

**Translation**

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

October 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 file Semi-annual Securities Report: November 14, 2024  
 Scheduled date to commence dividend payments: December 5, 2024  
 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 six months ended September 30, 2024 (from April 1, 2024 to September 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                         | %    |
| Six months ended September 30, 2024 | 286,740         | 9.5  | 25,427           | 61.5 | 26,144          | 57.0 | 17,263                                  | 55.5 |
| Six months ended September 30, 2023 | 261,821         | 12.0 | 15,745           | 15.5 | 16,652          | 14.7 | 11,103                                  | 16.8 |

Note: Comprehensive income For the six months ended September 30, 2024: ¥15,639 million [(8.7)%]  
 For the six months ended September 30, 2023: ¥17,136 million [81.1%]

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Six months ended September 30, 2024 | 84.47              |  | -                          |  |
| Six months ended September 30, 2023 | 54.33              |  | -                          |  |

## (2) Consolidated financial position

|                          | Total assets    | Net assets      | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
|                          | Millions of yen | Millions of yen | %            |
| As of September 30, 2024 | 535,241         | 356,475         | 64.3         |
| As of March 31, 2024     | 567,275         | 345,800         | 58.9         |

Reference: Equity  
 As of September 30, 2024: ¥344,373 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                        |                 |                 |                 |       |
| 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) |                            |                 | -               | 25.00           | 51.00 |

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

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.

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 | 633,000         | 5.8 | 43,000           | 5.0 | 44,000          | 3.2 | 28,800                                  | 5.3 | 140.91             |

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 semi-annual 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 September 30, 2024 | 205,288,338 shares | As of March 31, 2024 | 205,288,338 shares |
|--------------------------|--------------------|----------------------|--------------------|

Number of treasury shares at the end of the period

|                          |                |                      |                |
|--------------------------|----------------|----------------------|----------------|
| As of September 30, 2024 | 891,218 shares | As of March 31, 2024 | 911,222 shares |
|--------------------------|----------------|----------------------|----------------|

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

|                                     |                    |                                     |                    |
|-------------------------------------|--------------------|-------------------------------------|--------------------|
| Six months ended September 30, 2024 | 204,382,122 shares | Six months ended September 30, 2023 | 204,356,483 shares |
|-------------------------------------|--------------------|-------------------------------------|--------------------|

[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 | 554,000         | 6.4 | 36,000           | 5.1 | 37,300          | 3.3 | 25,200          | 22.4 | 123.30             |

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

\* Semi-annual financial results reports are exempt from review 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.

## Semi-annual consolidated financial statements

### (1) Semi-annual consolidated balance sheet

(Millions of yen)

|   | As of March 31, 2024 | As of September 30, 2024 |
|---|----------------------|--------------------------|
| <b>Assets</b>   |                      |                          |
| Current assets  |                      |                          |
| Cash and deposits   | 66,654               | 80,725                   |
| Notes receivable, accounts receivable from completed construction contracts and other | 239,478              | 179,995                  |
| Securities  | –                    | 8,998                    |
| Costs on construction contracts in progress   | 16,861               | 18,091                   |
| Other   | 30,327               | 32,842                   |
| Allowance for doubtful accounts   | (1,161)              | (1,132)                  |
| Total current assets  | 352,160              | 319,521                  |
| Non-current assets  |                      |                          |
| Property, plant and equipment   |                      |                          |
| Land  | 66,323               | 66,323                   |
| Other, net  | 61,130               | 63,058                   |
| Total property, plant and equipment   | 127,454              | 129,382                  |
| Intangible assets   | 5,306                | 5,697                    |
| Investments and other assets  |                      |                          |
| Investment securities   | 72,042               | 69,349                   |
| Other   | 12,163               | 13,122                   |
| Allowance for doubtful accounts   | (1,851)              | (1,831)                  |
| Total investments and other assets  | 82,353               | 80,640                   |
| Total non-current assets  | 215,115              | 215,720                  |
| Total assets  | 567,275              | 535,241                  |

