



# Consolidated Financial Results for the Fiscal Year Ended September 30, 2020 [Japanese GAAP]

November 6, 2020

Company Name: Kanamic Network Co., Ltd. Stock Exchange Listing: Tokyo  
 Stock Code: 3939 URL <http://www.kanamic.net/>  
 Representative: Representative Director and President: Takuma Yamamoto  
 Contact: Director, General Manager: Kenya Wakabayashi (TEL) 03-5798-3955  
 Scheduled date of Ordinary General Meeting of Shareholders: Scheduled date to commence dividend payments:  
 December 18, 2020 December 21, 2020  
 Scheduled date to submit Annual Securities Report (Yukashoken Hokokusho): December 21, 2020  
 Availability of supplementary briefing material on annual results : Yes  
 Investors meeting presentation for financial results : Yes (for securities analysts and institutional investors)

(Figures are rounded down to the nearest million yen)

## 1. Consolidated Financial Results for the Fiscal Year ended September 30, 2020 (from October 1, 2019 to September 30, 2020)

### (1) Consolidated Operating Results (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	%
Fiscal year ended September 30, 2020	1,881	—	654	—	676	—	472	—
September 30, 2019	—	—	—	—	—	—	—	—

(Reference) Comprehensive income: Fiscal year ended September 30, 2020: 472 million yen Fiscal year ended September 30, 2019: —

	Profit per share	Diluted profit per share	Return on Equity	Ordinary Profit to Total Assets	Operating Profit to Net Sales
	Yen	Yen	%	%	%
Fiscal year ended September 30, 2020	9.82	—	24.8	29.4	34.8
September 30, 2019	—	—	—	—	—

(Reference) Share of profit or loss of entities accounted for using equity method For the fiscal year ended September 30, 2020: — For the fiscal year ended September 30, 2019: —

(Note) The Company changed to consolidated financial results from the fiscal year ended September 30, 2020, and therefore, the following are not presented: year-on-year changes between the fiscal year ended September 30, 2020 and the previous fiscal year, figures for the fiscal year ended September 30, 2019, and year-on-year changes between the fiscal year ended September 30, 2019 and the previous fiscal year. Furthermore, because the fiscal year ended September 30, 2020 was the first fiscal year in which the Company applied consolidated financial results, ROE and ROA are calculated based on Shareholders' Equity at fiscal year end and total assets at fiscal year end respectively.

### (2) Consolidated financial position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Millions of Yen	Millions of Yen	%	Yen
As of September 30, 2020	2,303	1,905	82.8	39.60
September 30, 2019	—	—	—	—

(Reference) Equity As of September 30, 2020: 1,905 Million Yen As of September 30, 2019: —

(Note) The Company changed to consolidated financial results from the fiscal year ended September 30, 2020, and therefore, figures for the fiscal year ended September 30, 2019 are not presented.

### (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
Fiscal year ended September 30, 2020	634	-103	-48	1,706
September 30, 2019	—	—	—	—

(Note) The Company changed to consolidated financial results from the fiscal year ended September 30, 2020, and therefore, figures for the fiscal year ended September 30, 2019 are not presented.

## 2. Dividends

	Annual cash dividends per share					Total Dividends (Annual)	Dividend Payout Ratio (Consolidated)	Dividends to Net Assets (Consolidated)
	First Quarter End	Second Quarter End	Third Quarter End	Fiscal Year End	Total			
Fiscal Year Ended	Yen	Yen	Yen	Yen	Yen	Millions of Yen	%	%
September 30, 2019	—	0.00	—	1.00	1.00	48	—	—
September 30, 2020	—	0.00	—	2.00	2.00	96	20.4	5.1
September 30, 2021 (Forecast)	—	0.00	—	2.50	2.50		23.6	

(Note) The Company changed to consolidated financial results from the fiscal year ended September 30, 2020, and therefore, Dividend Payout Ratio (Consolidated) and Dividends to Net Assets (Consolidated) for the fiscal year ended September 30, 2019 are not presented. Furthermore, because the fiscal year ended September 30, 2020 was the first fiscal year in which the Company applied consolidated financial results, Dividends to Net Assets (Consolidated) is calculated based on Net Assets Per Share at fiscal year end.

