

# Financial Results for FY2024 – 2nd Quarter

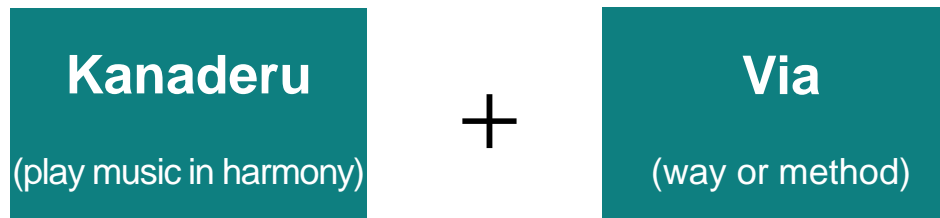
November 8<sup>th</sup>, 2024

Kanadevia Corporation

# Company Name Change

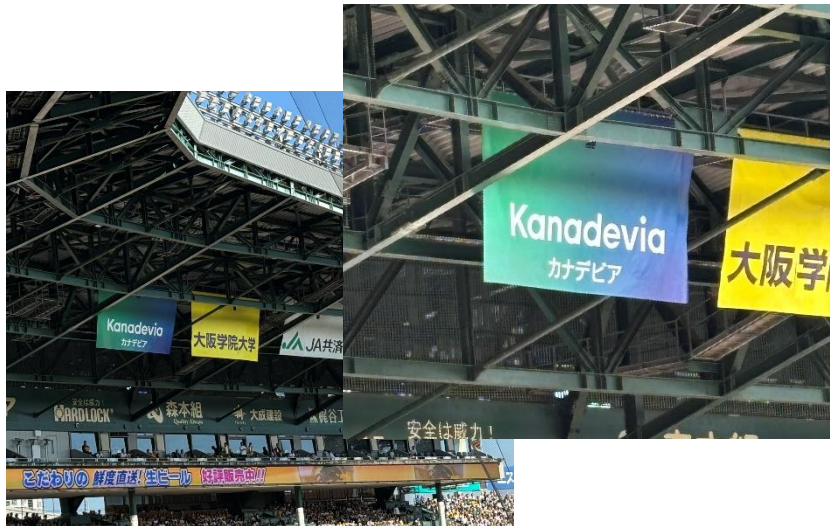
**Changed the Company name from  
Hitachi Zosen Corporation on October 1, 2024.**

# Kanadevia



Taking on the challenge, through the power of technology,  
to create a world that lives in balance with nature”

# Company Name Change



# Financial Information

# FY2024 2Q Results - Overview

- FY2024 2Q : Y o Y increase in both order intake and operating income
- Full year forecast : Upward revision of order intake and net sales forecasts

	FY2023		FY2024					Progress (a)/(b)
	1-2Q	Full Year	1-2Q		Full Year Forecast			
			Results (a)	YoY	Initial	as of Nov. (b)	YoY	
(Billions of JPY)								
<b>Order intake</b>	346.7	715.1	284.8	-61.9	620.0	680.0	-35.1	41.9%
<b>Net sales</b>	232.1	555.8	269.9	37.8	570.0	590.0	34.2	45.7%
<b>Operating income</b>	1.1	24.3	3.1	2.0	26.0	26.0	1.7	11.9%
% to net sales	0.5%	4.4%	1.1%	—	4.6%	4.4%	—	—
<b>Non-Operating Income</b>	0.8	1.3	-2.5	-3.3	-4.0	-4.0	-5.3	—
<b>Ordinary income</b>	1.9	25.6	0.6	-1.3	22.0	22.0	-3.6	2.7%
Extraordinary income and loss	-0.3	-1.6	—	0.3	—	2.9	4.5	—
<b>Profit attributable to shareholders of Kanadevia</b>	0.3	18.9	-1.1	-1.4	16.0	18.0	-0.9	—
<b>ROE</b>		12.6%			9.5%	10.6%		
<b>ROIC</b>		7.4%			7.0%	7.0%		
<b>Dividends per share (JPY)</b>		23			23	23		

# FY2024 2Q Results - Non-Operating Income / Extraordinary Profit and Loss

(Billions of JPY)

		FY2023 2Q	FY2024 2Q	Difference
Non-operating income and expense	Net interest income / expense, etc.	0.3	0.4	0.1
	Gain and loss on investment by equity method	1.0	-0.8	-1.8
	Foreign exchange gain and loss	0.6	-0.3	-0.9
	Others	-1.1	-1.8	-0.7
	<b>Total</b>	0.8	-2.5	-3.3

(Billions of JPY)

		FY2023 2Q	FY2024 2Q	Difference
Extraordinary profit and loss	Extraordinary profit	-	-	-
	Extraordinary loss	-0.3	-	0.3
	<b>Total</b>	-0.3	-	0.3

# FY2024 2Q Results - Consolidated Balance Sheet

(Billions of JPY)

	End of Sep. 2023	End of Mar. 2024 (a)	End of Sep. 2024 (b)	Difference (b)-(a)
<b>Cash and deposits (a)</b>	85.2	71.6	60.0	-11.6
<b>Operating assets</b>	183.4	254.7	191.3	-63.4
Trade notes and accounts receivable	158.2	234.8	162.8	-72.0
Inventories	25.2	19.9	28.5	8.6
Tangible & intangible fixed assets	115.8	123.7	138.3	14.6
Others	75.1	83.5	93.6	10.1
<b>Total Assets</b>	<b>459.5</b>	<b>533.5</b>	<b>483.2</b>	<b>-50.3</b>
<b>Operating liabilities</b>	97.3	106.6	97.4	-9.2
Notes and accounts payable, Electronically recorded obligations - operating	46.6	57.9	47.8	-10.1
Advances received/ Contract assets	50.7	48.7	49.6	0.9
<b>Interest bearing debt (b)</b>	86.9	91.4	74.2	-17.2
Bank borrowings (incl. lease obligations)	56.9	61.4	54.2	-7.2
Bonds payable	30.0	30.0	20.0	-10.0
Others	131.9	166.5	144.5	-22.0
<b>Total Liabilities</b>	<b>316.1</b>	<b>364.5</b>	<b>316.1</b>	<b>-48.4</b>
<b>Shareholders' equity</b>	137.7	162.7	160.8	-1.9
<b>Non-controlling interests</b>	5.7	6.3	6.3	0.0
<b>Total Net Assets</b>	<b>143.4</b>	<b>169.0</b>	<b>167.1</b>	<b>-1.9</b>
<b>Total Liabilities and Net Assets</b>	<b>459.5</b>	<b>533.5</b>	<b>483.2</b>	<b>-50.3</b>
<b>Shareholders' equity ratio</b>	30.0%	30.5%	33.3%	+2.8pt
<b>Net interest bearing debt (b)-(a)</b>	1.7	19.8	14.2	- 5.6

# FY2024 2Q Results -Consolidated Cash Flows

(Billions of JPY)

	FY2023 2Q	FY2024 2Q	Difference
<b>Cash flows from operating activities</b>	8.2	35.3	27.1
<b>Cash flows from investing activities</b>	-16.6	-26.8	-10.2
<b>Cash flows from financing activities</b>	-3.8	-21.1 <sup>*1</sup>	-17.3
<b>Foreign currency translation differences</b>	2.3	1.0	-1.3
<b>Increase in cash and cash equivalents</b>	-9.9	-11.6	-1.7
<b>Cash and cash equivalents at beginning</b>	84.8	69.7	-15.1
<b>Increase in cash equivalents resulting from</b>	3.5 <sup>*2</sup>	-	-3.5
<b>Cash and cash equivalents at end</b>	78.4	58.1	-20.3

\*1 Repayment of bank loans payable : JPY -6.7 billion, Redemption of bonds: JPY -10 billion,  
Payment of dividend : JPY -3.8 billion

