

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 10, 2022

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: February 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	41,937	25.1	4,006	171.0	4,065	155.8	2,867	154.1
Nine months ended December 31, 2020	33,532	(15.6)	1,478	(20.2)	1,589	(18.8)	1,128	47.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	57.70		–	
Nine months ended December 31, 2020	22.71		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	51,356	22,950	44.5
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)				17.00	17.00

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	56,600	20.4	5,000	111.3	4,900	95.6	3,400	29.2	68.43

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2021	2,592,895 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)

Nine months ended December 31, 2021	49,686,190 shares	Nine months ended December 31, 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 December 31, 2021
Assets		
Current assets		
Cash and deposits	8,680	6,852
Notes and accounts receivable - trade	13,388	–
Notes and accounts receivable - trade, and contract assets	–	14,817
Electronically recorded monetary claims - operating	2,485	3,291
Merchandise and finished goods	2,108	2,549
Work in process	2,176	3,052
Raw materials and supplies	3,041	4,050
Other	532	604
Allowance for doubtful accounts	(130)	(133)
Total current assets	32,284	35,084
Non-current assets		
Property, plant and equipment		
Land	3,529	3,562
Other, net	9,717	10,620
Total property, plant and equipment	13,246	14,182
Intangible assets	263	257
Investments and other assets		
Other	2,207	1,985
Allowance for doubtful accounts	(155)	(154)
Total investments and other assets	2,051	1,831
Total non-current assets	15,562	16,271
Total assets	47,846	51,356

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,949	7,779
Electronically recorded obligations - operating	921	1,522
Short-term borrowings	3,600	4,200
Current portion of bonds payable	240	240
Current portion of long-term borrowings	2,654	2,535
Income taxes payable	749	345
Provision for bonuses	416	335
Other	2,882	3,978
Total current liabilities	17,414	20,937
Non-current liabilities		
Bonds payable	240	120
Long-term borrowings	5,411	3,540
Provision for retirement benefits for directors (and other officers)	8	8
Retirement benefit liability	2,782	2,805
Other	1,217	994
Total non-current liabilities	9,659	7,468
Total liabilities	27,074	28,405
Net assets		
Shareholders' equity		
Share capital	4,358	4,358
Capital surplus	4,174	4,174
Retained earnings	13,450	15,756
Treasury shares	(491)	(491)
Total shareholders' equity	21,491	23,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	126	82
Foreign currency translation adjustment	(908)	(1,006)
Remeasurements of defined benefit plans	(28)	(20)
Total accumulated other comprehensive income	(810)	(944)
Non-controlling interests	90	98
Total net assets	20,771	22,950
Total liabilities and net assets	47,846	51,356

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	33,532	41,937
Cost of sales	27,969	33,367
Gross profit	5,562	8,569
Selling, general and administrative expenses	4,084	4,563
Operating profit	1,478	4,006
Non-operating income		
Interest income	1	0
Dividend income	3	3
Rental income	13	9
Foreign exchange gains	87	42
Subsidy income	–	71
Other	105	125
Total non-operating income	211	253
Non-operating expenses		
Interest expenses	58	49
Loss on retirement of non-current assets	7	65
Loss on abandonment of non-current assets	–	35
Other	33	43
Total non-operating expenses	100	193
Ordinary profit	1,589	4,065
Profit before income taxes	1,589	4,065
Income taxes - current	297	1,045
Income taxes - deferred	151	141
Total income taxes	449	1,186
Profit	1,140	2,879
Profit attributable to non-controlling interests	12	12
Profit attributable to owners of parent	1,128	2,867

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	1,140	2,879
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	(43)
Foreign currency translation adjustment	(430)	(97)
Remeasurements of defined benefit plans, net of tax	(3)	7
Total other comprehensive income	(438)	(133)
Comprehensive income	701	2,745
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	689	2,733
Comprehensive income attributable to non-controlling interests	12	12