

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Based on Japanese GAAP)

April 28, 2026

Company name: Kandenko Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 1942 URL <https://www.kandenko.co.jp/>
 Representative: President and Representative Director 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 26, 2026
 Scheduled date to commence dividend payments: June 29, 2026
 Scheduled date to file Annual Securities Report: June 22, 2026
 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, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	742,022	10.4	83,140	42.5	84,981	42.8	63,516	49.9
Fiscal year ended March 31, 2025	671,888	12.3	58,326	42.5	59,498	39.5	42,380	55.0

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥75,742 million [66.5%]
 For the fiscal year ended March 31, 2025: ¥45,492 million [2.5%]

	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, 2026	311.77	–	16.8	13.7	11.2
Fiscal year ended March 31, 2025	207.35	–	12.1	10.2	8.7

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

For the fiscal year ended March 31, 2026: ¥– million
 For the fiscal year ended March 31, 2025: ¥– 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, 2026	635,618	405,687	61.4	1,961.02
As of March 31, 2025	603,220	380,949	61.0	1,799.74

Reference: Equity

As of March 31, 2026: ¥390,270 million
 As of March 31, 2025: ¥367,861 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, 2026	89,451	(4,835)	(65,636)	77,151
Fiscal year ended March 31, 2025	18,263	(10,168)	(12,625)	57,835

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, 2025	–	26.00	–	56.00	82.00	16,760	39.5	4.8
Fiscal year ended March 31, 2026	–	45.00	–	79.00	124.00	24,920	39.8	6.6
Fiscal year ending March 31, 2027 (Forecast)	–	65.00	–	65.00	130.00		39.8	

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, 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	361,000	6.0	43,200	14.0	43,500	11.7	28,300	7.2	142.20
Full year	780,000	5.1	90,000	8.3	90,500	6.5	65,000	2.3	326.61

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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- 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, 2026	205,288,338 shares	As of March 31, 2025	205,288,338 shares
----------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of March 31, 2026	6,274,418 shares	As of March 31, 2025	891,322 shares
----------------------	------------------	----------------------	----------------

Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	203,728,983 shares	Fiscal year ended March 31, 2025	204,389,599 shares
----------------------------------	--------------------	----------------------------------	--------------------

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	637,768	9.4	69,692	42.8	71,856	43.1	56,520	51.4
Fiscal year ended March 31, 2025	583,128	11.9	48,801	42.5	50,215	39.0	37,319	81.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2026	277.43		-	
Fiscal year ended March 31, 2025	182.59		-	

(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, 2026	556,521		331,041		59.5		1,663.41	
As of March 31, 2025	531,770		316,034		59.4		1,546.18	

Reference: Equity

As of March 31, 2026:	¥331,041 million
As of March 31, 2025:	¥316,034 million

2. Forecast of non-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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	307,000	5.5	36,500	19.0	37,100	16.3	25,100	11.3	126.12
Full year	674,000	5.7	76,700	10.1	77,800	8.3	58,700	3.9	294.95

* 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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	60,991	77,938
Notes receivable, accounts receivable from completed construction contracts and other	272,293	266,551
Securities	–	1,999
Costs on construction contracts in progress	24,142	20,341
Other	29,199	32,289
Allowance for doubtful accounts	(1,365)	(1,247)
Total current assets	385,262	397,872
Non-current assets		
Property, plant and equipment		
Buildings and structures	111,456	120,819
Machinery, vehicles, tools, furniture and fixtures	71,432	74,725
Land	66,342	66,370
Leased assets	8,499	9,310
Construction in progress	3,417	2,667
Accumulated depreciation	(128,370)	(133,227)
Total property, plant and equipment	132,777	140,666
Intangible assets	4,511	4,439
Investments and other assets		
Investment securities	67,429	77,397
Retirement benefit asset	973	2,811
Deferred tax assets	4,928	3,700
Other	9,116	10,309
Allowance for doubtful accounts	(1,777)	(1,579)
Total investments and other assets	80,669	92,639
Total non-current assets	217,958	237,745
Total assets	603,220	635,618

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	102,059	83,130
Short-term borrowings	16,791	6,097
Lease liabilities	1,379	1,398
Income taxes payable	12,089	14,321
Advances received on construction contracts in progress	18,943	35,992
Provision for warranties for completed construction	161	250
Provision for loss on construction contracts	7,692	7,348
Other	39,770	58,561
Total current liabilities	198,888	207,100
Non-current liabilities		
Long-term borrowings	4,174	2,009
Lease liabilities	4,764	4,561
Deferred tax liabilities for land revaluation	6,306	6,241
Retirement benefit liability	4,876	4,896
Other	3,261	5,121
Total non-current liabilities	23,382	22,830
Total liabilities	222,271	229,931
Net assets		
Shareholders' equity		
Share capital	10,264	10,264
Capital surplus	6,418	6,446
Retained earnings	326,335	369,349
Treasury shares	(510)	(30,506)
Total shareholders' equity	342,508	355,553
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,480	35,978
Deferred gains or losses on hedges	(42)	–
Revaluation reserve for land	(6,368)	(6,509)
Remeasurements of defined benefit plans	5,283	5,247
Total accumulated other comprehensive income	25,352	34,716
Non-controlling interests	13,087	15,416
Total net assets	380,949	405,687
Total liabilities and net assets	603,220	635,618