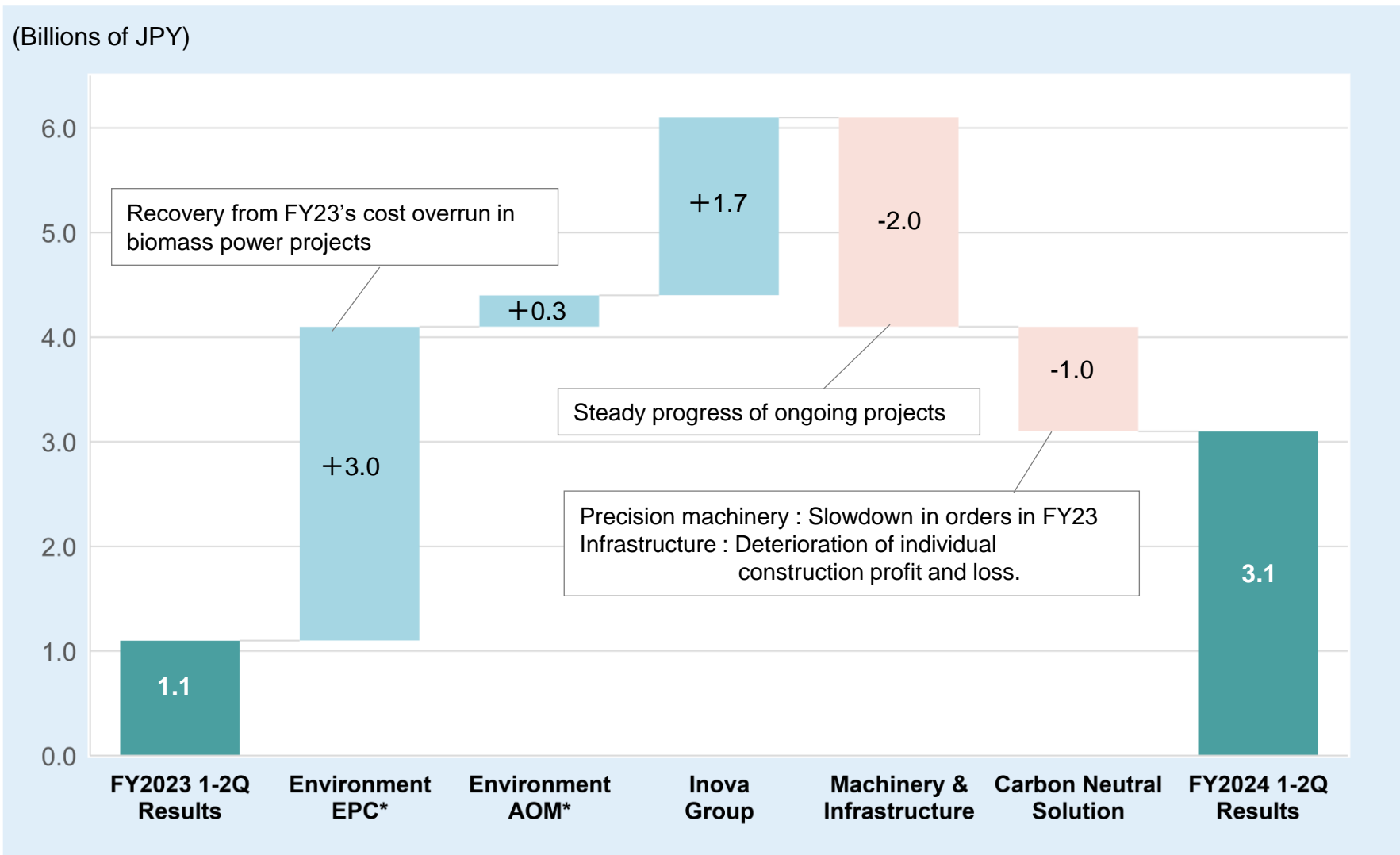
\*2 Third-party allotment from Imabari Shipbuilding Co., Ltd. to Hitachi Zosen Marine Engine Co., Ltd.



# FY2024 2Q Results - Order intake, Net sales, Operating income

	FY2023		FY2024				
	1-2Q	Full Year	1-2Q		Full Year Forecast		
			Results (a)	YoY	Initial	as of Nov. (b)	Progress (a)/(b)
(Billions of JPY)							
<b>Order intake</b>	<b>346.7</b>	<b>715.1</b>	<b>284.8</b>	<b>-61.9</b>	<b>620.0</b>	<b>680.0</b>	<b>41.9%</b>
■ Environment	270.0	558.8	229.9	-40.1	470.0	540.0	42.6%
■ Machinery & Infrastructure	40.0	80.8	41.3	1.3	84.0	84.0	49.2%
■ Carbon Neutral Solution	35.7	72.6	12.1	-23.6	63.5	53.5	22.6%
■ Others	1.0	2.9	1.5	0.5	2.5	2.5	60.0%
<b>Net sales</b>	<b>232.1</b>	<b>555.8</b>	<b>269.9</b>	<b>37.8</b>	<b>570.0</b>	<b>590.0</b>	<b>45.7%</b>
■ Environment	169.2	407.3	199.5	30.3	410.0	433.0	46.1%
■ Machinery & Infrastructure	40.8	91.0	34.7	-6.1	83.0	80.0	43.4%
■ Carbon Neutral Solution	21.1	55.2	33.9	12.8	75.0	75.0	45.2%
■ Others	1.0	2.3	1.8	0.8	2.0	2.0	90.0%
<b>Operating income</b>	<b>1.1</b>	<b>24.3</b>	<b>3.1</b>	<b>2.0</b>	<b>26.0</b>	<b>26.0</b>	<b>11.9%</b>
■ Environment	0.5	19.1	5.5	5.0	22.0	24.0	22.9%
■ Machinery & Infrastructure	0.7	3.0	-1.3	-2.0	2.4	0.9	—
■ Carbon Neutral Solution	-0.3	1.8	-1.3	-1.0	1.3	0.8	—
■ Others	0.2	0.4	0.2	0.0	0.3	0.3	66.7%

# FY2024 2Q Results - Breakdown of Changes in Operating Income



\* Excluding Inova Group

# FY2024 Forecast - Environment Business (Consolidated)

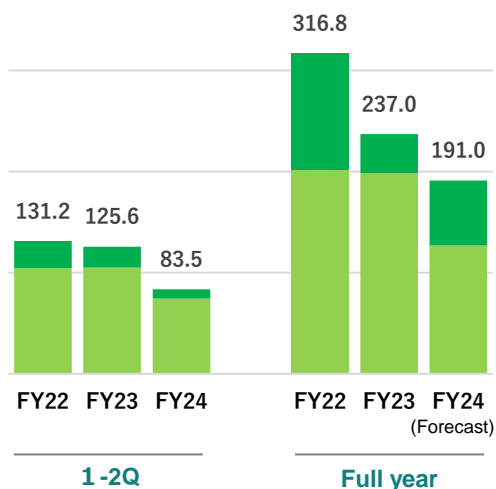
## Environment Business (Consolidated)

(Billions of JPY)	FY2023		FY2024				
	1-2Q	Full Year	1-2Q		Full Year Forecast		
			Results	YoY	Initial	as of Nov.	Difference
<b>Order intake</b>	<b>270.0</b>	<b>558.8</b>	<b>229.9</b>	<b>-40.1</b>	<b>470.0</b>	<b>540.0</b>	<b>70.0</b>
EPC	38.4	194.8	57.2	18.8	251.0	291.0	40.0
AOM*	231.6	364.0	172.7	-58.9	219.0	249.0	30.0
<b>Net sales</b>	<b>169.2</b>	<b>407.3</b>	<b>199.5</b>	<b>30.3</b>	<b>410.0</b>	<b>433.0</b>	<b>23.0</b>
EPC	105.7	232.5	117.2	11.5	215.0	226.0	11.0
AOM*	63.5	174.8	82.3	18.8	195.0	207.0	12.0
<b>Operating income</b>	<b>0.5</b>	<b>19.1</b>	<b>5.5</b>	<b>5.0</b>	<b>22.0</b>	<b>24.0</b>	<b>2.0</b>
EPC	-0.8	1.5	4.1	4.9	3.9	7.3	3.4
AOM*	1.3	17.6	1.4	0.1	18.1	16.7	-1.4

\*AOM refers to After-Sales Service (O&M)

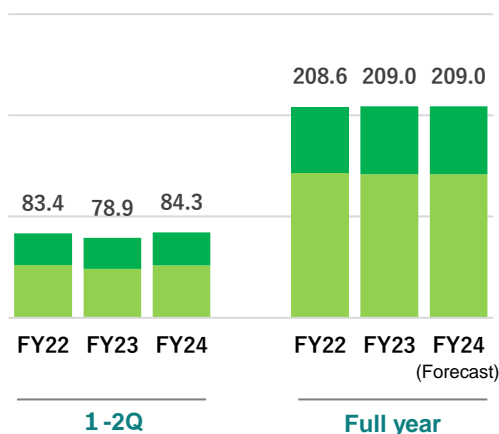
# FY2024 Forecast - Environment Business (excluding Inova)

## Order intake (Billions of JPY)

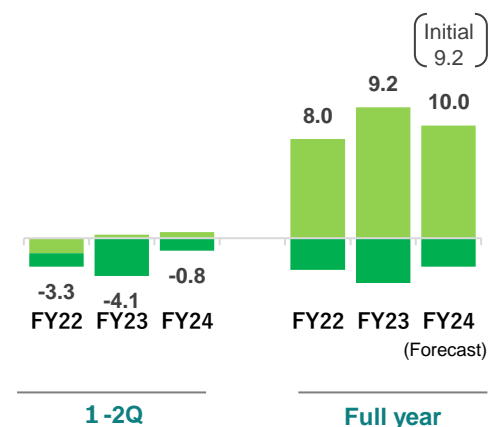


■ EPC ■ AOM

## Net sales (Billions of JPY)



## Operating income (Billions of JPY)



\* The numbers in each chart represent the total amount.  
For a breakdown, please refer to the next page.

