</b>	+839 +45.6%
<b>Of which Civil Engineering</b>	461	1,068	<b>1,126</b>	+57 +5.4%

# Segment Overview — Four Business Segments

Steel Construction

Civil Engineering

Architecture

Solution



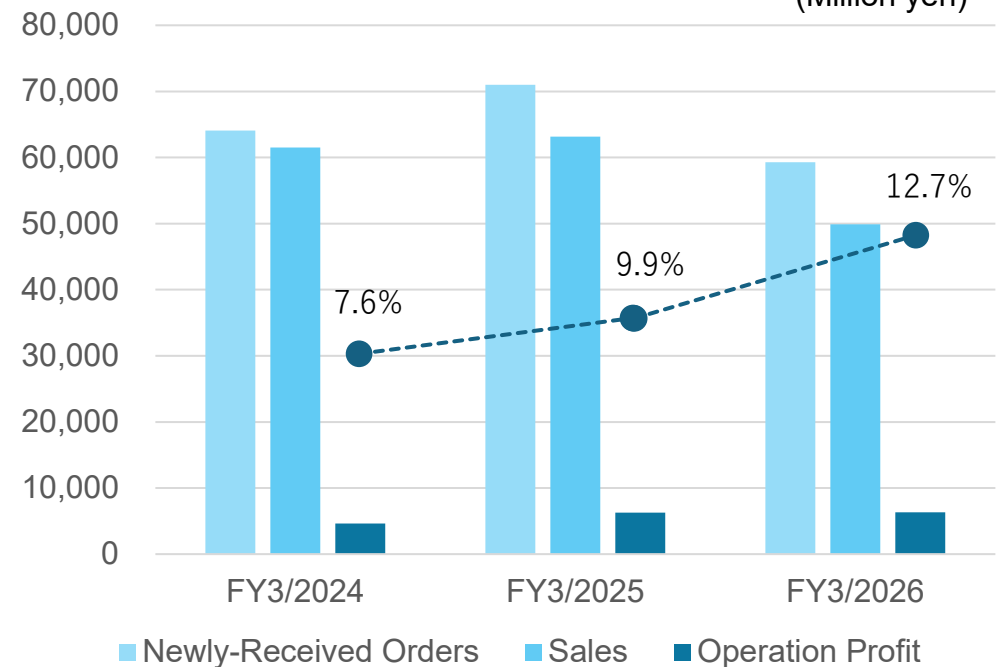
**Steel bridge:** Market size is holding. Among "new construction", "repair / maintenance", and "modification", repair / maintenance and modification are increasing while new construction is declining. Projects are getting larger, lengthening schedules. Although backlog is ample, progress this term was limited and net sales decreased. Profit margin and profit improved due to captured contract modifications. Securing factory-fabricated items is an issue due to the decline in new construction.

**Architectural:** Orders were covered by projects in the Kansai area during a lull in Tokyo-area projects. Net sales fell due to reduced carryover from the prior term. Profit margin rose with contract modifications won, but profit slightly decreased.

(Million yen)

	FY3/2024	FY3/2025	FY3/2026	YoY (26 on 25)
Opening Backlog	84,990	87,561	<b>95,372</b>	+7,810 +8.9%
Newly-Received Orders	64,091	70,983	<b>59,301</b>	-11,681 -16.5%
Ending Backlog	87,561	95,372	<b>104,794</b>	+9,422 +9.9%
Sales	61,519	63,172	<b>49,879</b>	-13,292 -21.0%
Operating Profit	4,648	6,274	<b>6,320</b>	+45 +0.7%
Operating Margin	7.6%	9.9%	<b>12.7%</b>	+2.8pp

(Million yen)

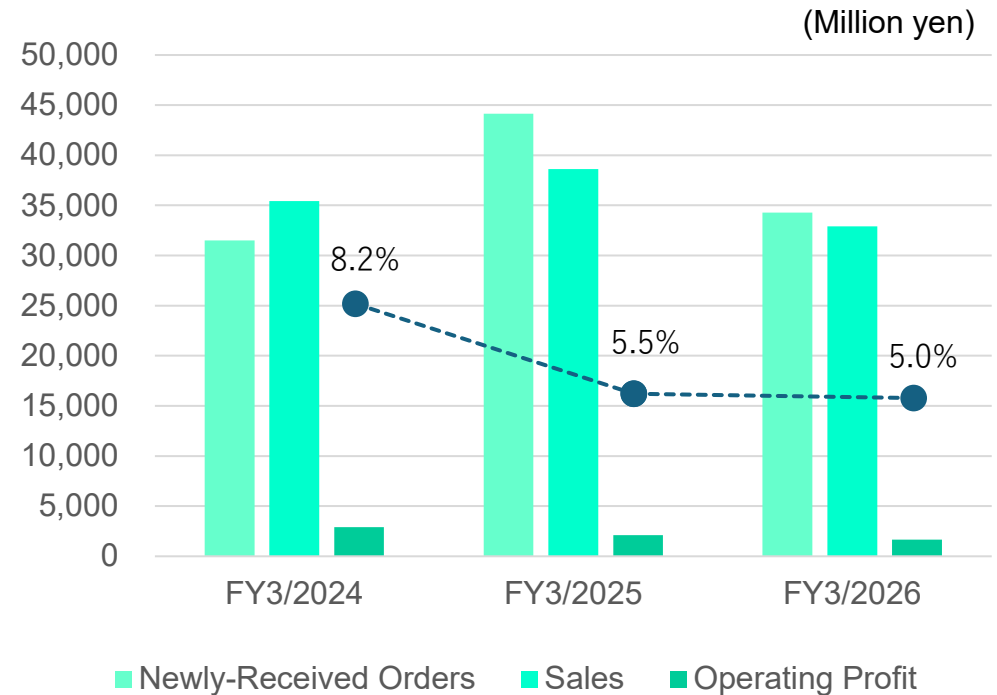


\* Internal sales between business segments are not adjusted

In the Prestressed-Concrete bridge market, the proportion of “modifications” has increased among “new construction”, “renewal”, and “modification”, and new bid opportunities have declined. Orders for new construction and renewal remained only slightly down. Intensified competition for securing orders and a large order won in the prior term mainly caused the order decline. Order targets were met. Net sales fell in new construction and maintenance due to longer schedules. Contract modifications won in new construction improved profit and profit margin, but renewal and maintenance declined due to the absence of prior-term large design-change gains, resulting in an overall profit decrease. Profit margin increased.

(Million yen)

	FY3/2024	FY3/2025	FY3/2026	YoY (26 on 25)
Opening Backlog	49,100	45,184	<b>50,700</b>	+5,515 +12.2%
Newly-Received Orders	31,516	44,137	<b>34,283</b>	-9,854 -22.3%
Ending Backlog	45,184	50,700	<b>52,064</b>	+1,364 +2.7%
Sales	35,432	38,622	<b>32,918</b>	-5,703 -14.8%
Operating Profit	2,891	2,106	<b>1,654</b>	-451 -21.4%
Operating Margin	8.2%	5.5%	<b>5.0%</b>	-0.5pp

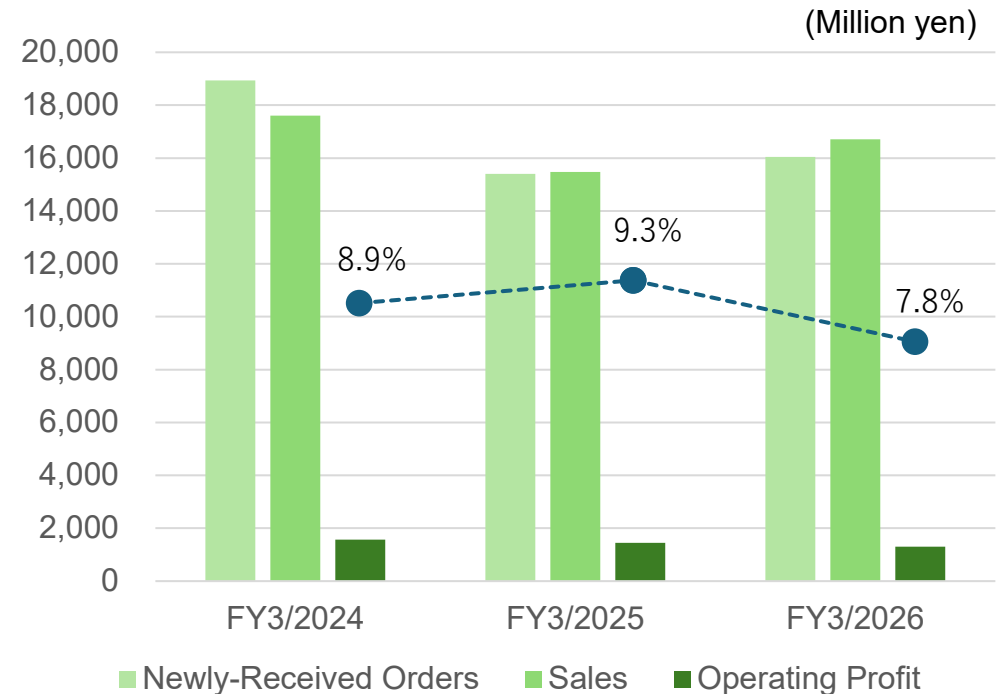


\* Internal sales between business segments are not adjusted

Developers' and companies' investment appetite remains strong, but the industry faces a labor shortage, leading to selective ordering based on profitability and easier price pass-through negotiations. Construction costs remain high. Some projects missed contracting within the term, but orders increased YoY. While pre-engineered metal building margins were maintained, profit margin declined due to steady progress on a challenging multi-story warehouse project, and profit slightly decreased.

