August 3, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Based on Japanese GAAP)

Company name: KANADEN CORPORATION
Listing: Tokyo Stock Exchange
Stock code: 8081
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: No
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	30,736	3.8	516	10.0	707	46.6	457	46.7
June 30, 2025	29,609	31.9	469	39.1	483	(16.3)	311	(12.9)

Note: Comprehensive income
For the three months ended June 30, 2026: ¥1,049 million [182.3%]
For the three months ended June 30, 2025: ¥371 million [(20.6)%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	20.51	–
June 30, 2025	13.99	–

Note: For the nine months ended December 31, 2025, the Company finalized the provisional accounting treatment pertaining to a business combination, and each figure for the three months ended June 30, 2025 reflects the finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2026	85,626	51,172	59.7	2,295.56
March 31, 2026	97,962	50,918	52.0	2,283.12

Reference: Equity
As of June 30, 2026: ¥51,156 million
As of March 31, 2026: ¥50,903 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
Fiscal year ended March 31, 2026	–	36.00	–	36.00	72.00
Fiscal year ending March 31, 2027	–				
Fiscal year ending March 31, 2027 (Forecast)		50.00	–	50.00	100.00

Note: Revisions to the cash dividends forecasts most recently announced: No

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	63,000	2.2	1,700	1.4	1,800	(0.4)	1,200	0.2	53.83
Full year	150,000	3.0	5,900	10.7	6,000	3.7	4,000	0.9	179.43

Note: Revisions to the consolidated financial results forecasts most recently announced: No

* Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2026: 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
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: No
- (ii) Changes in accounting policies due to other reasons: No
- (iii) Changes in accounting estimates: No
- (iv) Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2026	22,500,000 shares
As of March 31, 2026	22,500,000 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2026	215,128 shares
As of March 31, 2026	204,339 shares

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

Three months ended June 30, 2026	22,292,964 shares
Three months ended June 30, 2025	22,281,300 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: No

* Proper use of earnings forecasts, and other special matters
Earnings forecasts and other forward-looking statements stated in this document are based on information currently available to the Company. Please refer to page 4 for the assumptions and other related matters concerning the above forecasts.

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1. Overview of operating results and others

(1) Overview of operating results for the three months ended June 30, 2026

In the three months ended June 30, 2026, the business environment surrounding the Group showed a recovery trend in the economy, supported by a rebound in corporate capital investment driven by strong demand for generative AI, despite being affected by concerns over supply constraints of energy and various materials, in addition to the impact of rising resource prices associated with heightened tensions in the Middle East.

On the other hand, the outlook remains uncertain due to the risk of downward pressure on the economy due to the continuance of the impact of the situation in the Middle East.

Under these circumstances, the Group has launched the new three-year Medium-Term Management Plan, “True Solution 2028,” aiming to pursue true issue-solving capabilities and advance the establishment of a high-profit structure and a strong management foundation. Through these efforts, we are striving to achieve sustainable growth and further enhance corporate value.

During the three months ended June 30, 2026, the Factory Automation Systems business saw the absence of large-scale projects from the previous fiscal year, but the effects of inventory adjustments showed signs of improvement. Meanwhile, in the Social Infrastructure business, the business for railway operators remained steady. In addition, in the Semiconductors Devices business, the module business performed well.

As a result, net sales increased ¥1,127 million year on year to ¥30,736 million, operating profit increased ¥46 million year on year to ¥516 million, ordinary profit increased ¥224 million year on year to ¥707 million, and profit attributable to owners of parent increased ¥145 million year on year to ¥457 million.

Overview of operating results by segment

(Millions of yen)

		Three months ended June 30, 2025	Three months ended June 30, 2026	Change
Factory Automation Systems business	Net sales	13,334	14,366	1,031
	Operating profit	207	(19)	(226)
Building Facilities business	Net sales	3,065	1,776	(1,289)
	Operating profit	(133)	(207)	(73)
Semiconductors Devices business	Net sales	4,756	5,984	1,227
	Operating profit	404	649	244
Social Infrastructure business	Net sales	8,452	8,609	157
	Operating profit	(8)	93	102

From the three months ended June 30, 2026, in order to more accurately grasp the business performance of each reportable segment, we have reviewed the contents of the previous four segments and reorganized them into four segments: Factory Automation Systems, Building Facilities, Semiconductors Devices, and Social Infrastructure.

Additionally, we have changed segment profit from ordinary profit to operating profit.

The segment information for the three months ended June 30, 2025 has been prepared based on the revised classifications.

(i) Factory Automation Systems business

In the factory automation field, the impact of inventory adjustment improved, and both controller systems and drive control equipment showed steady progress, while power distribution control devices for data centers also performed well.

The industrial mechatronics field saw a decrease in projects for laser processing machines.

In the industrial systems field, there was a decline due to the absence of large-scale projects from the previous fiscal year.