## 3. Forecast for the financial results for the fiscal year ending September 30, 2021 (from October 1, 2020 to September 30, 2021)

(% indicates YoY change from the previous corresponding term)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Profit Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2nd Quarter (Cumulative)	1,030	13.3	370	24.4	370	16.7	258	21.1	5.36
Full year	2,100	11.6	730	11.5	730	7.8	510	7.9	10.60

### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

New — (Company name: )

, Exclusion — (Company name: )

(Note) Although not applicable to changes in specified subsidiaries, Kanamic (Dalian) Technology Co., Ltd., which was established on December 23, 2018, has increased in significance and is therefore included in the scope of consolidation from the fiscal year ended September 30, 2020.

(2) Changes in accounting policies, changes in accounting estimates and restatements

- ① Changes in accounting policies due to the revision of accounting standards : None
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Restatements : None

(3) Total number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury shares):	As of September 30, 2020	48,132,000 Shares	As of September 30, 2019	48,132,000 Shares
② Total number of treasury shares at the end of the period:	As of September 30, 2020	1,206 Shares	As of September 30, 2019	1,206 Shares
③ Average number of shares during the period	Fiscal year ended September 30, 2020	48,130,794 Shares	Fiscal year ended September 30, 2019	48,130,897 Shares

(Note) The Company implemented a 3 for 1 stock split on the Company's common shares on September 1, 2019. Total number of issued shares at the end of the fiscal year (including treasury shares), total number of treasury shares at the end of the fiscal year, and average number of shares during the period were calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended September 30, 2019.

(For Reference) Overview of Unconsolidated Financial Results

1. Unconsolidated Financial results for the fiscal year ended September 30, 2020 (from October 1, 2019 to September 30, 2020)

(1) Unconsolidated operating results

(Percentages indicate year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2020	1,881	11.6	655	20.4	678	24.9	474	32.5
September 30, 2019	1,685	12.1	544	36.5	543	42.7	357	39.4

  

	Profit per share		Diluted profit per share	
Fiscal year ended	Yen		Yen	
September 30, 2020	9.85		—	
September 30, 2019	7.44		—	

(2) Unconsolidated financial position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
As of	Millions of Yen	Millions of Yen	%	Yen
September 30, 2020	2,313	1,916	82.8	39.82
September 30, 2019	1,842	1,490	80.9	30.96

(Reference) As of September 30, 2020: As of September 30, 2019:  
Equity 1,916 Million Yen 1,490 Million Yen

2. Forecast for the unconsolidated financial results for the fiscal year ending September 30, 2021 (from October 1, 2020 to September 30, 2021)

(% indicates YoY change from the previous corresponding term)

	Net Sales		Ordinary Profit		Profit		Profit Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2nd Quarter (Cumulative)	1,030	13.3	370	16.7	258	21.1	5.36
Full year	2,100	11.6	730	7.6	510	7.5	10.60

\* This quarterly financial results report is not subject to quarterly review by a certified public accountant or auditing corporation.

\* Explanation of appropriate use of performance forecasts and other special notes.

The statements regarding forecast of financial results in this report are based on information that is available to the Company, as well as certain assumptions that are deemed to be reasonable, and we make no promise that such statements will prove to be correct. Actual results may differ materially due to a variety of factors.

(Obtaining Financial Results Supplementary and Briefing Material)

The Company plans to hold a Financial Results Briefing for securities analysts and institutional investors on November 13, 2020. Shortly following the briefing, the materials will be published on the Company's website.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated balance sheets

(Thousands of yen)

As of September 30, 2020

<b>Assets</b>	
Current assets	
Cash and deposits	1,706,530
Accounts receivable - trade	74,151
Work in process	6,526
Supplies	95
Prepaid expenses	43,642
Other	33,978
Allowance for doubtful accounts	-13,493
Total current assets	1,851,431
Non-current assets	
Property, plant and equipment	
Buildings, net	7,440
Vehicles, net	16,737
Tools, furniture and fixtures, net	27,127
Total property, plant and equipment	51,304
Intangible assets	
Software	306,201
Other	76
Total intangible assets	306,277
Investments and other assets	
Investments in capital	500
Distressed receivables	256
Long-term prepaid expenses	1,063
Deferred tax assets	35,062
Leasehold and guarantee deposits	42,873
Insurance funds	14,490
Allowance for doubtful accounts	-256
Total investments and other assets	93,989
Total non-current assets	451,571
Total assets	2,303,003

(Thousands of yen)