|  | As of March 31, 2024 | As of September 30, 2024 |
|--|----------------------|--------------------------|
| <b>Liabilities</b>   |                      |                          |
| Current liabilities  |                      |                          |
| Notes payable, accounts payable for construction contracts and other | 96,223               | 67,783                   |
| Short-term borrowings  | 16,668               | 7,044                    |
| Income taxes payable   | 12,065               | 7,417                    |
| Advances received on construction contracts in progress              | 14,467               | 16,933                   |
| Provision for loss on construction contracts                         | 7,769                | 5,787                    |
| Other provisions   | 1,114                | 811                      |
| Other  | 44,944               | 44,637                   |
| Total current liabilities  | 193,254              | 150,416                  |
| Non-current liabilities  |                      |                          |
| Long-term borrowings   | 5,185                | 4,868                    |
| Other provisions   | 289                  | 206                      |
| Retirement benefit liability   | 10,859               | 10,788                   |
| Other  | 11,886               | 12,484                   |
| Total non-current liabilities  | 28,220               | 28,348                   |
| Total liabilities  | 221,475              | 178,765                  |
| Net assets   |                      |                          |
| Shareholders' equity   |                      |                          |
| Share capital  | 10,264               | 10,264                   |
| Capital surplus  | 6,395                | 6,418                    |
| Retained earnings  | 294,174              | 306,532                  |
| Treasury shares  | (521)                | (510)                    |
| Total shareholders' equity   | 310,313              | 322,705                  |
| Accumulated other comprehensive income                               |                      |                          |
| Valuation difference on available-for-sale securities                | 29,201               | 27,333                   |
| Deferred gains or losses on hedges                                   | (100)                | (85)                     |
| Revaluation reserve for land   | (6,187)              | (6,187)                  |
| Remeasurements of defined benefit plans                              | 714                  | 606                      |
| Total accumulated other comprehensive income                         | 23,628               | 21,667                   |
| Non-controlling interests  | 11,858               | 12,102                   |
| Total net assets   | 345,800              | 356,475                  |
| Total liabilities and net assets                                     | 567,275              | 535,241                  |

**(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income**  
**Semi-annual consolidated statement of income**

(Millions of yen)

|   | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|---|--|--|
| Net sales of completed construction contracts     | 261,821                                | 286,740                                |
| Cost of sales of completed construction contracts | 233,162                                | 246,936                                |
| Gross profit on completed construction contracts  | 28,658                                 | 39,804                                 |
| Selling, general and administrative expenses      | 12,913                                 | 14,376                                 |
| Operating profit                                  | 15,745                                 | 25,427                                 |
| Non-operating income                              |  |  |
| Dividend income                                   | 727                                    | 814                                    |
| Other   | 354                                    | 186                                    |
| Total non-operating income                        | 1,081                                  | 1,000                                  |
| Non-operating expenses                            |  |  |
| Interest expenses                                 | 91                                     | 99                                     |
| Foreign exchange losses                           | –                                      | 117                                    |
| Other   | 83                                     | 67                                     |
| Total non-operating expenses                      | 174                                    | 283                                    |
| Ordinary profit                                   | 16,652                                 | 26,144                                 |
| Extraordinary income                              |  |  |
| Gain on sale of investment securities             | 110                                    | –                                      |
| Gain on sale of non-current assets                | 88                                     | –                                      |
| Total extraordinary income                        | 199                                    | –                                      |
| Extraordinary losses                              |  |  |
| Loss on retirement of non-current assets          | 79                                     | 215                                    |
| Other   | 31                                     | 41                                     |
| Total extraordinary losses                        | 110                                    | 256                                    |
| Profit before income taxes                        | 16,741                                 | 25,887                                 |
| Income taxes                                      | 5,462                                  | 8,274                                  |
| Profit  | 11,278                                 | 17,613                                 |
| Profit attributable to non-controlling interests  | 175                                    | 350                                    |
| Profit attributable to owners of parent           | 11,103                                 | 17,263                                 |

