

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 31, 2024

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: February 9, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	80,363	14.3	2,598	22.2	2,905	22.0	1,944	22.0
Nine months ended December 31, 2022	70,317	3.1	2,127	72.5	2,381	73.8	1,593	97.4

Note: Comprehensive income
 Nine months ended December 31, 2023 ¥2,512 million [32.2%]
 Nine months ended December 31, 2022 ¥1,900 million [131.4%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	82.93		–	
Nine months ended December 31, 2022	60.14		–	

(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, 2023	73,943		45,837		62.0		1,954.31	
As of March 31, 2023	83,294		44,379		53.3		1,893.95	

Reference: Equity
 As of December 31, 2023 ¥45,837 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
Year ended March 31, 2023	–	17.00	–	22.00	39.00
Year ending March 31, 2024	–	24.00	–		
Year ending March 31, 2024 (Forecast)				24.00	48.00

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
Full year	115,000	8.1	4,600	15.9	4,800	13.1	3,200	10.5	136.50

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, 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 December 31, 2023	23,600,000 shares	As of March 31, 2023	23,600,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	145,548 shares	As of March 31, 2023	168,009 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, 2023	23,443,202 shares	Nine months ended December 31, 2022	26,501,393 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	15,339	13,175
Notes and accounts receivable - trade, and contract assets	32,075	23,007
Electronically recorded monetary claims - operating	7,174	7,333
Merchandise and finished goods	11,370	12,142
Raw materials and supplies	1	1
Other	2,859	1,818
Allowance for doubtful accounts	(4)	(3)
Total current assets	68,815	57,475
Non-current assets		
Property, plant and equipment	8,541	8,417
Intangible assets		
Goodwill	-	1,673
Other	1,281	1,442
Total intangible assets	1,281	3,116
Investments and other assets		
Investment securities	3,883	4,324
Other	809	673
Allowance for doubtful accounts	(37)	(63)
Total investments and other assets	4,655	4,933
Total non-current assets	14,479	16,467
Total assets	83,294	73,943

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	27,363	15,995
Electronically recorded obligations - operating	5,081	4,633
Current portion of long-term borrowings	–	196
Income taxes payable	1,067	79
Provisions	1,340	735
Other	2,932	4,753
Total current liabilities	37,785	26,393
Non-current liabilities		
Long-term borrowings	–	576
Retirement benefit liability	859	858
Other	270	278
Total non-current liabilities	1,129	1,712
Total liabilities	38,915	28,106
Net assets		
Shareholders' equity		
Share capital	5,576	5,576
Capital surplus	5,343	5,343
Retained earnings	31,313	32,177
Treasury shares	(193)	(167)
Total shareholders' equity	42,039	42,929
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,139	1,433
Revaluation reserve for land	378	378
Foreign currency translation adjustment	410	724
Remeasurements of defined benefit plans	410	370
Total accumulated other comprehensive income	2,339	2,908
Non-controlling interests	–	–
Total net assets	44,379	45,837
Total liabilities and net assets	83,294	73,943

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, 2022	Nine months ended December 31, 2023
Net sales	70,317	80,363
Cost of sales	59,227	68,590
Gross profit	11,090	11,772
Selling, general and administrative expenses	8,962	9,173
Operating profit	2,127	2,598
Non-operating income		
Interest income	13	45
Dividend income	79	63
Purchase discounts	15	10
Foreign exchange gains	116	124
Other	53	78
Total non-operating income	277	322
Non-operating expenses		
Interest expenses	8	9
Other	15	6
Total non-operating expenses	23	16
Ordinary profit	2,381	2,905
Extraordinary income		
Gain on sale of investment securities	110	66
Total extraordinary income	110	66
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	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	0	4
Other	–	2
Total extraordinary losses	90	6
Profit before income taxes	2,401	2,965
Income taxes - current	710	853
Income taxes - deferred	97	167
Total income taxes	807	1,021
Profit	1,593	1,944
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,593	1,944

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,593	1,944
Other comprehensive income		
Valuation difference on available-for-sale securities	(112)	294
Foreign currency translation adjustment	485	314
Remeasurements of defined benefit plans, net of tax	(66)	(40)
Total other comprehensive income	306	568
Comprehensive income	1,900	2,512
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,900	2,512
Comprehensive income attributable to non-controlling interests	—	—