

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

January 31, 2025

Company name: Kandenko Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 1942 URL <https://www.kandenko.co.jp/>
 Representative: President and Director Toshio Nakama
 Department Manager of
 Inquiries: Accounting Department Yoshinori Seino TEL (03)5476-2111
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(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, 2024	455,492	12.9	41,932	68.2	43,342	65.1	31,896	59.1
Nine months ended December 31, 2023	403,357	9.8	24,932	16.4	26,245	15.5	20,047	36.0

Note: Comprehensive income For the nine months ended December 31, 2024: ¥28,536 million [3.5%]
 For the nine months ended December 31, 2023: ¥27,566 million [90.6%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	156.06	–
Nine months ended December 31, 2023	98.10	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	560,480	363,993	62.7
As of March 31, 2024	567,275	345,800	58.9

Reference: Equity

As of December 31, 2024: ¥351,694 million
 As of March 31, 2024: ¥333,942 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, 2024	–	17.00	–	24.00	41.00
Fiscal year ending March 31, 2025	–	26.00	–		
Fiscal year ending March 31, 2025 (Forecast)				56.00	82.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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

Regarding the forecast of cash dividends, please refer to “Notice of Revision to Financial Results and Dividend Forecasts” announced today.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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
Full year	666,000	11.3	57,000	39.2	58,200	36.5	41,700	52.5	204.02

Note: Revisions to the earnings forecast most recently announced: Yes

Note: Regarding the earnings forecast, please refer to “Notice of Revision to Financial Results and Dividend Forecasts” announced today.

4. Notes

- (1) Significant changes in the scope of consolidation during the period: No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (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: Yes
- 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, 2024	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 December 31, 2024	891,282 shares	As of March 31, 2024	911,222 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, 2024	204,387,116 shares	Nine months ended December 31, 2023	204,363,491 shares
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[Reference] Forecast of non-consolidated financial results

Forecast of non-consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	579,000	11.2	48,700	42.2	50,100	38.7	37,100	80.1	181.52

Note: Revisions to the earnings forecast most recently announced: Yes

Note: Regarding the earnings forecast, please refer to “Notice of Revision to Financial Results and Dividend Forecasts” announced today.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* 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.

Quarterly consolidated financial statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	66,654	64,910
Notes receivable, accounts receivable from completed construction contracts and other	239,478	221,485
Costs on construction contracts in progress	16,861	23,851
Other	30,327	38,308
Allowance for doubtful accounts	(1,161)	(1,210)
Total current assets	352,160	347,345
Non-current assets		
Property, plant and equipment		
Land	66,323	66,320
Other, net	61,130	63,646
Total property, plant and equipment	127,454	129,967
Intangible assets	5,306	5,779
Investments and other assets		
Investment securities	72,042	65,230
Other	12,163	14,026
Allowance for doubtful accounts	(1,851)	(1,869)
Total investments and other assets	82,353	77,388
Total non-current assets	215,115	213,135
Total assets	567,275	560,480

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	96,223	77,019
Short-term borrowings	16,668	18,877
Income taxes payable	12,065	5,784
Advances received on construction contracts in progress	14,467	19,614
Provision for loss on construction contracts	7,769	5,274
Other provisions	1,114	760
Other	44,944	40,814
Total current liabilities	193,254	168,144
Non-current liabilities		
Long-term borrowings	5,185	4,753
Other provisions	289	215
Retirement benefit liability	10,859	10,872
Other	11,886	12,500
Total non-current liabilities	28,220	28,342
Total liabilities	221,475	196,487
Net assets		
Shareholders' equity		
Share capital	10,264	10,264
Capital surplus	6,395	6,418
Retained earnings	294,174	315,851
Treasury shares	(521)	(510)
Total shareholders' equity	310,313	332,024
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29,201	25,377
Deferred gains or losses on hedges	(100)	(73)
Revaluation reserve for land	(6,187)	(6,187)
Remeasurements of defined benefit plans	714	552
Total accumulated other comprehensive income	23,628	19,669
Non-controlling interests	11,858	12,299
Total net assets	345,800	363,993
Total liabilities and net assets	567,275	560,480

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales of completed construction contracts	403,357	455,492
Cost of sales of completed construction contracts	358,217	391,367
Gross profit on completed construction contracts	45,140	64,124
Selling, general and administrative expenses	20,207	22,192
Operating profit	24,932	41,932
Non-operating income		
Dividend income	1,196	1,393
Other	383	279
Total non-operating income	1,579	1,673
Non-operating expenses		
Interest expenses	153	163
Other	113	100
Total non-operating expenses	266	263
Ordinary profit	26,245	43,342
Extraordinary income		
Gain on sale of investment securities	110	4,689
Gain on exchange of non-current assets	5,814	–
Other	366	–
Total extraordinary income	6,292	4,689
Extraordinary losses		
Loss on retirement of non-current assets	510	241
Other	92	59
Total extraordinary losses	603	300
Profit before income taxes	31,934	47,730
Income taxes	10,437	15,254
Profit	21,497	32,476
Profit attributable to non-controlling interests	1,449	579
Profit attributable to owners of parent	20,047	31,896

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	21,497	32,476
Other comprehensive income		
Valuation difference on available-for-sale securities	7,112	(3,799)
Deferred gains or losses on hedges	16	26
Remeasurements of defined benefit plans, net of tax	(1,059)	(167)
Total other comprehensive income	6,069	(3,939)
Comprehensive income	27,566	28,536
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26,070	27,937
Comprehensive income attributable to non-controlling interests	1,496	598