

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending September 30, 2023 [Japanese GAAP]

May 9, 2023

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: Scheduled date to commence dividend payments:

May 10, 2023

Availability of supplementary briefing material on quarterly financial results: Yes

Quarterly financial results briefing: Yes (for securities analysts and institutional investors)

(Figures are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of Fiscal Year ending September 30, 2023 (From October 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes from the previous corresponding period)

	Net S	ales	EBIT	DA*	Operatin	g Profit	Ordinar	y Profit	Profit attrib	
Second Quarter ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	1,736	62.6	694	35.7	559	28.6	565	29.9	405	35.5
March 31, 2022	1,068	2.4	511	6.0	435	3.9	435	2.9	299	1.4

(Reference) Comprehensive income:

Second Quarter ended March 31, 2023:

Second Quarter ended March 31, 2022:

404 million yen (34.1%) 301 million yen (1.8%)

* EBITDA = Operating profit + Depreciation (property, plant and equipment; intangible assets) + Amortization of goodwill

	Basic profit per share	Basic diluted profit per share
Second Quarter ended	Yen	Yen
March 31, 2023	8.55	8.09
March 31, 2022	6.31	6.00

(2) Consolidated financial position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Millions of Yen	Millions of Yen	%
Second Quarter ended March 31, 2023	6,508	2,816	43.3
Fiscal year ended September 30, 2022	6,506	2,548	39.1

(Reference) Shareholder's equity: Second Quarter ended March 31, 2023: Fiscal year ended September 30, 2022: 2,816 million yen 2,544 million yen

2. Dividends

Z. Dividerius								
	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, 2022	_	0.00	_	3.00	3.00			
Fiscal Year ending September 30, 2023	_	0.00						
Fiscal Year ending September 30, 2023 (forecast)			_	3.50	3.50			

(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, 2023 (from October 1, 2022 to September 30, 2023)

(% indicates YoY change from the previous corresponding fiscal year)

	Net S	ales	EBIT	DA*	Operatin	g Profit	Ordinary	y Profit	Pro attributa owne pare	able to rs of	Profit Per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	3,600	43.8	1,400	22.8	1,150	19.4	1,150	17.2	800	16.7	16.86

(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

 - 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):
 - ② Total number of treasury shares at the end of the fiscal year:
 - ③ Average number of shares during the first quarter (quarter-to-date)

Second quarter ended March 31, 2023	48,132,000 Shares	Fiscal Year ended September 30, 2022	48,132,000 Shares
Second quarter ended March 31, 2023	659,906 Shares	Fiscal Year ended September 30, 2022	676,906 Shares
Second quarter ended March 31, 2023	47,461,726 Shares	Second quarter ended March 31, 2022	47,434,594 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.

(Obtaining Financial Results Supplementary and Briefing Material)

The Company plans to hold a financial results briefing for securities analysts and institutional investors on Tuesday, May 16, 2023. The materials will be published on the Company's website.

^{*} EBITDA = Operating profit + Depreciation (property, plant and equipment; intangible assets) + Amortization of goodwill

1. Qualitative Information on Financial Results for the Second quarter ended March 31, 2023

Explanation of Operating Results

Consolidated operating results for the first quarter of the current fiscal year were as follows: net sales of 1,736,970 thousand yen (up 668,639 thousand yen or 62.6% year-on-year), operating income of 559,300 thousand yen (up 124,227 thousand yen or 28.6% year-on-year), ordinary income of 565,174 thousand yen (up 129,951 thousand yen or 29.9% year-on-year), net income attributable to owners of the parent of 405,727 thousand yen (up 106,376 thousand yen or 35.5% year-on-year).

Since the Group operates a single-segment business for the purpose of building information-sharing platforms and healthcare platforms in the medical, nursing care, and health fields and related operations, segment information is not presented; however, net sales by individual service are as follows.

i Kanamic Cloud Service

The Kanamic Cloud Service is mainly a recurring revenue business. As a result of recurring revenue from existing customers combined with continued acquisition of new customers, net sales for the Kanamic Cloud Service came in at 1,149,290 thousands yen (up 158,109 thousand yen (16.0%) year on year).

