

Translation

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

November 1, 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: November 4, 2022  
 Scheduled date to commence dividend payments: November 28, 2022  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	45,554	1.2	1,324	58.0	1,665	83.9	1,076	106.9
Six months ended September 30, 2021	45,001	–	838	17.0	905	14.4	520	(49.5)

Note: Comprehensive income Six months ended September 30, 2022 ¥1,395 million [113.8%]  
 Six months ended September 30, 2021 ¥652 million [(9.1)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	40.39		–	
Six months ended September 30, 2021	19.41		–	

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 six months ended September 30, 2021, 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 September 30, 2022	74,942	46,719	62.3	1,751.90
As of March 31, 2022	78,548	45,571	58.0	1,710.93

Reference: Equity As of September 30, 2022 ¥46,719 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				
Year ended March 31, 2022	–	16.00	–	10.00	26.00
Year ending March 31, 2023	–	17.00			
Year ending March 31, 2023 (Forecast)			–	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
Full year	110,000	9.1	3,800	33.5	3,800	24.4	2,500	30.0	94.82

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

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2022	1,932,053 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)

Six months ended September 30, 2022	26,644,833 shares	Six months ended September 30, 2021	26,795,885 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.

(Method of accessing financial summary presentation material)

The Company plans to hold financial results meeting for institutional investors and analysts on November 8, 2022. Materials for the meeting will be provided on the Company's website promptly after the meeting.

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

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	13,069	13,941
Notes and accounts receivable - trade, and contract assets	27,916	20,887
Electronically recorded monetary claims - operating	5,999	6,799
Securities	6,300	4,999
Merchandise and finished goods	7,790	10,720
Raw materials and supplies	2	1
Other	2,617	2,637
Allowance for doubtful accounts	(1)	(1)
Total current assets	63,695	59,986
Non-current assets		
Property, plant and equipment	8,735	8,604
Intangible assets	772	1,054
Investments and other assets		
Investment securities	4,595	4,552
Other	754	749
Allowance for doubtful accounts	(5)	(4)
Total investments and other assets	5,344	5,297
Total non-current assets	14,852	14,955
Total assets	78,548	74,942

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	22,036	16,282
Electronically recorded obligations - operating	4,169	4,196
Income taxes payable	558	578
Provision for bonuses	915	785
Provision for bonuses for directors (and other officers)	80	44
Other	4,046	5,261
<b>Total current liabilities</b>	<b>31,806</b>	<b>27,149</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	869	814
Other	301	258
<b>Total non-current liabilities</b>	<b>1,170</b>	<b>1,073</b>
<b>Total liabilities</b>	<b>32,976</b>	<b>28,222</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	5,576	5,576
Capital surplus	5,343	5,343
Retained earnings	34,927	35,717
Treasury shares	(2,346)	(2,308)
<b>Total shareholders' equity</b>	<b>43,499</b>	<b>44,328</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,025	1,012
Revaluation reserve for land	378	378
Foreign currency translation adjustment	117	494
Remeasurements of defined benefit plans	549	505
<b>Total accumulated other comprehensive income</b>	<b>2,071</b>	<b>2,391</b>
<b>Non-controlling interests</b>	<b>–</b>	<b>–</b>
<b>Total net assets</b>	<b>45,571</b>	<b>46,719</b>
<b>Total liabilities and net assets</b>	<b>78,548</b>	<b>74,942</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	45,001	45,554
Cost of sales	38,478	38,178
Gross profit	6,523	7,375
Selling, general and administrative expenses	5,685	6,051
Operating profit	838	1,324
Non-operating income		
Interest income	4	7
Dividend income	39	44
Purchase discounts	10	10
Foreign exchange gains	17	255
Other	32	38
Total non-operating income	103	357
Non-operating expenses		
Interest expenses	4	6
Sales discounts	19	–
Other	11	9
Total non-operating expenses	36	16
Ordinary profit	905	1,665
Extraordinary income		
Gain on sale of investment securities	0	3
Total extraordinary income	0	3
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	59	26
Loss on retirement of non-current assets	8	0
Impairment losses	5	–
Loss on sale of shares of subsidiaries and associates	–	26
Total extraordinary losses	74	52
Profit before income taxes	831	1,616
Income taxes - current	188	541
Income taxes - deferred	123	(1)
Total income taxes	311	540
Profit	520	1,076
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	520	1,076

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

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	520	1,076
Other comprehensive income		
Valuation difference on available-for-sale securities	31	(13)
Foreign currency translation adjustment	119	376
Remeasurements of defined benefit plans, net of tax	(18)	(44)
Total other comprehensive income	132	319
Comprehensive income	652	1,395
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	652	1,395
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	831	1,616
Depreciation	239	229
Increase (decrease) in provision for bonuses	(258)	(104)
Interest and dividend income	(43)	(52)
Interest expenses	4	6
Decrease (increase) in trade receivables and contract assets	12,314	6,239
Decrease (increase) in inventories	(88)	(2,810)
Increase (decrease) in trade payables	(10,027)	(5,962)
Loss (gain) on sale of shares of subsidiaries and associates	–	26
Other, net	850	947
Subtotal	3,822	136
Interest and dividends received	43	51
Interest paid	(4)	(6)
Income taxes paid	(790)	(522)
Net cash provided by (used in) operating activities	3,071	(340)
Cash flows from investing activities		
Payments into time deposits	(0)	(200)
Purchase of property, plant and equipment	(31)	(10)
Purchase of intangible assets	(148)	(318)
Purchase of investment securities	(6)	(308)
Proceeds from sale of investment securities	0	6
Proceeds from redemption of investment securities	–	300
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	96
Other, net	5	8
Net cash provided by (used in) investing activities	(181)	(427)
Cash flows from financing activities		
Dividends paid	(454)	(265)
Other, net	(4)	(3)
Net cash provided by (used in) financing activities	(458)	(269)
Effect of exchange rate change on cash and cash equivalents	81	408
Net increase (decrease) in cash and cash equivalents	2,511	(628)
Cash and cash equivalents at beginning of period	16,658	18,866
Cash and cash equivalents at end of period	19,169	18,238