(Million yen)

	FY3/2024	FY3/2025	<b>FY3/2026</b>	YoY (26 on 25)
Opening Backlog	16,526	17,862	<b>17,788</b>	-74 -0.4%
Newly-Received Orders	18,936	15,398	<b>16,042</b>	+643 +4.2%
Ending Backlog	17,862	17,788	<b>17,127</b>	-661 -3.7%
Sales	17,601	15,473	<b>16,703</b>	+1,230 +8.0%
Operating Profit	1,574	1,444	<b>1,308</b>	-135 -9.4%
Operating Margin	8.9%	9.3%	<b>7.8%</b>	-1.5pp



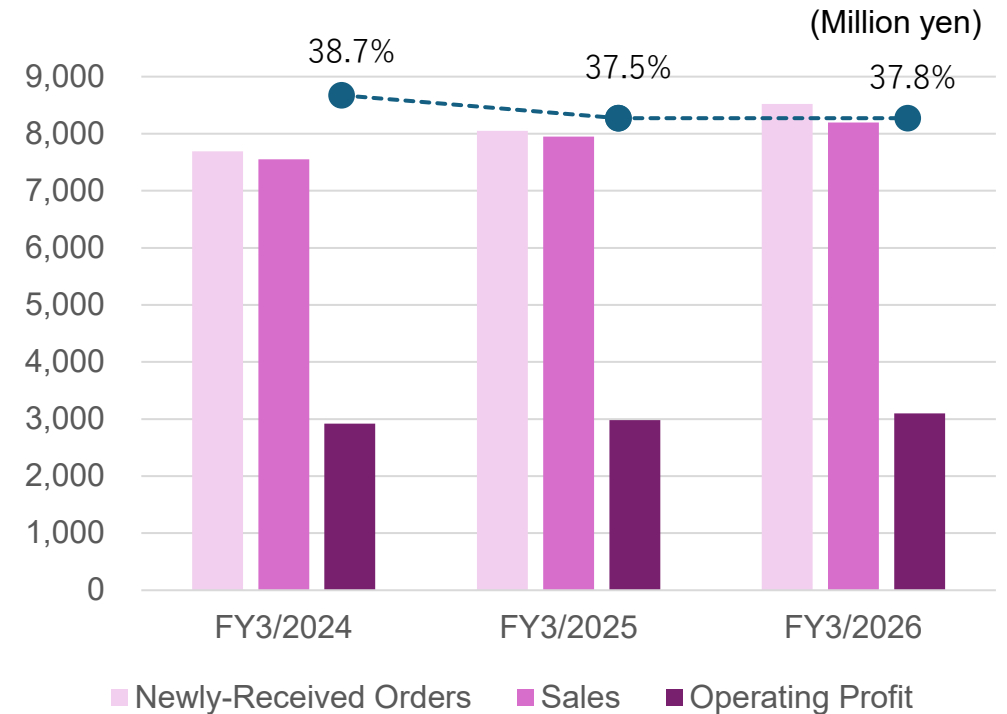
\* Internal sales between business segments are not adjusted

**Software:** A decline in bridge orders modestly constrained growth, but DX adoption driven by labor shortages is inevitable. Information-sharing services remain solid. Upgrades planned in river and erosion-control fields to strengthen linkage between 3D models and 2D drawings.

**Robot:** Competition in robot development intensifies, the market is entering the practical phase and is expected to expand rapidly. Direct sales are strong, robot SI business is also growing, increasing orders and sales. Fixed-cost reductions reduced loss magnitude.

(Million yen)

	FY3/2024	FY3/2025	<b>FY3/2026</b>	YoY (26 on 25)
Opening Backlog	3,355	3,498	<b>3,603</b>	+104 +3.0%
Newly-Received Orders	7,692	8,053	<b>8,520</b>	+466 +5.8%
Ending Backlog	3,498	3,603	<b>3,926</b>	+323 9.0%
Sales	7,550	7,949	<b>8,197</b>	+248 3.1%
Operating Profit	2,919	2,982	<b>3,098</b>	+115 +3.9%
Operating Margin	38.7%	37.5%	<b>37.8%</b>	+0.3pp

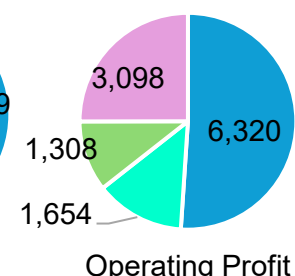
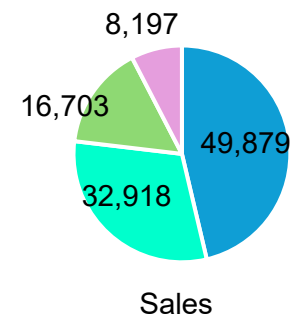
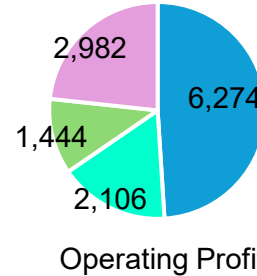
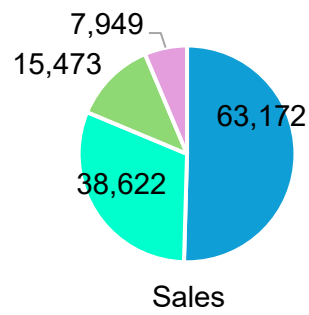
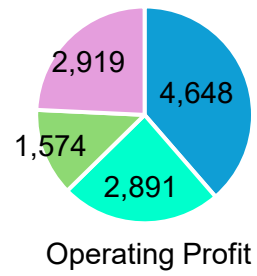
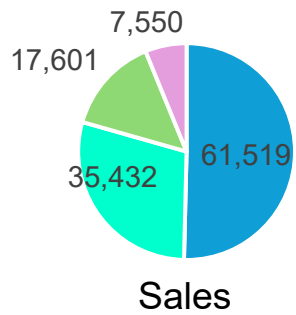


\* Internal sales between business segments are not adjusted

# FY3/2026 Segment Revenue Trends

(Million yen)

	FY3/2024			FY3/2025			FY3/2026		
	Sales	Operating Profit	Operating Margin	Sales	Operating Profit	Operating Margin	Sales	Operating Profit	Operating Margin
<b>Steel Construction</b>	61,519	4,648	7.6%	63,172 +2.7%	6,274 +35.0%	9.9% +2.3pp	<b>49,879</b> <b>-21.0%</b>	<b>6,320</b> +0.7%	<b>12.7%</b> +2.8pp
<b>Civil Engineering</b>	35,432	2,891	8.2%	38,622 +9.0%	2,106 <b>-27.2%</b>	5.5% <b>-2.7pp</b>	<b>32,918</b> <b>-14.8%</b>	<b>1,654</b> <b>-21.4%</b>	<b>5.0%</b> <b>-0.5pp</b>
<b>Architecture</b>	17,601	1,574	8.9%	15,473 <b>-12.1%</b>	1,444 <b>-8.3%</b>	9.3% +0.4pp	<b>16,703</b> +8.0%	<b>1,308</b> <b>-9.4%</b>	<b>7.8%</b> <b>-1.5pp</b>
<b>Solution</b>	7,550	2,919	38.7%	7,949 +5.3%	2,982 +2.1%	37.5% <b>-1.2pp</b>	<b>8,197</b> +3.1%	<b>3,098</b> +3.9%	<b>37.8%</b> +0.3pp



\* Steel Construction Civil Engineering Architecture Solution

\* Internal sales between business segments are not adjusted

## 2. Forecast for the FY Ending March 2027

# Forecast for FY3/2027

With continued yen depreciation, labor shortages, and rising prices of various goods, and given uncertain global conditions that could strain construction materials, we assume a challenging business environment for this term. Some segments are bullish while some bearish, but overall net sales are expected to exceed the prior term while operating income and below are forecast to decline YoY at this point.

(Million yen)

	FY3/2025	FY3/2026	FY3/2027 (forecast)	YoY	
				26 on 25	27 on 26
<b>Sales</b>	132,905	115,025	<b>125,000</b>	-17,880 -13.5%	+9,974 +8.7%
<b>Operating Profit</b>	9,684	8,598	<b>7,200</b>	-1,086 -11.2%	-1,398 -16.3%
<b>Ordinary Profit</b>	12,616	11,055	<b>9,500</b>	-1,561 -12.4%	-1,555 -14.1%
<b>Net Income Attributable to Owners of Kawada</b>	11,107	8,782	<b>7,100</b>	-2,325 -20.9%	-1,682 -19.2%
<b>Earning Per Share(yen)</b>	214.32	168.03	<b>135.71</b>	-46.29 -21.6%	-32.32 -19.2%

\*1 Calculated assuming the April 1, 2026 stock split was in effect at the start of the displayed period.

