



# Consolidated Financial Results for the Fiscal Year Ended September 30, 2021 [Japanese GAAP]

November 2, 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 of Ordinary General Meeting of Shareholders: Scheduled date to commence dividend payments:  
 December 22, 2021 December 23, 2021  
 Scheduled date to submit Annual Securities Report (Yukashoken Hokokusho): December 23, 2021  
 Availability of supplementary briefing material on annual results : Yes  
 Investors meeting presentation for financial results : Yes (for securities analysts and institutional investors)

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Financial Results for the Fiscal Year ended September 30, 2021 (from October 1, 2020 to September 30, 2021)

### (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	%
Fiscal year ended September 30, 2021	2,080	10.6	841	28.6	829	22.6	579	22.6
September 30, 2020	1,881	—	654	—	676	—	472	—

(Reference) Comprehensive income: Fiscal year ended September 30, 2021: 581 million yen (23.0%) Fiscal year ended September 30, 2020: 472 million yen (-%)

	Profit per share	Diluted profit per share	Return on Equity	Ordinary Profit to Total Assets	Operating Profit to Net Sales
	Yen	Yen	%	%	%
Fiscal year ended September 30, 2021	12.08	11.98	30.0	24.8	40.5
September 30, 2020	9.82	—	24.8	29.4	34.8

(Reference) Share of profit or loss of entities accounted for using equity method For the fiscal year ended September 30, 2021: — For the fiscal year ended September 30, 2020: —

(Note) The Company changed to consolidated financial results from the fiscal year ended September 30, 2020, and therefore year-on-year changes between the fiscal year ended September 30, 2020 and the previous fiscal year are not presented. Furthermore, because the fiscal year ended September 30, 2020 was the first fiscal year in which the Company applied consolidated financial results, ROE and ROA are calculated based on Shareholders' Equity at fiscal year end and total assets at fiscal year end respectively.

### (2) Consolidated financial position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of September 30, 2021	4,395	1,959	44.5	41.22
September 30, 2020	2,303	1,905	82.8	39.60

(Reference) Equity As of September 30, 2021: 1,954 Million Yen As of September 30, 2020: 1,905 Million Yen

### (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
Fiscal year ended September 30, 2021	756	-216	1,458	3,710
September 30, 2020	634	-103	-48	1,706

## 2. Dividends

	Annual cash dividends per share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Dividends to Net Assets (Consolidated)
	First Quarter End	Second Quarter End	Third Quarter End	Fiscal Year End	Total			
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
September 30, 2020	—	0.00	—	2.00	2.00	96	20.4	5.1
September 30, 2021	—	0.00	—	2.50	2.50	118	20.7	6.2
September 30, 2022 (Forecast)	—	0.00	—	3.00	3.00		22.2	

(Note) Because the fiscal year ended September 30, 2020 was the first fiscal year in which the Company applied consolidated financial results, Dividends to Net Assets (Consolidated) is calculated based on Net Assets Per Share at fiscal year end.

## 3. Forecast for the financial results for the fiscal year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

(% indicates YoY change from the previous corresponding term)

	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
2nd Quarter (Cumulative)	1,060	1.6	400	-4.5	400	-5.5	275	-6.8	5.80
Full year	2,350	12.9	930	10.5	930	12.1	640	10.4	13.50

### \* Notes

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

(2) 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

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

① Total number of issued shares at the end of the period (including treasury shares):	As of September 30, 2021	48,132,000 Shares	As of September 30, 2020	48,132,000 Shares
② Total number of treasury shares at the end of the period:	As of September 30, 2021	710,906 Shares	As of September 30, 2020	1,206 Shares
③ Average number of shares during the period	Fiscal year ended September 30, 2021	47,981,077 Shares	Fiscal year ended September 30, 2020	48,130,794 Shares

(For Reference) Overview of Unconsolidated Financial Results

1. Unconsolidated Financial results for the fiscal year ended September 30, 2021 (from October 1, 2020 to September 30, 2021)

(1) Unconsolidated 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	%
Fiscal year ended								
September 30, 2021	2,080	10.6	846	29.0	834	23.0	584	23.3
September 30, 2020	1,881	11.6	655	20.4	678	24.9	474	32.5

  

	Profit per share		Diluted profit per share	
	Yen		Yen	
Fiscal year ended				
September 30, 2021	12.19		12.09	
September 30, 2020	9.85		—	