### 1-2Q Results (YoY)

#### Order intake JPY83.5bn (-42.1)

- Number of retrofit projects and operation projects decreased in the current FY.
- Planned EPC orders for this FY are concentrated in 2nd half.

#### Net sales JPY84.3bn (+5.4) / Operating income JPY-0.8bn (+3.3)

- Contribution of retrofit works ordered in the previous year.
- Improved profitability in EPC (Cost overruns on biomass power plant projects in the previous year.)

### Full year forecast (vs. initial forecast)

#### Order intake JPY191.0bn ( $\pm 0$ )

- No change from the initial forecast.

#### Net sales JPY209.0bn ( $\pm 0$ ) / Operating income JPY10.0bn (+0.8)

- Profitability of O&M business expected to improve.

# FY2024 Forecast - Environment Business (excluding Inova)

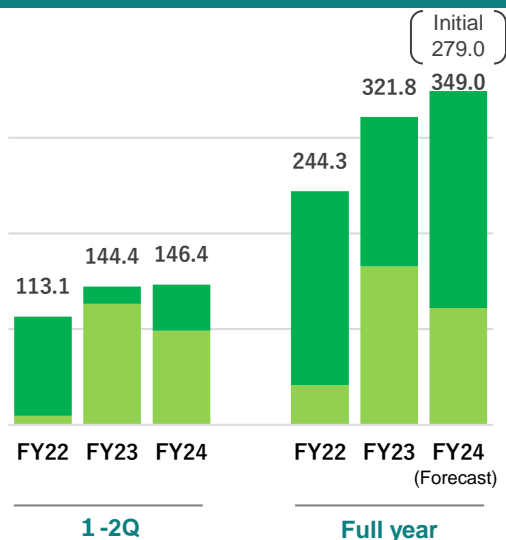
## Environment Business (excluding Inova)

(Billions of JPY)	FY2023		FY2024				
	1-2Q	Full Year	1-2Q		Full Year Forecast		
			Results	YoY	Initial	as of Nov.	Difference
<b>Order intake</b>	<b>125.6</b>	<b>237.0</b>	<b>83.5</b>	<b>-42.1</b>	<b>191.0</b>	<b>191.0</b>	<b>0.0</b>
EPC	20.5	38.6	9.2	-11.3	64.0	64.0	0.0
AOM*	105.1	198.4	74.3	-30.8	127.0	127.0	0.0
<b>Net sales</b>	<b>78.9</b>	<b>209.0</b>	<b>84.3</b>	<b>5.4</b>	<b>209.0</b>	<b>209.0</b>	<b>0.0</b>
EPC	30.5	67.1	32.6	2.1	59.0	67.0	8.0
AOM*	48.4	141.9	51.7	3.3	150.0	142.0	-8.0
<b>Operating income</b>	<b>-4.1</b>	<b>9.2</b>	<b>-0.8</b>	<b>3.3</b>	<b>9.2</b>	<b>10.0</b>	<b>0.8</b>
EPC	-4.5	-6.4	-1.5	3.0	-3.4	-3.4	0.0
AOM*	0.4	15.6	0.7	0.3	12.6	13.4	0.8

\*AOM refers to After-Sales Service (O&M)

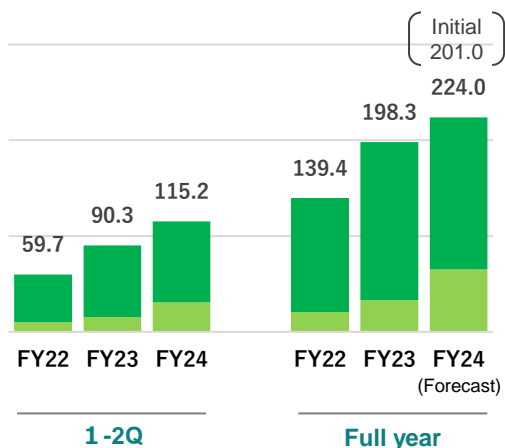
# FY2024 Forecast - Environment Business (Inova Group)

## Order intake (Billions of JPY)

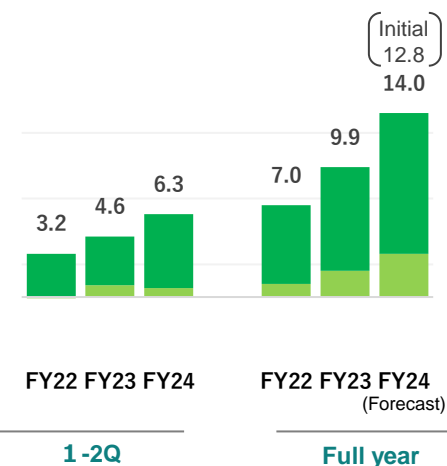


■ EPC ■ AOM

## Net sales (Billions of JPY)



## Operating income (Billions of JPY)



\* The numbers in each chart represent the total amount.  
For a breakdown, please refer to the next page.

### 1-2Q Results (YoY)

#### Order intake JPY146.4bn (+2.0)

- Abu Dhabi (O&M) and Schwandorf awarded in 1st half.

#### Net sales JPY115.2bn (+24.9) / Operating income JPY6.3bn (+1.7)

- EPC: steady progress in construction
- O&M : Increased sales/profits at Steinmüller and other subsidiaries. Increase by service company in Denmark acquired in June.

CHF conversion rate:

2Q/Previous FY : 158.72, 2Q/Current FY1Q : 172.44

### Full year forecast (vs. initial forecast)

#### Order intake JPY349.0bn (+70.0)

- Reviewed exchange rates.
- O&M : Increase by service company in Denmark acquired in June.

#### Net sales JPY224.0bn (+23.0) / Operating income JPY14.0bn (+1.2)

- Reviewed exchange rates.
- EPC: Expect lower sales due to delay in new project orders
- O&M : Increase by service company in Denmark acquired in June.

CHF conversion rate:

Initial FC : 160、2Q : 170

# FY2024 Forecast - Environment Business (Inova Group)

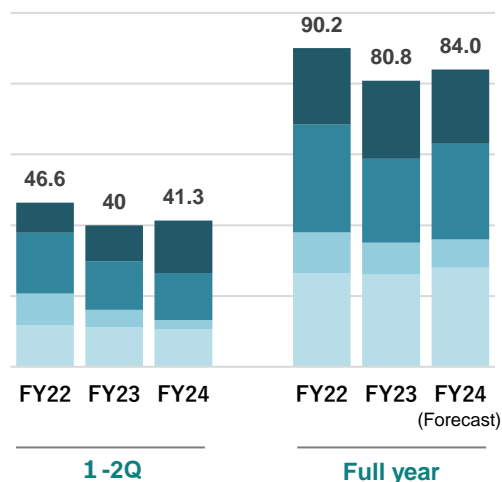
## Environment Business (Inova Group)

(Billions of JPY)	FY2023		FY2024				
	1-2Q	Full Year	1-2Q		Full Year Forecast		
			Results	YoY	Initial	as of Nov.	Difference
<b>Order intake</b>	<b>144.4</b>	<b>321.8</b>	<b>146.4</b>	<b>2.0</b>	<b>279.0</b>	<b>349.0</b>	<b>70.0</b>
EPC	17.9	156.2	48.0	30.1	187.0	227.0	40.0
AOM*	126.5	165.6	98.4	-28.1	92.0	122.0	30.0
<b>Net sales</b>	<b>90.3</b>	<b>198.3</b>	<b>115.2</b>	<b>24.9</b>	<b>201.0</b>	<b>224.0</b>	<b>23.0</b>
EPC	75.2	165.4	84.6	9.4	156.0	159.0	3.0
AOM*	15.1	32.9	30.6	15.5	45.0	65.0	20.0
<b>Operating income</b>	<b>4.6</b>	<b>9.9</b>	<b>6.3</b>	<b>1.7</b>	<b>12.8</b>	<b>14.0</b>	<b>1.2</b>
EPC	3.7	7.9	5.6	1.9	7.3	10.7	3.4
AOM*	0.9	2.0	0.7	-0.2	5.5	3.3	-2.2
Exchange rate (CHF/JPY)	158.72	163.47	172.44		160.00	170.00	

\*AOM refers to After-Sales Service (O&M)

