

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

Company name: KAWADA TECHNOLOGIES, INC.  
 Stock exchange listing: Tokyo  
 Stock code: 3443 URL: <https://www.kawada.jp/>  
 Representative: Representative Director and President Tadahiro Kawada  
 Inquiries: Managing Director Satoru Watanabe TEL: +81-3-3915-7722  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative) 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                         | %     |
| Three months ended June 30, 2024 | 32,856          | 4.9  | 2,483            | 601.3 | 2,846           | 233.3 | 2,048                                   | 225.3 |
| Three months ended June 30, 2023 | 31,312          | 34.8 | 354              | –     | 853             | –     | 629                                     | –     |

Note: Comprehensive income Three months ended June 30, 2024: ¥2,325 million [211.1%]  
 Three months ended June 30, 2023: ¥747 million [–%]

|                                  | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
|                                  | Yen                | Yen                        |
| Three months ended June 30, 2024 | 118.90             | 118.58                     |
| Three months ended June 30, 2023 | 35.71              | 35.69                      |

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 |
|----------------------|-----------------|-----------------|--------------|
|                      | Millions of yen | Millions of yen | %            |
| As of June 30, 2024  | 162,215         | 82,426          | 50.5         |
| As of March 31, 2024 | 160,238         | 82,363          | 51.1         |

Reference: Equity As of June 30, 2024: ¥81,972 million  
 As of March 31, 2024: ¥81,900 million

Note: The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27) and relevant regulations from the beginning of the first quarter of the fiscal year under review, and each figure for the fiscal year ended March 31, 2024 is the figure after applying the accounting standard and relevant ASBJ regulations.

2. Cash dividends

|  | Annual dividends per share |                 |                 |                 |        |
|--|----------------------------|-----------------|-----------------|-----------------|--------|
|  | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total  |
|  | Yen                        | Yen             | Yen             | Yen             | Yen    |
| Fiscal year ended March 31, 2024             | –                          | –               | –               | 393.00          | 393.00 |
| Fiscal year ending March 31, 2025            | –                          | –               | –               | –               | –      |
| Fiscal year ending March 31, 2025 (Forecast) | –                          | 45.00           | –               | 45.00           | 90.00  |

- Notes: 1. Revisions to the cash dividend forecasts most recently announced: Yes  
 2. 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, 2024 are the actual dividend amounts before the share split.  
 3. The Company had provided only the fiscal year-end dividend as a once-per-year dividend up until now. However, to enhance the opportunities for the distribution of profits to shareholders, the Company will also provide an interim dividend effective the fiscal year ending March 31, 2025. At the 16th Annual General Meeting of Shareholders held on June 27, 2024, a partial amendment to the Articles of Incorporation was approved and adopted, allowing the Company to provide an interim dividend with a record date of September 30 each year by resolution of the Board of Directors. No changes have been made to the total amount of annual dividends announced on May 14, 2024.

3. Forecast of consolidated financial results for the fiscal 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 | 12,800          | (0.9) | 5,800            | (33.6) | 7,200           | (31.7) | 5,200                                   | (31.1) | 301.88             |

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

4. Notes

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

|                     |                   |                      |                   |
|---------------------|-------------------|----------------------|-------------------|
| As of June 30, 2024 | 17,784,210 shares | As of March 31, 2024 | 17,784,210 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                     |                |                      |                |
|---------------------|----------------|----------------------|----------------|
| As of June 30, 2024 | 558,678 shares | As of March 31, 2024 | 558,549 shares |
|---------------------|----------------|----------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                  |                   |                                  |                   |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended June 30, 2024 | 17,225,613 shares | Three months ended June 30, 2023 | 17,633,637 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

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.

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit corporation: No

\* 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.

