

Translation

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Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Based on Japanese GAAP)

April 28, 2025

Company name: Kandenko Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 1942 URL <https://www.kandenko.co.jp/>
 Representative: President and Executive Officer Hirofumi Tamogami
 General Manager of
 Inquiries: IR and Public Relations Office Takashi Nomoto TEL (03)5476-2111
 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: June 30, 2025
 Scheduled date to file Annual Securities Report: June 23, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

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	%
Fiscal year ended March 31, 2025	671,888	12.3	58,326	42.5	59,498	39.5	42,380	55.0
Fiscal year ended March 31, 2024	598,427	10.5	40,934	25.0	42,648	25.2	27,345	29.2

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥45,492 million [2.5%]
 For the fiscal year ended March 31, 2024: ¥44,375 million [111.1%]

	Earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	207.35	–	12.1	10.2	8.7
Fiscal year ended March 31, 2024	133.80	–	8.6	8.1	6.8

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: ¥– million
 For the fiscal year ended March 31, 2024: ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	603,220	380,949	61.0	1,799.74
As of March 31, 2024	567,275	345,800	58.9	1,633.95

Reference: Equity

As of March 31, 2025: ¥367,861 million
 As of March 31, 2024: ¥333,942 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	18,263	(10,168)	(12,625)	57,835
Fiscal year ended March 31, 2024	19,841	(19,077)	567	62,438

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	–	17.00	–	24.00	41.00	8,379	30.6	2.7
Fiscal year ended March 31, 2025	–	26.00	–	56.00	82.00	16,760	39.5	4.8
Fiscal year ending March 31, 2026 (Forecast)	–	45.00	–	45.00	90.00		40.0	

Note: The dividend of 26 yen at the end of 2nd quarter of the fiscal year ended March 31, 2025 includes an “80th anniversary commemorative dividend” of 2 yen.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

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, 2025	333,000	16.1	31,500	23.9	32,000	22.4	21,800	26.3	106.66
Full year	703,000	4.6	63,000	8.0	64,000	7.6	46,000	8.5	225.06

4. Notes

- (1) Significant changes in the scope of consolidation during the period: No
- (2) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: Yes
- Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2025	205,288,338 shares	As of March 31, 2024	205,288,338 shares
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Number of treasury shares at the end of the period

As of March 31, 2025	891,322 shares	As of March 31, 2024	911,222 shares
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Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	204,389,599 shares	Fiscal year ended March 31, 2024	204,366,936 shares
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[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	583,128	11.9	48,801	42.5	50,215	39.0	37,319	81.2
Fiscal year ended March 31, 2024	520,883	10.8	34,257	26.0	36,116	26.0	20,594	12.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2025	182.59		-	
Fiscal year ended March 31, 2024	100.77		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2025	531,770		316,034		59.4		1,546.18	
As of March 31, 2024	495,973		291,841		58.8		1,427.96	

Reference: Equity

As of March 31, 2025:	¥316,034 million
As of March 31, 2024:	¥291,841 million

2. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

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, 2025	292,000	17.9	28,000	29.6	28,700	27.9	20,100	32.0	98.34
Full year	607,000	4.1	53,200	9.0	54,700	8.9	41,500	11.2	203.04

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements including the projection for the financial results contained in this document are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable, and actual results may differ significantly from such statements due to a variety of factors.

Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	66,654	60,991
Notes receivable, accounts receivable from completed construction contracts and other	239,478	272,293
Costs on construction contracts in progress	16,861	24,142
Other	30,327	29,199
Allowance for doubtful accounts	(1,161)	(1,365)
Total current assets	352,160	385,262
Non-current assets		
Property, plant and equipment		
Buildings and structures	107,163	111,456
Machinery, vehicles, tools, furniture and fixtures	64,853	71,432
Land	66,323	66,342
Leased assets	7,198	8,499
Construction in progress	5,733	3,417
Accumulated depreciation	(123,818)	(128,370)
Total property, plant and equipment	127,454	132,777
Intangible assets	5,306	4,511
Investments and other assets		
Investment securities	72,042	67,429
Retirement benefit asset	–	973
Deferred tax assets	3,376	4,928
Other	8,786	9,116
Allowance for doubtful accounts	(1,851)	(1,777)
Total investments and other assets	82,353	80,669
Total non-current assets	215,115	217,958
Total assets	567,275	603,220

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	96,223	102,059
Short-term borrowings	16,668	16,791
Lease liabilities	1,213	1,379
Income taxes payable	12,065	12,089
Advances received on construction contracts in progress	14,467	18,943
Provision for warranties for completed construction	181	161
Provision for loss on construction contracts	7,769	7,692
Other	44,663	39,770
Total current liabilities	193,254	198,888
Non-current liabilities		
Long-term borrowings	5,185	4,174
Lease liabilities	4,202	4,764
Deferred tax liabilities for land revaluation	6,126	6,306
Retirement benefit liability	10,859	4,876
Other	1,847	3,261
Total non-current liabilities	28,220	23,382
Total liabilities	221,475	222,271
Net assets		
Shareholders' equity		
Share capital	10,264	10,264
Capital surplus	6,395	6,418
Retained earnings	294,174	326,335
Treasury shares	(521)	(510)
Total shareholders' equity	310,313	342,508
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29,201	26,480
Deferred gains or losses on hedges	(100)	(42)
Revaluation reserve for land	(6,187)	(6,368)
Remeasurements of defined benefit plans	714	5,283
Total accumulated other comprehensive income	23,628	25,352
Non-controlling interests	11,858	13,087
Total net assets	345,800	380,949
Total liabilities and net assets	567,275	603,220

(2) Consolidated statement of income and consolidated statement of comprehensive income**Consolidated statement of income**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales of completed construction contracts	598,427	671,888
Cost of sales of completed construction contracts	527,238	578,967
Gross profit on completed construction contracts	71,188	92,921
Selling, general and administrative expenses	30,253	34,594
Operating profit	40,934	58,326
Non-operating income		
Interest income	15	56
Dividend income	1,426	1,458
Foreign exchange gains	327	–
Other	336	351
Total non-operating income	2,105	1,866
Non-operating expenses		
Interest expenses	214	232
Foreign exchange losses	–	292
Other	177	170
Total non-operating expenses	392	694
Ordinary profit	42,648	59,498
Extraordinary income		
Gain on sale of investment securities	472	4,752
Gain on exchange of non-current assets	5,814	–
Other	529	87
Total extraordinary income	6,817	4,840
Extraordinary losses		
Impairment losses	3,542	2,239
Loss on retirement of non-current assets	559	342
Other	345	113
Total extraordinary losses	4,447	2,696
Profit before income taxes	45,017	61,642
Income taxes - current	16,742	20,841
Income taxes - deferred	(862)	(2,931)
Total income taxes	15,879	17,910
Profit	29,138	43,732
Profit attributable to non-controlling interests	1,793	1,352
Profit attributable to owners of parent	27,345	42,380

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	29,138	43,732
Other comprehensive income		
Valuation difference on available-for-sale securities	14,463	(2,680)
Deferred gains or losses on hedges	34	57
Revaluation reserve for land	–	(180)
Remeasurements of defined benefit plans, net of tax	739	4,562
Total other comprehensive income	15,237	1,760
Comprehensive income	44,375	45,492
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	42,460	44,104
Comprehensive income attributable to non-controlling interests	1,914	1,387

(3) Consolidated statement of changes in equity**Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)**

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,264	6,378	273,487	(536)	289,594
Changes during period					
Dividends of surplus			(6,948)		(6,948)
Profit attributable to owners of parent			27,345		27,345
Reversal of revaluation reserve for land			290		290
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		17		16	33
Net changes in items other than shareholders' equity					
Total changes during period	–	17	20,687	15	20,719
Balance at end of period	10,264	6,395	294,174	(521)	310,313

