

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 1, 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: Administration Division Executive Officer Nobuhiro Kuroda TEL 03-6747-8805
 Scheduled date to file Quarterly Securities Report: August 4, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	24,703	27.6	522	276.5	776	109.7	513	183.1
Three months ended June 30, 2022	19,355	(8.6)	138	31.9	370	163.8	181	260.0

Note: Comprehensive income Three months ended June 30, 2023 ¥812 million [208.9%]
 Three months ended June 30, 2022 ¥263 million [117.1%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	21.92		–	
Three months ended June 30, 2022	6.81		–	

(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, 2023	75,345		44,684		59.3		1,907.01	
As of March 31, 2023	83,294		44,379		53.3		1,893.95	

Reference: Equity As of June 30, 2023 ¥44,684 million
 As of March 31, 2023 ¥44,379 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, 2023	–	17.00	–	22.00	39.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		23.00	–	23.00	46.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	52,000	14.1	1,250	(5.6)	1,250	(24.9)	800	(25.7)	34.14
Full year	113,000	6.2	4,500	13.4	4,500	6.0	3,000	3.6	128.03

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, 2023
(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, 2023	23,600,000 shares	As of March 31, 2023	23,600,000 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2023	168,082 shares	As of March 31, 2023	168,009 shares
---------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	23,431,937 shares	Three months ended June 30, 2022	26,635,590 shares
----------------------------------	-------------------	----------------------------------	-------------------

* 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	15,339	16,178
Notes and accounts receivable - trade, and contract assets	32,075	22,976
Electronically recorded monetary claims - operating	7,174	7,693
Merchandise and finished goods	11,370	12,240
Raw materials and supplies	1	1
Other	2,859	1,648
Allowance for doubtful accounts	(4)	(3)
Total current assets	68,815	60,737
Non-current assets		
Property, plant and equipment	8,541	8,488
Intangible assets	1,281	1,378
Investments and other assets		
Investment securities	3,883	4,326
Other	809	480
Allowance for doubtful accounts	(37)	(65)
Total investments and other assets	4,655	4,741
Total non-current assets	14,479	14,608
Total assets	83,294	75,345

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,363	19,729
Electronically recorded obligations - operating	5,081	5,748
Income taxes payable	1,067	90
Provisions	1,340	437
Other	2,932	3,533
Total current liabilities	37,785	29,539
Non-current liabilities		
Retirement benefit liability	859	853
Other	270	267
Total non-current liabilities	1,129	1,120
Total liabilities	38,915	30,660
Net assets		
Shareholders' equity		
Share capital	5,576	5,576
Capital surplus	5,343	5,352
Retained earnings	31,313	31,312
Treasury shares	(193)	(193)
Total shareholders' equity	42,039	42,046
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,139	1,442
Revaluation reserve for land	378	378
Foreign currency translation adjustment	410	419
Remeasurements of defined benefit plans	410	397
Total accumulated other comprehensive income	2,339	2,638
Non-controlling interests	–	–
Total net assets	44,379	44,684
Total liabilities and net assets	83,294	75,345

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, 2022	Three months ended June 30, 2023
Net sales	19,355	24,703
Cost of sales	16,297	21,195
Gross profit	3,057	3,508
Selling, general and administrative expenses	2,919	2,986
Operating profit	138	522
Non-operating income		
Interest income	3	10
Dividend income	40	35
Purchase discounts	5	4
Foreign exchange gains	176	168
Other	11	41
Total non-operating income	237	260
Non-operating expenses		
Interest expenses	2	4
Other	3	2
Total non-operating expenses	5	6
Ordinary profit	370	776
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of shares of subsidiaries and associates	26	–
Total extraordinary losses	26	0
Profit before income taxes	344	776
Income taxes - current	8	22
Income taxes - deferred	154	240
Total income taxes	162	262
Profit	181	513
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	181	513

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	181	513
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	303
Foreign currency translation adjustment	137	8
Remeasurements of defined benefit plans, net of tax	(22)	(13)
Total other comprehensive income	81	298
Comprehensive income	263	812
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	263	812
Comprehensive income attributable to non-controlling interests	–	–