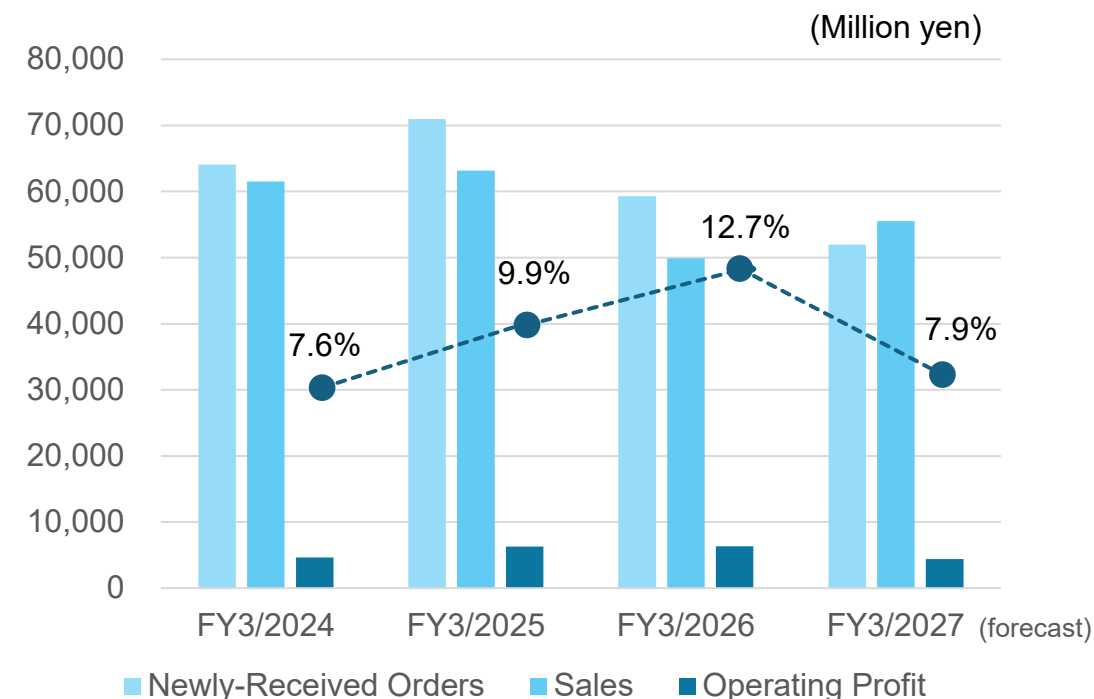
# Forecast for FY3/2027 (i)Steel Construction Segment

**Steel bridge:** New bids for "new construction" are expected to decline further. We will strengthen repair and maintenance operations. From FY2027 onward, issuance of orders for the Osaka Bay Road westward extension construction portion is expected. Net sales are expected to increase slightly, but with fewer contract modifications than the prior term, profit and profit margin are expected to decrease.

**Architectural Steel Frame:** Although large Tokyo-area projects are planned, this term is a lull. Covered by Kansai-area projects. Net sales will increase with more fabrication and construction projects in Kansai in addition to Tokyo-area fabricated projects. Profit will decline compared with the prior term, which posted large contract modification gains, as the share of higher-margin Tokyo fabrication projects falls.

(Million yen)

	FY3/2024	FY3/2025	FY3/2026	FY3/2026 (forecast)	YoY (27 on 26)
Opening Backlog	84,990	87,561	95,372	<b>104,794</b>	+9,422 +9.9%
Newly-Received Orders	64,091	70,983	59,301	<b>52,000</b>	-7,301 -12.3%
Ending Backlog	87,561	95,372	104,794	<b>101,294</b>	-3,500 -3.3%
Sales	61,519	63,172	49,879	<b>55,500</b>	+5,620 +11.3%
Operating Profit	4,648	6,274	6,320	<b>4,400</b>	-1,920 -30.4%
Operating Margin	7.6%	9.9%	12.7%	<b>7.9%</b>	-4.8pp



\* Internal sales between business segments are not adjusted

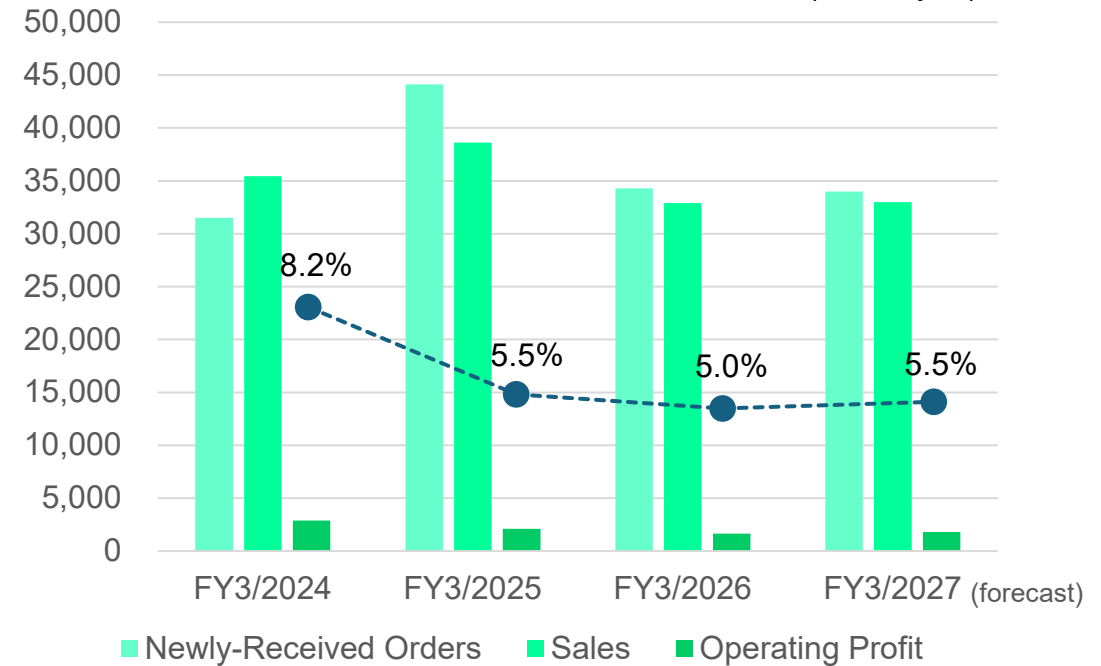
# Forecast for FY3/2027 (ii)Civil Engineering Segment

New bids for "new construction" and "renewal" are expected to decline further, and order competition is expected to intensify. Including a recovery in maintenance following last term's weakness, we aim to achieve the prior-term level. We target net sales at the prior-term level and aim for profit growth through actively capturing contract modifications.

(Million yen)

	FY3/2024	FY3/2025	FY3/2026	FY3/2026 (forecast)	YoY (27over26)
Opening Backlog	49,100	45,184	50,700	<b>52,064</b>	+1,364 +2.7%
Newly-Received Orders	31,516	44,137	34,283	<b>34,000</b>	<b>-283</b> <b>-0.8%</b>
Ending Backlog	45,184	50,700	52,064	<b>53,064</b>	+1,000 +1.9%
Sales	35,432	38,622	32,918	<b>33,000</b>	+81 +0.2%
Operating Profit	2,891	2,106	1,654	<b>1,800</b>	+145 +8.8%
Operating Margin	8.2%	5.5%	5.0%	<b>5.5%</b>	+0.5pp

(Million yen)



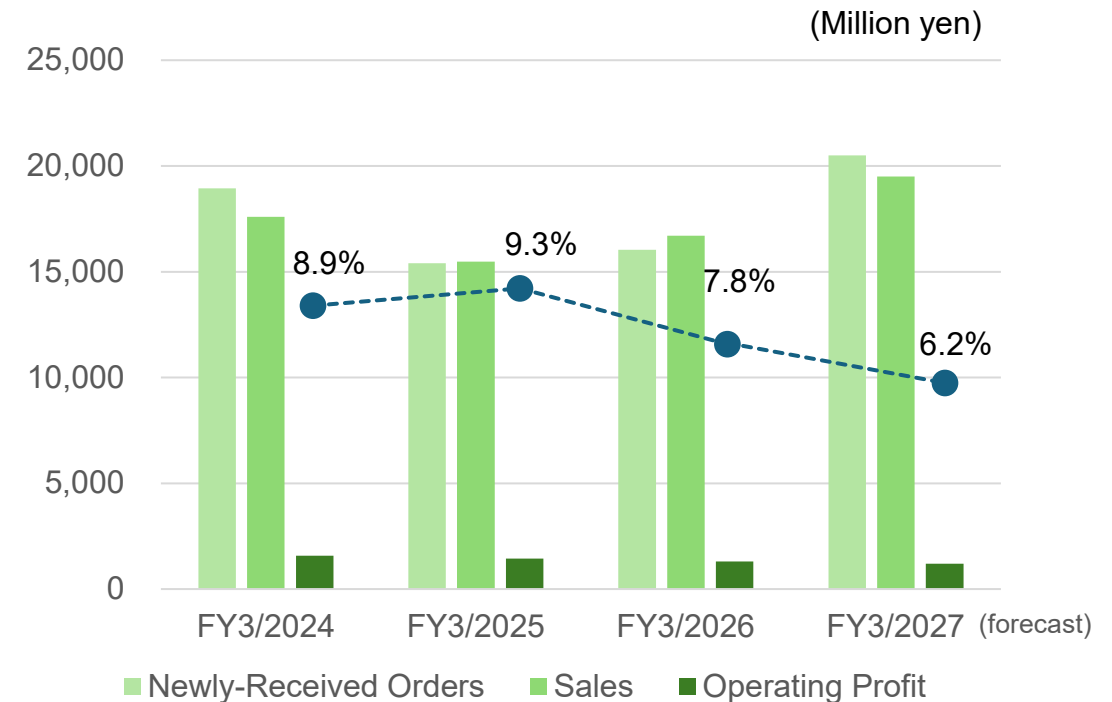
\* Internal sales between business segments are not adjusted

# Forecast for FY3/2027 (iii)Architecture Segment

Strong private investment is expected to continue, driven by e-commerce expansion, labor shortages pushing logistics efficiency and functionality improvements, and reshoring of manufacturing bases to Japan. Some trend shifts from multi-story warehouses to low-rise warehouses exist; we aim to expand orders with our strength in pre-engineered metal buildings. Despite high material prices, we will seek timely price pass-through through appropriate communication and ensure robust procurement.

