

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 15, 2023

Company name: KYODEN COMPANY, LIMITED
 Stock exchange listing: Tokyo
 Stock code: 6881 URL <https://www.kyoden.co.jp>
 Representative: Representative Director and President Hiroshi Naganuma
 General Manager, Finance and Accounting Department
 Inquiries: Toshiaki Ichihara TEL 0265-79-0012
 Scheduled date of ordinary general meeting of shareholders: June 29, 2023
 Scheduled date to file Securities Report: June 30, 2023
 Scheduled date to commence dividend payments: June 8, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

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	%
Year ended March 31, 2023	66,725	16.3	7,252	(0.1)	4,226	(17.1)	4,040	(20.9)	2,900	(22.5)
Year ended March 31, 2022	57,358	22.0	7,260	66.5	5,096	115.4	5,109	104.0	3,744	42.3

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	58.38	–	11.5	6.7	6.3
Year ended March 31, 2022	75.37	–	16.8	10.1	8.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	68,061	26,596	38.9	532.78
As of March 31, 2022	53,412	23,978	44.7	480.53

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	882	(9,106)	9,311	7,895
Year ended March 31, 2022	3,396	(3,955)	(1,690)	6,578

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	0.00	–	17.00	17.00	844	22.6	3.8
Year ended March 31, 2023	–	0.00	–	20.00	20.00	993	34.3	3.9
Year ending March 31, 2024 (Forecast)	–	0.00	–	12.00	12.00		20.6	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	72,000	7.9	4,300	1.7	4,200	4.0	2,900	(0.0)	58.37

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	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 March 31, 2023	2,592,955 shares	As of March 31, 2022	2,592,895 shares
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Average number of shares during the period

Year ended March 31, 2023	49,686,127 shares	Year ended March 31, 2022	49,686,181 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	6,578	7,895
Notes receivable - trade	1,343	1,252
Accounts receivable - trade	13,711	15,784
Contract assets	84	23
Electronically recorded monetary claims - operating	3,038	3,539
Merchandise and finished goods	2,860	4,158
Work in process	3,293	3,881
Raw materials and supplies	4,226	5,342
Other	739	1,001
Allowance for doubtful accounts	(136)	(143)
Total current assets	35,738	42,734
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,294	13,768
Accumulated depreciation	(6,655)	(7,144)
Buildings and structures, net	4,639	6,623
Machinery, equipment and vehicles	21,551	26,055
Accumulated depreciation	(16,760)	(19,155)
Machinery, equipment and vehicles, net	4,790	6,900
Land	3,580	4,143
Leased assets	1,968	1,694
Accumulated depreciation	(1,030)	(1,034)
Leased assets, net	938	660
Construction in progress	1,064	4,156
Other	3,395	3,836
Accumulated depreciation	(3,006)	(3,358)
Other, net	388	477
Total property, plant and equipment	15,401	22,962
Intangible assets	255	264
Investments and other assets		
Investment securities	253	220
Deferred tax assets	1,360	1,461
Other	558	578
Allowance for doubtful accounts	(155)	(160)
Total investments and other assets	2,016	2,099
Total non-current assets	17,673	25,326
Total assets	53,412	68,061

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,279	8,371
Electronically recorded obligations - operating	1,658	1,651
Short-term borrowings	5,700	12,700
Current portion of bonds payable	180	60
Current portion of long-term borrowings	2,345	1,850
Lease liabilities	289	276
Income taxes payable	769	566
Contract liabilities	21	11
Provision for bonuses	444	610
Other	2,941	4,686
Total current liabilities	22,627	30,784
Non-current liabilities		
Bonds payable	60	–
Long-term borrowings	3,066	7,215
Lease liabilities	538	284
Deferred tax liabilities	175	134
Provision for retirement benefits for directors (and other officers)	8	6
Retirement benefit liability	2,787	2,885
Other	170	153
Total non-current liabilities	6,806	10,679
Total liabilities	29,433	41,464
Net assets		
Shareholders' equity		
Share capital	4,358	4,358
Capital surplus	4,174	4,174
Retained earnings	16,634	18,689
Treasury shares	(491)	(491)
Total shareholders' equity	24,675	26,730
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	76	48
Foreign currency translation adjustment	(885)	(308)
Remeasurements of defined benefit plans	10	1
Total accumulated other comprehensive income	(799)	(259)
Non-controlling interests	103	124
Total net assets	23,978	26,596
Total liabilities and net assets	53,412	68,061

