



## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending September 30, 2023 [Japanese GAAP]

February 7, 2023

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: February 8, 2023 Scheduled date to commence dividend payments: —  
 Availability of supplementary briefing material on quarterly financial results: None  
 Quarterly financial results briefing: None

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of Fiscal Year ending September 30, 2023 (From October 1, 2022 to December 31, 2022)

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

	Net Sales		EBITDA*		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter ended										
December 31, 2023	797	53.7	304	26.2	234	15.4	237	17.0	165	18.4
December 31, 2022	519	-2.7	241	2.3	203	-0.3	203	-1.7	139	-2.7

(Reference) Comprehensive income: First Quarter ended December 31, 2023: 163 million yen (16.1%) First Quarter ended December 31, 2022: 141 million yen (-2.1%)

\* EBITDA = Operating profit + Depreciation (property, plant and equipment; intangible assets) + Amortization of goodwill

	Basic profit per share	Basic diluted profit per share
	Yen	Yen
First Quarter ended		
December 31, 2023	3.49	3.32
December 31, 2022	2.95	2.80

(2) Consolidated financial position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
First quarter ended			
December 31, 2023	6,228	2,570	41.2
Fiscal year ended			
September 30, 2022	6,506	2,548	39.1

(Reference) Shareholder's equity: First Quarter ended December 31, 2023: 2,566 million yen Fiscal year ended September 30, 2022: 2,544 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, 2023	—	0.00	—	3.00	3.00
Fiscal Year ending					
September 30, 2023	—				
Fiscal Year ending					
September 30, 2023 (forecast)		0.00	—	3.50	3.50

(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, 2023 (from October 1, 2022 to September 30, 2023)

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

	Net Sales		EBITDA*		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Profit Per Share Yen
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
First Half (Cumulative)	1,700	59.1	600	17.2	500	14.9	500	14.9	350	16.9	7.38
Full Year	3,600	43.8	1,400	22.8	1,150	19.4	1,150	17.2	800	16.7	16.86

(Note) Changes in consolidated financial results forecasts subsequent to most recent announcement: No

\* EBITDA = Operating profit + Depreciation (property, plant and equipment; intangible assets) + Amortization of goodwill

\* 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

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|--|------|
| 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 fiscal year (including treasury shares):	First quarter ended December 31, 2022	48,132,000 Shares	Fiscal Year ended September 30, 2022	48,132,000 Shares
② Total number of treasury shares at the end of the fiscal year:	First quarter ended December 31, 2022	676,906 Shares	Fiscal Year ended September 30, 2022	676,906 Shares
③ Average number of shares during the first quarter (quarter-to-date)	First quarter ended December 31, 2022	47,455,094 Shares	First quarter ended December 31, 2022	47,421,094 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. Qualitative Information on Financial Results for the First quarter ended December 31, 2022

### Explanation of Operating Results

Consolidated operating results for the first quarter of the current fiscal year were as follows: net sales of 797,940 thousand yen (up 278,696 thousand yen or 53.7% year-on-year), operating income of 234,455 thousand yen (up 31,201 thousand yen or 15.4% year-on-year), ordinary income of 237,782 thousand yen (up 34,545 thousand yen or 17.0% year-on-year), net income attributable to owners of the parent of 165,572 thousand yen (up 25,783 thousand yen or 18.4% year-on-year). Net income attributable to shareholders of the parent company was 165,572 thousand yen (up 25,783 thousand yen, or 18.4% year on year).

Since the Group operates a single-segment business for the purpose of building information-sharing platforms and healthcare platforms in the medical, nursing care, and health fields and related operations, segment information is not presented; however, net sales by individual service are as follows. The following is sales information for each individual service.

#### i Kanamic Cloud Service

The Kanamic Cloud Service is mainly a recurring revenue business. As a result of recurring revenue from existing customers combined with continued acquisition of new customers, net sales for the Kanamic Cloud Service came in at 557,497 thousands yen (up 70,558 thousand yen (14.5%) year on year).

#### ii Platform Services

Platform Services include the production, operation, and management of websites of long-term care providers through directly solicited contracts as well as through the Care Work Foundation. These website services provide a stable base income. Platform Services also include an advertising service and human resource services for medical / elderly care provider. Fortunately, sales of these products increased, causing net sales for Platform Services to come in at 44,927 thousands yen (up 20,915 thousand yen (87.1%) year on year).