(Million yen)

	FY3/2024	FY3/2025	FY3/2026	FY3/2026 (forecast)	YoY (27over26)
Opening Backlog	16,526	17,862	17,788	<b>17,127</b>	<b>-661</b> <b>-3.7%</b>
Newly-Received Orders	18,936	15,398	16,042	<b>20,500</b>	<b>+4,457</b> <b>+27.8%</b>
Ending Backlog	17,862	17,788	17,127	<b>18,127</b>	<b>+1,000</b> <b>+5.8%</b>
Sales	17,601	15,473	16,703	<b>19,500</b>	<b>+2,796</b> <b>+16.7%</b>
Operating Profit	1,574	1,444	1,308	<b>1,200</b>	<b>-108</b> <b>-8.3%</b>
Operating Margin	8.9%	9.3%	7.8%	<b>6.2%</b>	<b>-1.6pp</b>



\* Internal sales between business segments are not adjusted

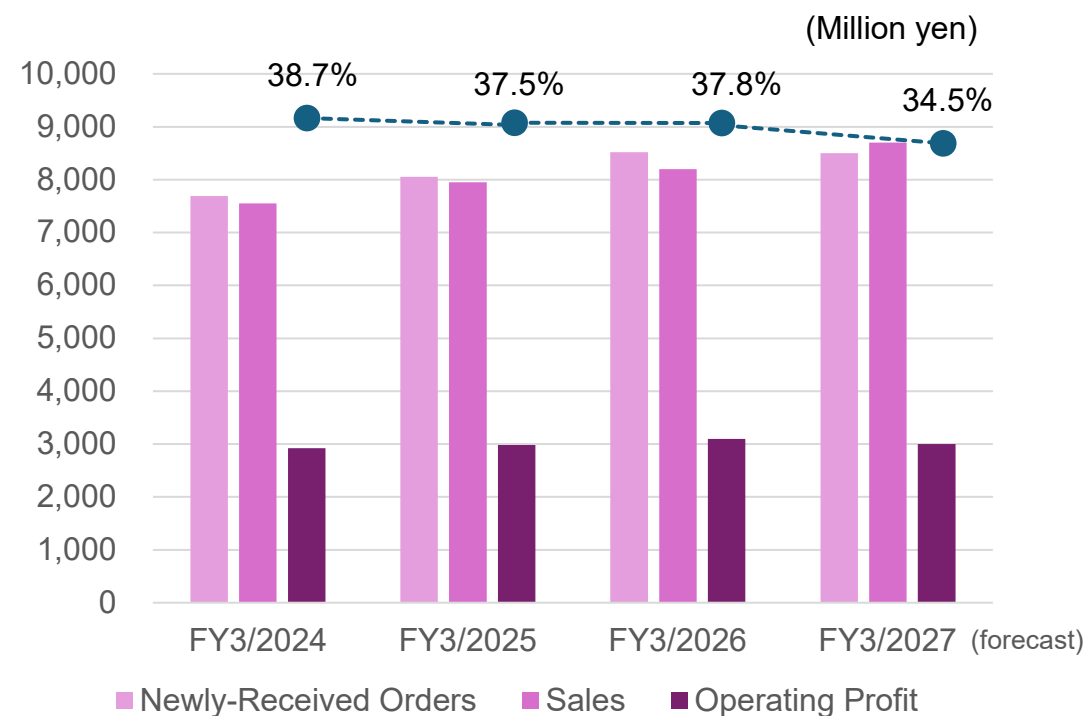
# Forecast for FY3/2027 (iv)Solution Segment

**Software:** Riding the tailwind of construction DX, our in-house software products are expected to perform well but penetration into customers progresses. We aim to raise unit prices through enhanced functionality and to advance into the public infrastructure market (electrical, gas, water, etc.) with initiatives like visualizing underground utilities under the slogan "Solve public infrastructure issues with DX".

**Robot:** Humanoids are moving from R&D to practical application. We aim for a leap forward by capturing market momentum.

(Million yen)

	FY3/2024	FY3/2025	FY3/2026	FY3/2027 (forecast)	YoY (27over26)
Opening Backlog	3,355	3,498	3,603	<b>3,926</b>	+323 +9.0%
Newly-Received Orders	7,692	8,053	8,520	<b>8,500</b>	-20 -0.2%
Ending Backlog	3,498	3,603	3,926	<b>3,726</b>	-200 -5.1%
Sales	7,550	7,949	8,197	<b>8,700</b>	+502 +6.1%
Operating Profit	2,919	2,982	3,098	<b>3,000</b>	-98 -3.2%
Operating Margin	38.7%	37.5%	37.8%	<b>34.5%</b>	-3.3pp



\* Internal sales between business segments are not adjusted

### 3. Shareholder Returns

- **We implemented a 1-for-3 ordinary share split as an effective date April 1, 2026**
- **We are currently conducting a share repurchase up to 1.5 billion yen, with an acquisition period from April 1, 2026 to June 24, 2026**

## Other recent shareholder-return initiatives

- Sep 2023: Share repurchase of 1.0 billion yen
- Apr 2024: 1-for-3 ordinary share split
- May 2024: Set the minimum annual dividend during the 3rd medium-term plan at 90 yen \*
- Jun 2024: Introduced an interim dividend system
- Mar 2025: Cancelled 400,000 treasury shares

\*Figures are before the April 1, 2026 stock split.

From April 2026 we replaced the "dividend policy" with the "shareholder returns policy"

## ■ Shareholder Returns Policy (from April 1, 2026)

- 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)
- During the 4th medium-term plan period, aim for a total shareholder return ratio of around 50% and set a floor for annual dividends per share during the period at 35 yen.

**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

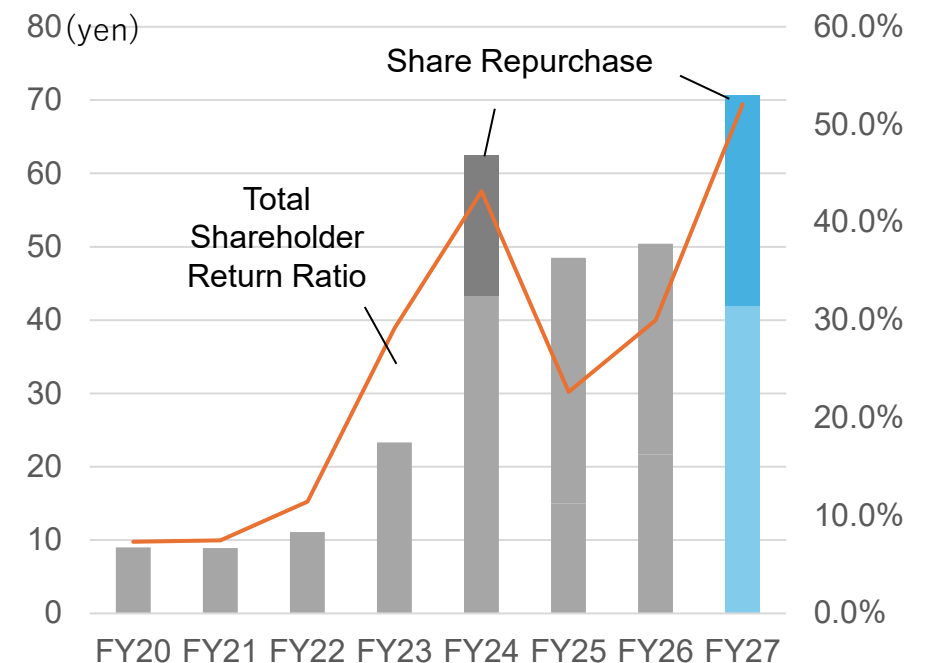
\* it does not necessarily mean items in “extraordinary items” on P/L

	FY3/2024	FY3/2025	FY3/2026	FY3/2027 (forecast)
<b>EPS *1</b>	144.69 yen	214.32 yen	168.03 yen	135.71 yen
<b>Dividend per Share *1</b>	43.7 yen	48.3円 (interim 15.0)	50.3 yen (interim 21.6)	42.0 yen (interim 21.0)
<b>Dividend Ratio</b>	30.2%	22.6% *2	30.0%	30.9%
<b>Share Repurchase</b>	999 M yen	-	-	1,500 M yen
<b>Total Shareholder Returns ratio</b>	43.2%	22.6% *2	30.0%	52.1%

\*1 Calculated assuming the April 1,2024 and April 1,2026 stock splits were in effect at the start of the displayed period.

\*2 The ratio would be 29.6% if calculated excluding the effects of “fair value adjustment from Sato Kogyo’s first-time application of equity method” and “income tax-deferred due to the reassessment of recoverability of DTA” under the dividend policy.

## Trends in per-share shareholder returns \*1



【Part 2】

The 4th Medium-Term Management Plan

Kawada Technologies, Inc.