## Quarterly consolidated financial statements and significant notes thereto

### (1) Quarterly consolidated balance sheets

(Millions of yen)

|   | As of March 31, 2024 | As of June 30, 2024 |
|---|----------------------|---------------------|
| Assets  |                      |                     |
| Current assets  |                      |                     |
| Cash and deposits   | 16,188               | 16,705              |
| Notes receivable, accounts receivable from completed construction contracts and other | 65,557               | 65,852              |
| Costs on construction contracts in progress   | 138                  | 201                 |
| Other inventories   | 1,247                | 1,549               |
| Other   | 3,274                | 4,257               |
| Allowance for doubtful accounts   | (5)                  | (6)                 |
| Total current assets  | 86,400               | 88,559              |
| Non-current assets  |                      |                     |
| Property, plant and equipment   |                      |                     |
| Buildings and structures, net   | 6,133                | 6,111               |
| Machinery, vehicles, tools, furniture and fixtures, net                               | 3,064                | 3,067               |
| Aircraft, net   | 833                  | 912                 |
| Land  | 14,956               | 14,956              |
| Leased assets, net  | 2,543                | 2,425               |
| Construction in progress  | 344                  | 179                 |
| Total property, plant and equipment   | 27,875               | 27,652              |
| Intangible assets   | 1,248                | 1,254               |
| Investments and other assets  |                      |                     |
| Investment securities   | 3,542                | 3,959               |
| Shares of subsidiaries and associates   | 37,699               | 38,037              |
| Deferred tax assets   | 2,696                | 1,944               |
| Other   | 791                  | 821                 |
| Allowance for doubtful accounts   | (15)                 | (15)                |
| Total investments and other assets  | 44,714               | 44,748              |
| Total non-current assets  | 73,838               | 73,655              |
| Total assets  | 160,238              | 162,215             |

(Millions of yen)

|  | As of March 31, 2024 | As of June 30, 2024 |
|--|----------------------|---------------------|
| <b>Liabilities</b>   |                      |                     |
| <b>Current liabilities</b>   |                      |                     |
| Notes payable, accounts payable for construction contracts and other | 20,947               | 19,189              |
| Short-term borrowings  | 9,750                | 17,150              |
| Current portion of long-term borrowings                              | 4,425                | 4,212               |
| Current portion of bonds payable                                     | 960                  | 960                 |
| Lease liabilities  | 572                  | 537                 |
| Income taxes payable   | 3,618                | 351                 |
| Advances received on construction contracts in progress              | 5,818                | 7,972               |
| Unearned revenue   | 2,399                | 2,552               |
| Provision for bonuses  | 2,261                | 1,093               |
| Provision for warranties for completed construction                  | 65                   | 59                  |
| Provision for loss on construction contracts                         | 1,674                | 1,702               |
| Other  | 6,631                | 6,629               |
| <b>Total current liabilities</b>                                     | <b>59,126</b>        | <b>62,411</b>       |
| <b>Non-current liabilities</b>                                       |                      |                     |
| Bonds payable  | 2,250                | 2,115               |
| Long-term borrowings   | 9,754                | 8,804               |
| Lease liabilities  | 2,241                | 2,148               |
| Deferred tax liabilities   | 137                  | –                   |
| Deferred tax liabilities for land revaluation                        | 1,474                | 1,474               |
| Provision for retirement benefits for directors (and other officers) | 725                  | 699                 |
| Retirement benefit liability   | 1,921                | 1,902               |
| Asset retirement obligations   | 133                  | 133                 |
| Negative goodwill  | 54                   | 49                  |
| Other  | 56                   | 50                  |
| <b>Total non-current liabilities</b>                                 | <b>18,748</b>        | <b>17,377</b>       |
| <b>Total liabilities</b>   | <b>77,874</b>        | <b>79,789</b>       |
| <b>Net assets</b>  |                      |                     |
| <b>Shareholders' equity</b>  |                      |                     |
| Share capital  | 5,311                | 5,311               |
| Capital surplus  | 10,548               | 10,548              |
| Retained earnings  | 61,576               | 61,368              |
| Treasury shares  | (1,050)              | (1,050)             |
| <b>Total shareholders' equity</b>                                    | <b>76,386</b>        | <b>76,177</b>       |
| <b>Accumulated other comprehensive income</b>                        |                      |                     |
| Valuation difference on available-for-sale securities                | 2,407                | 2,713               |
| Revaluation reserve for land   | 976                  | 976                 |
| Foreign currency translation adjustment                              | 1,530                | 1,530               |
| Remeasurements of defined benefit plans                              | 598                  | 575                 |
| <b>Total accumulated other comprehensive income</b>                  | <b>5,513</b>         | <b>5,795</b>        |
| Share acquisition rights   | 1                    | 1                   |
| Non-controlling interests  | 462                  | 452                 |
| <b>Total net assets</b>  | <b>82,363</b>        | <b>82,426</b>       |
| <b>Total liabilities and net assets</b>                              | <b>160,238</b>       | <b>162,215</b>      |