(2) Unconsolidated financial position

	Total Assets		Net Assets		Shareholders' Equity Ratio		Net Assets Per Share	
	Millions of Yen		Millions of Yen		%		Yen	
As of								
September 30, 2021	4,408		1,972		44.6		41.51	
September 30, 2020	2,313		1,916		82.8		39.82	

(Reference) Equity As of September 30, 2021: 1,968 Million Yen As of September 30, 2020: 1,916 Million Yen

2. Forecast for the unconsolidated financial results for the fiscal year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

(% indicates YoY change from the previous corresponding term)

	Net Sales		Ordinary Profit		Profit		Profit Per Share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
2nd Quarter (Cumulative)	1,060	1.6	400	-5.7	275	-7.3	5.80	
Full year	2,350	12.9	930	11.4	640	9.5	13.50	

\* This financial results report is not subject to 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.

(Obtaining Financial Results Supplementary and Briefing Material)

The Company plans to hold a Financial Results Briefing for securities analysts and institutional investors on November 12, 2021. Shortly following the briefing, the materials will be published on the Company's website.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2020	As of September 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,706,530	3,710,780
Accounts receivable - trade	74,151	85,820
Work in process	6,526	164
Supplies	95	87
Prepaid expenses	43,642	30,764
Other	33,978	47,666
Allowance for doubtful accounts	-13,493	-16,363
Total current assets	1,851,431	3,858,920
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings, net	7,440	6,140
Vehicles, net	16,737	4,363
Tools, furniture and fixtures, net	27,127	68,574
Total property, plant and equipment	51,304	79,078
Intangible assets		
Software	306,201	363,702
Other	76	76
Total intangible assets	306,277	363,779
Investments and other assets		
Investments in capital	500	500
Distressed receivables	256	480
Long-term prepaid expenses	1,063	214
Deferred tax assets	35,062	33,866
Leasehold and guarantee deposits	42,873	42,732
Insurance funds	14,490	15,964
Allowance for doubtful accounts	-256	-480
Total investments and other assets	93,989	93,278
Total non-current assets	451,571	536,136
<b>Total assets</b>	<b>2,303,003</b>	<b>4,395,056</b>

(Thousands of yen)

	As of September 30, 2020	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	22,725	8,830
Accounts payable - other	65,844	87,872
Accrued expenses	8,506	8,714
Income taxes payable	129,194	152,361
Accrued consumption taxes	57,149	31,569
Advances received	40,464	61,498
Deposits received	8,094	11,019
Provision for bonuses	31,227	30,136
Asset retirement obligations	16,000	16,000
Other	5,940	11,830
<b>Total current liabilities</b>	<b>385,146</b>	<b>419,833</b>
Non-current liabilities		
Bonds with share acquisition rights	—	2,003,866
Asset retirement obligations	11,209	11,314
Other	800	800
<b>Total non-current liabilities</b>	<b>12,009</b>	<b>2,015,981</b>
<b>Total liabilities</b>	<b>397,155</b>	<b>2,435,814</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	192,060	192,060
Capital surplus	132,060	132,060
Retained earnings	1,582,485	2,065,807
Treasury shares	-478	-436,943
<b>Total shareholders' equity</b>	<b>1,906,127</b>	<b>1,952,983</b>
Accumulated other comprehensive income		
Foreign currency translation adjustment	-278	1,795
<b>Total accumulated other comprehensive income</b>	<b>-278</b>	<b>1,795</b>
Share acquisition rights	—	4,464
<b>Total net assets</b>	<b>1,905,848</b>	<b>1,959,242</b>
<b>Total liabilities and net assets</b>	<b>2,303,003</b>	<b>4,395,056</b>

(2) Consolidated statements of income and comprehensive income  
(Consolidated statements of income)

(Thousands of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Net sales	1,881,444	2,080,776
Cost of sales	267,377	292,749
Gross profit	1,614,066	1,788,026
Selling, general and administrative expenses	959,593	946,221
Operating profit	654,473	841,805
Non-operating income		
Interest income	33	78
Interest on securities	—	133
Foreign exchange gains	1,540	2,336
Subsidy income	19,347	1,599
Miscellaneous income	2,172	1,108
Total non-operating income	23,093	5,255
Non-operating expenses		
Financing expenses	—	16,920
Miscellaneous losses	566	199
Total non-operating expenses	566	17,120
Ordinary profit	676,999	829,941
Extraordinary income		
Gain on sale of non-current assets	—	728
Total extraordinary income	—	728
Profit before income taxes	676,999	830,670
Income taxes - current	207,959	249,891
Income taxes - deferred	-3,659	1,195
Total income taxes	204,300	251,087
Profit	472,699	579,583
Profit attributable to owners of parent	472,699	579,583