In the air conditioning and refrigerating equipment field, projects for heat mitigation measures increased; however, the decrease in large-scale projects led to flat performance year on year.

As a result, although net sales increased by ¥1,031 million for the segment, operating profit decreased by ¥226 million due to declines in the industrial mechatronics and industrial systems fields, as well as the impact of segment changes.

(ii) Building Facilities business

The facilities equipment field experienced a decrease due to the absence of large-scale projects from the previous fiscal year, which impacted power supply systems for information and communication operators.

In the telecommunications field, sales of image and video equipment for the logistics field were sluggish.

As a result, net sales decreased by ¥1,289 million and operating profit decreased by ¥73 million for the segment.

(iii) Semiconductors Devices business

In the semiconductors and devices field, industrial power devices struggled due to decreased demand, while demand for Wi-Fi modules for home appliances and electronic devices for office automation equipment continued, leading to steady performance.

As a result, net sales increased by ¥1,227 million and operating profit increased by ¥244 million for the segment.

(iv) Social Infrastructure business

In the transportation field, wireless communication and substation equipment remained favorable, supported by the continuously active capital investment of railway operators.

In the defense & medical field, the number of projects for electronic medical devices decreased, whereas defense-related projects increased, leading to steady performance.

As a result, net sales increased by ¥157 million and operating profit increased by ¥102 million for the segment.

(2) Overview of financial position for the three months ended June 30, 2026

Total assets at the end of the first quarter under review were ¥85,626 million (a decrease of ¥12,336 million from the end of the previous fiscal year).

Current assets were ¥67,174 million (a decrease of ¥13,220 million from the end of the previous fiscal year). This was mainly due to increases of ¥1,388 million in advance payments to suppliers, ¥1,050 million in merchandise and finished goods, and ¥555 million in electronically recorded monetary claims - operating, while notes and accounts receivable - trade, and contract assets decreased by ¥10,625 million, and cash and deposits decreased by ¥5,782 million, each compared to the end of the previous fiscal year.

Non-current assets were ¥18,452 million (an increase of ¥884 million from the end of the previous fiscal year). This was mainly due to an increase of ¥898 million in investment securities, which outweighed a decrease of ¥95 million in intangible assets, each compared to the end of the previous fiscal year.

On the other hand, current liabilities were ¥33,160 million (a decrease of ¥13,075 million from the end of the previous fiscal year). This was mainly due to increases of ¥2,857 million in advances received, ¥448 million in deposits received, and ¥225 million in electronically recorded obligations - operating, while notes and accounts payable - trade decreased by ¥13,310 million, income taxes payable decreased by ¥1,473 million, provision for bonuses decreased by ¥958 million, and accrued consumption taxes decreased by ¥285 million, each compared to the end of the previous fiscal year.

Non-current liabilities were ¥1,294 million (an increase of ¥486 million from the end of the previous fiscal year).

Net assets were ¥51,172 million (an increase of ¥253 million from the end of the previous fiscal year). This was mainly due to a decrease of ¥345 million in retained earnings, resulting from the recording of ¥457 million in profit attributable to owners of parent and ¥802 million of dividends paid, while valuation difference on available-for-sale securities increased by ¥538 million and foreign currency translation adjustment increased by ¥55 million, each compared to the end of the previous fiscal year.

As a result, the equity ratio at the end of the first quarter under review was 59.7%, and net assets per share were ¥2,295.56.

(3) Explanation of consolidated earnings forecast and other forward-looking statements

At present, our consolidated earnings forecasts for the six months ending September 30, 2026 and full year remain unchanged from those announced on May 13, 2026.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	24,126	18,344
Notes and accounts receivable - trade, and contract assets	35,284	24,658
Electronically recorded monetary claims - operating	8,764	9,320
Merchandise and finished goods	7,761	8,811
Raw materials and supplies	1	0
Other	4,463	6,044
Allowance for doubtful accounts	(6)	(4)
Total current assets	80,395	67,174
Non-current assets		
Property, plant and equipment	8,595	8,560
Intangible assets		
Goodwill	1,400	1,347
Other	1,343	1,300
Total intangible assets	2,743	2,648
Investments and other assets		
Investment securities	5,227	6,125
Other	1,033	1,147
Allowance for doubtful accounts	(33)	(29)
Total investments and other assets	6,228	7,244
Total non-current assets	17,567	18,452
Total assets	97,962	85,626

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,907	16,597
Electronically recorded obligations - operating	5,865	6,090
Income taxes payable	1,569	95
Provisions	1,381	358
Other	7,512	10,018
Total current liabilities	46,236	33,160
Non-current liabilities		
Provisions	31	32
Retirement benefit liability	304	312
Other	472	949
Total non-current liabilities	807	1,294
Total liabilities	47,044	34,454
Net assets		
Shareholders’ equity		
Share capital	5,576	5,576
Capital surplus	5,355	5,379
Retained earnings	36,978	36,633
Treasury shares	(291)	(309)
Total shareholders’ equity	47,619	47,280
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,924	2,462
Revaluation reserve for land	373	373
Foreign currency translation adjustment	964	1,019
Remeasurements of defined benefit plans	22	20
Total accumulated other comprehensive income	3,284	3,875
Non-controlling interests	15	15
Total net assets	50,918	51,172
Total liabilities and net assets	97,962	85,626