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	14,868	(134)	(5,896)	(33)	8,803	10,059	308,457
Changes during period							
Dividends of surplus							(6,948)
Profit attributable to owners of parent							27,345
Reversal of revaluation reserve for land							290
Purchase of treasury shares							(1)
Disposal of treasury shares							33
Net changes in items other than shareholders' equity	14,333	34	(290)	747	14,824	1,798	16,623
Total changes during period	14,333	34	(290)	747	14,824	1,798	37,343
Balance at end of period	29,201	(100)	(6,187)	714	23,628	11,858	345,800

Fiscal year ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,264	6,395	294,174	(521)	310,313
Changes during period					
Dividends of surplus			(10,219)		(10,219)
Profit attributable to owners of parent			42,380		42,380
Reversal of revaluation reserve for land			0		0
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		22		11	34
Net changes in items other than shareholders' equity					
Total changes during period	–	22	32,161	10	32,194
Balance at end of period	10,264	6,418	326,335	(510)	342,508

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	29,201	(100)	(6,187)	714	23,628	11,858	345,800
Changes during period							
Dividends of surplus							(10,219)
Profit attributable to owners of parent							42,380
Reversal of revaluation reserve for land							0
Purchase of treasury shares							(0)
Disposal of treasury shares							34
Net changes in items other than shareholders' equity	(2,721)	57	(180)	4,569	1,724	1,229	2,953
Total changes during period	(2,721)	57	(180)	4,569	1,724	1,229	35,148
Balance at end of period	26,480	(42)	(6,368)	5,283	25,352	13,087	380,949

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	45,017	61,642
Depreciation	8,859	9,734
Impairment losses	3,542	2,239
Increase (decrease) in allowance for doubtful accounts	533	128
Increase (decrease) in provision for loss on construction contracts	(300)	(76)
Increase/decrease in retirement benefit asset and liability	(1,573)	39
Interest and dividend income	(1,441)	(1,515)
Interest expenses	214	232
Loss (gain) on sale of investment securities	(472)	(4,752)
Gain on exchange of non-current assets	(5,814)	–
Decrease (increase) in trade receivables	(34,398)	(32,795)
Decrease (increase) in costs on construction contracts in progress	(7,267)	(7,281)
Increase (decrease) in trade payables	8,059	5,795
Increase (decrease) in advances received on construction contracts in progress	4,886	4,475
Other, net	8,627	421
Subtotal	28,473	38,288
Interest and dividends received	1,441	1,515
Interest paid	(214)	(232)
Income taxes refund (paid)	(9,858)	(21,308)
Net cash provided by (used in) operating activities	19,841	18,263
Cash flows from investing activities		
Net decrease (increase) in time deposits	(200)	960
Purchase of property, plant and equipment	(18,270)	(14,888)
Proceeds from sale of property, plant and equipment	913	71
Purchase of investment securities	(11)	(139)
Proceeds from sale and redemption of investment securities	1,283	6,109
Loan advances	(2,096)	(2,361)
Proceeds from collection of loans receivable	999	2,091
Other, net	(1,695)	(2,012)
Net cash provided by (used in) investing activities	(19,077)	(10,168)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	10,052	(152)
Proceeds from long-term borrowings	300	–
Repayments of long-term borrowings	(1,540)	(736)
Repayments of lease liabilities	(1,212)	(1,393)
Dividends paid	(6,948)	(10,219)
Other, net	(83)	(124)
Net cash provided by (used in) financing activities	567	(12,625)
Effect of exchange rate change on cash and cash equivalents	90	(71)
Net increase (decrease) in cash and cash equivalents	1,422	(4,602)
Cash and cash equivalents at beginning of period	61,015	62,438
Cash and cash equivalents at end of period	62,438	57,835