ii Platform Services

Platform Services include the production, operation, and management of websites of long-term care providers through directly solicited contracts as well as through the Care Work Foundation. These website services provide a stable base income. Platform Services also include an advertising service and human resource services for medical / elderly care provider. Fortunately, sales of these products increased, causing net sales for Platform Services to come in at 101,678 thousands yen (up 53,835 thousand yen (112.5%) year on year).

iii Healthy lifespan Extension Services

In the healthy lifespan extension service, the results are those of the fitness gym operation and franchise business of Urban Fit Corporation, which has been included in the scope of consolidation since the end of the third quarter of the previous fiscal year. Since the deemed acquisition date of Urban Fit Corporation is June 30, 2022, the results of this company have been consolidated from the fourth quarter of the previous fiscal year. As a result of strong sales in the fitness gym management business and the franchise business, net sales amounted to 384,390 thousands yen.

iv Other Services

The Company secured a contract to undertake customization related development work for a large customer, and net sales for Other Services came in at 101,610 thousands yen (up 72,304 thousands yen (246.7%) year on year).

2. Quarterly Consolidated Financial Statements and Primary Notes

 $(\ 1\)\ \ {\it Quarterly Consolidated Balance Sheet}$

(Thousands of yen)

Accounts receivable - trade 165.564 348. Merchandise 16.031 10. Work in process 19.097 1. Other 138.361 129. Allowance for doubtful accounts 1-17.390 - 20. Total current assets 4.874,395 4,712. Non-current assets 7. Non-current assets 7. Property, plant and equipment 729.655 796. Intangible assets 8. Software 498.704 547. Goodwill 168.556 159. Other 76 Total intangible assets 667,337 706. Investments and other assets 234,934 292. Total investments and other assets 1.031,927 1.796. Total assets 1.052 7. Total assets 1.051,927 1.796. Total assets 1.051,927 1.796. Income trade 49,420 17. Current portion of bonds payable 80,000 60. Current			(Thousands of yen
Current assets		As of September 30, 2022	As of March 31, 2023
Current assets	Assets		
Accounts receivable - trade 165,564 3434. Merchandise 16,031 10,0 Work in process 19,097 1,1 Other 138,361 129,0 Allowance for doubtful accounts 1-17,390 - 20, Total current assets 4,874,395 4,712,1 Non-current assets Property, plant and equipment 729,655 796,1 Intangible assets 8 Software 498,704 547, Goodwill 168,556 159, Other 76 Total intangible assets 667,337 706,1 Investments and other assets 667,337 706,1 Investments and other assets 667,337 706,1 Investments and other assets 70,000 10,0			
Accounts receivable - trade 165,564 348. Merchandise 16,031 10. Work in process 19,097 1. Other 138,361 129. Allowance for doubtful accounts -17,390 -20. Total current assets 4,674,395 4,712. Non-current assets 729,655 796. Property, plant and equipment 729,655 796. Intangible assets 89,704 457. Goodwill 168,556 159. Other 76 76 Total intangible assets 667,337 706. Investments and other assets 235,997 293. Aliowance for doubtful accounts 1,062 -11. Total investments and other assets 234,934 292. Total accounts assets 234,934 292. Total accounts assets 5,506,323 6,506. Current portion of long-term borrowings 49,420 17,4 Current portion of long-term borrowings 200,442 190. Income taxes	Cash and deposits	4,552,730	4,242,366
Merchandise 16,031 10,000 Work in process 19,097 1,1,000 Other 138,361 129,000 Allowance for doubtful accounts -17,390 -20,000 Total current assets -720,655 796,300 Property, plant and equipment 729,655 796,300 Intangible assets -88,704 547,400 Software 498,704 547,400 Goodwill 168,556 159,000 Other 76 76 Total intangible assets 667,337 706,100 Investments and other assets 325,997 293,300 Allowance for doubtful accounts 1,062 -11,700 Total investments and other assets 234,934 292,100 Total investments and other assets 1,631,927 1,796,100 Total investments and other assets 49,420 17,400 Total investments and other assets 234,934 292,100 Total investments and other assets 80,000 60,00 Current jotal investments and other assets 1,631,927 </td <td>•</td> <td></td> <td>348,596</td>	•		348,596
