

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 11, 2021

Company name: KYODEN COMPANY, LIMITED  
 Stock exchange listing: Tokyo  
 Stock code: 6881 URL <https://www.kyoden.co.jp>  
 Representative: Representative Director and President Kiyotaka Mori  
 General Manager, Finance and Accounting  
 Inquiries: Department Toshiaki Ichihara TEL 03-5789-2273  
 Scheduled date to file Quarterly Securities Report: November 12, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	27,309	19.4	2,616	169.6	2,634	158.8	1,796	166.5
Six months ended September 30, 2020	22,866	(12.3)	970	(17.1)	1,017	(19.3)	674	77.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	36.15		–	
Six months ended September 30, 2020	13.57		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	48,150	22,115	45.7
As of March 31, 2021	47,846	20,771	43.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	0.00	–	10.00	10.00
Year ending March 31, 2022	–	0.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	15.00	15.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	54,500	15.9	4,100	73.3	4,000	59.7	2,800	6.4	56.35

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (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, 2021	52,279,051 shares	As of March 31, 2021	52,279,051 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	2,592,855 shares	As of March 31, 2021	2,592,855 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	49,686,196 shares	Six months ended September 30, 2020	49,686,196 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,680	6,903
Notes and accounts receivable - trade	13,388	–
Notes and accounts receivable - trade, and contract assets	–	13,931
Electronically recorded monetary claims - operating	2,485	2,904
Merchandise and finished goods	2,108	2,591
Work in process	2,176	2,645
Raw materials and supplies	3,041	3,433
Other	532	505
Allowance for doubtful accounts	(130)	(135)
<b>Total current assets</b>	<b>32,284</b>	<b>32,779</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Land	3,529	3,529
Other, net	9,717	9,553
<b>Total property, plant and equipment</b>	<b>13,246</b>	<b>13,083</b>
Intangible assets	263	303
<b>Investments and other assets</b>		
Other	2,207	2,138
Allowance for doubtful accounts	(155)	(154)
<b>Total investments and other assets</b>	<b>2,051</b>	<b>1,984</b>
<b>Total non-current assets</b>	<b>15,562</b>	<b>15,371</b>
<b>Total assets</b>	<b>47,846</b>	<b>48,150</b>

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	5,949	6,694
Electronically recorded obligations - operating	921	1,080
Short-term borrowings	3,600	3,117
Current portion of bonds payable	240	240
Current portion of long-term borrowings	2,654	2,649
Income taxes payable	749	806
Provision for bonuses	416	610
Other	2,882	2,791
<b>Total current liabilities</b>	<b>17,414</b>	<b>17,989</b>
<b>Non-current liabilities</b>		
Bonds payable	240	120
Long-term borrowings	5,411	4,089
Provision for retirement benefits for directors (and other officers)	8	8
Retirement benefit liability	2,782	2,769
Other	1,217	1,058
<b>Total non-current liabilities</b>	<b>9,659</b>	<b>8,044</b>
<b>Total liabilities</b>	<b>27,074</b>	<b>26,034</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,358	4,358
Capital surplus	4,174	4,174
Retained earnings	13,450	14,685
Treasury shares	(491)	(491)
<b>Total shareholders' equity</b>	<b>21,491</b>	<b>22,726</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	126	116
Foreign currency translation adjustment	(908)	(806)
Remeasurements of defined benefit plans	(28)	(14)
<b>Total accumulated other comprehensive income</b>	<b>(810)</b>	<b>(704)</b>
<b>Non-controlling interests</b>	<b>90</b>	<b>94</b>
<b>Total net assets</b>	<b>20,771</b>	<b>22,115</b>
<b>Total liabilities and net assets</b>	<b>47,846</b>	<b>48,150</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	22,866	27,309
Cost of sales	19,164	21,736
Gross profit	3,702	5,572
Selling, general and administrative expenses	2,731	2,956
Operating profit	970	2,616
Non-operating income		
Interest income	0	0
Dividend income	2	1
Rental income	10	6
Foreign exchange gains	17	–
Gain on forfeiture of unclaimed dividends	24	–
Subsidy income	–	71
Other	56	94
Total non-operating income	111	175
Non-operating expenses		
Interest expenses	43	34
Foreign exchange losses	–	44
Loss on abandonment of non-current assets	–	35
Other	20	42
Total non-operating expenses	64	157
Ordinary profit	1,017	2,634
Profit before income taxes	1,017	2,634
Income taxes - current	258	801
Income taxes - deferred	77	28
Total income taxes	335	829
Profit	681	1,804
Profit attributable to non-controlling interests	7	8
Profit attributable to owners of parent	674	1,796

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	681	1,804
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	(9)
Foreign currency translation adjustment	(194)	101
Remeasurements of defined benefit plans, net of tax	(7)	14
Total other comprehensive income	(213)	105
Comprehensive income	468	1,910
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	460	1,902
Comprehensive income attributable to non-controlling interests	7	8

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,017	2,634
Depreciation	945	956
Amortization of goodwill	4	–
Increase (decrease) in provision for bonuses	121	194
Increase (decrease) in allowance for doubtful accounts	(2)	4
Increase (decrease) in retirement benefit liability	65	7
Interest and dividend income	(2)	(2)
Interest expenses	43	34
Loss (gain) on sale of non-current assets	(11)	–
Decrease (increase) in trade receivables	3,403	(964)
Decrease (increase) in inventories	(309)	(1,342)
Increase (decrease) in trade payables	(2,144)	889
Increase (decrease) in accounts payable - other	(365)	(69)
Other, net	(72)	14
Subtotal	2,693	2,357
Interest and dividends received	3	2
Interest paid	(43)	(35)
Income taxes paid	(622)	(756)
Net cash provided by (used in) operating activities	2,030	1,567
Cash flows from investing activities		
Purchase of non-current assets	(1,224)	(793)
Proceeds from sale of non-current assets	73	10
Purchase of investment securities	(2)	(2)
Other, net	4	0
Net cash provided by (used in) investing activities	(1,149)	(785)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	170	(483)
Proceeds from long-term borrowings	3,700	–
Repayments of long-term borrowings	(1,388)	(1,327)
Redemption of bonds	(197)	(120)
Repayments of finance lease obligations	(332)	(210)
Dividends paid	(248)	(501)
Net cash provided by (used in) financing activities	1,703	(2,641)
Effect of exchange rate change on cash and cash equivalents	(18)	82
Net increase (decrease) in cash and cash equivalents	2,565	(1,777)
Cash and cash equivalents at beginning of period	5,173	8,680
Cash and cash equivalents at end of period	7,738	6,903