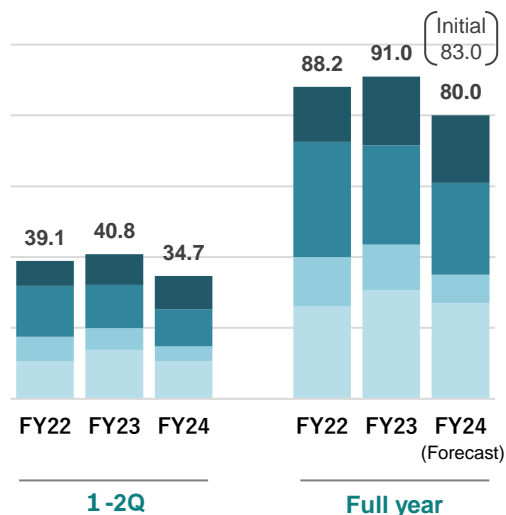
# FY2024 Forecast - Machinery & Infrastructure Business

## Order intake (Billions of JPY)



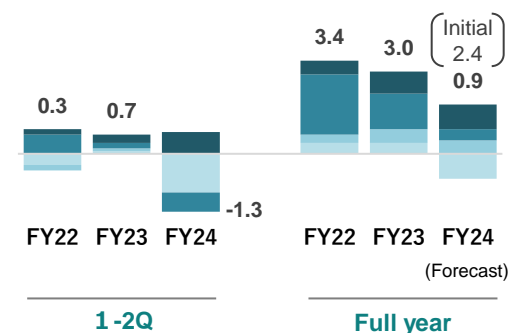
■ Press machine    ■ Precision machinery  
■ Other machinery    ■ Infrastructure

## Net sales (Billions of JPY)



\* The numbers in each chart represent the total amount.  
 For a breakdown, please refer to the next page.

## Operating income (Billions of JPY)



### 1-2Q Results (YoY)

#### Order intake JPY41.3bn (+1.3)

- Press : Strong orders for after-sales service.

#### Net sales JPY34.7bn (-6.1) / Operating income JPY -1.3bn (-2.0)

- Precision Machinery : Decrease in sales and income due to sluggish orders in the previous fiscal year, etc.
- Infrastructure : Deterioration in profitability of individual works of hydraulic gate.

### Full year forecast (vs. initial forecast)

#### Order intake JPY84.0bn ( $\pm 0$ )

- No change from the initial forecast.

#### Net sales JPY80.0bn (-3.0) / Operating income JPY0.9bn (-1.5)

- Sales and operating income revised downwards due to weak orders for Precision Machinery in the previous year and deteriorating infrastructure construction profitability in the current year.



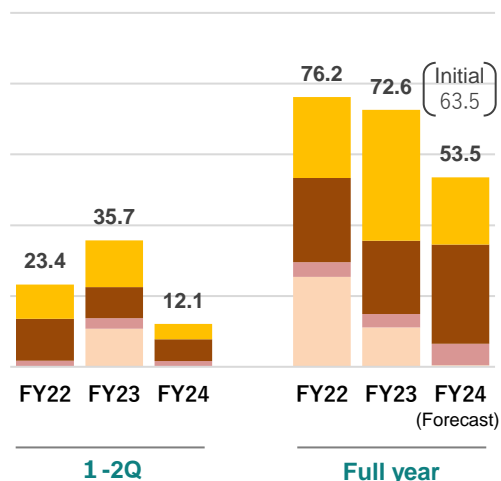
# FY2024 Forecast - Machinery & Infrastructure Business

## Machinery & Infrastructure Business

(Billions of JPY)	FY2023		FY2024				
	1-2Q	Full Year	1-2Q		Full Year Forecast		
			Results	YoY	Initial	as of Nov.	Difference
<b>Order intake</b>	<b>40.0</b>	<b>80.8</b>	<b>41.3</b>	<b>1.3</b>	<b>84.0</b>	<b>84.0</b>	<b>0.0</b>
Press machine	10.2	22.0	14.8	4.6	21.0	21.0	0.0
Precision machinery	13.7	23.7	13.3	-0.4	27.0	27.0	0.0
Other machinery	4.9	9.1	2.5	-2.4	8.0	8.0	0.0
Infrastructure	11.2	26.0	10.7	-0.5	28.0	28.0	0.0
<b>Net sales</b>	<b>40.8</b>	<b>91.0</b>	<b>34.7</b>	<b>-6.1</b>	<b>83.0</b>	<b>80.0</b>	<b>-3.0</b>
Press machine	8.7	19.5	9.4	0.7	19.0	19.0	0.0
Precision machinery	12.2	28.0	10.5	-1.7	29.0	26.0	-3.0
Other machinery	6.1	12.9	4.3	-1.8	8.0	8.0	0.0
Infrastructure	13.8	30.6	10.5	-3.3	27.0	27.0	0.0
<b>Operating income</b>	<b>0.7</b>	<b>3.0</b>	<b>-1.3</b>	<b>-2.0</b>	<b>2.4</b>	<b>0.9</b>	<b>-1.5</b>
Press machine	0.3	0.8	0.8	0.5	0.7	0.9	0.2
Precision machinery	0.2	1.3	-0.7	-0.9	1.0	0.4	-0.6
Other machinery	0.1	0.5	0.0	-0.1	0.5	0.5	0.0
Infrastructure	0.1	0.4	-1.4	-1.5	0.2	-0.9	-1.1

# FY2024 Forecast - Carbon Neutral Solution Business

## Order intake (Billions of JPY)



■ Engine 
 ■ Process equipment 
 ■ Decarbonization system 
 ■ Wind power

### 1-2Q Results (YoY)

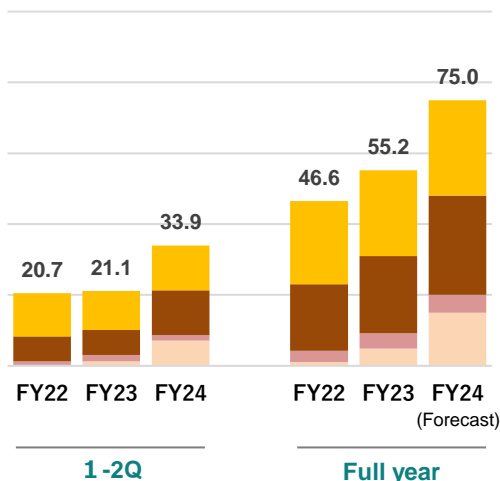
#### Order intake JPY12.1bn (-23.6)

- Engine : Impact of restrained order-taking activities.
- Wind power : Large order received (onshore wind O&M) in the previous year.

#### Net sales JPY33.9bn (+12.8) / Operating income JPY-1.3 (-1.0)

- Engine : Cost incurred due to inspection and process review.
- Process equipment : Net sales increased mainly at NAC International. Operating income declined in Japan (Highly profitable projects in the previous year).
- Decarbonization systems : Decrease in net sales and operating income due to low order intake, etc..

## Net sales (Billions of JPY)



\* The numbers in each chart represent the total amount. For a breakdown, please refer to the next page.

### Full year forecast (vs. initial forecast)

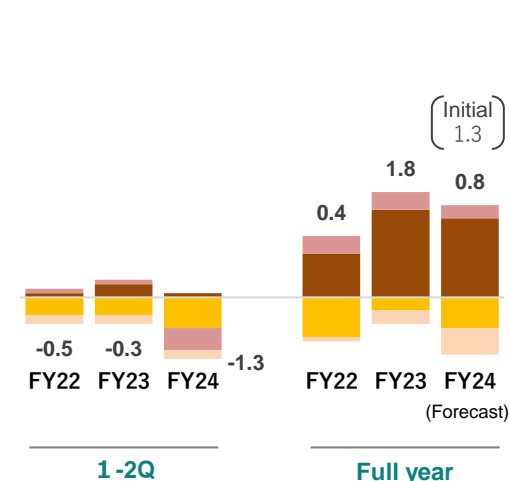
#### Order intake JPY53.5bn (-10.0)

- Engine : Forecast revised downwards due to restrained order-taking activities.

#### Net sales JPY75.0bn ( $\pm 0$ ) / Operating income JPY0.8 (-0.5)

- Engine : Forecast revised downwards due to costs incurred from inspection and process reviews.
- Process equipment : Improvement in construction profitability.