Work in process 19,097 1.1 Other 138,361 129,4 Allowance for doubtful accounts -17,390 -20,2 Total current assets 4,874,395 4,712,1 Non-current assets 729,655 796,1 Intangible assets 80ftware 498,704 547,8 Goodwill 168,566 159,0 Other 76 76 Total intangible assets 667,337 706,1 Investments and other assets 235,997 293,4 Allowance for doubtful accounts -1,062 -1,1 Total investments and other assets 234,934 292,2 Allowance for doubtful accounts -1,062 -1,1 Total investments and other assets 234,934 292,2 Total assets 6,506,323 6,508,3 Total investments and other assets 234,934 292,2 Total current assets 49,420 17,4 Current portion of bonds payable 49,420 17,2 Current liabilities 80,000 60,			10,616
Other 138,361 129,0 Allowance for doubtful accounts -17,390 -22,0 Total current assets 4,874,395 4,712,1 Non-current assets 729,655 796,1 Property, plant and equipment 729,655 796,1 Intangible assets 488,704 547,2 Goodwill 168,556 159,0 Other 76 76 Total intangible assets 667,337 706,1 Investments and other assets -1,062 -11,1 Other 235,997 293,2 Allowance for doubtful accounts -1,062 -11,1 Total investments and other assets 234,934 292,2 Total non-current assets 1,631,927 1,796,2 Total assets 4,506,323 6,506,323 6,506,323 Current liabilities 201,200,320 4,900,00 60,00 Current portion of bonds payable 80,000 60,00 60,00 Current portion of bonds payable with borrowings 200,422 199,00 190,00 190,00	Work in process		1,521
Allowance for doubfful accounts	· · · · · · · · · · · · · · · · · · ·	138,361	129,661
Total current assets	Allowance for doubtful accounts		-20,728
Non-current assets	Total current assets	4,874,395	4,712,034
Property, plant and equipment 729,655 796,61 Intangible assets 498,704 547,65 Goodwill 168,556 159,50 Other 76 76 Total intangible assets 667,337 706,1 Investments and other assets 235,997 293,1 Allowance for doubtful accounts 1,062 -1,1 Total investments and other assets 234,934 292,2 Total assets 6,506,323 6,508,2 Total assets 6,506,323 6,508,2 Itabilities	Non-current assets	, ,	, ,
Intangible assets		729.655	796,987
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Other 76 Total intangible assets 667,337 706,0 Investments and other assets	Goodwill		159,266
Investments and other assets	Other	76	76
Investments and other assets	Total intangible assets	667,337	706,843
Other 235,997 293,1 Allowance for doubtful accounts -1,062 -1,1 Total investments and other assets 234,934 292,1 Total anon-current assets 1,631,927 1,796, Total assets 6,506,323 6,508, Liabilities Current liabilities Accounts payable - trade 49,420 17,4 Current portion of bonds payable 80,000 60,0 Current portion of long-term borrowings 200,442 190,4 Income taxes payable 189,080 197,7 Provision for bonuses 38,053 34,4 Asset retirement obligations 16,000 16, Other 342,953 355,4 Total current liabilities 915,949 873,1 Non-current liabilities 2,15,949 873,1 Bonds with share acquisition rights 2,003,066 2,002,42 Long-term borrowings 740,861 596,56,56,56,56,56,56,56,56,56,56,56,56,56		•	•
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Total investments and other assets 234,934 292,1 Total non-current assets 1,631,927 1,796, Total assets 6,506,323 6,508,3 Liabilities Current liabilities Accounts payable - trade 49,420 17,6 Current portion of bonds payable 80,000 60,6 Current portion of long-term borrowings 200,442 190,0 Income taxes payable 189,080 197,7 Provision for bonuses 38,053 34,4 Asset retirement obligations 16,000 16,000 Other 342,953 3568, Total current liabilities 915,949 873,4 Non-current liabilities 915,949 873,4 Non-current liabilities 915,949 873,4 Bonds with share acquisition rights 2,003,066 2,002,4 Long-term borrowings 740,861 596,6 Asset retirement obligations 61,436 66,6 Other 61,432 58,1 Total inon-current liabilities 3,957,456 3,692,4 </td <td></td> <td></td> <td>-1,062</td>			-1,062
