

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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: February 3, 2023
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	70,317	3.1	2,127	72.5	2,381	73.8	1,593	97.4
Nine months ended December 31, 2021	68,235	–	1,233	20.2	1,370	22.7	807	(30.9)

Note: Comprehensive income
 Nine months ended December 31, 2022 ¥1,900 million [131.4%]
 Nine months ended December 31, 2021 ¥821 million [(21.2)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	60.14		–	
Nine months ended December 31, 2021	30.14		–	

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 nine months ended December 31, 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 December 31, 2022	73,304	45,949	62.7	1,773.00
As of March 31, 2022	78,548	45,571	58.0	1,710.93

Reference: Equity
 As of December 31, 2022 ¥45,949 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	–	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 nine months ended December 31, 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 December 31, 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 December 31, 2022	2,683,925 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)

Nine months ended December 31, 2022	26,501,393 shares	Nine months ended December 31, 2021	26,794,628 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	13,069	13,937
Notes and accounts receivable - trade, and contract assets	27,916	21,621
Electronically recorded monetary claims - operating	5,999	7,828
Securities	6,300	999
Merchandise and finished goods	7,790	12,393
Raw materials and supplies	2	1
Other	2,617	2,041
Allowance for doubtful accounts	(1)	(1)
Total current assets	63,695	58,822
Non-current assets		
Property, plant and equipment	8,735	8,579
Intangible assets	772	1,125
Investments and other assets		
Investment securities	4,595	4,054
Other	754	761
Allowance for doubtful accounts	(5)	(38)
Total investments and other assets	5,344	4,776
Total non-current assets	14,852	14,482
Total assets	78,548	73,304

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,036	13,900
Electronically recorded obligations - operating	4,169	5,264
Income taxes payable	558	259
Provisions	1,032	618
Other	4,009	6,254
Total current liabilities	31,806	26,297
Non-current liabilities		
Retirement benefit liability	869	802
Other	301	255
Total non-current liabilities	1,170	1,058
Total liabilities	32,976	27,355
Net assets		
Shareholders' equity		
Share capital	5,576	5,576
Capital surplus	5,343	5,343
Retained earnings	34,927	35,790
Treasury shares	(2,346)	(3,139)
Total shareholders' equity	43,499	43,570
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,025	912
Revaluation reserve for land	378	378
Foreign currency translation adjustment	117	603
Remeasurements of defined benefit plans	549	483
Total accumulated other comprehensive income	2,071	2,378
Non-controlling interests	–	–
Total net assets	45,571	45,949
Total liabilities and net assets	78,548	73,304

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	68,235	70,317
Cost of sales	58,459	59,227
Gross profit	9,775	11,090
Selling, general and administrative expenses	8,542	8,962
Operating profit	1,233	2,127
Non-operating income		
Interest income	8	13
Dividend income	69	79
Purchase discounts	15	15
Foreign exchange gains	55	116
Other	43	53
Total non-operating income	193	277
Non-operating expenses		
Interest expenses	8	8
Sales discounts	29	–
Other	17	15
Total non-operating expenses	56	23
Ordinary profit	1,370	2,381
Extraordinary income		
Gain on sale of investment securities	4	110
Total extraordinary income	4	110
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	59	50
Loss on sale of shares of subsidiaries and associates	–	26
Loss on sale of investment securities	–	13
Loss on retirement of non-current assets	8	0
Impairment losses	5	–
Loss on sale of non-current assets	0	–
Total extraordinary losses	74	90
Profit before income taxes	1,300	2,401
Income taxes - current	272	710
Income taxes - deferred	220	97
Total income taxes	492	807
Profit	807	1,593
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	807	1,593

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	807	1,593
Other comprehensive income		
Valuation difference on available-for-sale securities	(90)	(112)
Foreign currency translation adjustment	131	485
Remeasurements of defined benefit plans, net of tax	(27)	(66)
Total other comprehensive income	13	306
Comprehensive income	821	1,900
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	821	1,900
Comprehensive income attributable to non-controlling interests	–	–