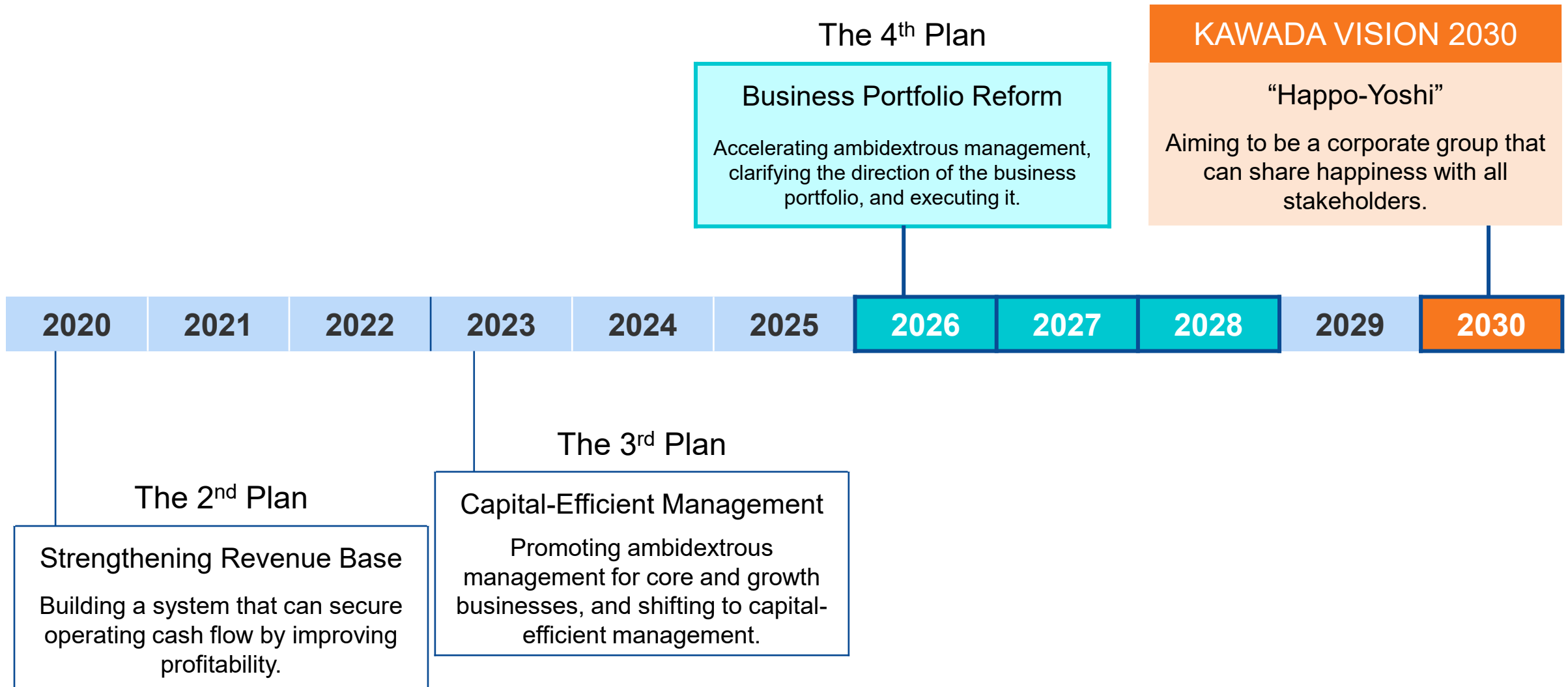
# The 4th Mid-Term Management Plan

May 12, 2026

\* For details, please refer to the official announcement document from below.

[https://www.kawada.jp/csr/governance/bizplan/pdf/20260512\\_4th-mtp\\_ja.pdf](https://www.kawada.jp/csr/governance/bizplan/pdf/20260512_4th-mtp_ja.pdf)

The logo for Kawada, consisting of the word "KAWADA" in a bold, white, sans-serif font, positioned on a dark blue background.



# The 3rd Medium-Term Management Plan — Achievement Status (Numerical Targets 1)

	Initial Target		Result	Achievement Ratio	(Ref.) Amendments		(Million Yen)
					May 2024	May 2025	Nov 2025
<b>Sales Revenues</b> (3-year cumulative) *1	391,000	or more	377,058	96.4 %	391,000	391,000	377,000
<b>Operating Profit</b> (3-year cumulative) *1	18,600	Or more	27,016	145.3 %	22,300	26,100	26,100
<b>Net Income (i)</b> (3-year cumulative) *1	15,600	Or more	27,431	175.8 %	18,300	26,100	26,100
<b>Net Income (ii)</b> (3-year cumulative, excluding the effect of equity-method application)	12,100	Or more	20,356	168.2 %	14,600	19,600	19,600
<b>ROE (i)</b> (at the 3 <sup>rd</sup> FY)	8.0%	or more	9.2%	115.5 %	8.0%	8.0%	8.0%
<b>ROE (ii)</b> (at the 3 <sup>rd</sup> FY, excluding the effect of equity-method application) *2	11.0%	Or more	12.1%	110.4 %	11.0%	11.0%	11.0%
<b>Shareholders Return</b> (average for 3 years) *3	30.0%	roughly	27.6%	92.0 %	30.0%	30.0%	30.0%

\*1 Because our group undertakes multi-year projects and results fluctuate by year, targets are stated as cumulative totals over three years.

\*2 Due to significant influence from equity-method investment income, we set ROE targets excluding equity holdings of affiliates from shareholders' equity to indicate efficiency against business profit.

\*3 Regarding shareholder returns, we clarified a policy targeting a consolidated payout ratio of about 30% excluding non-recurring special items; while surface targets may look unmet, the principle of a 30% payout ratio continues.

Basic Policy	Achievements	Challenges
<p><b>Sustainable Growth of Core Businesses</b></p>	<ul style="list-style-type: none"> <li>- Acquired priority negotiation rights for the Osaka Bay Coastal Road West Extension Cable-Stayed Bridge, and participated in major projects such as the Shin-Suzaki Section Renovation Project and the Nishimeihan Matsubara-Kashiwara Bridge Renovation Project.</li> </ul>	<ul style="list-style-type: none"> <li>- Difficulty in securing factory operations due to a decrease in the ordered weight of new bridges.</li> <li>- Urgent need to secure steel structures to compensate for the decrease in new bridge production.</li> </ul>
<p><b>Expansion and Creation of Growth Businesses</b></p>	<ul style="list-style-type: none"> <li>- Software-related businesses steadily expanded in scale.</li> <li>- Started external sales of "Construction x Robotics" achievements, which were developed for core businesses.</li> </ul>	<ul style="list-style-type: none"> <li>- Expansion of robot-related businesses is halfway, and with increasing demand due to labor shortages, establishing a system for business expansion is an urgent task.</li> </ul>
<p><b>Promotion of Sustainability Management</b></p>	<ul style="list-style-type: none"> <li>- Established the direction (policy) for the Kawada Group to address social issues.</li> <li>- Steady progress in KPIs for important issues (materiality).</li> </ul>	<ul style="list-style-type: none"> <li>- Linking sustainability initiatives with business strategy.</li> </ul>
<p><b>Transition to Capital-Efficient Management</b></p>	<ul style="list-style-type: none"> <li>- ROE levels improved during this medium-term plan period due to improved profitability of core businesses and expanded scale of growth businesses.</li> </ul>	<ul style="list-style-type: none"> <li>- Aiming to transform into a business structure less susceptible to market fluctuations.</li> </ul>

## External Environment

- Declining birthrate and aging population / Decrease in domestic working population
- Aging of various social infrastructures
- Intensification of disasters due to climate change
- Progress of digital technology
- Work style reform / Diversity
- Global supply chain disruption
- Sustainability management
- Response to corporate governance
- Increasing market awareness of capital efficiency

## Business Environment

- Aging of construction industry workers, shortage of skilled labor
- Progress of disaster prevention and mitigation, national resilience plan
- Development of high-standard roads considering convenience
- Promotion of productivity improvement in the construction industry
- Diversification of work styles and lifestyles
- Appropriate collaboration with stakeholders
- Transition to management emphasizing capital efficiency



## Management Issues to Address in the 4th Medium-Term Plan

### 1) Growth and Expansion of Business

- Balanced revenue base in existing and growth businesses
- Business portfolio reform pursuing overall optimization

### 2) Strengthening Investment for the Future

- Productivity improvement through capital investment and DX
- Accelerating R&D centered on "Construction x Robotics"
- Technology development for solving social and environmental issues
- Expansion of business areas

### 3) Sustainability Management

- Accelerating initiatives for carbon neutrality
- First step towards responding to natural capital and biodiversity
- Enhancing human capital management
- Promoting human rights-respecting management

### 4) Capital-Efficient Management

- Strengthening initiatives contributing to corporate value improvement
- Strengthening management monitoring system

## Theme

Clarify the direction of the business portfolio and aim to realize KAWADA VISION

## Basic Policy

Strengthening  
Ambidextrous  
Management

Aim to establish a balanced revenue base in core and growth businesses, and accelerate business portfolio reform.

"Kawada's Unique"  
Technology Development

Amid the apparent shortage of skilled labor, accelerate the development of labor-saving technologies by combining Kawada's strengths in "Construction" x "Robotics".

