

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 9, 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 03-5747-9622
 Scheduled date to file Quarterly Securities Report: November 10, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	32,318	18.3	3,665	2.6	2,264	(13.4)	2,329	(11.6)	1,593	(11.3)
Six months ended September 30, 2021	27,309	19.4	3,573	86.5	2,616	169.6	2,634	158.8	1,796	166.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	32.06		–	
Six months ended September 30, 2021	36.15		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	62,721	25,367	40.3
As of March 31, 2022	53,412	23,978	44.7

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, 2022	–	0.00	–	17.00	17.00
Year ending March 31, 2023	–	0.00			
Year ending March 31, 2023 (Forecast)			–	20.00	20.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	65,000	13.3	5,800	13.8	5,700	11.6	4,100	9.5	82.52

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(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: No
- 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, 2022	52,279,051 shares	As of March 31, 2022	52,279,051 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	2,592,895 shares	As of March 31, 2022	2,592,895 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, 2022	49,686,156 shares	Six months ended September 30, 2021	49,686,196 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	6,578	7,140
Notes and accounts receivable - trade, and contract assets	15,139	16,329
Electronically recorded monetary claims - operating	3,038	3,222
Merchandise and finished goods	2,860	4,527
Work in process	3,293	3,872
Raw materials and supplies	4,226	5,300
Other	739	753
Allowance for doubtful accounts	(136)	(156)
Total current assets	35,738	40,990
Non-current assets		
Property, plant and equipment		
Land	3,580	4,109
Other, net	11,821	15,352
Total property, plant and equipment	15,401	19,461
Intangible assets	255	291
Investments and other assets		
Other	2,171	2,137
Allowance for doubtful accounts	(155)	(159)
Total investments and other assets	2,016	1,977
Total non-current assets	17,673	21,731
Total assets	53,412	62,721

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,279	9,055
Electronically recorded obligations - operating	1,658	1,453
Short-term borrowings	5,700	10,311
Current portion of bonds payable	180	120
Current portion of long-term borrowings	2,345	1,965
Income taxes payable	769	696
Provision for bonuses	444	668
Other	3,252	4,323
Total current liabilities	22,627	28,594
Non-current liabilities		
Bonds payable	60	–
Long-term borrowings	3,066	5,123
Provision for retirement benefits for directors (and other officers)	8	6
Retirement benefit liability	2,787	2,859
Other	883	770
Total non-current liabilities	6,806	8,760
Total liabilities	29,433	37,354
Net assets		
Shareholders' equity		
Share capital	4,358	4,358
Capital surplus	4,174	4,174
Retained earnings	16,634	17,382
Treasury shares	(491)	(491)
Total shareholders' equity	24,675	25,423
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	76	53
Foreign currency translation adjustment	(885)	(226)
Remeasurements of defined benefit plans	10	7
Total accumulated other comprehensive income	(799)	(166)
Non-controlling interests	103	109
Total net assets	23,978	25,367
Total liabilities and net assets	53,412	62,721

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, 2021	Six months ended September 30, 2022
Net sales	27,309	32,318
Cost of sales	21,736	26,787
Gross profit	5,572	5,530
Selling, general and administrative expenses	2,956	3,266
Operating profit	2,616	2,264
Non-operating income		
Interest income	0	0
Dividend income	1	1
Rental income	6	7
Foreign exchange gains	–	56
Subsidy income	71	–
Other	94	94
Total non-operating income	175	161
Non-operating expenses		
Interest expenses	34	36
Foreign exchange losses	44	–
Loss on abandonment of non-current assets	35	–
Other	42	60
Total non-operating expenses	157	96
Ordinary profit	2,634	2,329
Profit before income taxes	2,634	2,329
Income taxes - current	801	697
Income taxes - deferred	28	27
Total income taxes	829	724
Profit	1,804	1,604
Profit attributable to non-controlling interests	8	11
Profit attributable to owners of parent	1,796	1,593

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,804	1,604
Other comprehensive income		
Valuation difference on available-for-sale securities	(9)	(22)
Foreign currency translation adjustment	101	659
Remeasurements of defined benefit plans, net of tax	14	(3)
Total other comprehensive income	105	632
Comprehensive income	1,910	2,237
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,902	2,226
Comprehensive income attributable to non-controlling interests	8	11

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	2,634	2,329
Depreciation	956	1,401
Increase (decrease) in provision for retirement benefits for directors (and other officers)	–	(2)
Increase (decrease) in provision for bonuses	194	224
Increase (decrease) in allowance for doubtful accounts	4	23
Increase (decrease) in retirement benefit liability	7	35
Interest and dividend income	(2)	(2)
Interest expenses	34	36
Decrease (increase) in trade receivables	(964)	(976)
Decrease (increase) in inventories	(1,342)	(3,131)
Increase (decrease) in trade payables	889	256
Increase (decrease) in accounts payable - other	(69)	32
Other, net	14	85
Subtotal	2,357	312
Interest and dividends received	2	2
Interest paid	(35)	(35)
Income taxes paid	(756)	(794)
Net cash provided by (used in) operating activities	1,567	(515)
Cash flows from investing activities		
Purchase of non-current assets	(793)	(4,412)
Proceeds from sale of non-current assets	10	64
Purchase of investment securities	(2)	(2)
Other, net	0	0
Net cash provided by (used in) investing activities	(785)	(4,349)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(483)	4,611
Proceeds from long-term borrowings	–	3,000
Repayments of long-term borrowings	(1,327)	(1,322)
Redemption of bonds	(120)	(120)
Repayments of finance lease liabilities	(210)	(162)
Dividends paid	(501)	(846)
Net cash provided by (used in) financing activities	(2,641)	5,159
Effect of exchange rate change on cash and cash equivalents	82	267
Net increase (decrease) in cash and cash equivalents	(1,777)	562
Cash and cash equivalents at beginning of period	8,680	6,578
Cash and cash equivalents at end of period	6,903	7,140