

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 2024

Company name: KAWADA TECHNOLOGIES, INC  
 Stock exchange listing: Tokyo  
 Stock code: 3443 URL <https://www.kawada.jp/>  
 Representative: President Kawada Tadahiro  
 Managing Director and Chief Financial Officer  
 Inquiries: Watanabe Satoru TEL 03(3915)7722  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2024  
 Scheduled date to file Securities Report: June 28, 2024  
 Scheduled date to commence dividend payments: June 28, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	129,127	9.3	8,734	73.8	10,538	67.3	7,541	78.2
Year ended March 31, 2023	118,086	13.8	5,025	(21.6)	6,298	(18.1)	4,231	(18.3)

Note: Comprehensive income Year ended March 31, 2024 ¥8,955 million [63.0%]  
 Year ended March 31, 2023 ¥5,493 million [2.1%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	434.06	433.11	9.6	6.5	6.8
Year ended March 31, 2023	239.94	–	5.8	4.3	4.3

Reference: Share of profit of entities accounted for using equity method Year ended March 31, 2024 ¥1,722 million  
 Year ended March 31, 2023 ¥1,378 million

Note: The Company conducted a stock split of common share at a ratio of 3-for-1 on April 1, 2024. “Earnings per share” and “Diluted earnings per share” are calculated on the assumption that said splitting of shares had been made at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	160,216	82,341	51.1	4,753.28
As of March 31, 2023	162,158	76,697	46.6	4,288.11

Reference: Equity As of March 31, 2024 ¥81,878 million  
 As of March 31, 2023 ¥75,615 million

Note: The Company conducted a stock split of common share at a ratio of 3-for-1 on April 1, 2024. “Net assets per share” is calculated on the assumption that said splitting of shares had been made at the beginning of the previous fiscal year.

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	13,320	(2,553)	(10,337)	16,102
Year ended March 31, 2023	(9,673)	(1,504)	12,213	15,661

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	–	–	210.00	210.00	1,234	29.2	1.7
Year ended March 31, 2024	–	–	–	393.00	393.00	2,256	30.2	2.9
Year ending March 31, 2025 (Forecast)	–	–	–	90.00	90.00		37.8	

Note: The Company conducted a stock split of common share at a ratio of 3-for-1 on April 1, 2024. The amounts shown for the dividends for the fiscal year ended March 31, 2023 and the fiscal year ended March 31, 2024 are the actual dividend amounts before the share split.

## 3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	128,000	(0.9)	5,800	(33.6)	6,000	(43.1)	4,100	(45.6)	238.02

Note: The Company conducted a stock split of common share at a ratio of 3-for-1 on April 1, 2024. “Earnings per share” in the consolidated financial results forecast for the year ending March 31, 2025 account for the impact of the stock split.

## 4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	17,784,210 shares	As of March 31, 2023	17,752,110 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	558,549 shares	As of March 31, 2023	118,350 shares
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Average number of shares during the period

Year ended March 31, 2024	17,375,068 shares	Year ended March 31, 2023	17,635,524 shares
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Note: The Company conducted a stock split of common share at a ratio of 3-for-1 on April 1, 2024. “Total number of issued shares at the end of the period,” “Number of treasury shares at the end of the period,” and “Average number of shares during the period” are calculated on the assumption that said splitting of shares had been made at the beginning of the previous fiscal year.

Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2024	1,752	(15.7)	294	(57.8)	256	(62.5)	535	(41.7)
Year ended March 31, 2023	2,078	(7.2)	698	(24.7)	682	(25.4)	917	(9.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2024	30.80		30.73	
Year ended March 31, 2023	52.04		-	

Note: The Company conducted a stock split of common share at a ratio of 3-for-1 on April 1, 2024. "Earnings per share" and "Diluted earnings per share" are calculated on the assumption that said splitting of shares had been made at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	24,660	24,044	97.5	1,395.75
As of March 31, 2023	26,050	25,552	98.1	1,448.96

Reference: Equity As of March 31, 2024 ¥24,042 million  
As of March 31, 2023 ¥25,550 million

Note: The Company conducted a stock split of common share at a ratio of 3-for-1 on April 1, 2024. "Net assets per share" is calculated on the assumption that said splitting of shares had been made at the beginning of the previous fiscal year.

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of forecasts of financial results, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Results may differ materially from the consolidated forecasts due to various factors.

We are scheduled to hold a financial results presentation meeting for institutional investors and analysts. The materials on financial results to be used at and the video of the meeting will be available on our website promptly after the meeting.