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Current liabilities 49,420 17,7 Current portion of bonds payable 80,000 60,0 Current portion of long-term borrowings 200,442 190,0 Income taxes payable 189,080 197,0 Provision for bonuses 38,053 34,4 Asset retirement obligations 16,000 16,6 Other 342,953 356,9 Total current liabilities 915,949 873,1 Non-current liabilities 175,000 95,1 Bonds payable 175,000 95,1 Bonds with share acquisition rights 2,003,066 2,002,4 Long-term borrowings 740,861 596,6 Asset retirement obligations 61,436 66,6 Other 61,436 66,7 Other 61,142 58,0 Total non-current liabilities 3,041,507 2,818,4 Total surplus 192,060 192,4 Share capital 192,060 192,4 Capital surplus 132,060 132,4 Retained earnings		0,000,020	0,000,071
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Current portion of long-term borrowings 200,442 190,000 Income taxes payable 189,080 197,000 Provision for bonuses 38,053 34,300 Asset retirement obligations 16,000 16,000 Other 342,953 356,700 Total current liabilities 915,949 873,100 Non-current liabilities 2,003,066 2,002,002,002,002,002,002,002,002,002,0	· ·		60,000
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Other 342,953 356,6 Total current liabilities 915,949 873,1 Non-current liabilities 175,000 95,6 Bonds payable 175,000 95,6 Bonds with share acquisition rights 2,003,066 2,002,6 Long-term borrowings 740,861 596,3 Asset retirement obligations 61,436 66,4 Other 61,142 58,1 Total non-current liabilities 3,041,507 2,818,4 Total liabilities 3,957,456 3,692,1 Net assets Shareholders' equity 9,000 192,4 Capital surplus 132,060 192,4 Capital surplus 132,060 132,0 Retained earnings 2,627,799 2,890,4 Treasury shares -415,370 -404,4 Total shareholders' equity 2,536,548 2,809,4 Accumulated other comprehensive income 7,853 6,6 Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income			16,000
Total current liabilities 915,949 873,00 Non-current liabilities 175,000 95,000,000 Bonds payable 175,000 95,000,000 Bonds with share acquisition rights 2,003,000 2,002,000 Long-term borrowings 740,861 596,000 Asset retirement obligations 61,436 66,000 Other 61,142 58,000 Total non-current liabilities 3,041,507 2,818,000 Total liabilities 3,957,456 3,692,000 Net assets Shareholders' equity 9,000 192,000 Share capital 192,060 192,000 192,000 Capital surplus 132,060 132,000 132,000 Retained earnings 2,627,799 2,890,000 Treasury shares -415,370 -404,000 Total shareholders' equity 2,536,548 2,809,000 Accumulated other comprehensive income 7,853 6,6 Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853			356,989
Non-current liabilities 175,000 95,0 Bonds payable 175,000 95,0 Bonds with share acquisition rights 2,003,066 2,002,0 Long-term borrowings 740,861 596,0 Asset retirement obligations 61,436 66,0 Other 61,142 58,0 Total non-current liabilities 3,041,507 2,818,0 Total liabilities 3,957,456 3,692,0 Net assets Shareholders' equity 192,060 192,0 Share capital 192,060 192,0 132,0 Capital surplus 132,060 132,0 132,0 Retained earnings 2,627,799 2,890,0 144,0 Total shareholders' equity 2,536,548 2,809,0 Accumulated other comprehensive income 7,853 6,6 Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464			873,660
Bonds payable 175,000 95,0 Bonds with share acquisition rights 2,003,066 2,002,0 Long-term borrowings 740,861 596,0 Asset retirement obligations 61,436 66,0 Other 61,142 58,0 Total non-current liabilities 3,041,507 2,818,0 Total liabilities 3,957,456 3,692,0 Net assets Shareholders' equity 9,060 192,0 Capital surplus 132,060 132,0 Retained earnings 2,627,799 2,890,0 Treasury shares -415,370 -404,0 Total shareholders' equity 2,536,548 2,809,0 Accumulated other comprehensive income 7,853 6,6 Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464 4,464		0.10,0.10	0.0,000
Bonds with share acquisition rights 2,003,066 2,002,6 Long-term borrowings 740,861 596,3 Asset retirement obligations 61,436 66,4 Other 61,142 58,6 Total non-current liabilities 3,041,507 2,818,6 Total liabilities 3,957,456 3,692,0 Net assets Shareholders' equity 9 192,060 192,060 192,060 192,060 192,060 192,060 132,060 132,060 132,060 132,060 132,060 132,060 132,060 132,060 140,060 <td></td> <td>175 000</td> <td>95,000</td>		175 000	95,000
Long-term borrowings 740,861 596,6 Asset retirement obligations 61,436 66,6 Other 61,142 58,0 Total non-current liabilities 3,041,507 2,818,4 Total liabilities 3,957,456 3,692,0 Net assets Shareholders' equity 9 192,060 192,060 192,060 192,060 192,060 132,060 132,060 132,060 132,060 132,060 132,060 132,060 132,060 132,060 140,000 <td>· ·</td> <td>·</td> <td>·</td>	· ·	·	·