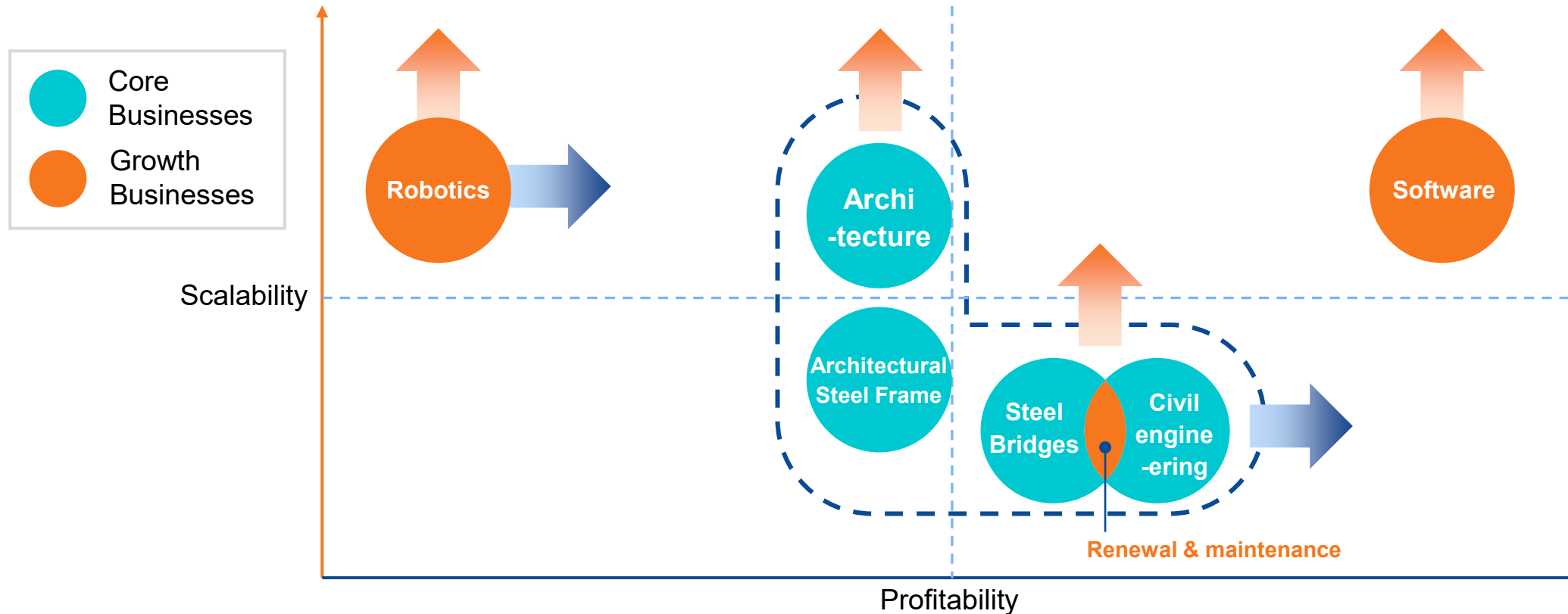
Evolution of Sustainability  
Management

Evolve sustainability initiatives from individual activities ("points") to organizational collaboration ("lines"), and then to a foundation for creating social value ("surfaces").

Deepening Capital  
Efficiency and Enhancing  
Shareholder Returns

While emphasizing profitability, deepen ROE management using return on equity as an indicator, and further enhance shareholder returns.

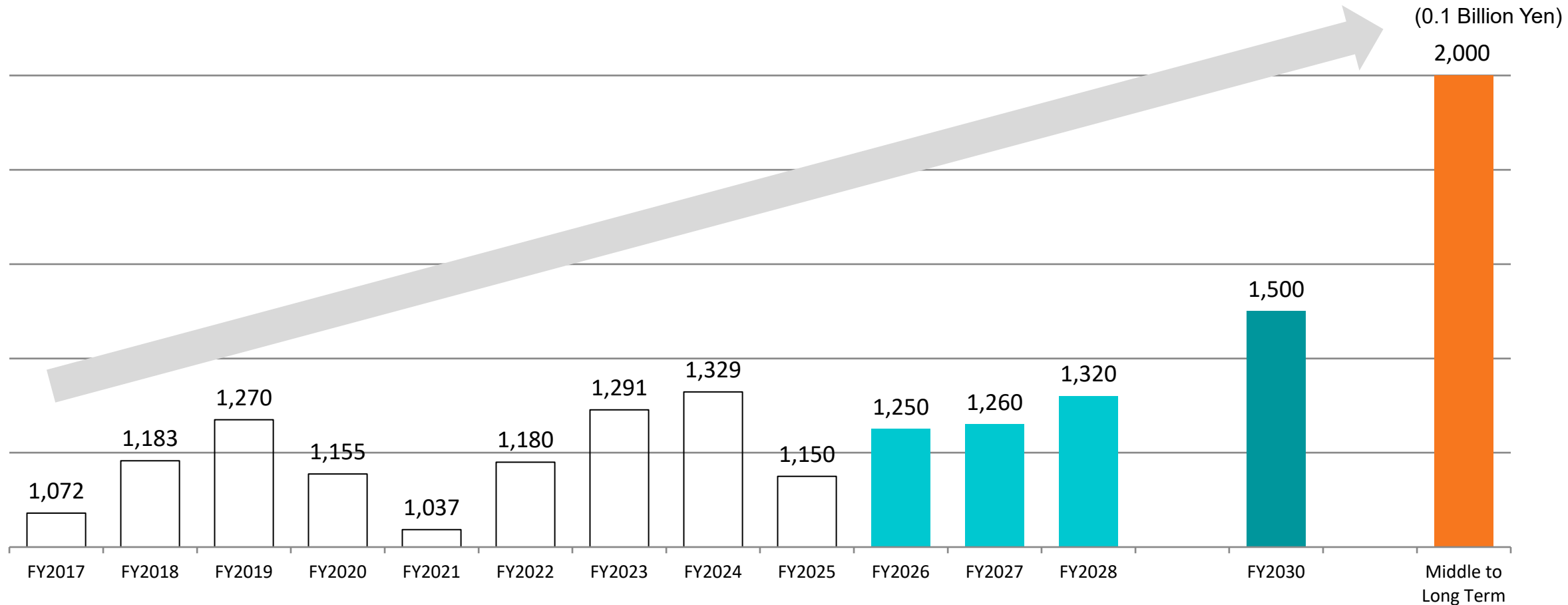
- For overlapping renewal and maintenance work in steel bridges and civil engineering, optimize resources to expand revenue.
- Our core businesses will pursue improved profitability through "Construction × Robotics".
- We will consider carefully M&A and alliances while expanding core businesses.
- Target revenue growth and improved profitability for robotics, positioned as a growth business.
- Target revenue growth for software, positioned as a growth business.



# The 4th Medium-Term Management Plan — Growth Story

By pursuing ambidextrous management, we aim for JPY 150 billion in revenue by FY2030 and JPY 200 billion in the medium to long term.

The 4th Medium-Term Plan outlines measures to achieve this.



- Execute business policies to steadily improve profitability
- Expand business areas with a dual approach: "Civil × Architecture", "Metal × PC", "Fabrication × Erection"

## Steel Structure

### (Steel Bridge Business)

- 1) Business development based on three pillars: new construction, maintenance, and private sector projects
- 2) Adoption of new technologies including AI, DX, and GX
- 3) Pursue new markets
- 4) Skill preservation including suspension bridge techniques

## Civil Engineering

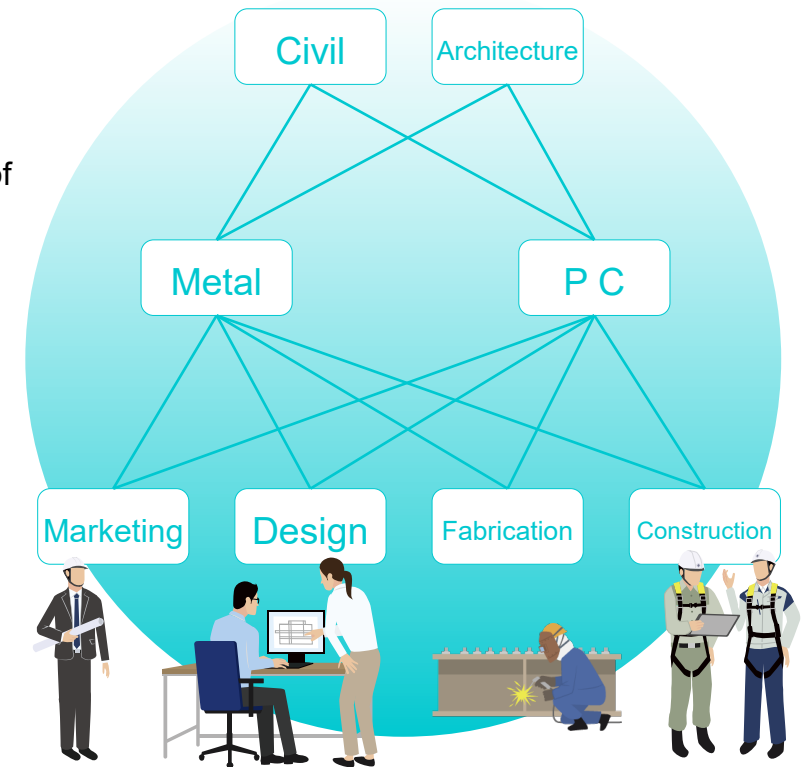
- 1) Enhance capability to respond to renewal and maintenance work
- 2) Reinforce product and construction methods based on proprietary technologies
- 3) Strengthen end-to-end capabilities for private PC/Pca products from design to erection
- 4) Increase and develop human resources

### (Architectural Steel Frame Business)

- 1) Improve productivity through DX
- 2) Strengthen brand as a fabrication partner capable of erection
- 3) Expand environmentally friendly products
- 4) Strengthen talent development