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	15,746	16,188
Notes receivable, accounts receivable from completed construction contracts and other	69,206	65,557
Costs on construction contracts in progress	120	138
Other inventories	1,254	1,247
Other	6,634	3,274
Allowance for doubtful accounts	(6)	(5)
Total current assets	92,956	86,400
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,621	24,479
Machinery, vehicles, tools, furniture and fixtures	24,722	25,926
Aircraft	4,963	5,190
Land	14,957	14,956
Leased assets	3,991	4,001
Construction in progress	308	344
Accumulated depreciation	(45,522)	(47,023)
Total property, plant and equipment	27,042	27,875
Intangible assets	1,177	1,248
Investments and other assets		
Investment securities	3,496	3,542
Shares of subsidiaries and associates	35,522	37,699
Deferred tax assets	1,220	2,675
Other	757	791
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	40,981	44,692
Total non-current assets	69,201	73,816
Total assets	162,158	160,216

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	29,211	20,947
Short-term borrowings	20,380	9,750
Current portion of long-term borrowings	3,998	4,425
Current portion of bonds payable	680	960
Lease liabilities	578	572
Income taxes payable	1,104	3,618
Advances received on construction contracts in progress	4,631	5,818
Unearned revenue	1,951	2,399
Provision for bonuses	2,061	2,261
Provision for warranties for completed construction	67	65
Provision for loss on construction contracts	1,777	1,674
Other	2,898	6,631
Total current liabilities	69,341	59,126
Non-current liabilities		
Bonds payable	1,910	2,250
Long-term borrowings	6,892	9,754
Lease liabilities	2,341	2,241
Deferred tax liabilities	120	137
Deferred tax liabilities for land revaluation	1,474	1,474
Provision for retirement benefits for directors (and other officers)	647	725
Retirement benefit liability	2,440	1,921
Asset retirement obligations	132	133
Negative goodwill	73	54
Other	86	56
Total non-current liabilities	16,119	18,748
Total liabilities	85,460	77,874
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,288	5,311
Capital surplus	10,778	10,548
Retained earnings	55,247	61,555
Treasury shares	(140)	(1,050)
Total shareholders' equity	71,173	76,365
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,070	2,407
Revaluation reserve for land	976	976
Foreign currency translation adjustment	1,163	1,530
Remeasurements of defined benefit plans	230	598
Total accumulated other comprehensive income	4,441	5,513
Share acquisition rights	1	1
Non-controlling interests	1,079	462
Total net assets	76,697	82,341
Total liabilities and net assets	162,158	160,216

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	118,086	129,127
Cost of sales	102,459	109,028
Gross profit	15,626	20,098
Selling, general and administrative expenses	10,600	11,364
Operating profit	5,025	8,734
Non-operating income		
Interest and dividend income	71	83
Rental income	144	152
Amortization of negative goodwill	20	20
Share of profit of entities accounted for using equity method	1,378	1,722
Subsidy income	424	786
Other	126	111
Total non-operating income	2,167	2,877
Non-operating expenses		
Interest expenses	315	400
Rental expenses	466	505
Other	111	166
Total non-operating expenses	893	1,072
Ordinary profit	6,298	10,538
Extraordinary income		
Subsidy income	1	21
Total extraordinary income	1	21
Extraordinary losses		
Loss on extinguishment of tie-in shares	329	–
Impairment losses	20	0
Loss on tax purpose reduction entry of non-current assets	1	20
Loss on valuation of investment securities	15	15
Loss on valuation of shares of subsidiaries and associates	–	28
Total extraordinary losses	366	64
Profit before income taxes	5,933	10,495
Income taxes - current	1,392	4,068
Income taxes - deferred	108	(1,453)
Total income taxes	1,501	2,614
Profit	4,432	7,880
Profit attributable to non-controlling interests	201	338
Profit attributable to owners of parent	4,231	7,541

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	4,432	7,880
Other comprehensive income		
Valuation difference on available-for-sale securities	806	53
Remeasurements of defined benefit plans, net of tax	(292)	299
Share of other comprehensive income of entities accounted for using equity method	547	722
Total other comprehensive income	1,060	1,074
Comprehensive income	5,493	8,955
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,289	8,613
Comprehensive income attributable to non-controlling interests	204	341

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,285	10,769	51,605	(44)	67,616
Changes during period					
Issuance of new shares - exercise of share acquisition rights	3	3			6
Dividends of surplus			(590)		(590)
Profit attributable to owners of parent			4,231		4,231
Reversal of revaluation reserve for land			0		0
Purchase of treasury shares				(212)	(212)
Disposal of treasury shares			1	88	90
Decrease (Increase) due to purchase of treasury shares from consolidated subsidiaries			3	28	31
Net changes in items other than shareholders' equity					
Total changes during period	3	8	3,641	(96)	3,557
Balance at end of period	5,288	10,778	55,247	(140)	71,173