## Operating income (Billions of JPY)



# FY2024 Forecast - Carbon Neutral Solution Business

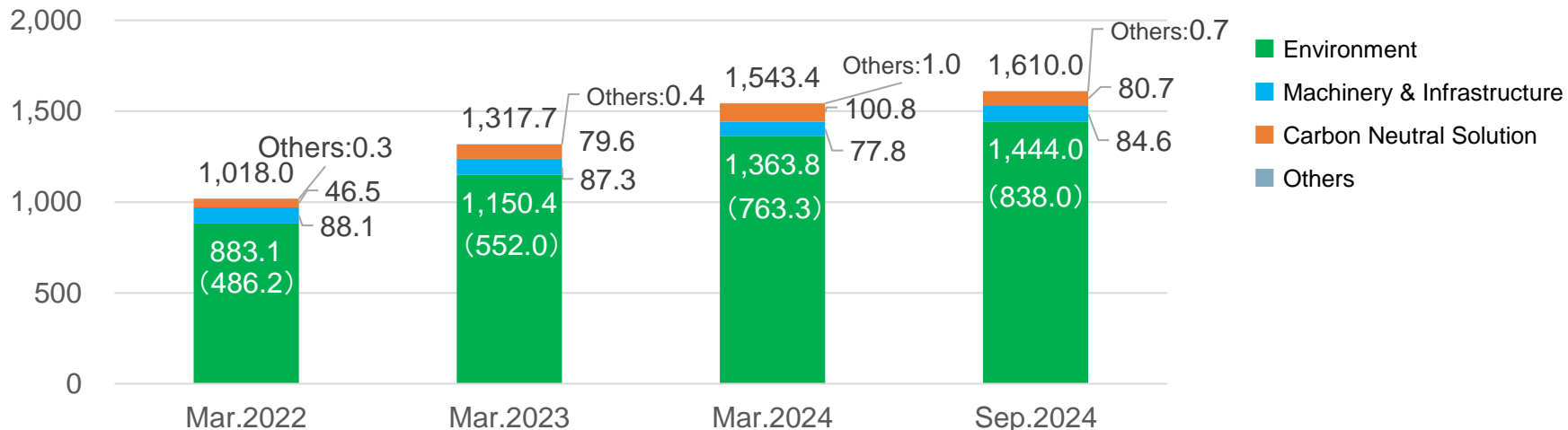
## Carbon Neutral Solution Business

(Billions of JPY)	FY2023		FY2024				
	1-2Q	Full Year	1-2Q		Full Year Forecast		
			Results	YoY	Initial	as of Nov.	Difference
<b>Order intake</b>	<b>35.7</b>	<b>72.6</b>	<b>12.1</b>	<b>-23.6</b>	<b>63.5</b>	<b>53.5</b>	<b>-10.0</b>
Marine Engine	13.2	37.0	4.3	-8.9	29.0	19.0	-10.0
Process equipment	8.8	20.7	6.2	-2.6	28.0	28.0	0.0
Decarbonization systems	2.9	3.8	1.5	-1.4	6.0	6.0	0.0
Wind power	10.8	11.1	0.1	-10.7	0.5	0.5	0.0
<b>Net sales</b>	<b>21.1</b>	<b>55.2</b>	<b>33.9</b>	<b>12.8</b>	<b>75.0</b>	<b>75.0</b>	<b>0.0</b>
Marine Engine	11.0	24.2	12.6	1.6	27.0	27.0	0.0
Process equipment	7.1	21.8	12.7	5.6	28.0	28.0	0.0
Decarbonization systems	1.8	4.4	1.5	-0.3	5.0	5.0	0.0
Wind power	1.2	4.8	7.1	5.9	15.0	15.0	0.0
<b>Operating income</b>	<b>-0.3</b>	<b>1.8</b>	<b>-1.3</b>	<b>-1.0</b>	<b>1.3</b>	<b>0.8</b>	<b>-0.5</b>
Marine Engine	-0.4	-0.3	-0.7	-0.3	0.1	-0.7	-0.8
Process equipment	-0.3	2.0	0.1	-0.2	1.5	1.8	0.3
Decarbonization systems	0.1	0.4	-0.5	-0.6	0.3	0.3	0.0
Wind power	-0.2	-0.3	-0.2	0.0	-0.6	-0.6	0.0

# FY2024 2Q - Order Backlog

## Order Backlog

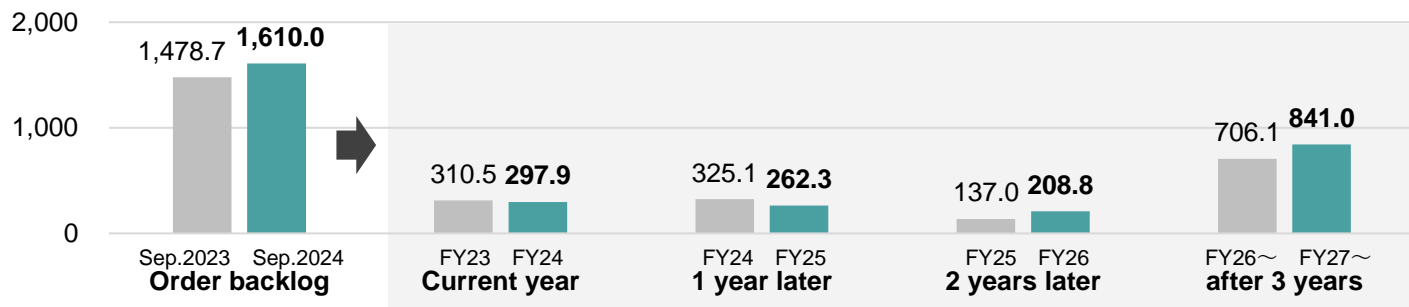
(Billions of JPY)



In parentheses indicate long-term operations included in the Environment

## Breakdown of Order Backlog by Sales Recognition Year

(Billions of JPY)



# Financial information

(Billions of JPY)

	FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Forecast
Total assets	461.1	479.6	533.5	590.0
Cash and deposits	67.2	86.4	71.6	60.0
Equity	131.3	139.6	162.7	176.7
Shareholders' equity ratio	28.5%	29.1%	30.5%	29.9%
Interest-bearing debt	91.9	86.5	91.4	120.0
R&D expenses	6.1	8.6	11.2	12.0
Capital investment	8.0	7.9	9.6	13.0
Depreciation	10.7	10.5	11.1	11.5
ROE	6.1%	11.5%	12.6%	10.6%
ROIC	4.8%	6.2%	7.4%	7.0%

Balance sheet items are as of the end of each year

# Management and Business Information

# Major Orders Received During 1st Half of FY2024 (Japan/Global)

Project	Place	Order received	Outline	Specifications etc.	Schedule
<b>Inova Waste to Energy</b> Abu Dhabi O&M (Inova)	UAE	JUN. 2024	Scope : Operation for 30 years Client : Emirates Water and Electricity Company Tadweer Group	ca.2,700t/day (2 lines) 80MW	Operation 2027 - 2057
<b>Inova Waste to Energy</b> Schwandorf (Steinmüller)	Germany	JUN. 2024	Scope : EP (Main equipment for incineration, flue gas treatment, etc.) Client : Schwandorf SPA  Replacement of aging existing boiler system (supplied by Steinmüller)	1,050t/day (2 lines) ca.134MW	Completion SEP. 2031
<b>Kanadevia Waste to Energy</b> Kyrgyzstan	Kyrgyzstan Bishkek	SEP. 2024	Scope : Design and supply of equipment and technical guidance during installation and commissioning of incinerators Client : Junxin Huanbao KG Invest LLC	1,000t/day 30MW	Completion DEC. 2025
<b>Kanadevia Hydraulic gates</b> Philippines – hydraulic gates (Kanadevia, JV)	Philippines Manila	SEP. 2024	Pasig-Marikina River Rehabilitation Project Phase IV River rehabilitation, fabrication, transport and installation of weirs, commissioning, etc.  ODA project by JV with Toyo Construction and IHI Construction Service	Construction of hydraulic gates and others  Dimensions: 28.3m(W) x 9.55m(H)	Completion JAN. 2030 Tentative