## Architecture

- 1) Creation of building value through technical proposals
- 2) Infrastructure development for DX
- 3) Further enhancement of facility design
- 4) Strengthening human resource development initiatives



## Solution

### (Software-Related Business)

- 1) Expand by developing public infrastructure markets
- 2) Provide support solutions for owners/clients
- 3) Build platforms combining CAD and cloud businesses
- 4) Expand scope of commissioned design applications

### (Robotics-Related Business)

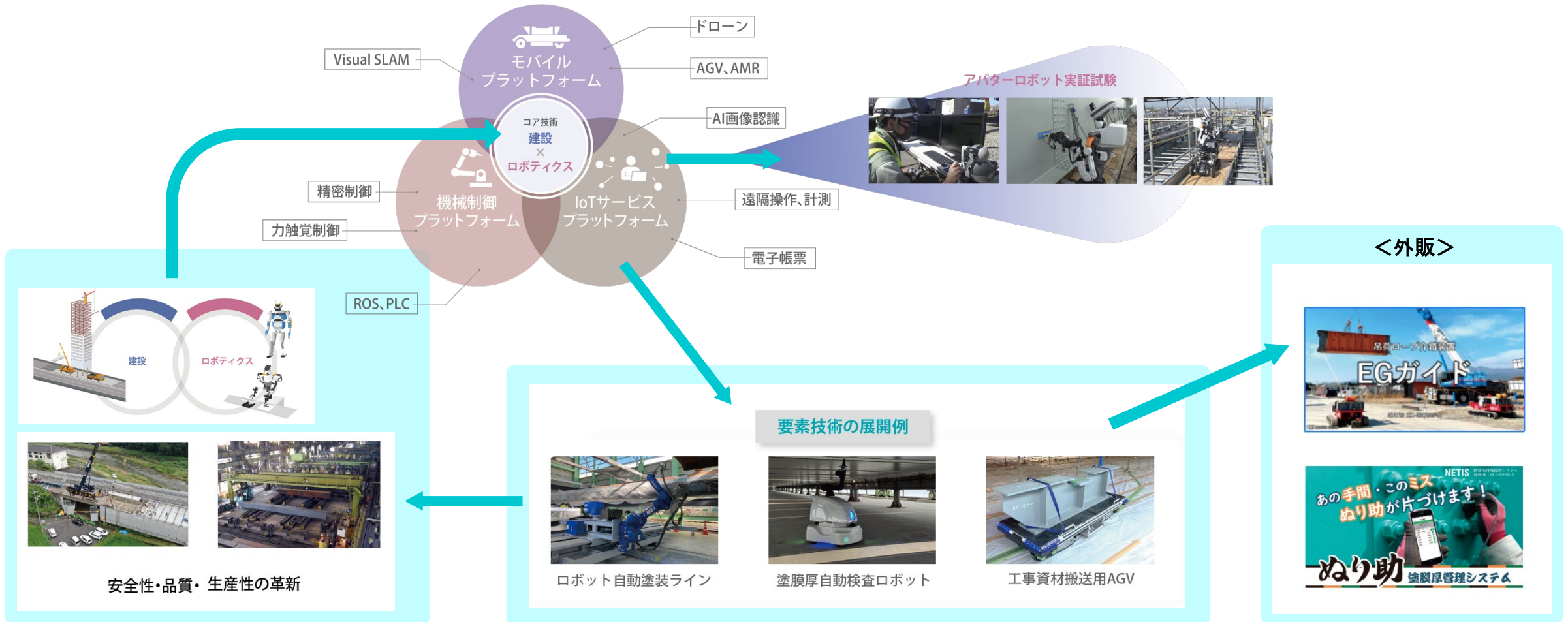
- 1) Improve completeness of application packages
- 2) Strengthen production, quality and service systems
- 3) Build a sales structure for robot deployment
- 4) Develop next-generation models suitable for food, cosmetics and pharmaceuticals industries

### (New Businesses)

- 1) Build a sales framework for the welding monitoring system "C-LUM"
- 2) Commercialize products developed through R&D (EG Guide, Nurisuke, others)
- 3) Explore new businesses using data and AI



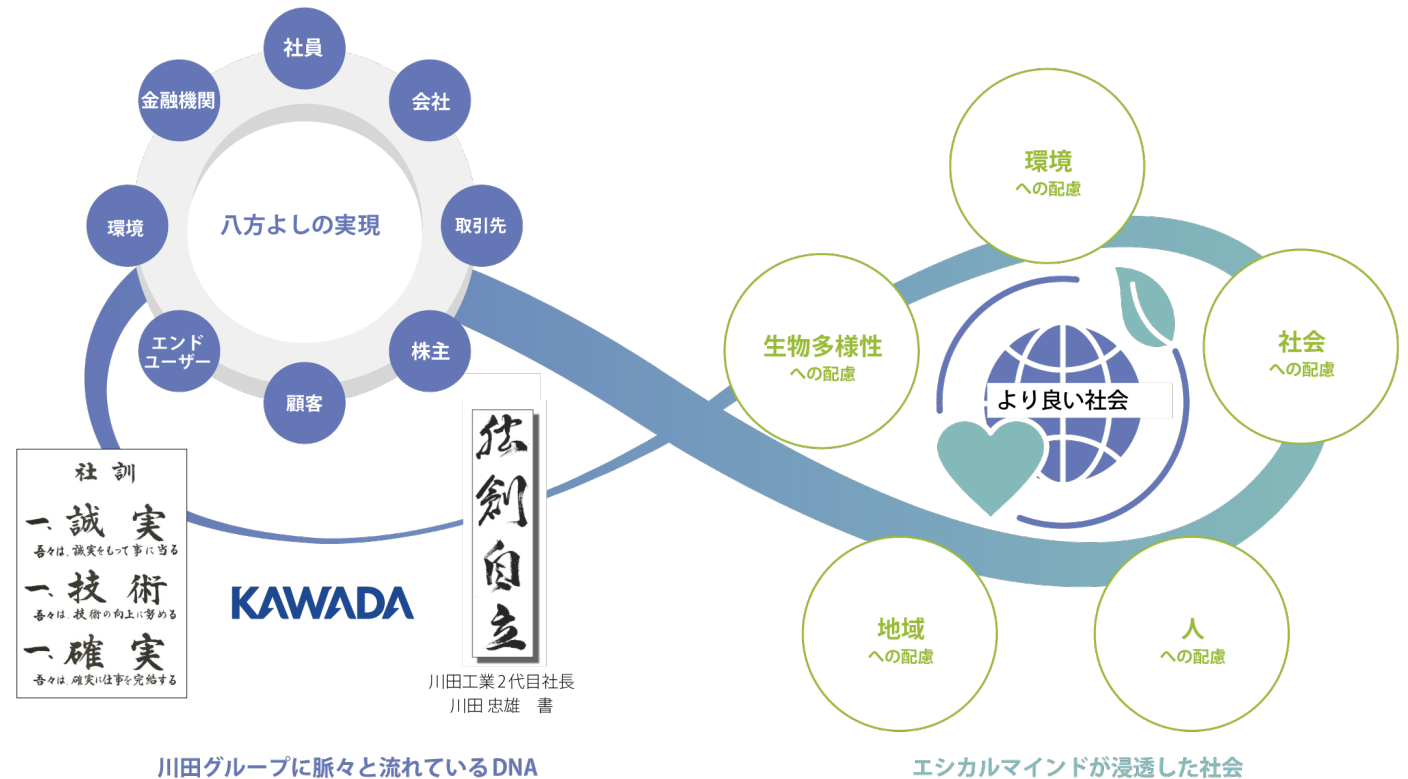
- Leverage mobile, motion control and IoT technologies cultivated in robot development for infrastructure construction and maintenance
- Use our strength in on-site implementation of "Construction × Robotics" to improve safety, quality and productivity
- Commercialize developed products for external sales



Driven by the DNA of our founding, our sustainability initiatives evolve from "points" to "lines" and then to "surfaces"  
 ~ Elevating the spirit of "Happo-yoshi" into a foundation for creating social value (surface) through organizational collaboration (line) ~

We have a solid foundation based on our founding DNA and the "Happo-yoshi", or eight-way good (benefiting all parties) philosophy. Against this backdrop, ethical consumer behavior is emerging. Using our founding DNA as momentum, we will elevate sustainability efforts from points to lines and then to planes—transforming the "Happo-yoshi" spirit into a basis for creating social value through organized collaboration.

Under the 4th Medium-Term Plan, we will evolve sustainability management from "points" to "lines" and then to "surfaces" on this foundation.