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	1,251	977	620	536	3,384	1	918	71,921
Changes during period								
Issuance of new shares - exercise of share acquisition rights								6
Dividends of surplus								(590)
Profit attributable to owners of parent								4,231
Reversal of revaluation reserve for land								0
Purchase of treasury shares								(212)
Disposal of treasury shares								90
Decrease (Increase) due to purchase of treasury shares from consolidated subsidiaries								31
Net changes in items other than shareholders' equity	819	(0)	543	(305)	1,057	(0)	161	1,218
Total changes during period	819	(0)	543	(305)	1,057	(0)	161	4,775
Balance at end of period	2,070	976	1,163	230	4,441	1	1,079	76,697



Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,288	10,778	55,247	(140)	71,173
Changes during period					
Issuance of new shares - exercise of share acquisition rights	22	22			45
Dividends of surplus			(1,234)		(1,234)
Profit attributable to owners of parent			7,541		7,541
Reversal of revaluation reserve for land			0		0
Purchase of treasury shares				(1,003)	(1,003)
Disposal of treasury shares		55		94	149
Change in ownership interest of parent due to transactions with non-controlling interests		(307)			(307)
Net changes in items other than shareholders' equity					
Total changes during period	22	(229)	6,307	(909)	5,191
Balance at end of period	5,311	10,548	61,555	(1,050)	76,365

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	2,070	976	1,163	230	4,441	1	1,079	76,697
Changes during period								
Issuance of new shares - exercise of share acquisition rights								45
Dividends of surplus								(1,234)
Profit attributable to owners of parent								7,541
Reversal of revaluation reserve for land								0
Purchase of treasury shares								(1,003)
Disposal of treasury shares								149
Change in ownership interest of parent due to transactions with non-controlling interests								(307)
Net changes in items other than shareholders' equity	336	(0)	366	368	1,071	(0)	(617)	452
Total changes during period	336	(0)	366	368	1,071	(0)	(617)	5,644
Balance at end of period	2,407	976	1,530	598	5,513	1	462	82,341

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	5,933	10,495
Depreciation	2,874	2,903
Impairment losses	20	0
Amortization of negative goodwill	(19)	(19)
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for bonuses	(291)	199
Increase (decrease) in provision for warranties for completed construction	(117)	(1)
Increase (decrease) in provision for loss on construction contracts	(292)	(103)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(24)	77
Increase (decrease) in other provisions	7	(9)
Increase (decrease) in retirement benefit liability	(183)	(205)
Interest and dividend income	(71)	(83)
Interest expenses	315	400
Share of loss (profit) of entities accounted for using equity method	(1,378)	(1,722)
Loss (gain) on valuation of investment securities	15	16
Loss (gain) on sale of non-current assets	(32)	(15)
Loss on retirement of non-current assets	21	24
Loss on tax purpose reduction entry of non-current assets	1	20
Insurance claim income	(99)	(5)
Subsidy income	(584)	(983)
Decrease (increase) in trade receivables	(20,421)	3,649
Decrease (increase) in costs on construction contracts in progress	69	(17)
Decrease (increase) in inventories	(333)	7
Increase (decrease) in trade payables	10,317	(8,263)
Increase (decrease) in advances received on construction contracts in progress	1,112	1,187
Increase (decrease) in accrued consumption taxes	(2,664)	975
Other, net	(2,356)	5,028
Subtotal	(8,183)	13,554
Compensation paid for damage	(75)	(0)
Proceeds from insurance income	99	5
Subsidies received	609	878
Income taxes paid	(2,125)	(1,116)
Net cash provided by (used in) operating activities	(9,673)	13,320

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments into time deposits	(11)	(11)
Proceeds from withdrawal of time deposits	13	10
Purchase of property, plant and equipment	(1,358)	(2,260)
Proceeds from sale of property, plant and equipment	48	11
Purchase of intangible assets	(523)	(596)
Purchase of investment securities	(8)	(5)
Loan advances	–	(1)
Proceeds from collection of loans receivable	1	0
Interest and dividends received	305	316
Other, net	28	(17)
Net cash provided by (used in) investing activities	(1,504)	(2,553)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	14,663	(10,630)
Proceeds from long-term borrowings	3,020	7,770
Repayments of long-term borrowings	(4,815)	(4,481)
Proceeds from issuance of bonds	1,677	1,382
Redemption of bonds	(590)	(780)
Interest paid	(322)	(389)
Repayments of lease liabilities	(574)	(586)
Dividends paid	(587)	(1,228)
Other, net	(257)	(1,394)
Net cash provided by (used in) financing activities	12,213	(10,337)
Effect of exchange rate change on cash and cash equivalents	7	10
Net increase (decrease) in cash and cash equivalents	1,042	440
Cash and cash equivalents at beginning of period	13,674	15,661
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	944	–
Cash and cash equivalents at end of period	15,661	16,102