

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2024 (Based on Japanese GAAP)

July 31, 2024

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 three months ended June 30, 2024 (from April 1, 2024 to June 30, 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	%
Three months ended June 30, 2024	128,864	8.5	10,353	53.0	11,053	45.6	7,382	45.6
Three months ended June 30, 2023	118,782	9.0	6,767	15.6	7,591	16.0	5,069	17.6

Note: Comprehensive income For the three months ended June 30, 2024: ¥6,053 million [(33.8)%]
 For the three months ended June 30, 2023: ¥9,151 million [85.3%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	36.12	–
Three months ended June 30, 2023	24.81	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	511,671	346,857	65.5
As of March 31, 2024	567,275	345,800	58.9

Reference: Equity

As of June 30, 2024: ¥335,021 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	–				
Fiscal year ending March 31, 2025 (Forecast)		22.00	–	21.00	43.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: The dividend of 22 yen at the end of 2nd quarter of the fiscal year ending March 31, 2025 (forecast) includes an “80th anniversary commemorative dividend” of 2 yen.

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
Six months ending September 30, 2024	267,600	2.2	16,400	4.2	16,800	0.9	11,200	0.9	54.80
Full year	600,000	0.3	37,000	(9.6)	38,000	(10.9)	24,500	(10.4)	119.88

Note: Revisions to the earnings forecast most recently announced: None

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 June 30, 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 June 30, 2024	911,225 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)

Three months ended June 30, 2024	204,377,113 shares	Three months ended June 30, 2023	204,349,481 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
Six months ending September 30, 2024	234,000	2.2	14,000	3.4	14,600	0.5	10,000	0.8	48.93
Full year	522,000	0.2	30,700	(10.4)	31,900	(11.7)	21,300	3.4	104.22

Note: Revisions to the earnings forecast most recently announced: None

* 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 June 30, 2024
Assets		
Current assets		
Cash and deposits	66,654	71,240
Notes receivable, accounts receivable from completed construction contracts and other	239,478	170,532
Securities	–	6,999
Costs on construction contracts in progress	16,861	20,036
Other	30,327	29,275
Allowance for doubtful accounts	(1,161)	(1,136)
Total current assets	352,160	296,947
Non-current assets		
Property, plant and equipment		
Land	66,323	66,335
Other, net	61,130	62,101
Total property, plant and equipment	127,454	128,437
Intangible assets	5,306	5,324
Investments and other assets		
Investment securities	72,042	70,075
Other	12,163	12,763
Allowance for doubtful accounts	(1,851)	(1,876)
Total investments and other assets	82,353	80,961
Total non-current assets	215,115	214,723
Total assets	567,275	511,671

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	96,223	55,929
Short-term borrowings	16,668	9,108
Income taxes payable	12,065	2,512
Advances received on construction contracts in progress	14,467	22,166
Provision for loss on construction contracts	7,769	7,372
Other provisions	1,114	466
Other	44,944	39,174
Total current liabilities	193,254	136,730
Non-current liabilities		
Long-term borrowings	5,185	5,070
Other provisions	289	249
Retirement benefit liability	10,859	10,707
Other	11,886	12,056
Total non-current liabilities	28,220	28,084
Total liabilities	221,475	164,814
Net assets		
Shareholders' equity		
Share capital	10,264	10,264
Capital surplus	6,395	6,395
Retained earnings	294,174	296,651
Treasury shares	(521)	(521)
Total shareholders' equity	310,313	312,791
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29,201	27,844
Deferred gains or losses on hedges	(100)	(87)
Revaluation reserve for land	(6,187)	(6,187)
Remeasurements of defined benefit plans	714	660
Total accumulated other comprehensive income	23,628	22,230
Non-controlling interests	11,858	11,835
Total net assets	345,800	346,857
Total liabilities and net assets	567,275	511,671

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

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales of completed construction contracts	118,782	128,864
Cost of sales of completed construction contracts	105,638	111,385
Gross profit on completed construction contracts	13,143	17,479
Selling, general and administrative expenses	6,376	7,126
Operating profit	6,767	10,353
Non-operating income		
Dividend income	654	688
Other	261	103
Total non-operating income	915	792
Non-operating expenses		
Interest expenses	49	57
Other	42	34
Total non-operating expenses	91	92
Ordinary profit	7,591	11,053
Extraordinary income		
Gain on sale of non-current assets	88	–
Total extraordinary income	88	–
Extraordinary losses		
Loss on retirement of non-current assets	23	–
Total extraordinary losses	23	–
Profit before income taxes	7,655	11,053
Income taxes	2,531	3,592
Profit	5,123	7,460
Profit attributable to non-controlling interests	54	77
Profit attributable to owners of parent	5,069	7,382

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	5,123	7,460
Other comprehensive income		
Valuation difference on available-for-sale securities	4,053	(1,363)
Deferred gains or losses on hedges	(11)	12
Remeasurements of defined benefit plans, net of tax	(14)	(55)
Total other comprehensive income	4,027	(1,406)
Comprehensive income	9,151	6,053
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,074	5,984
Comprehensive income attributable to non-controlling interests	76	69