Asset retirement obligations 61,436 66,436 Other 61,142 58,64 Total non-current liabilities 3,041,507 2,818,43 Total liabilities 3,957,456 3,692,43 Net assets Share capital 192,060 192,060 Capital surplus 132,060 132,060 132,060 Retained earnings 2,627,799 2,890,400 Treasury shares -415,370 -404,400 Total shareholders' equity 2,536,548 2,809,400 Accumulated other comprehensive income 7,853 6,600 Foreign currency translation adjustment 7,853 6,600 Total accumulated other comprehensive income 7,853 6,600 Share acquisition rights 4,464 4,464	·		596,310
Other 61,142 58,0 Total non-current liabilities 3,041,507 2,818,4 Total liabilities 3,957,456 3,692,0 Net assets Share holders' equity Share capital 192,060 192,0 Capital surplus 132,060 132,0 Retained earnings 2,627,799 2,890,0 Treasury shares -415,370 -404,0 Total shareholders' equity 2,536,548 2,809,0 Accumulated other comprehensive income 7,853 6,6 Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464 4,464			66,420
Total non-current liabilities 3,041,507 2,818,4 Total liabilities 3,957,456 3,692,4 Net assets Share capital 192,060 192,0 Capital surplus 132,060 132,0 Retained earnings 2,627,799 2,890,4 Treasury shares -415,370 -404,5 Total shareholders' equity 2,536,548 2,809,4 Accumulated other comprehensive income 7,853 6,6 Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464 4,464			58,041
Total liabilities 3,957,456 3,692,0 Net assets Share holders' equity Share capital 192,060 192,0 Capital surplus 132,060 132,0 Retained earnings 2,627,799 2,890,4 Treasury shares -415,370 -404,5 Total shareholders' equity 2,536,548 2,809,5 Accumulated other comprehensive income 7,853 6,6 Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464 4,464			2,818,438
Net assets Share holders' equity Share capital 192,060 192,060 Capital surplus 132,060 132,060 Retained earnings 2,627,799 2,890,4 Treasury shares -415,370 -404,5 Total shareholders' equity 2,536,548 2,809,5 Accumulated other comprehensive income 7,853 6,6 Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464 4,464			
Shareholders' equity 192,060 192,060 Capital surplus 132,060 132,0 Retained earnings 2,627,799 2,890,0 Treasury shares -415,370 -404,0 Total shareholders' equity 2,536,548 2,809,0 Accumulated other comprehensive income Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464 4,464		0,307,400	3,032,030
Share capital 192,060 192,0 Capital surplus 132,060 132,0 Retained earnings 2,627,799 2,890,4 Treasury shares -415,370 -404,8 Total shareholders' equity 2,536,548 2,809,8 Accumulated other comprehensive income 7,853 6,6 Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464 4,464			
Capital surplus 132,060 132,0 Retained earnings 2,627,799 2,890,4 Treasury shares -415,370 -404,5 Total shareholders' equity 2,536,548 2,809,4 Accumulated other comprehensive income 7,853 6,6 Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464 4,464	· •	192.060	192,060
Retained earnings 2,627,799 2,890,4 Treasury shares -415,370 -404,5 Total shareholders' equity 2,536,548 2,809,5 Accumulated other comprehensive income Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464 4,464	•		
Treasury shares -415,370 -404,9 Total shareholders' equity 2,536,548 2,809,9 Accumulated other comprehensive income Foreign currency translation adjustment 7,853 6,9 Total accumulated other comprehensive income Share acquisition rights 4,464			
Total shareholders' equity 2,536,548 2,809,6 Accumulated other comprehensive income Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income Share acquisition rights 4,464			
Accumulated other comprehensive income Foreign currency translation adjustment 7,853 6,6 Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464			
Foreign currency translation adjustment 7,853 6,0 Total accumulated other comprehensive income 7,853 6,0 Share acquisition rights 4,464	· · ·	2,330,340	2,009,303
Total accumulated other comprehensive income 7,853 6,6 Share acquisition rights 4,464	·	7.050	6.000
Share acquisition rights 4,464	· · · · · · · · · · · · · · · · · · ·		6,688
	·		6,688
1013) NOT DECEMBER 1 1014	· · · · · · · · · · · · · · · · · · ·		
	Total net assets	2,548,866	2,816,272
Total liabilities and net assets 6,506,323 6,508,3	lotal liabilities and net assets	6,506,323	6,508,371