# Environment Business - Major Projects (excluding Inova)

	Place	Order	Completion	Formation	Scope	Calendar year				
						2023	2024	2025	2026	2027
J a p a n	<b>EPC</b>									
	Gunma	Jun. 2018	Jan. 2025	Sole	EPC	■	■			
	Tokushima	Feb. 2019	Dec. 2023	JV	EPC+O	■	■	■	■	■
	Ibaraki	Oct. 2019	Sep. 2023	JV	EPC	■				
	Hokkaido	Nov. 2019	Jul. 2024	JV/Sole	EPC/O&M*1	■	■	■	■	■
	Niigata	Mar. 2020	Mar. 2024	JV	BTO	■	■			
	Kumamoto	Jul. 2020	Mar. 2024	JV	DBO	■	■			
	Saga	Aug. 2020	Mar. 2024	Sole	DBO	■	■			
	Tokyo	Sep. 2020	May. 2027	JV	EPC	■	■	■	■	■
	Kagoshima	Feb. 2021	Aug. 2024	JV	DBO	■	■	■	■	■
	Akita	Nov. 2021	Mar. 2026	JV	DBO	■	■	■	■	■
	Osaka	Feb. 2022	Mar. 2026	JV	DBO	■	■	■	■	■
	Hiroshima	Feb. 2022	Apr. 2025	JV	EPC+O	■	■	■	■	■
	Saitama	Sep. 2022	Mar. 2029 *2	JV	DBO	■	■	■	■	■
	Hiroshima	Dec. 2022	Sep. 2028	JV	DBO	■	■	■	■	■
	Osaka	Feb. 2023	Mar. 2029	JV	EPC+O	■	■	■	■	■
	Osaka	Feb. 2023	Mar. 2031	JV	EPC	■	■	■	■	■
Gifu	Mar. 2023	Mar. 2027	JV	DBO	■	■	■	■	■	
Ibaraki	Mar. 2024	Mar. 2028	JV	DBO		■	■	■	■	
	<b>Retrofit</b>									
	Osaka	Aug. 2022	Feb. 2025	Sole	Retrofit	■	■			
	Aichi	Sep. 2022	Feb. 2027	Sole	Retrofit	■	■	■	■	■
	Kumamoto	Sep. 2022	Mar. 2025	Sole	Retrofit	■	■			
	Kumamoto	Dec. 2022	Mar. 2026	Sole	Retrofit	■	■	■	■	■
	Aomori	Jun. 2023	Mar. 2025	Sole	Retrofit		■	■		
	Kyoto	Jun. 2023	Feb. 2028	Sole	Retrofit	■	■	■	■	■
	Hokkaido	Jul. 2023	Feb. 2027	Sole	Retrofit	■	■	■	■	■
	Kumamoto	Sep. 2023	Mar. 2027	Sole	Retrofit	■	■	■	■	■
	Nara	Dec. 2023	Mar. 2027	Sole	Retrofit		■	■	■	■
	Kagoshima	May. 2024	Feb. 2028	Sole	Retrofit		■	■	■	■
O v e r s e a	Shanghai, China	Jul. 2019	Dec. 2024	Sole	EP+SV	■	■			
	Bidadi, India	Dec. 2020	Nov. 2024	Consortium	EP+SV	■	■			
	Changhua, Taiwan	Jul. 2021	Jul. 2025	Sole	EP+SV	■	■			
	Moshi, India	Sep. 2021	Oct. 2024	Consortium	EP+SV	■	■			
	Tainan, Taiwan	Feb. 2023	Feb. 2026	Sole	EP+SV	■	■			



\*1 JV received EPC, Kanadevia received O&M  
\*2 Construction period, including dismantling of existing incinerators



# Environment Business - Major Projects (Inova)

Project (country)	Order	Completion	Formation	Inova's Scope	Calendar year				
					2023	2024	2025	2026	2027
<b>EPC</b>									
Ivery, France	Nov. 2018	Mar. 2025	Consortium	EP+SV	■				
Moscow1-4, Russia	Nov.2019 * 1	Jun.2023 * 2	Consortium	EP+SV	■	■			
Rockingham, Australia	Jan. 2020	* 3	Consortium	EP+SV+O&M(20 yrs)	■	■			(O&M after completion)
Newhurst, UK	Feb. 2020	May 2023	Sole	EPC	■				
Emmenspitz, Swiss	Feb. 2020	Oct. 2025	Sole	EP+SV	■	■			
Slough, UK	Dec. 2020	Aug. 2024	Sole	EPC+O&M(25 yrs)*4	■	■	■	■	■
Dubai, UAE	Jun. 2021	Aug. 2024	Consortium	EP+SV+O&M(35 yrs)	■	■	■	■	■
Skelton Grange, UK	Jul. 2021	Jul. 2025	Sole	EPC	■	■			
Westfield, UK	Dec. 2021	Apr. 2025	Sole	EPC+O&M(25 yrs)	■	■	■	■	■
North London, UK	Apr. 2022	Oct. 2026	Sole	EP	■	■	■	■	■
Rivenhall, UK	May. 2022	Mar. 2026	Sole	EPC	■	■	■	■	■
Riverside2, UK	Jan. 2023	Aug. 2026	Sole	EPC	■	■	■	■	■
Earls Gate, UK	Jun. 2023	-	Solo	O&M(25 yrs)*5		■	■	■	■
Walsall, UK	Dec. 2023	Oct. 2027	Solo	EPC		■	■	■	■
Abu Dhabi, UAE	Mar. 2024 * 6	Jun. 2027	Consortium	EP+SV+O&M(30 yrs)		■	■	■	■
<b>Retrofit</b>									
Ludwigshafen, Germany	Jul. 2019	Dec. 2024	Sole	EP+SV	■	■			
Vantaa, Finland	Oct. 2022	Jul. 2025	Sole	EP+SV	■	■			
South Clyde, Germany	Dec. 2022	Dec. 2026	Sole	EP+SV	■	■	■	■	■
Monaco	Basic design: Feb. 2023 Detailed design: Jan. 2024	Mar. 2031	Consortium	EP+SV	■	■	■	■	■
Kassel, Germany	Jul. 2023	Oct. 2025	Sole	EP+SV	■	■			
Hagenholz, Switzerland	Sep. 2023	Mar. 2027	Sole	EP+SV	■	■	■	■	■
Padova, Italy	Oct. 2023	Feb. 2027	Consortium	EP	■	■	■	■	■
Darmstadt, Germany	Jan. 2024	Aug. 2028	Sole	EP+SV		■	■	■	■
Schwandorf, Germany	Jun. 2024	Sep. 2031	Solo	EP		■	■	■	■

■ Construction  
■ O&M

\*1 Order for Moscow 1 received in FY2019, Moscow 2-4 in FY2020

\*2 Significant delay expected

\*3 Under adjustment with the customers due to local works delayed by the impact of Covid-19

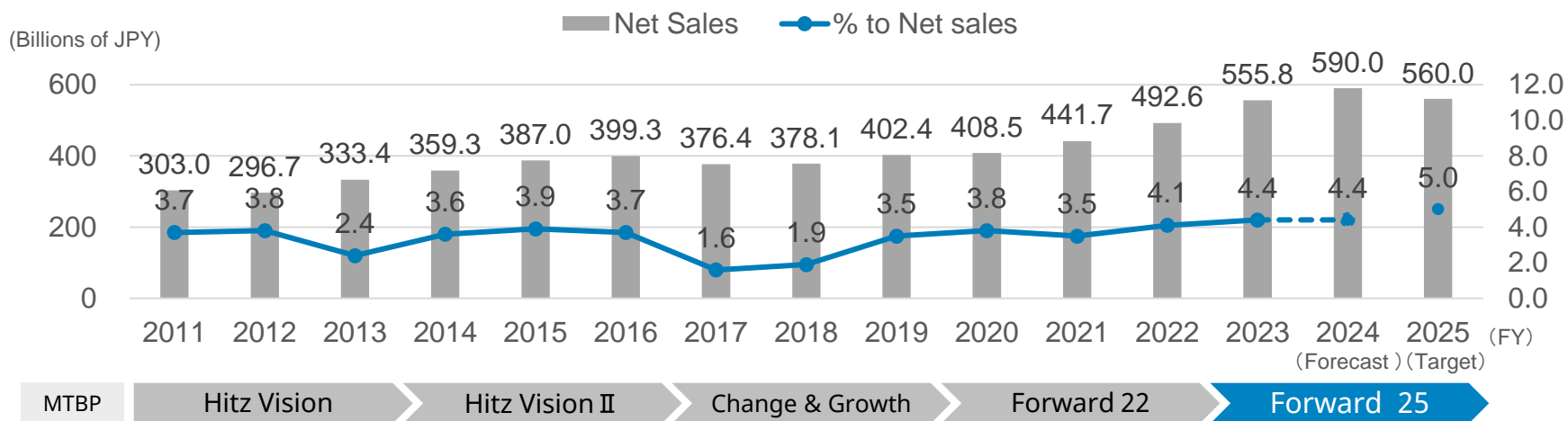
\*4 Received 25 years of O&M after completion of construction

\*5 25 years O&M from Dec. 2023 (EPC is within the responsibility of other companies)

\*6 O&M order is expected in June 2024

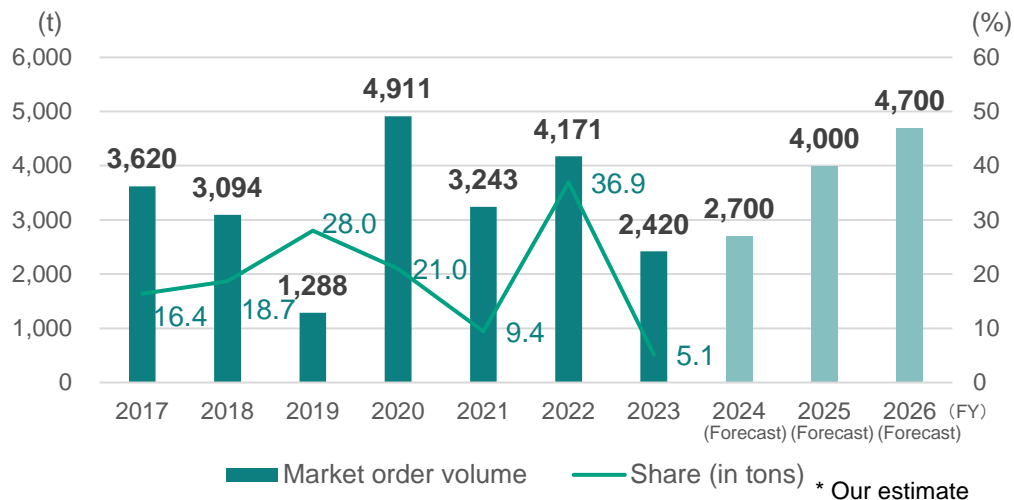
# Forward 25's Targets and Progress

	FY2023 Results	FY2024 Forecast	FY2025 Target
Order intake	7,151	6,800	6,000
Net sales	5,558	5,900	5,600
Operating income (% to Net sales)	243 (4.4%)	260 (4.4%)	280 (5.0%)



