



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending September 30, 2021 [Japanese GAAP]

February 4, 2021

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 to submit quarterly securities report: February 5, 2021 Scheduled date to commence dividend payments: —
 Availability of supplementary briefing material on quarterly financial results: None
 Quarterly financial results briefing: None

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of Fiscal Year ending September 30, 2021 (From October 1, 2020 to December 31, 2020)

(1) Consolidated Operating Results (Cumulative) (Percentages indicate year-on-year changes from the previous corresponding period)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter ended December 31, 2020	533	27.1	203	103.5	206	103.7	143	106.9
December 31, 2019	419	—	100	—	101	—	69	—

(Reference) Comprehensive income: First Quarter ended December 31, 2020: 144 million yen (106.9%) First Quarter ended December 31, 2019: 69 million yen (—%)

	Basic profit per share	Basic diluted profit per share
	Yen	Yen
First Quarter ended December 31, 2020	2.98	—
December 31, 2019	1.44	—

(Note) The Company changed to consolidated quarterly financial results from the first quarter ended December 31, 2019, and therefore year-on-year changes between the first quarter ended December 31, 2019 and the previous corresponding period are not presented.

(2) Consolidated financial position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
First quarter ended December 31, 2020	2,283	1,953	85.5
Fiscal year ended September 30, 2020	2,303	1,905	82.8

(Reference) Shareholder's equity: First Quarter ended December 31, 2020: 1,953 million yen Fiscal year ended September 30, 2020: 1,905 million yen

2. Dividends

	Annual cash dividends per share				
	First Quarter End	Second Quarter End	Third Quarter End	Fiscal Year End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended September 30, 2020	—	0.00	—	2.00	2.00
Fiscal Year ending September 30, 2021	—				
Fiscal Year ending September 30, 2021 (forecast)		0.00	—	2.50	2.50

(Note) Revisions in dividend forecast subsequent to most recent announcement: None

3. Forecast for the consolidated 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 fiscal year or period)

	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
First Half (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

(Note) Changes in consolidated financial results forecasts subsequent to most recent announcement: No

* Notes

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

(2) Special accounting methods adopted for the preparation of quarterly consolidated financial statements: None

(3) 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

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

① Total number of issued shares at the end of the fiscal year (including treasury shares):	First quarter ended December 31, 2020	48,132,000 Shares	Fiscal Year ended September 30, 2020	48,132,000 Shares
② Total number of treasury shares at the end of the fiscal year:	First quarter ended December 31, 2020	1,206 Shares	Fiscal Year ended September 30, 2020	1,206 Shares
③ Average number of shares during the first quarter (quarter-to-date)	First quarter ended December 31, 2020	48,130,794 Shares	First quarter ended December 31, 2019	48,130,794 Shares

* 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.

1. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of September 30, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	1,706,530	1,678,010
Accounts receivable - trade	74,151	96,399
Work in process	6,526	982
Other	77,716	66,614
Allowance for doubtful accounts	-13,493	-13,649
Total current assets	1,851,431	1,828,357
Non-current assets		
Property, plant and equipment	51,304	51,868
Intangible assets		
Software	306,201	315,028
Other	76	76
Total intangible assets	306,277	315,105
Investments and other assets		
Other	94,246	88,819
Allowance for doubtful accounts	-256	-256
Total investments and other assets	93,989	88,563
Total non-current assets	451,571	455,537
Total assets	2,303,003	2,283,894
Liabilities		
Current liabilities		
Accounts payable - trade	22,725	21,596
Income taxes payable	129,194	56,902
Provision for bonuses	31,227	14,081
Asset retirement obligations	16,000	16,000
Other	185,999	209,516
Total current liabilities	385,146	318,097
Non-current liabilities		
Asset retirement obligations	11,209	11,235
Other	800	800
Total non-current liabilities	12,009	12,035
Total liabilities	397,155	330,132
Net assets		
Shareholders' equity		
Share capital	192,060	192,060
Capital surplus	132,060	132,060
Retained earnings	1,582,485	1,629,870
Treasury shares	-478	-478
Total shareholders' equity	1,906,127	1,953,512
Accumulated other comprehensive income		
Foreign currency translation adjustment	-278	249
Total accumulated other comprehensive income	-278	249
Total net assets	1,905,848	1,953,762
Total liabilities and net assets	2,303,003	2,283,894

(2) Quarterly Consolidated Statement of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)
(Three months ended
December 31, 2020)

(Thousands of yen)

	Three months ended December 31, 2019	Three months ended December 31, 2020
Net sales	419,625	533,473
Cost of sales	47,573	97,849
Gross profit	372,052	435,624
Selling, general and administrative expenses	271,819	231,672
Operating profit	100,232	203,951
Non-operating income		
Interest income	1	—
Foreign exchange gains	1,533	867
Subsidy income	—	1,599
Miscellaneous income	—	546
Total non-operating income	1,535	3,013
Non-operating expenses		
Miscellaneous loss	239	162
Total non-operating expenses	239	162
Ordinary profit	101,528	206,801
Profit before income taxes	101,528	206,801
Income taxes - current	29,825	55,086
Income taxes - deferred	2,267	8,068
Total income taxes	32,093	63,154
Profit	69,435	143,646
Profit attributable to owners of parent	69,435	143,646

(Quarterly Consolidated Statement of Comprehensive Income)
(Three months ended
December 31, 2020)

(Thousands of yen)

	Three months ended December 31, 2019	Three months ended December 31, 2020
Profit	69,435	143,646
Other comprehensive income		
Foreign currency translation adjustment	236	528
Total other comprehensive income	236	528
Comprehensive income	69,672	144,175
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	69,672	144,175
Comprehensive income attributable to non- controlling interests	—	—