$(\ 2\)\ \ {\it Quarterly Consolidated Statement of Income and Comprehensive Income}$ $(\ {\it Quarterly Consolidated Statement of Income})$

(Six months ended March 31, 2022)

Cost of sales 130,527 468,567 Gross profit 937,802 1,268,402 Selling, general and administrative expenses 502,729 709,102 Operating profit 435,073 559,300 Non-operating income	(Six months ended March 31, 2022)		(Thousands of yen)
Cost of sales 130,527 468,567 Gross profit 937,802 1,268,402 Selling, general and administrative expenses 502,729 709,102 Operating profit 435,073 559,300 Non-operating income			
Gross profit 937,802 1,268,402 Selling, general and administrative expenses 502,729 709,102 Operating profit 435,073 559,300 Non-operating income	Net sales	1,068,330	1,736,970
Selling, general and administrative expenses 502,729 709,102 Operating profit 435,073 559,300 Non-operating income 111 Interest income 63 111 Interest on securities 399 399 399 Gain on sale of goods 555 3,739 Commission income - 2,992 Miscellaneous income 26 1,383 Total non-operating income 1,045 8,626 Non-operating expenses - 1,673 Interest expenses - 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income - 22,622 Total extraordinary income - 22,622 Total extraordinary income - 22,622 Profit before income taxes 435,222 587,797 Income taxes - deferred -199 -1,832	Cost of sales	130,527	468,567
Operating profit 435,073 559,300 Non-operating income Interest income 63 111 Interest on securities 399 399 Gain on sale of goods 555 3,739 Commission income - 2,992 Miscellaneous income 26 1,383 Total non-operating income 1,045 8,626 Non-operating expenses - 1,673 Interest expenses - 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income - 22,622 Gain on sale of non-current assets - 22,622 Total extraordinary income - 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 182,06	Gross profit	937,802	1,268,402
Non-operating income 63 111 Interest income 63 111 Interest on securities 399 399 Gain on sale of goods 555 3,739 Commission income - 2,992 Miscellaneous income 26 1,383 Total non-operating income 1,045 8,626 Non-operating expenses - 1,673 Interest expenses - 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income - 22,622 Total extraordinary income - 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069	Selling, general and administrative expenses	502,729	709,102
Interest income 63 111 Interest on securities 399 399 Gain on sale of goods 555 3,739 Commission income - 2,992 Miscellaneous income 26 1,383 Total non-operating income 1,045 8,626 Non-operating expenses - 1,673 Interest expenses - 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income - 22,622 Total extraordinary income - 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Operating profit	435,073	559,300
Interest on securities 399 399 Gain on sale of goods 555 3,739 Commission income — 2,992 Miscellaneous income 26 1,383 Total non-operating income 1,045 8,626 Non-operating expenses — 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income — 22,622 Total extraordinary income — 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred — 199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Non-operating income		
Gain on sale of goods 555 3,739 Commission income - 2,992 Miscellaneous income 26 1,383 Total non-operating income 1,045 8,626 Non-operating expenses - 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income - 22,622 Total extraordinary income - 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Interest income	63	111
Commission income — 2,992 Miscellaneous income 26 1,383 Total non-operating income 1,045 8,626 Non-operating expenses — 1,673 Interest expenses — 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income — 22,622 Total extraordinary income — 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred — -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Interest on securities	399	399
Miscellaneous income 26 1,383 Total non-operating income 1,045 8,626 Non-operating expenses - 1,673 Interest expenses - 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income - 22,622 Total extraordinary income - 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Gain on sale of goods	555	3,739
Total non-operating income 1,045 8,626 Non-operating expenses - 1,673 Interest expenses - 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income - 22,622 Total extraordinary income - 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Commission income		2,992
Non-operating expenses 1,673 Interest expenses - 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income - 22,622 Total extraordinary income - 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Miscellaneous income	26	1,383
Interest expenses — 1,673 Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income — 22,622 Total extraordinary income — 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred —199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Total non-operating income	1,045	8,626
Foreign exchange losses 837 899 Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income — 22,622 Total extraordinary income — 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Non-operating expenses		
Miscellaneous losses 58 179 Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income — 22,622 Total extraordinary income — 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Interest expenses	_	1,673
Total non-operating expenses 895 2,752 Ordinary profit 435,222 565,174 Extraordinary income Gain on sale of non-current assets — 22,622 Total extraordinary income — 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred —199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Foreign exchange losses	837	899
Ordinary profit 435,222 565,174 Extraordinary income Gain on sale of non-current assets – 22,622 Total extraordinary income – 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred –1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Miscellaneous losses	58	179
Extraordinary income Cain on sale of non-current assets — 22,622 Total extraordinary income — 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred —199 —1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Total non-operating expenses	895	2,752
Gain on sale of non-current assets — 22,622 Total extraordinary income — 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred —199 —1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Ordinary profit	435,222	565,174
Total extraordinary income - 22,622 Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Extraordinary income		
Profit before income taxes 435,222 587,797 Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Gain on sale of non-current assets		22,622
Income taxes - current 136,071 183,902 Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Total extraordinary income	<u> </u>	22,622
Income taxes - deferred -199 -1,832 Total income taxes 135,872 182,069 Profit 299,350 405,727	Profit before income taxes	435,222	587,797
Total income taxes 135,872 182,069 Profit 299,350 405,727	Income taxes - current	136,071	183,902
Profit 299,350 405,727	Income taxes - deferred		-1,832
	Total income taxes	135,872	182,069
Profit attributable to owners of parent 299,350 405,727	Profit	299,350	405,727
	Profit attributable to owners of parent	299,350	405,727