**(2) Quarterly consolidated statements of income (cumulative) and quarterly consolidated statements of comprehensive income (cumulative)**

**Quarterly consolidated statements of income (cumulative)**

(Millions of yen)

|   | Three months ended<br>June 30, 2023 | Three months ended<br>June 30, 2024 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 31,312                              | 32,856                              |
| Cost of sales   | 28,264                              | 27,449                              |
| Gross profit  | 3,048                               | 5,406                               |
| Selling, general and administrative expenses                  | 2,694                               | 2,922                               |
| Operating profit  | 354                                 | 2,483                               |
| Non-operating income  |                                     |                                     |
| Interest and dividend income                                  | 31                                  | 40                                  |
| Rental income   | 37                                  | 39                                  |
| Amortization of negative goodwill                             | 5                                   | 5                                   |
| Share of profit of entities accounted for using equity method | 478                                 | 178                                 |
| Subsidy income  | 178                                 | 335                                 |
| Other   | 28                                  | 19                                  |
| Total non-operating income                                    | 761                                 | 619                                 |
| Non-operating expenses  |                                     |                                     |
| Interest expenses   | 93                                  | 86                                  |
| Rental expenses   | 131                                 | 136                                 |
| Other   | 35                                  | 34                                  |
| Total non-operating expenses                                  | 261                                 | 256                                 |
| Ordinary profit   | 853                                 | 2,846                               |
| Extraordinary income  |                                     |                                     |
| Gain on sale of shares of subsidiaries and associates         | –                                   | 50                                  |
| Subsidy income  | 4                                   | –                                   |
| Total extraordinary income                                    | 4                                   | 50                                  |
| Extraordinary losses  |                                     |                                     |
| Loss on tax purpose reduction entry of non-current assets     | 0                                   | –                                   |
| Total extraordinary losses                                    | 0                                   | –                                   |
| Profit before income taxes                                    | 857                                 | 2,896                               |
| Income taxes - current  | 155                                 | 278                                 |
| Income taxes - deferred                                       | 1                                   | 573                                 |
| Total income taxes  | 157                                 | 852                                 |
| Profit  | 699                                 | 2,043                               |
| Profit (loss) attributable to non-controlling interests       | 70                                  | (4)                                 |
| Profit attributable to owners of parent                       | 629                                 | 2,048                               |

## Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

|  | Three months ended<br>June 30, 2023 | Three months ended<br>June 30, 2024 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 699                                 | 2,043                               |
| Other comprehensive income   |                                     |                                     |
| Valuation difference on available-for-sale securities                                | 45                                  | 103                                 |
| Remeasurements of defined benefit plans, net of tax                                  | (7)                                 | (21)                                |
| Share of other comprehensive income of entities<br>accounted for using equity method | 9                                   | 200                                 |
| Total other comprehensive income   | 47                                  | 281                                 |
| Comprehensive income   | 747                                 | 2,325                               |
| Comprehensive income attributable to   |                                     |                                     |
| Comprehensive income attributable to owners of parent                                | 677                                 | 2,329                               |
| Comprehensive income attributable to non-controlling<br>interests                    | 69                                  | (4)                                 |

## Notes regarding segment information, etc.

I For the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1. Information on the amounts of net sales and profit or loss for each reportable segment and information on disaggregation of revenue