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

Consolidated statements of income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	29,609	30,736
Cost of sales	25,809	26,770
Gross profit	3,800	3,966
Selling, general and administrative expenses	3,331	3,450
Operating profit	469	516
Non-operating income		
Interest income	5	4
Dividend income	60	88
Purchase discounts	19	30
Foreign exchange gains	–	52
Other	26	22
Total non-operating income	112	199
Non-operating expenses		
Interest expenses	4	3
Foreign exchange losses	90	–
Other	3	4
Total non-operating expenses	98	7
Ordinary profit	483	707
Extraordinary losses		
Loss on retirement of non-current assets	–	0
Total extraordinary losses	–	0
Profit before income taxes	483	707
Income taxes - current	42	45
Income taxes - deferred	128	204
Total income taxes	171	250
Profit	311	457
Profit attributable to non-controlling interests	–	0
Profit attributable to owners of parent	311	457

Consolidated statements of comprehensive income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	311	457
Other comprehensive income		
Valuation difference on available-for-sale securities	221	538
Foreign currency translation adjustment	(158)	55
Remeasurements of defined benefit plans, net of tax	(2)	(1)
Total other comprehensive income	59	591
Comprehensive income	371	1,049
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	371	1,048
Comprehensive income attributable to non-controlling interests	–	0

(3) Notes on quarterly consolidated financial statements

Notes on premise of going concern

Not applicable.

Notes when there are significant changes in amounts of shareholders' equity

Not applicable.

Notes on quarterly consolidated statements of cash flows

The Company has not prepared quarterly consolidated statements of cash flows for the three months ended June 30, 2026.

The amounts of depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2025 and 2026 are as stated below.

(Millions of yen)

	Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (April 1, 2026 to June 30, 2026)
Depreciation	167	172
Amortization of goodwill	52	52

Note: For the nine months ended December 31, 2025, the Company finalized the provisional accounting treatment pertaining to a business combination, and each figure for the three months ended June 30, 2025 reflects the finalization of the provisional accounting treatment.

Notes on segment information, etc.

Segment information

I Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

1. Information of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segments				
	Factory Automation Systems business	Building Facilities business	Semiconductors Devices business	Social Infrastructure business	Total
Net sales					
Net sales to external customers	13,334	3,065	4,756	8,452	29,609
Intersegment sales or transfers	–	–	–	–	–
Total	13,334	3,065	4,756	8,452	29,609
Segment profit (loss)	207	(133)	404	(8)	469

Notes: 1. Segment profit (loss) is consistent with operating profit in the consolidated statements of income.

2. For the nine months ended December 31, 2025, the Company finalized the provisional accounting treatment pertaining to a business combination, and the segment information reflects the finalization of this provisional accounting treatment.

2. Differences between total reportable segment profit or loss amounts and the amounts recorded in the consolidated statements of income for the three months, and main items of the differences (matters relating to reconciliation)

   Not applicable.

3. Matters relating to changes in reportable segments, etc.

   As stated in “Matters relating to changes in reportable segments, etc.” under “II. Three months ended June 30, 2026.”

4. Information on impairment losses on non-current assets or information on goodwill, etc., for each reportable segment

   Not applicable.

II Three months ended June 30, 2026 (April 1, 2026 to June 30, 2026)

1. Information of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segments				
	Factory Automation Systems business	Building Facilities business	Semiconductors Devices business	Social Infrastructure business	Total
Net sales					
Net sales to external customers	14,366	1,776	5,984	8,609	30,736
Intersegment sales or transfers	–	–	–	–	–
Total	14,366	1,776	5,984	8,609	30,736
Segment profit (loss)	(19)	(207)	649	93	516

Note: Segment profit (loss) is consistent with operating profit in the consolidated statements of income.

2. Differences between total reportable segment profit or loss amounts and the amounts recorded in the consolidated statements of income for the three months, and main items of the differences (matters relating to reconciliation)

   Not applicable.

3. Matters relating to changes in reportable segments, etc.

   From the three months ended June 30, 2026, in order to more accurately grasp the business performance of each reportable segment, we have reviewed the contents of the previous four segments and reorganized them into four segments: Factory Automation Systems, Building Facilities, Semiconductors Devices, and Social Infrastructure.

   Additionally, we have changed segment profit from ordinary profit to operating profit.

   The segment information for the three months ended June 30, 2025 has been prepared based on the revised classifications.

4. Information on impairment losses on non-current assets or information on goodwill, etc., for each reportable segment

   Not applicable.