# Update of Business - Environment Business (excluding Inova)

## WtE EPC Market : Order Volume and Our Share



## Technological development contributing to a circular economy and decarbonization

### Waste to Energy

- Recycling CO<sub>2</sub> collected from WtE facility
- High CO<sub>2</sub> concentration waste incineration technology (Green Innovation (GI) Fund project)

### Water Treatment

- N<sub>2</sub>O emission reduction from sewage treatment facility
- Sewage sludge incineration by stoker type incinerator
- Hydrogen production from sewage sludge
- Research project on biomethanation reaction technology for sewage sludge digestion gas (by Kanadevia Inova Schmack's technology)

## Waste-to-Energy facilities

- Market size (order volume) to remain at 2,500-5,000 t/day annually. Slightly less than 3,000 t/day in FY2024.
- Planned domestic EPC orders for FY2024 are concentrated in the second half of the year.
- Growth is not expected in Japan in the long term,
  - Business domain expansion into industrial waste is in view (Alliance with TRE HOLDINGS in May 2023).
  - Ongoing commitment to technological innovation.

## Water business

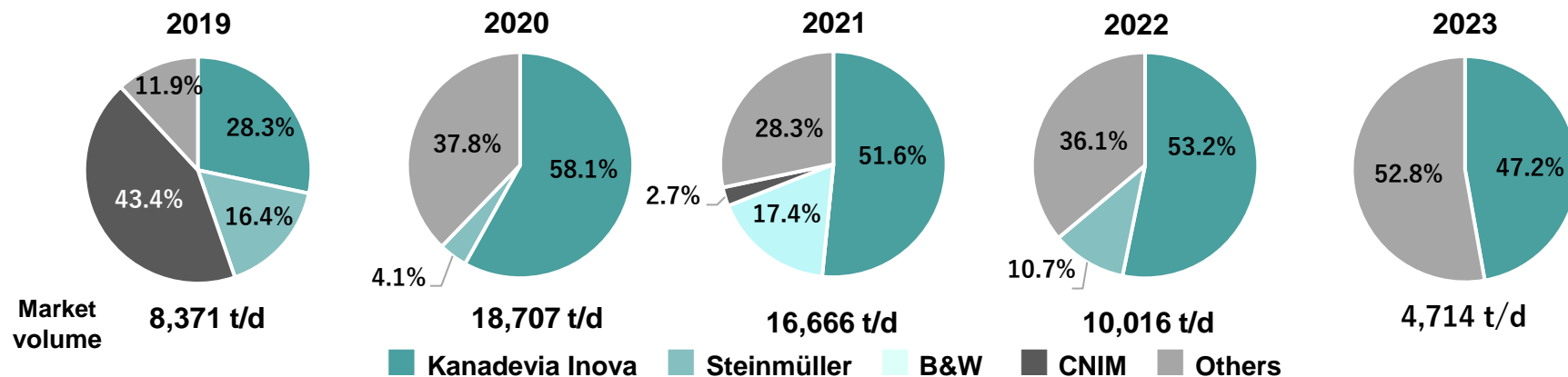
- Domestic market mature and flat.
- Global water/wastewater treatment market expected to remain in high demand, global strategies under consideration.

## Electricity sales

- Market prices for electricity remained stable in 1H of 2024.
- We will continue to aim for stable operations, maintaining a balance between supply and demand.

# Update of Business - Environment Business (Inova Group)

## Market Share of New Orders for WtE Plants - based on capacity (EMEA Market)



Source : Survey by A. Vaccani & Partner and Roland Berger

### Waste to Energy

- In the EMEA market, our Group's share of EPC orders is around 50%, after a shake-out since the late 2010s.
- New order intake halved in 2023, but new projects continue to be considered continuously.
- Continued stable demand in the UK and EU regions.
- Demand is emerging in the Middle East, including Saudi Arabia.
- Our Group expects to achieve its annual order intake target for FY2024.

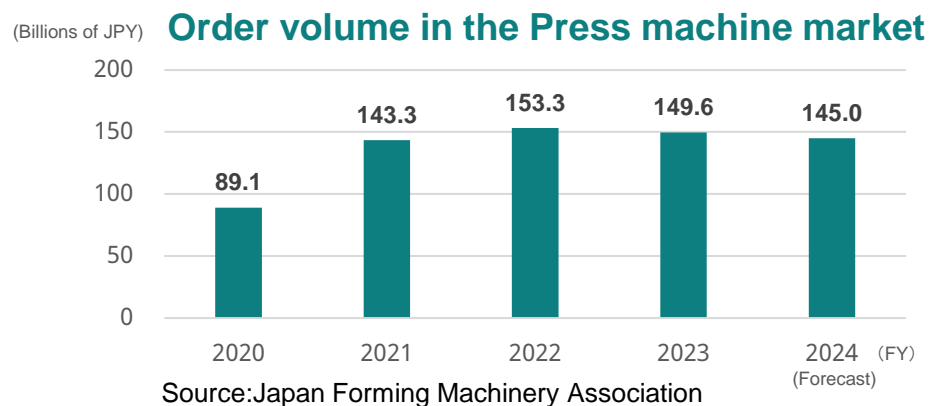
### Renewable Gas

- Investment in our own biogas business in Europe
  - Own business development ongoing in Italy, etc.
  - M&A of existing assets and increase the value is also considered.

### After-Sales Service (O&M)

- Acquired a service company in Denmark from B&W, expanding our business base.
- Increased stake in boiler service company EST Industries (France) from 40% to 60%, making it a consolidated subsidiary.

# Update of Business - Machinery & Infrastructure Business



TANGENT KANADEVIA

## Press Machine

- Market volume of orders forecast: JPY 145 billion for FY2024, slightly lowered (Source: Japan Forming Machinery Association).
- In the Group, demand for after-sales services increased due to changes in customer needs, such as extending the service life of existing products.
- High profit in 1H, mainly due to accelerated operations.

## Precision Machinery, etc.

- Vacuum valves: orders are upward trend, as the major semiconductor manufacturing machinery manufacturers have completed exhausting their excess inventories. Our Group achieved 2Q order intake as planned, expecting to recover by +56% Y-o-Y for the full year.

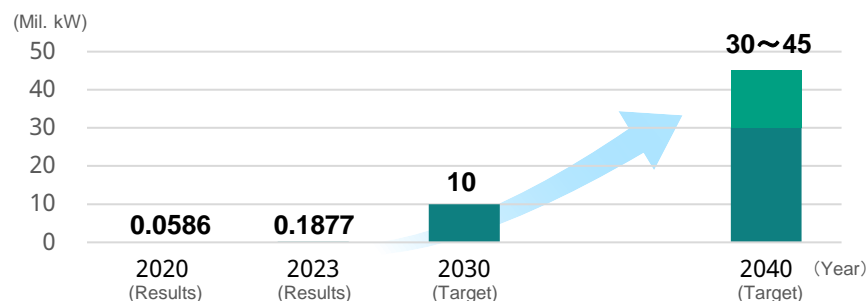
## Infrastructure

- Hydraulic gates, etc. : In Japan, increase in hydroelectric power plant replacement projects against a backdrop of national land resilience and decarbonisation. Favorable order intake due to early approach utilizing temporary cofferdam technologies, etc.
- Overseas, the joint venture TANGENT Kanadevia, established in October 2023, will be used to meet demand for hydraulic gates and ODA projects in South East Asia (e.g. Pasig-Marikina River Channel Improvement Project in the Philippines).