#### iii Healthy lifespan Extension Services

In the healthy life extension service, the results are those of the fitness gym operation and franchise business of Urban Fit Corporation, which has been included in the scope of consolidation since the end of the third quarter of the previous fiscal year. Since the deemed acquisition date of Urban Fit Corporation is June 30, 2022, the results of this company have been consolidated from the fourth quarter of the previous fiscal year. As a result of strong sales in the fitness gym management business and the franchise business, net sales amounted to 180,564 thousand yen.

#### iv Other Services

The Company secured a contract to undertake customization related development work for a large customer, and net sales for Other Services came in at 14,951 thousands yen (up 6,657 thousand yen (80.3%) year on year).

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of September 30, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	4,552,730	4,216,893
Accounts receivable - trade	165,564	203,407
Merchandise	16,031	12,002
Work in process	19,097	18,262
Other	138,361	140,161
Allowance for doubtful accounts	-17,390	-17,568
Total current assets	4,874,395	4,573,157
Non-current assets		
Property, plant and equipment	729,655	718,670
Intangible assets		
Software	498,704	527,139
Goodwill	168,556	163,570
Other	76	76
Total intangible assets	667,337	690,787
Investments and other assets		
Other	235,997	247,341
Allowance for doubtful accounts	-1,062	-1,062
Total investments and other assets	234,934	246,279
Total non-current assets	1,631,927	1,655,736
Total assets	6,506,323	6,228,894
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	49,420	21,548
Current portion of bonds payable	80,000	60,000
Current portion of long-term borrowings	200,442	191,310
Income taxes payable	189,080	69,105
Provision for bonuses	38,053	20,454
Asset retirement obligations	16,000	16,000
Other	342,953	403,207
Total current liabilities	915,949	781,625
Non-current liabilities		
Bonds payable	175,000	110,000
Bonds with share acquisition rights	2,003,066	2,002,866
Long-term borrowings	740,861	643,920
Asset retirement obligations	61,436	60,952
Other	61,142	59,044
Total non-current liabilities	3,041,507	2,876,783
Total liabilities	3,957,456	3,658,409
<b>Net assets</b>		
Shareholders' equity		
Share capital	192,060	192,060
Capital surplus	132,060	132,060
Retained earnings	2,627,799	2,651,006
Treasury shares	-415,370	-415,370
Total shareholders' equity	2,536,548	2,559,755
Accumulated other comprehensive income		
Foreign currency translation adjustment	7,853	6,265
Total accumulated other comprehensive income	7,853	6,265
Share acquisition rights	4,464	4,464
Total net assets	2,548,866	2,570,485
Total liabilities and net assets	6,506,323	6,228,894

(2) Quarterly Consolidated Statement of Income and Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(Three months ended December 31, 2022)

(Thousands of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net sales	519,244	797,940
Cost of sales	63,969	192,535
Gross profit	455,275	605,405
Selling, general and administrative expenses	252,021	370,950
Operating profit	203,253	234,455
Non-operating income		
Interest income	20	42
Interest on securities	199	199
Gain on sale of goods	342	2,879
Miscellaneous income	—	2,144
Total non-operating income	563	5,267
Non-operating expenses		
Interest expenses	—	801
Foreign exchange losses	574	1,011
Miscellaneous losses	4	127
Total non-operating expenses	579	1,940
Ordinary profit	203,237	237,782
Profit before income taxes	203,237	237,782
Income taxes - current	53,715	64,477
Income taxes - deferred	9,732	7,732
Total income taxes	63,448	72,210
Profit	139,788	165,572
Profit attributable to owners of parent	139,788	165,572

(Quarterly Consolidated Statement of Comprehensive Income)  
(Three months ended December 31, 2022)

(Thousands of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Profit	139,788	165,572
Other comprehensive income		
Foreign currency translation adjustment	1,415	-1,588
Total other comprehensive income	1,415	-1,588
Comprehensive income	141,204	163,983
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	141,204	163,983
Comprehensive income attributable to non-controlling interests	—	—