As of September 30, 2020

<b>Liabilities</b>	
Current liabilities	
Accounts payable - trade	22,725
Accounts payable - other	65,844
Accrued expenses	8,506
Income taxes payable	129,194
Accrued consumption taxes	57,149
Advances received	40,464
Deposits received	8,094
Provision for bonuses	31,227
Asset retirement obligations	16,000
Other	5,940
Total current liabilities	385,146
Non-current liabilities	
Asset retirement obligations	11,209
Other	800
Total non-current liabilities	12,009
Total liabilities	397,155
<b>Net assets</b>	
Shareholders' equity	
Share capital	192,060
Capital surplus	132,060
Retained earnings	1,582,485
Treasury shares	-478
Total shareholders' equity	1,906,127
Accumulated other comprehensive income	
Foreign currency translation adjustment	-278
Total accumulated other comprehensive income	-278
Total net assets	1,905,848
Total liabilities and net assets	2,303,003

( 2 ) Consolidated statements of income and comprehensive income  
(Consolidated statements of income)

(Thousands of yen)

	Fiscal year ended September 30, 2020
Net sales	1,881,444
Cost of sales	267,377
Gross profit	1,614,066
Selling, general and administrative expenses	959,593
Operating profit	654,473
Non-operating income	
Interest income	33
Foreign exchange gains	1,540
Subsidy income	19,347
Miscellaneous income	2,172
Total non-operating income	23,093
Non-operating expenses	
Miscellaneous loss	566
Total non-operating expenses	566
Ordinary profit	676,999
Profit before income taxes	676,999
Income taxes - current	207,959
Income taxes - deferred	-3,659
Total income taxes	204,300
Profit	472,699
Profit attributable to owners of parent	472,699

## (Consolidated statements of comprehensive income)

(Thousands of yen)

Fiscal year ended  
September 30, 2020

Profit	472,699
Other comprehensive income	
Foreign currency translation adjustment	148
Total other comprehensive income	148
Comprehensive income	472,848
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	472,848
Comprehensive income attributable to non-controlling interests	—

## ( 3 ) Consolidated statements of changes in net assets

Current Fiscal Year (from October 1, 2019 to September 30, 2020)

(Thousands of  
yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	192,060	132,060	1,166,638	-478	1,490,280
Changes during period					
Dividends of surplus			-48,130		-48,130
Profit attributable to owners of parent			472,699		472,699
Change in scope of consolidation			-8,721		-8,721
Change in scope of consolidation - foreign currency translation adjustment					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	415,846	—	415,846
Balance at end of period	192,060	132,060	1,582,485	-478	1,906,127

	Accumulated other comprehensive income		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	—	—	1,490,280
Changes during period			
Dividends of surplus		—	-48,130
Profit attributable to owners of parent		—	472,699
Change in scope of consolidation		—	-8,721
Change in scope of consolidation - foreign currency translation adjustment	-427	-427	-427
Net changes in items other than shareholders' equity	148	148	148
Total changes during period	-278	-278	415,568
Balance at end of period	-278	-278	1,905,848



## ( 4 ) Consolidated statements of cash flows

(Thousands of yen)

Fiscal year ended  
September 30, 2020

Cash flows from operating activities	
Profit before income taxes	676,999
Depreciation	134,883
Increase (decrease) in allowance for doubtful accounts	798
Interest income	-33
Subsidy income	-19,347
Decrease (increase) in trade receivables	13,763
Decrease (increase) in inventories	-6,175
Increase (decrease) in trade payables	17,474
Increase (decrease) in provision for bonuses	1,453
Other, net	10,765
Subtotal	830,581
Interest received	33
Income taxes paid	-215,133
Subsidies received	19,347
Net cash provided by (used in) operating activities	634,828
Cash flows from investing activities	
Purchase of property, plant and equipment	-11,780
Purchase of intangible assets	-90,653
Payments of leasehold and guarantee deposits	-1
Proceeds from refund of leasehold and guarantee deposits	276
Purchase of insurance funds	-1,473
Net cash provided by (used in) investing activities	-103,632
Cash flows from financing activities	
Dividends paid	-48,130
Net cash provided by (used in) financing activities	-48,130
Effect of exchange rate change on cash and cash equivalents	1,737
Net increase (decrease) in cash and cash equivalents	484,802
Cash and cash equivalents at beginning of period	1,220,207
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	1,521
Cash and cash equivalents at end of period	1,706,530