(Thousands of ye	en)
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	Six months ended March 31, 2022	Six months ended March 31, 2023
Profit	299,350	405,727
Other comprehensive income		
Foreign currency translation adjustment	2,283	△1,165
Total other comprehensive income	2,283	△1,165
Comprehensive income	301,633	404,561
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	301,633	404,561
Comprehensive income attributable to non-controlling interests	_	_

	Six months ended March 31, 2022	Six months ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	435,222	587,797
Depreciation	76,805	126,240
Amortization of goodwill	_	9,289
Increase (decrease) in allowance for doubtful	76	3,337
accounts	70	3,337
Interest income	-63	-111
Interest income on securities	-399	-399
Interest expenses	_	1,673
Loss (gain) on sale of non-current assets	_	-22,622
Decrease (increase) in trade receivables	9,042	-183,263
Decrease (increase) in inventories	-2,818	17,369
Increase (decrease) in trade payables	4,957	-31,410
Increase (decrease) in provision for bonuses	-884	-3,020
Other, net	-21,562	12,304
Subtotal	500,376	517,184
Interest received	63	111
Interest paid	_	-2,747
Income taxes paid	-142,751	-175,906
Net cash provided by (used in) operating activities	357,687	338,642
Cash flows from investing activities		
Purchase of property, plant and equipment	-9,035	-177,604
Proceeds from sale of property, plant and equipment	_	89,392
Purchase of intangible assets	-114,538	-129,719
Other, net	-801	-24,105
Net cash provided by (used in) investing activities	-124,375	-242,036
Cash flows from financing activities	•	·
Repayments of long-term borrowings	_	-154,553
Redemption of bonds	_	-100,000
Dividends paid	-118,552	-142,365
Other, net	· <u> </u>	-8,036
Net cash provided by (used in) financing activities	-118,552	-404,954
Effect of exchange rate change on cash and cash equivalents	2,072	-2,015
Net increase (decrease) in cash and cash equivalents	116,832	-310,364
Cash and cash equivalents at beginning of period	3,710,780	4,552,730
Cash and cash equivalents at beginning or period	3,827,613	4,242,366
Cash and Cash equivalents at end of pendu	3,021,013	4,242,300