# Update of Business - Carbon Neutral Solution Business

## Japanese Government's Offshore Wind Power Installation Targets

10 mil. kW by 2030, 30 to 45 mil. kW by 2040 including floating type systems

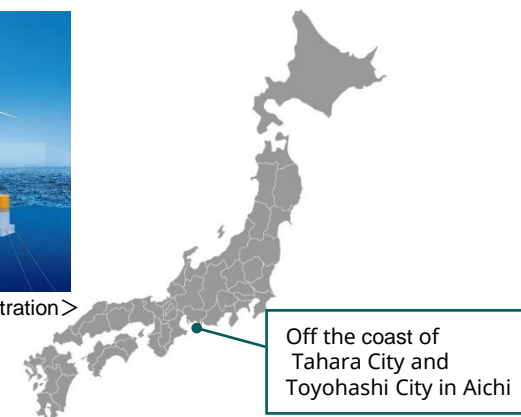


Source: compiled by the Company from "Vision for Offshore Wind Industry" (2020, public-private council) and statistics from the Japan Wind Energy Association.

Floating Offshore Wind Power Demonstration Project (Phase 2) Demonstration Area



< Installation illustration >



Off the coast of Tahara City and Toyohashi City in Aichi

### Engine

- Focus on corrective action against inappropriate conduct and restoring trust.
- Profitability challenges due to soaring material prices and yen depreciation.
- Fuel switching to LNG, methanol and ammonia  
⇒ Development and Capex in compatible engines.

### Process equipment

- In Japan, demand for storage and transport tanks is expected to increase due to growing consideration of alternative fuel use and CCS are considered.
- In the US, strong demand for dry storage casks.
- Expansion through M&A (e.g. Canadian market, low-level radioactive waste market).

### Decarbonization systems

- Plans for mass production of hydrogen generators in response to the government's basic hydrogen strategy.
- Work on the commercialisation of methanation in Oman in collaboration with Inova and Osmoflo.

### Wind Power

- Japanese government's target for offshore wind power: 10 million kW by 2030, 30 to 45 million kW by 2040.
- Selected for NEDO's Floating Offshore Wind Power Demonstration Project (GI Fund Project Phase 2), a demonstration project off the coast of Aichi, using a semi-submersible floating foundation.

# Expansion of After-Sales Service (O&M) Business by Inova Group

## Acquisition of Babcock & Wilcox Renewable Service (BWRs)

### Kanadevia Inova Denmark A/S (New company name)

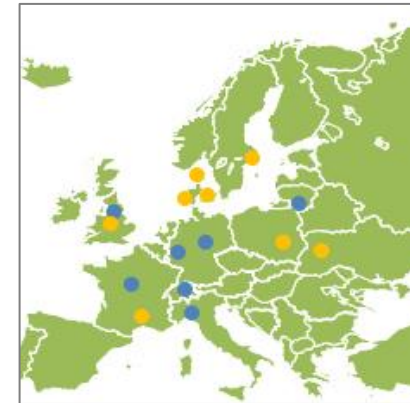
Office : Holsted, Denmark

Establish. : 2021

Employees : 160+ people

- ❑ In Nordic countries, WtE plants are aging, and demand for service business is expected to increase.
- ❑ BWRs, service business for WtE plants and others, has a high market share in the Nordic region.
- ❑ Together with Inova's existing entities, expand service business across Europe.

- Inova's service network
- BWRs' service network

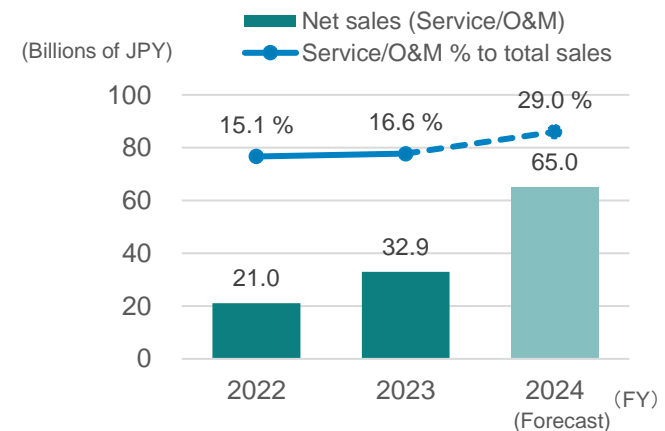


## Continuous Business Expansion through M&A

	Company	Country	Business
DEC. 2014	Kraftwerkstechnik	Germany	WtE service
APR. 2020	ESTI	France	WtE service
APR. 2020	NCIS	France	Spare parts
FEB. 2022	Steinmüller	Germany	WtE
APR. 2022	EST Industries	France	Boiler service
JUN. 2024	BWRs	Denmark	WtE service

- ❑ Development of service operation network over Europe.
- ❑ Rich reference projects (Those of acquired companies join).
- ❑ Increased competitiveness in smaller projects.
- ❑ Technical complement, expansion of human resources.

### Inova's Service/O&M business sales/% to total sales





# Completed Projects in FY2024 (Overseas WtE)

## Dubai



Site : Dubai - Warsan  
Client : Dubai Waste Management Company  
Scope : EP+SV, O&M (35 years)  
Construction: April 2021 – August 2024  
Capacity : ca. 5,700 tons/day (5 lines)

- The first WtE plant in UAE, which is one of the largest ones in the world.
- Participated in the project development from the early stage. Joined a project SPC together with ITOCHU Corporation, local parties, etc.
- Financing support by JBIC (Japan Bank for International Cooperation) and NEXI (Nippon Export and Investment Insurance).

## Slough



Site : Slough (Berkshire, UK)  
Client : SSE Slough Multifuel Limited  
Scope : EPC, O&M (25 years)  
Construction : Dec. 2020 – August 2024  
Capacity : ca. 1,440 tons/day (2 lines)

- 20 projects awarded in UK and Ireland so far, incl. those under construction, and this is the 14th.
- Third order from SSE (incl. joint projects), a major British power company.
- Completed 3 months ahead of schedule, despite the highly challenging construction work with existing buildings adjacent to the perimeter.
- Also awarded Inova's 4th long-term operation work.



# Initiatives for Realizing a Circular Economy

## Participating in COP29

Period : 11 to 22 November, 2024

Place : Republic of Azerbaijan (Baku Olympic Stadium)

### Exhibition at the Japan Pavilion

- Organized by the Ministry of the Environment
- Introducing our Group's various waste treatment technologies

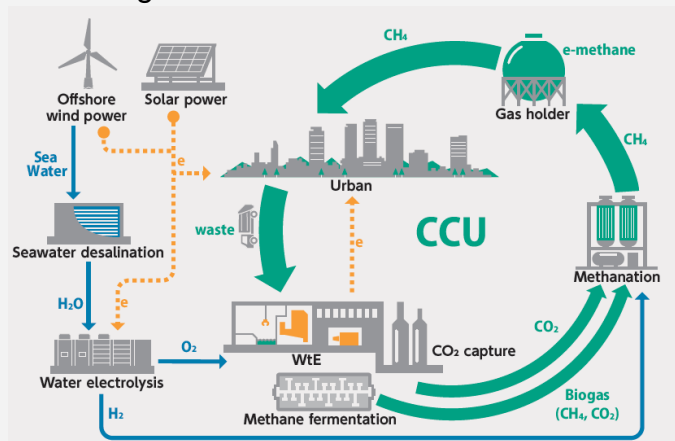


Exhibit model flow

### Participation in Related Seminar

Title of Seminar :

**Advanced Waste Management for CE & Energy Solutions**

Organizer :

**Japan Environmental Facilities Manufacturers Association**

**10:30-11:45, 20 November 2024 (Local time)**

Speaker from Kanadevia :

**Michi Kuwahara, President & COO**

Details :

**Achieving Circular Economy by Diverse Waste Management Technology & CCUS**

**ZOOM Webinar URL :**

<https://us06web.zoom.us/j/81262163590?pwd=oEatDxHagly4nLZ7QbF3mmPBqNC1yh.1>

## TNFD (Task Force on Disclosure of Nature-related Financial Information)

- Expressed support for TNFD's recommendations in December 2023.
- Published a TNFD Report in October 2024.

URL : [tnfd2024\\_E.pdf](https://www.kanadevia.com/tnfd2024_E.pdf)



## (Reference) Links to Our Group Websites

- ❑ Integrated Report 2024

<https://www.kanadevia.com/english/ir/data/annual.html>



- ❑ Medium-term management plan: Forward 25

<Hitachi Zosen Forward 25.English 0323 0531.pdf>



- ❑ Sustainability

<Sustainability | Kanadevia Corporation>



- ❑ YouTube - Kanadevia Group Channel

<https://www.youtube.com/@KanadeviaGroupChannel/featured>





**Cautionary Statement**

Forward-looking statements are based on information currently available to Kanadevia Corporation. Therefore those forward-looking statements include unknown risks and uncertainties. Accordingly, you should note that the actual results could differ materially from those forward-looking statements. Risks and uncertainties that could influence the ultimate outcome include, but are not limited to, the economic conditions surrounding Kanadevia Corporation and/or exchange rate fluctuation.