## Issues Identified

- Affiliated company Sato Kogyo, accounted for by the equity method, represents a large portion of our shareholders' equity and its performance has a major impact on our results
- Sato Kogyo's ROE showed improvement in the previous medium-term plan period

## Our View

- Collaboration between general contractors and specialty contractors can generate synergies that outweigh dis-synergies
- While promoting a dual approach in core businesses, we will further enhance business synergies with Sato Kogyo
- As Sato Kogyo shifts toward ROE-focused management, we will continue to request improvements in profitability and capital efficiency

### Business Synergy We Envision

- 1) JV formation and joint research in civil engineering and construction fields
- 2) Strengthening initiatives in large-scale renewal projects
- 3) Collaboration on highly difficult structures



### Status of Initiatives

- JV formed for multi-story large logistics warehouses in the construction field
- JV awarded for a private project in Toyama Prefecture through sales cooperation
- Collaboration on large-scale renewal projects considered but abandoned due to personnel adjustment issues

Momentum for our business synergy has been growing and we aim for further deepening

# The 4th Medium-Term Management Plan — Numerical Targets (1)

	The 1 <sup>st</sup> Plan (result)	The 2 <sup>nd</sup> Plan (result)	The 3 <sup>rd</sup> Plan (result)	The 4 <sup>th</sup> Plan (target)
<b>Sales</b> (3-year cumulative) *1	352,668	337,392	377,058	383,000 or more
<b>Operating Profit</b> (3-year cumulative) *1	17,261	17,004	27,016	23,500 or more
<b>Net Income (i)</b> (3-year cumulative) *1	16,583	15,749	27,431	23,200 or more
<b>Net Income (ii)</b> (3-year cumulative, excluding the effect of equity-method application)	10,971	10,970	20,356	15,900 or more
<b>ROE (i)</b> (at the 3 <sup>rd</sup> FY)	11.3%	5.8%	9.2%	8.0% or more
<b>ROE (ii)</b> (at the 3 <sup>rd</sup> FY, excluding the effect of equity-method application) *2	15.5%	7.3%	12.1%	10.0% or more
<b>Payout Ratio</b> (3-year average) *3	8.5%	16.0%	27.6%	30.0% roughly
<b>Total Shareholders Return</b> (3-years average)	9.4% *4	18.5% *4	32.0% *4	50.0% roughly

We set a minimum annual dividend of **JPY 35** per share for the 4th Medium-Term Plan period.

\*1 Targets are stated as cumulative totals over three years due to multi-year projects and year-to-year fluctuations.

\*2 Because results are significantly affected by equity-method income, we set ROE targets excluding affiliate equity holdings from shareholders' equity as an efficiency indicator.

\*3 For dividend payout ratio, we exclude non-recurring special items from profit and set a consolidated target of about 30% \*4 No numerical targets set for each plan terms

# The 4th Medium-Term Management Plan — Numerical Targets (Summary)

## Sales

- Steel bridge and civil engineering businesses are expected to see decreased revenue due to a reduction in market orders. Prolonged carry-over projects also have an impact. On the other hand, if the Osaka Bay Coastal Road West Extension, a big project, is awarded, it will contribute to sales from the final year of this medium-term plan.
- Architectural steel frame business has seen sluggish orders in both the Tokyo metropolitan area and the Kansai region. Multiple large-scale redevelopment projects are expected to be ordered after FY2028.
- The construction business expects increased revenue due to multiple large-scale projects currently in design, although there are internal revisions to plans due to rising construction costs.
- Solutions aim for increased revenue through business area expansion during this medium-term plan period.

## ROE

- By the final year of this medium-term plan, we will promote management to achieve ROE of 8%, a criterion for positive spread, or more, through improved profitability and capital efficiency.

## Profit / Loss

- Steel bridge and civil engineering businesses are expected to see decreased profit due to reduced business volume. Also, the decrease in large-scale projects ordered by expressway companies will lead to a reduction in contract modification acquisition amounts compared to the previous medium-term plan.
- Solutions expect increased profit due to expanded sales scale.
- Equity method investment income expects increased profit due to expanded business volume while holding abundant carry-over projects.

## Shareholders Returns

- The consolidated dividend payout ratio will be around 30%, and the minimum annual dividend per share will be 35 yen during this medium-term plan period.
- To further enhance shareholder returns, a total return ratio of 50% including through share repurchase will be set as a numerical target.

# The 4th Medium-Term Management Plan — Cash Allocation

Plan	
Cash Inflow	Cash Outflow
Operating CF * <sub>1</sub> 25B	Business Investment 12.5B
	Capital Investment * <sub>2</sub> 9.5B
	Growth Investment 3.0B
	Repayment of debt, etc. 0.5B
	Shareholder Returns 12B

## Capital Investment

-Renewal of machinery and buildings reaching their renewal period (including energy-saving and low-carbon measures), etc.

## Business Investment

-Expansion of existing and growth businesses (including M&A), etc.

## Technology Investment

-Labor-saving technologies centered on "Construction x Robotics," etc.

## Human Resource Investment

-Improvement of employee capabilities through human resource acquisition and training, etc.

## Branding Investment

Improvement of corporate value through corporate branding, etc.

## Shareholder Returns

-Dividend payout ratio 30%, total return ratio equivalent to 50%.  
 -Minimum annual dividend per share set at 35 yen for the 4th medium-term plan period.  
 -Flexible share repurchase implemented.

\*1 Impacts of business-related cash movements such as increase/decrease of AR/AP are not reflected

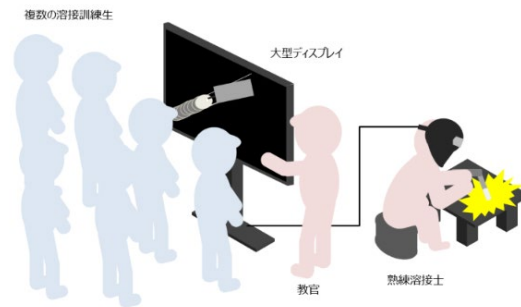
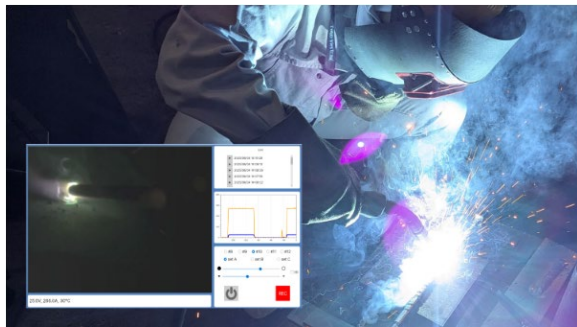
\*2 Capital expenditures include tangible and intangible assets.

## Launch of "C-LUM" Welding Monitoring System

This groundbreaking system utilizes proprietary image synthesis technology to replicate the view seen by welders through protective glass, allowing instructors and trainees to share the same perspective in real time.

We are shifting the training paradigm from "learning by observing" skilled technicians' tacit knowledge to "data-driven" development based on visual and numerical information. We will actively deploy this system to industrial high schools, vocational training centers, and corporate training facilities nationwide.

Released on May 18: [https://www.kawada.jp/news/detail/202605\\_c-lum.html](https://www.kawada.jp/news/detail/202605_c-lum.html)



## New Kawada Group Logo Unveiled!

To enhance our group-wide brand presence, we have introduced a new logo accompanied by our brand reinforcement slogan: "What will we challenge next?"

Released on April 1:

[https://www.kawada.jp/news/detail/pdf/20260401\\_release\\_KAWADAtech.pdf](https://www.kawada.jp/news/detail/pdf/20260401_release_KAWADAtech.pdf)

【New Logo】

**KAWADA**

## Joint Demonstration Experiment by NTT-ME and Kawada Robotics on Labor-Saving and Efficiency Improvements for High-Altitude Telecommunications Construction Work Using Humanoid Robots

To address labor shortages in the telecommunications construction sector caused by a shrinking workforce and to help prevent serious accidents during high-altitude work, we have launched a demonstration experiment aimed at labor-saving and efficiency improvements using Kawada Robotics' "NEXTAGE" technology.

Ultimately, we aim to establish a new paradigm for high-altitude work where humans and robots collaborate, contributing to the acceleration of digital transformation across the entire telecommunications construction industry and the development of sustainable social infrastructure.

Released on May 20 by NTT-ME CORPORATION:

<https://www.kawadarobot.co.jp/news/1663/>



# (Ref.) Financial Indicators of the Last 5 FY

(Million Yen)

	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026
Sales Revenues	103,760	118,086	129,127	132,905	<b>115,025</b>
Operating Profit	6,412	5,025	8,734	9,684	<b>8,598</b>
Ordinary Profit	7,689	6,298	10,538	12,616	<b>11,055</b>
Net Income attributable to owners of Kawada	5,176	4,231	7,541	11,107	<b>8,782</b>
Earnings Per Share (yen) *	97.51	79.98	144.69	214.32	<b>168.03</b>
Net income / equity (%)	7.6%	5.8%	9.6%	12.8%	<b>9.2%</b>
Ordinary Profit / Total Asset (%)	5.5%	4.3%	6.5%	7.7%	<b>6.7%</b>
Operating Profit / Sales (%)	6.2%	4.3%	6.8%	7.3%	<b>7.5%</b>
Total Asset	133,337	162,158	160,238	165,511	<b>162,986</b>
Net Asset	71,921	76,697	82,363	91,569	<b>99,510</b>
Equity Ratio (%)	53.2%	46.6%	51.1%	55.0%	<b>60.7%</b>
Net Asset per share (yen) *	1,336.54	1,429.38	1,584.85	1,746.07	<b>1,891.42</b>
Cashflow from Operating activities	20,391	-9,673	13,320	9,839	<b>15,160</b>
Cashflows from Investing Activities	-1,948	-1,504	-2,553	-2,981	<b>-1,828</b>
Cashflows from Financing Activities	-15,811	12,213	-10,337	-8,659	<b>-10,134</b>
Yearly Dividend per share (yen) *	11.14	23.33	43.29	48.56	<b>50.38</b>
Total Shareholder Return Ratio	11.4%	29.2%	43.2%	22.7%	<b>30.0%</b>

\* Calculated as if the stock split on April 1, 2024 and April 1, 2026 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](mailto:ir.kti@kawada.jp)**

**KAWADA** KAWADA Technologies, Inc.