(Millions of yen)

|                                       | Reportable segments        |                      |                   |          |        | Others<br>(Note) | Total  |
|---------------------------------------|----------------------------|----------------------|-------------------|----------|--------|------------------|--------|
|                                       | Steel<br>Construc-<br>tion | Civil<br>Engineering | Architec-<br>ture | Solution | Total  |                  |        |
| Net sales                             |                            |                      |                   |          |        |                  |        |
| Goods transferred at a point in time  | 90                         | 26                   | 15                | 216      | 348    | 859              | 1,208  |
| Goods transferred over time           | 13,279                     | 8,542                | 6,054             | 1,380    | 29,257 | 797              | 30,054 |
| Revenue from contracts with customers | 13,370                     | 8,568                | 6,070             | 1,596    | 29,605 | 1,657            | 31,263 |
| Other income                          | 7                          | 12                   | –                 | –        | 20     | 29               | 49     |
| Revenues from external customers      | 13,377                     | 8,581                | 6,070             | 1,596    | 29,625 | 1,686            | 31,312 |
| Transactions with other segments      | 85                         | 90                   | –                 | 103      | 280    | 37               | 317    |
| Total                                 | 13,463                     | 8,671                | 6,070             | 1,700    | 29,906 | 1,724            | 31,630 |
| Segment profit (loss)                 | (175)                      | 214                  | 569               | 613      | 1,221  | (178)            | 1,043  |

Note: The “Others” category is a segment containing the businesses not included in the reportable segments, and it includes businesses related to aviation, real estate transaction and leasing, etc.

2. Difference between the total amount of profit or loss of the reportable segments and the amount recorded in quarterly consolidated statements of income, and description of said difference (comparability adjustment)

(Millions of yen)

| Profit  | Amount |
|---|--------|
| Reportable segments total   | 1,221  |
| Loss from “Others”  | (178)  |
| Elimination of intersegment transactions                            | (79)   |
| Company-wide expenses (Note)  | (713)  |
| Other adjustments   | 103    |
| Operating profit in the quarterly consolidated statements of income | 354    |

Note: Company-wide expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.

3. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment  
Not applicable.

II For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on the amounts of net sales and profit or loss for each reportable segment and information on disaggregation of revenue

(Millions of yen)

|                                       | Reportable segments        |                      |                   |          |        | Others<br>(Note) | Total  |
|---------------------------------------|----------------------------|----------------------|-------------------|----------|--------|------------------|--------|
|                                       | Steel<br>Construc-<br>tion | Civil<br>Engineering | Architec-<br>ture | Solution | Total  |                  |        |
| Net sales                             |                            |                      |                   |          |        |                  |        |
| Goods transferred at a point in time  | 46                         | –                    | 39                | 174      | 259    | 934              | 1,194  |
| Goods transferred over time           | 16,116                     | 9,900                | 3,214             | 1,504    | 30,735 | 881              | 31,617 |
| Revenue from contracts with customers | 16,163                     | 9,900                | 3,253             | 1,678    | 30,995 | 1,816            | 32,811 |
| Other income                          | 7                          | 9                    | –                 | –        | 17     | 27               | 44     |
| Revenues from external customers      | 16,170                     | 9,909                | 3,253             | 1,678    | 31,012 | 1,843            | 32,856 |
| Transactions with other segments      | 200                        | 99                   | 1                 | 50       | 351    | 54               | 406    |
| Total                                 | 16,371                     | 10,008               | 3,254             | 1,728    | 31,363 | 1,898            | 33,262 |
| Segment profit (loss)                 | 1,630                      | 1,044                | 117               | 650      | 3,441  | (191)            | 3,250  |

Note: The “Others” category is a segment containing the businesses not included in the reportable segments, and it includes businesses related to aviation, real estate transaction and leasing, etc.

2. Difference between the total amount of profit or loss of the reportable segments and the amount recorded in quarterly consolidated statements of income, and description of said difference (comparability adjustment)

(Millions of yen)

| Profit  | Amount |
|---|--------|
| Reportable segments total   | 3,441  |
| Loss from “Others”  | (191)  |
| Elimination of intersegment transactions                            | (68)   |
| Company-wide expenses (Note)  | (862)  |
| Other adjustments   | 164    |
| Operating profit in the quarterly consolidated statements of income | 2,483  |

Note: Company-wide expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.

3. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment  
Not applicable.