



Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending September 30, 2021 [Japanese GAAP]

August 5, 2021

Company Name: Kanamic Network Co., Ltd. Stock Exchange Listing: Tokyo
 Stock Code: 3939 URL: <http://www.kanamic.net/>
 Representative: Representative Director and President: Takuma Yamamoto
 Contact: Director, General Manager: Kenya Wakabayashi (TEL) 03-5798-3955
 Scheduled date to submit quarterly securities report: August 6, 2021 Scheduled date to commence dividend payments: —
 Availability of supplementary briefing material on quarterly financial results: Not available
 Quarterly financial results briefing: No

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of Fiscal Year ending September 30, 2021 (From October 1, 2020 to June 30, 2021)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate year-on-year changes from the previous corresponding period)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third Quarter ended June 30, 2021	1,555	13.9	637	36.9	642	32.3	445	37.3
June 30, 2020	1,365	—	465	—	485	—	324	—

(Reference) Comprehensive income: Third Quarter ended June 30, 2021: 448 million yen (38.1%) Third Quarter ended June 30, 2020: 324 million yen (—%)

	Basic profit per share	Basic diluted profit per share
	Yen	Yen
Third Quarter ended June 30, 2021	9.27	—
June 30, 2020	6.75	—

(Note) The Company changed to consolidated quarterly financial results from the first quarter ended December 31, 2019, and therefore year-on-year changes between the third quarter ended June 30, 2020 and the previous corresponding period are not presented.

(2) Consolidated financial position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
Third quarter ended June 30, 2021	2,620	2,257	86.2
Fiscal year ended September 30, 2020	2,303	1,905	82.8

(Reference) Shareholder's equity: Third Quarter ended June 30, 2021: 2,257 million yen Fiscal year ended September 30, 2020: 1,905 million yen

2. Dividends

	Annual cash dividends per share				
	First Quarter End	Second Quarter End	Third Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended September 30, 2020	—	0.00	—	2.00	2.00
Fiscal Year ending September 30, 2021	—	0.00	—		
Fiscal Year ending September 30, 2021 (forecast)				2.50	2.50

(Note) Revisions in dividend forecast subsequent to most recent announcement: None

3. Forecast for the consolidated financial results for the fiscal year ending September 30, 2021 (from October 1, 2020 to September 30, 2021)

(% indicates YoY change from the previous corresponding fiscal year or period)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Profit Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	2,100	11.6	800	22.2	800	18.2	550	16.4	11.43

(Note) Changes in consolidated financial results forecasts subsequent to most recent announcement: None

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Special accounting methods adopted for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and restatements

- ① Changes in accounting policies due to the revision of accounting standards : None
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Restatements : None

(4) Total number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury shares):	Third quarter ended June 30, 2021	48,132,000 Shares	Fiscal Year ended September 30, 2020	48,132,000 Shares
② Total number of treasury shares at the end of the period:	Third quarter ended June 30, 2021	1,206 Shares	Fiscal Year ended September 30, 2020	1,206 Shares
③ Average number of shares during the 9 month period (quarter-to-date)	Third quarter ended June 30, 2021	48,130,794 Shares	Third quarter ended June 30, 2020	48,130,794 Shares

* This quarterly financial results report is not subject to quarterly review by a certified public accountant or auditing corporation.

* Explanation of appropriate use of performance forecasts and other special notes.

The statements regarding forecast of financial results in this report are based on information that is available to the Company, as well as certain assumptions that are deemed to be reasonable, and we make no promise that such statements will prove to be correct. Actual results may differ materially due to a variety of factors.

1. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of September 30, 2020	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	1,706,530	2,001,596
Accounts receivable - trade	74,151	72,867
Work in process	6,526	344
Other	77,716	72,471
Allowance for doubtful accounts	-13,493	-13,983
Total current assets	1,851,431	2,133,295
Non-current assets		
Property, plant and equipment	51,304	43,349
Intangible assets		
Software	306,201	351,086
Other	76	76
Total intangible assets	306,277	351,162
Investments and other assets		
Other	94,246	93,643
Allowance for doubtful accounts	-256	-480
Total investments and other assets	93,989	93,162
Total non-current assets	451,571	487,674
Total assets	2,303,003	2,620,970
Liabilities		
Current liabilities		
Accounts payable - trade	22,725	8,438
Income taxes payable	129,194	94,031
Provision for bonuses	31,227	41,344
Asset retirement obligations	16,000	16,000
Other	185,999	191,068
Total current liabilities	385,146	350,883
Non-current liabilities		
Asset retirement obligations	11,209	11,288
Other	800	800
Total non-current liabilities	12,009	12,088
Total liabilities	397,155	362,971
Net assets		
Shareholders' equity		
Share capital	192,060	192,060
Capital surplus	132,060	132,060
Retained earnings	1,582,485	1,932,209
Treasury shares	-478	-478
Total shareholders' equity	1,906,127	2,255,851
Accumulated other comprehensive income		
Foreign currency translation adjustment	-278	2,147
Total accumulated other comprehensive income	-278	2,147
Total net assets	1,905,848	2,257,998
Total liabilities and net assets	2,303,003	2,620,970

(2) Quarterly Consolidated Statement of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)
(Nine months ended
June 30, 2021)

(Thousands of yen)

	Nine months ended June 30, 2020	Nine months ended June 30, 2021
Net sales	1,365,599	1,555,348
Cost of sales	171,214	229,195
Gross profit	1,194,385	1,326,153
Selling, general and administrative expenses	728,557	688,477
Operating profit	465,828	637,676
Non-operating income		
Interest income	15	50
Foreign exchange gains	475	2,430
Subsidy income	19,347	1,599
Miscellaneous income	128	583
Total non-operating income	19,966	4,662
Non-operating expenses		
Miscellaneous loss	436	185
Total non-operating expenses	436	185
Ordinary profit	485,357	642,153
Extraordinary income		
Gain on sales of non-current assets	—	596
Total extraordinary income	—	596
Profit before income taxes	485,357	642,749
Income taxes - current	165,991	195,724
Income taxes - deferred	-5,496	1,039
Total income taxes	160,495	196,763
Profit	324,862	445,985
Profit attributable to owners of parent	324,862	445,985

(Quarterly Consolidated Statement of Comprehensive Income)
(Nine months ended
June 30, 2021)

(Thousands of yen)

	Nine months ended June 30, 2020	Nine months ended June 30, 2021
Profit	324,862	445,985
Other comprehensive income		
Foreign currency translation adjustment	-169	2,426
Total other comprehensive income	-169	2,426
Comprehensive income	324,693	448,411
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	324,693	448,411
Comprehensive income attributable to non-controlling interests	—	—