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October 23, 2024

To whom it may concern

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(Progress of Disclosed Matters) Disclosure on Settlement of Lawsuit, Recording of Extraordinary Income and Revision of Consolidated Earnings Forecast for the full year

Regarding the settlement of lawsuit by Seattle Tunnel Partners, US civil construction JV (hereinafter the “STP”) claiming for damages which we announced on October 4, 2019 and November 13, 2019, there was the term about the result of ongoing insurance claim lawsuit in the settlement agreement (hereinafter the “2019 Agreement”) and this insurance claim lawsuit will be settled based on the completion of the settlement agreement on October 23, 2024 with insurers, STP and us. As a result, we will receive approximately 2.9 billion yen based on the 2019 Agreement, and income is to be recorded as extraordinary income in the third quarter of the fiscal year ending March 31, 2025, so the Consolidated Earnings Forecast for the full year announced on August 5, 2024 is to be revised as follows.

## 1. Summary

The Tunnel Boring Machine (hereinafter the “TBM”) delivered by us via our consolidated subsidiary Kanadevia U.S.A. Ltd. (hereinafter the “KVUSA”) to STP stopped during tunnel excavation. The excavation work was completed in April 2017 after repairs were made to the TBM, but KVUSA was joined as a plaintiff in the insurance claim lawsuit filed by STP regarding this incident, and on the other hand, STP filed the lawsuit for damages against us and KVUSA. Both lawsuits had been pending in the US courts, but on October 4, 2019, a settlement was reached between us and STP, and the lawsuit for damages was dismissed. The 2019 Agreement contained the terms of an agreement with respect to the insurance claim lawsuit, and with the completion of the settlement agreement on October 23, 2024 with insurers, STP and us, we are to receive 20 million dollars (approximately 2.9 billion yen) based on the 2019 Agreement. For details, the settlement agreements contain confidentiality clauses and may not be disclosed.

## 2. Recording of extraordinary income

Approximately 2.9 billion yen are to be recorded as an extraordinary income in the third quarter of the fiscal year ending March 31, 2025.

## 3. Revision of earnings forecast

In line with the above extraordinary income, the Consolidated Earnings Forecast for the full year ending March 31, 2025 will be revised as follows. There will be no change to the year-end dividend forecast.

### Consolidated Earnings Forecast for the fiscal year ending March 31, 2025 (full year)

(April 1, 2024 – March 31, 2025)

	Net sales	Operating income	Ordinary income	Profit attributable to shareholders of Kanadevia	Net income per share
	(Million Yen)	(Million Yen)	(Million Yen)	(Million Yen)	Yen
Forecast released on Aug. 5, 2024 (A)	570,000	26,000	22,000	16,000	94.94
Forecast released on Oct. 23, 2024 (B)	570,000	26,000	22,000	18,000	106.81
Change (B – A)	0	0	0	2,000	–
Change (%)	0.0%	0.0%	0.0%	12.5%	–
(Reference) Actual results for the year ended March 31, 2024	555,844	24,323	25,646	18,999	112.74

The above forecasts have been prepared based on the information currently available and certain assumptions deemed reasonable. Actual results may differ from the aforementioned forecasts due to a variety of factors.

(Note)

On October 1, 2024, we, Hitachi Zosen Corporation and Hitachi Zosen U.S.A. Ltd. changed our trade names to Kanadevia Corporation and Kanadevia U.S.A. Ltd., respectively.

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