**Semi-annual consolidated statement of comprehensive income**

(Millions of yen)

|  | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|--|--|
| Profit   | 11,278                                 | 17,613                                 |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | 5,854                                  | (1,878)                                |
| Deferred gains or losses on hedges                             | 33                                     | 15                                     |
| Remeasurements of defined benefit plans, net of tax            | (29)                                   | (111)                                  |
| Total other comprehensive income                               | 5,857                                  | (1,974)                                |
| Comprehensive income   | 17,136                                 | 15,639                                 |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 16,922                                 | 15,302                                 |
| Comprehensive income attributable to non-controlling interests | 213                                    | 336                                    |

**(3) Semi-annual consolidated statement of cash flows**

(Millions of yen)

|  | Six months ended<br>September 30, 2023 | Six months ended<br>September 30, 2024 |
|--|--|--|
| <b>Cash flows from operating activities</b>                                    |  |  |
| Profit before income taxes   | 16,741                                 | 25,887                                 |
| Depreciation   | 4,255                                  | 4,616                                  |
| Increase (decrease) in allowance for doubtful accounts                         | (78)                                   | (49)                                   |
| Increase (decrease) in provision for loss on construction contracts            | (2,029)                                | (1,981)                                |
| Increase (decrease) in retirement benefit liability                            | (1,060)                                | (70)                                   |
| Interest and dividend income   | (737)                                  | (833)                                  |
| Interest expenses  | 91                                     | 99                                     |
| Decrease (increase) in trade receivables                                       | 30,472                                 | 59,498                                 |
| Decrease (increase) in costs on construction contracts in progress             | (7,132)                                | (1,230)                                |
| Increase (decrease) in trade payables  | (18,835)                               | (28,439)                               |
| Increase (decrease) in advances received on construction contracts in progress | 6,402                                  | 2,465                                  |
| Other, net   | (1,287)                                | (1,471)                                |
| Subtotal   | 26,801                                 | 58,490                                 |
| Interest and dividends received  | 737                                    | 833                                    |
| Interest paid  | (91)                                   | (99)                                   |
| Income taxes refund (paid)   | (4,679)                                | (12,710)                               |
| Net cash provided by (used in) operating activities                            | 22,769                                 | 46,514                                 |
| <b>Cash flows from investing activities</b>                                    |  |  |
| Net decrease (increase) in time deposits                                       | (200)                                  | 350                                    |
| Purchase of property, plant and equipment                                      | (5,049)                                | (6,000)                                |
| Proceeds from sale of property, plant and equipment                            | 387                                    | 56                                     |
| Purchase of investment securities  | (6)                                    | (5)                                    |
| Proceeds from sale and redemption of investment securities                     | 606                                    | 0                                      |
| Loan advances  | (750)                                  | (1,120)                                |
| Proceeds from collection of loans receivable                                   | 658                                    | 850                                    |
| Other, net   | (1,032)                                | (1,528)                                |
| Net cash provided by (used in) investing activities                            | (5,385)                                | (7,397)                                |
| <b>Cash flows from financing activities</b>                                    |  |  |
| Net increase (decrease) in short-term borrowings                               | 400                                    | (9,735)                                |
| Repayments of long-term borrowings   | (697)                                  | (205)                                  |
| Dividends paid   | (3,473)                                | (4,905)                                |
| Other, net   | (562)                                  | (704)                                  |
| Net cash provided by (used in) financing activities                            | (4,333)                                | (15,550)                               |
| Effect of exchange rate change on cash and cash equivalents                    | 70                                     | (47)                                   |
| Net increase (decrease) in cash and cash equivalents                           | 13,120                                 | 23,519                                 |
| Cash and cash equivalents at beginning of period                               | 61,015                                 | 62,438                                 |
| Cash and cash equivalents at end of period                                     | 74,136                                 | 85,958                                 |