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales of completed construction contracts	671,888	742,022
Cost of sales of completed construction contracts	578,967	621,311
Gross profit on completed construction contracts	92,921	120,711
Selling, general and administrative expenses	34,594	37,570
Operating profit	58,326	83,140
Non-operating income		
Interest income	56	150
Dividend income	1,458	1,508
Foreign exchange gains	–	380
Other	351	541
Total non-operating income	1,866	2,580
Non-operating expenses		
Interest expenses	232	342
Commission for purchase of treasury shares	–	204
Foreign exchange losses	292	–
Other	170	192
Total non-operating expenses	694	739
Ordinary profit	59,498	84,981
Extraordinary income		
Gain on sale of investment securities	4,752	7,793
Other	87	635
Total extraordinary income	4,840	8,429
Extraordinary losses		
Loss on valuation of investment securities	28	839
Loss on retirement of non-current assets	342	507
Loss on sale of non-current assets	–	175
Other	2,325	156
Total extraordinary losses	2,696	1,678
Profit before income taxes	61,642	91,731
Income taxes - current	20,841	27,295
Income taxes - deferred	(2,931)	(1,475)
Total income taxes	17,910	25,819
Profit	43,732	65,911
Profit attributable to non-controlling interests	1,352	2,394
Profit attributable to owners of parent	42,380	63,516

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	43,732	65,911
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,680)	9,768
Deferred gains or losses on hedges	57	42
Revaluation reserve for land	(180)	–
Remeasurements of defined benefit plans, net of tax	4,562	18
Total other comprehensive income	1,760	9,830
Comprehensive income	45,492	75,742
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	44,104	73,021
Comprehensive income attributable to non-controlling interests	1,387	2,720

(3) Consolidated statement of changes in equity**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					
Purchase of shares of consolidated subsidiaries		–			–
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							
Purchase of shares of consolidated subsidiaries							–
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

Fiscal year ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,264	6,418	326,335	(510)	342,508
Changes during period					
Purchase of shares of consolidated subsidiaries		(0)			(0)
Dividends of surplus			(20,644)		(20,644)
Profit attributable to owners of parent			63,516		63,516
Reversal of revaluation reserve for land			141		141
Purchase of treasury shares				(30,001)	(30,001)
Disposal of treasury shares		27		5	33
Net changes in items other than shareholders' equity					
Total changes during period	–	27	43,013	(29,996)	13,045
Balance at end of period	10,264	6,446	369,349	(30,506)	355,553

	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	26,480	(42)	(6,368)	5,283	25,352	13,087	380,949
Changes during period							
Purchase of shares of consolidated subsidiaries							(0)
Dividends of surplus							(20,644)
Profit attributable to owners of parent							63,516
Reversal of revaluation reserve for land							141
Purchase of treasury shares							(30,001)
Disposal of treasury shares							33
Net changes in items other than shareholders' equity	9,498	42	(141)	(35)	9,363	2,328	11,692
Total changes during period	9,498	42	(141)	(35)	9,363	2,328	24,737
Balance at end of period	35,978	–	(6,509)	5,247	34,716	15,416	405,687

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	61,642	91,731
Depreciation	9,734	10,862
Increase (decrease) in allowance for doubtful accounts	128	(315)
Increase (decrease) in provision for loss on construction contracts	(76)	(344)
Increase/decrease in retirement benefit asset and liability	39	(1,790)
Interest and dividend income	(1,515)	(1,658)
Interest expenses	232	342
Commission for purchase of treasury shares	–	204
Loss (gain) on valuation of investment securities	28	839
Loss (gain) on sale of investment securities	(4,752)	(7,793)
Decrease (increase) in trade receivables	(32,795)	5,931
Decrease (increase) in costs on construction contracts in progress	(7,281)	3,800
Increase (decrease) in trade payables	5,795	(18,945)
Increase (decrease) in advances received on construction contracts in progress	4,475	17,049
Other, net	2,633	12,954
Subtotal	38,288	112,870
Interest and dividends received	1,515	1,658
Interest paid	(232)	(342)
Income taxes refund (paid)	(21,308)	(24,734)
Net cash provided by (used in) operating activities	18,263	89,451
Cash flows from investing activities		
Net decrease (increase) in time deposits	960	370
Purchase of property, plant and equipment	(14,888)	(15,781)
Proceeds from sale of property, plant and equipment	71	1,737
Purchase of investment securities	(139)	(7)
Proceeds from sale and redemption of investment securities	6,109	11,235
Loan advances	(2,361)	(2,061)
Proceeds from collection of loans receivable	2,091	2,456
Other, net	(2,012)	(2,785)
Net cash provided by (used in) investing activities	(10,168)	(4,835)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(152)	(10,200)
Proceeds from long-term borrowings	–	200
Repayments of long-term borrowings	(736)	(2,858)
Repayments of lease liabilities	(1,393)	(1,568)
Purchase of treasury shares	(0)	(30,001)
Dividends paid	(10,219)	(20,644)
Other, net	(123)	(562)
Net cash provided by (used in) financing activities	(12,625)	(65,636)
Effect of exchange rate change on cash and cash equivalents	(71)	336
Net increase (decrease) in cash and cash equivalents	(4,602)	19,315
Cash and cash equivalents at beginning of period	62,438	57,835
Cash and cash equivalents at end of period	57,835	77,151