## (Consolidated statements of comprehensive income)

(Thousands of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Profit	472,699	579,583
Other comprehensive income		
Foreign currency translation adjustment	148	2,074
Total other comprehensive income	148	2,074
Comprehensive income	472,848	581,657
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	472,848	581,657
Comprehensive income attributable to non-controlling interests	—	—

## (3) Consolidated statements of changes in net assets

Previous Fiscal Year (from October 1, 2019 to September 30, 2020)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	192,060	132,060	1,166,638	-478	1,490,280
Changes during period					
Dividends of surplus			-48,130		-48,130
Profit attributable to owners of parent			472,699		472,699
Change in scope of consolidation			-8,721		-8,721
Change in scope of consolidation - foreign currency translation adjustment					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	415,846	—	415,846
Balance at end of period	192,060	132,060	1,582,485	-478	1,906,127

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	—	—	1,490,280
Changes during period			
Dividends of surplus		—	-48,130
Profit attributable to owners of parent		—	472,699
Change in scope of consolidation		—	-8,721
Change in scope of consolidation - foreign currency translation adjustment	-427	-427	-427
Net changes in items other than shareholders' equity	148	148	148
Total changes during period	-278	-278	415,568
Balance at end of period	-278	-278	1,905,848



Current Fiscal Year (from October 1, 2020 to September 30, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	192,060	132,060	1,582,485	-478	1,906,127
Changes during period					
Dividends of surplus			-96,261		-96,261
Profit attributable to owners of parent			579,583		579,583
Purchase of treasury shares				-436,465	-436,465
Change in scope of consolidation					-
Change in scope of consolidation - foreign currency translation adjustment					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	483,321	-436,465	46,856
Balance at end of period	192,060	132,060	2,065,807	-436,943	1,952,983

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	-278	-278	-	1,905,848
Changes during period				
Dividends of surplus		-		-96,261
Profit attributable to owners of parent		-		579,583
Purchase of treasury shares		-		-436,465
Change in scope of consolidation		-		-
Change in scope of consolidation - foreign currency translation adjustment		-		-
Net changes in items other than shareholders' equity	2,074	2,074	4,464	6,538
Total changes during period	2,074	2,074	4,464	53,394
Balance at end of period	1,795	1,795	4,464	1,959,242

## (4) Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	676,999	830,670
Depreciation	134,883	135,665
Increase (decrease) in allowance for doubtful accounts	798	3,094
Interest income	-33	-78
Interest income on securities	—	-133
Subsidy income	-19,347	-1,599
Loss (gain) on sale of non-current assets	—	-728
Decrease (increase) in trade receivables	13,763	-11,327
Decrease (increase) in inventories	-6,175	6,370
Increase (decrease) in trade payables	17,474	-14,097
Increase (decrease) in provision for bonuses	1,453	-1,243
Other, net	10,765	36,535
Subtotal	830,581	983,126
Interest received	33	78
Income taxes paid	-215,133	-228,049
Subsidies received	19,347	1,599
Net cash provided by (used in) operating activities	634,828	756,754
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-11,780	-54,216
Proceeds from sale of property, plant and equipment	—	7,690
Purchase of intangible assets	-90,653	-168,243
Payments of leasehold and guarantee deposits	-1	-54
Proceeds from refund of leasehold and guarantee deposits	276	265
Purchase of insurance funds	-1,473	-1,473
Net cash provided by (used in) investing activities	-103,632	-216,032
<b>Cash flows from financing activities</b>		
Proceeds from issuance of bonds with share acquisition rights	—	1,987,375
Proceeds from issuance of share acquisition rights	—	4,168
Purchase of treasury shares	—	-436,640
Dividends paid	-48,130	-96,261
Net cash provided by (used in) financing activities	-48,130	1,458,641
Effect of exchange rate change on cash and cash equivalents	1,737	4,886
Net increase (decrease) in cash and cash equivalents	484,802	2,004,250
Cash and cash equivalents at beginning of period	1,220,207	1,706,530
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	1,521	—
Cash and cash equivalents at end of period	1,706,530	3,710,780