

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 29, 2022

Company name: KANADEN CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 8081 URL <https://www.kanaden.co.jp>  
 Representative: President and Representative Director Nobuyuki Motohashi  
 Inquiries: General Manager, Accounting Div. Masayuki Sugaya TEL 03-6747-8805  
 Scheduled date to file Quarterly Securities Report: August 3, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	19,355	(8.6)	138	31.9	370	163.8	181	260.0
Three months ended June 30, 2021	21,182	–	105	396.7	140	64.8	50	73.9

Note: Comprehensive income Three months ended June 30, 2022 ¥263 million [117.1%]  
 Three months ended June 30, 2021 ¥121 million [(42.8)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	6.81		–	
Three months ended June 30, 2021	1.88		–	

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the previous fiscal year, and each figure for the first three months of the fiscal year ended March 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations. The percentage of year-on-year change of net sales is not shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	67,950	45,578	67.1	1,711.19
As of March 31, 2022	78,548	45,571	58.0	1,710.93

Reference: Equity As of June 30, 2022 ¥45,578 million  
 As of March 31, 2022 ¥45,571 million

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
Year ended March 31, 2022	–	16.00	–	10.00	26.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		17.00	–	17.00	34.00

Note: Revisions to the cash dividend forecasts most recently announced: None

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	45,500	1.1	1,000	19.3	1,000	10.4	600	15.4	22.53
Full year	110,000	9.1	3,800	33.5	3,800	24.4	2,500	30.0	93.86

Note: Revisions to the consolidated financial results forecasts most recently announced: None

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): 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: No
- 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, 2022	28,600,000 shares	As of March 31, 2022	28,600,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	1,964,427 shares	As of March 31, 2022	1,964,405 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	26,635,590 shares	Three months ended June 30, 2021	26,808,482 shares
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\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of forecasts of financial results, and other special matters

Financial results forecasts and other forward-looking statements stated in this document are based on information currently available to the Company.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	13,069	9,330
Notes and accounts receivable - trade, and contract assets	27,916	19,207
Electronically recorded monetary claims - operating	5,999	7,211
Securities	6,300	6,799
Merchandise and finished goods	7,790	9,143
Raw materials and supplies	2	1
Other	2,617	1,968
Allowance for doubtful accounts	(1)	(0)
Total current assets	63,695	53,662
Non-current assets		
Property, plant and equipment	8,735	8,668
Intangible assets	772	776
Investments and other assets		
Investment securities	4,595	4,226
Other	754	622
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	5,344	4,843
Total non-current assets	14,852	14,288
Total assets	78,548	67,950

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	22,036	11,099
Electronically recorded obligations - operating	4,169	4,314
Income taxes payable	558	65
Provisions	1,032	408
Other	4,009	5,333
Total current liabilities	31,806	21,221
Non-current liabilities		
Retirement benefit liability	869	859
Other	301	291
Total non-current liabilities	1,170	1,150
Total liabilities	32,976	22,371
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,576	5,576
Capital surplus	5,343	5,353
Retained earnings	34,927	34,842
Treasury shares	(2,346)	(2,346)
Total shareholders' equity	43,499	43,424
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,025	992
Revaluation reserve for land	378	378
Foreign currency translation adjustment	117	255
Remeasurements of defined benefit plans	549	527
Total accumulated other comprehensive income	2,071	2,153
Non-controlling interests	–	–
Total net assets	45,571	45,578
<b>Total liabilities and net assets</b>	<b>78,548</b>	<b>67,950</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	21,182	19,355
Cost of sales	18,282	16,297
Gross profit	2,899	3,057
Selling, general and administrative expenses	2,794	2,919
Operating profit	105	138
Non-operating income		
Interest income	1	3
Dividend income	36	40
Purchase discounts	5	5
Foreign exchange gains	2	176
Other	12	11
Total non-operating income	57	237
Non-operating expenses		
Interest expenses	2	2
Sales discounts	9	–
Other	10	3
Total non-operating expenses	22	5
Ordinary profit	140	370
Extraordinary losses		
Loss on retirement of non-current assets	8	0
Loss on valuation of shares of subsidiaries and associates	–	26
Total extraordinary losses	8	26
Profit before income taxes	131	344
Income taxes - current	5	8
Income taxes - deferred	75	154
Total income taxes	81	162
Profit	50	181
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	50	181

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	50	181
Other comprehensive income		
Valuation difference on available-for-sale securities	(38)	(33)
Foreign currency translation adjustment	118	137
Remeasurements of defined benefit plans, net of tax	(9)	(22)
Total other comprehensive income	70	81
Comprehensive income	121	263
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	121	263
Comprehensive income attributable to non-controlling interests	–	–