

**Translation**

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

August 10, 2023

Company name: kaonavi, inc.  
 Listed stock exchange: Tokyo  
 Stock code: 4435 URL <https://corp.kaonavi.jp/en>  
 Representative: Representative Director, President & Co-CEO Hiroyuki Sato  
 Inquiries: Director & CFO Kimitaka Hashimoto TEL 03(6633)3258  
 Scheduled date to file Quarterly Securities Report: August 10, 2023  
 Scheduled date to commence dividend payments: —  
 Supplementary materials: Yes  
 Meeting for institutional investors and analysts: Yes

(Figures are rounded to the nearest million yen)

**1. Financial results for the three months ended June 30, 2023 (April 1, 2023 - June 30, 2023)**

(1) Operating results (cumulative)

(Percentages show year-on-year changes)

	Net sales		Adjusted operating profit		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	1,753	28.1	120	3.8	63	(41.8)	63	(41.6)	28	(65.0)
Three months ended June 30, 2022	1,369	35.7	116	143.1	109	265.3	107	284.8	79	340.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	2.38		2.24	
Three months ended June 30, 2022	6.83		6.41	

Note: Adjusted operating profit = Operating profit + Stock-based compensation expenses + Amortization of goodwill by acquisition + Other one-time costs

(2) Financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2023	5,102		1,522		29.8	
As of March 31, 2023	4,623		1,491		32.3	

Reference: Shareholders' equity June 30, 2023: 1,522 million yen March 31, 2023: 1,491 million yen

**2. Dividends**

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Fiscal year-end	Total
Year ended March 31, 2023	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Year ending March 31, 2024	—	—	—	—	—
Year ending March 31, 2024 (forecast)	—	0.00	—	0.00	0.00

Note: Amendments to dividend forecast compared with the most recent disclosure: None

### 3. Forecast for the fiscal year ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(Percentages show year-on-year changes)

	Net sales		Adjusted operating profit	
	Millions of yen	%	Millions of yen	%
Full year	7,390 ~7,510	23.4 ~25.4	720 ~960	51.9 ~102.5

Note: Revisions of most recent financial results forecast: None

Note: The figures for net sales and adjusted operating profit are shown in a range. Forecasts for operating profit, ordinary profit and net profit are not disclosed

### 4. Notes

- (1) Application of special accounting methods for preparing quarterly financial statements: Yes

(Calculation of tax expenses)

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after application of tax-effect accounting to profit before income taxes for the fiscal year including the first quarter of the fiscal year under review, with quarterly profit before income taxes then multiplied by the estimated effective tax rate.

However, in the event that this tax expense calculation using estimated effective tax rate results in a significantly improbable figure, a method using the statutory effective tax rate may be adopted.

- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement of prior period financial statements: None

- (3) Number of shares outstanding (common shares)

- 1) Total number of issued shares at the end of the period (including treasury shares)
 

As of June 30, 2023:	11,581,700 shares	As of March 31, 2023:	11,581,700 shares
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- 2) Number of treasury stock at the end of period
 

As of June 30, 2023:	280 shares	As of March 31, 2023:	280 shares
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- 3) Average number of shares outstanding during the period
 

Three months ended June 30, 2023:	11,581,420 shares	Three months ended June 30, 2022:	11,520,108 shares
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This quarterly report of financial results is out of scope of quarterly review procedures conducted by independent auditors.

#### **\* Cautionary statement with respect to forward-looking statements**

The forecasts above are based on the judgments made in accordance with information currently available. Forecasts therefore include risks and uncertainties. Actual figures may differ from these forecasts due to subsequent changes in the circumstances.

## Quarterly Financial Statements

### 1. Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	3,399,662	3,922,138
Accounts receivable - trade	245,719	238,192
Contract assets	13,721	27,819
Prepaid expenses	222,411	228,506
Other	2,648	2,616
Allowance for doubtful accounts	(1,426)	(1,867)
Total current assets	3,882,736	4,417,403
Non-current assets		
Property, plant and equipment		
Buildings	213,806	213,806
Accumulated depreciation	(142,749)	(178,415)
Buildings, net	71,056	35,391
Tools, furniture and fixtures	93,553	94,067
Accumulated depreciation	(75,989)	(83,893)
Tools, furniture and fixtures, net	17,564	10,174
Construction in progress	—	12,314
Total property, plant and equipment	88,620	57,879
Intangible assets		
Trademark right	221	202
Software	5,549	4,520
Total intangible assets	5,770	4,722
Investments and other assets		
Investment securities	86,097	86,097
Guarantee deposits	376,877	355,548
Long-term prepaid expenses	3,164	791
Deferred tax assets	179,648	179,648
Total investments and other assets	645,786	622,085
Total non-current assets	740,176	684,686
<b>Total assets</b>	<b>4,622,912</b>	<b>5,102,089</b>

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	87,270	91,621
Current portion of long-term loans payable	262,381	250,090
Accounts payable - other	199,347	288,942
Accrued expenses	211,134	230,338
Income taxes payable	73,022	26,795
Accrued consumption taxes	102,736	71,409
Deposits received	18,661	18,546
Deferred revenue	2,072,597	2,489,650
Contract liabilities	39,454	50,627
Provision for bonuses	—	16,305
Total current liabilities	3,066,602	3,534,323
Non-current liabilities		
Long-term loans payable	65,000	45,500
Total non-current liabilities	65,000	45,500
Total liabilities	3,131,602	3,579,823
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,143,777	1,143,777
Capital surplus		
Legal capital surplus	1,133,777	1,133,777
Other capital surplus	—	3,378
Total capital surplus	1,133,777	1,137,155
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(785,217)	(757,639)
Total retained earnings	(785,217)	(757,639)
Treasury stock	(1,026)	(1,026)
Total shareholders' equity	1,491,310	1,522,266
Total net assets	1,491,310	1,522,266
Total liabilities and net assets	4,622,912	5,102,089

## 2. Statements of Income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	1,368,551	1,753,388
Cost of sales	333,158	444,250
Gross profit	1,035,393	1,309,138
Selling, general and administrative expenses	926,479	1,245,735
Operating profit	108,915	63,403
Non-operating income		
Interest income	1	1
Miscellaneous income	17	152
Total non-operating income	18	153
Non-operating expenses		
Interest expenses	1,148	843
Share issuance cost	388	32
Total non-operating expenses	1,536	875
Ordinary profit	107,397	62,681
Extraordinary losses		
Headquarters relocation expenses	—	21,382
Total extraordinary losses	—	21,382
Profit before income taxes	107,397	41,299
Total income taxes	28,694	13,721
Net Profit	78,703	27,578