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	57,358	66,725
Cost of sales	46,089	55,988
Gross profit	11,268	10,737
Selling, general and administrative expenses	6,171	6,510
Operating profit	5,096	4,226
Non-operating income		
Interest income	0	1
Dividend income	3	30
Rental income	13	15
Foreign exchange gains	94	75
Subsidy income	71	–
Gain on sale of non-current assets	1	44
Other	137	83
Total non-operating income	323	251
Non-operating expenses		
Interest expenses	66	79
Commission expenses	81	20
Compensation expenses	–	260
Loss on retirement of non-current assets	80	23
Loss on abandonment of non-current assets	35	–
Other	46	54
Total non-operating expenses	310	438
Ordinary profit	5,109	4,040
Profit before income taxes	5,109	4,040
Income taxes - current	1,443	1,250
Income taxes - deferred	(96)	(137)
Total income taxes	1,347	1,113
Profit	3,761	2,927
Profit attributable to non-controlling interests	17	26
Profit attributable to owners of parent	3,744	2,900

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	3,761	2,927
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	(28)
Foreign currency translation adjustment	22	577
Remeasurements of defined benefit plans, net of tax	38	(8)
Total other comprehensive income	11	540
Comprehensive income	3,773	3,467
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,756	3,440
Comprehensive income attributable to non-controlling interests	17	26

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,358	4,174	13,450	(491)	21,491
Cumulative effects of changes in accounting policies			(64)		(64)
Restated balance	4,358	4,174	13,386	(491)	21,427
Changes during period					
Dividends of surplus			(496)		(496)
Profit attributable to owners of parent			3,744		3,744
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,247	(0)	3,247
Balance at end of period	4,358	4,174	16,634	(491)	24,675

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	126	(908)	(28)	(810)	90	20,771
Cumulative effects of changes in accounting policies						(64)
Restated balance	126	(908)	(28)	(810)	90	20,707
Changes during period						
Dividends of surplus						(496)
Profit attributable to owners of parent						3,744
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(49)	22	38	11	12	23
Total changes during period	(49)	22	38	11	12	3,271
Balance at end of period	76	(885)	10	(799)	103	23,978

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,358	4,174	16,634	(491)	24,675
Changes during period					
Dividends of surplus			(844)		(844)
Profit attributable to owners of parent			2,900		2,900
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,055	(0)	2,055
Balance at end of period	4,358	4,174	18,689	(491)	26,730

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	76	(885)	10	(799)	103	23,978
Changes during period						
Dividends of surplus						(844)
Profit attributable to owners of parent						2,900
Purchase of treasury shares						(0)
Net changes in items other than shareholders' equity	(28)	577	(8)	540	21	561
Total changes during period	(28)	577	(8)	540	21	2,617
Balance at end of period	48	(308)	1	(259)	124	26,596

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,109	4,040
Depreciation	2,163	3,025
Increase (decrease) in provision for retirement benefits for directors (and other officers)	–	(2)
Increase (decrease) in provision for bonuses	27	166
Increase (decrease) in allowance for doubtful accounts	5	12
Increase (decrease) in retirement benefit liability	55	55
Interest and dividend income	(4)	(32)
Interest expenses	66	79
Foreign exchange losses (gains)	(116)	(79)
Decrease (increase) in trade receivables	(2,298)	(2,098)
Decrease (increase) in inventories	(3,056)	(2,835)
Increase (decrease) in trade payables	3,049	(189)
Increase (decrease) in accrued consumption taxes	(343)	(339)
Increase (decrease) in accrued expenses	87	107
Other, net	147	487
Subtotal	4,896	2,399
Interest and dividends received	4	32
Interest paid	(66)	(77)
Income taxes paid	(1,436)	(1,471)
Net cash provided by (used in) operating activities	3,396	882
Cash flows from investing activities		
Purchase of non-current assets	(3,963)	(9,252)
Proceeds from sale of non-current assets	12	119
Purchase of investment securities	(5)	(5)
Proceeds from collection of long-term loans receivable	0	0
Other, net	0	30
Net cash provided by (used in) investing activities	(3,955)	(9,106)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,100	7,000
Proceeds from long-term borrowings	–	5,999
Repayments of long-term borrowings	(2,654)	(2,345)
Redemption of bonds	(240)	(180)
Repayments of lease liabilities	(393)	(313)
Purchase of treasury shares	(0)	(0)
Dividends paid	(496)	(844)
Dividends paid to non-controlling interests	(4)	(5)
Net cash provided by (used in) financing activities	(1,690)	9,311
Effect of exchange rate change on cash and cash equivalents	145	230
Net increase (decrease) in cash and cash equivalents	(2,102)	1,317
Cash and cash equivalents at beginning of period	8,680	6,578
Cash and cash equivalents at end of period	6,578	7,895