



KANEMATSU ELECTRONICS LTD.

Highlights of Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

Net sales, operating profit, and ordinary profit all increased.

(% indicates change from the previous corresponding period)

◇ Net sales	12,792 million yen	14.1 %
◇ Operating profit	1,275 million yen	38.4 %
◇ Ordinary profit	1,301 million yen	36.8 %
◇ Profit attributable to owners of parent	866 million yen	30.8 %

Status of Income						
(Million yen)	FY Mar 2023 1Q	FY Mar 2022 1Q	Year-on-year change	Percentage change (%)	FY Mar 2023 full-year forecast	Percentage change from FY Mar 2023 1Q (Forecast) (%)
Net sales	12,792	11,207	1,585	14.1	72,000	17.8
Gross profit	3,477	2,995	481	16.1	-	-
Selling, general and administrative expenses	(2,202)	(2,074)	(128)	6.2	-	-
Operating profit	1,275	921	353	38.4	12,750	10.0
Non-operating income	29	31	(1)	(4.9)	-	-
Non-operating expenses	(3)	(1)	(1)	155.1	-	-
Ordinary profit	1,301	951	350	36.8	12,800	10.2
Extraordinary income	-	0	(0)	(100.0)	-	-
Extraordinary loss	(0)	(1)	1	(98.7)	-	-
Profit before income taxes	1,301	950	351	36.9	-	-
Income taxes	(434)	(290)	(144)	49.6	-	-
Profit	867	660	206	31.3	-	-
Profit attributable to owners of parent	866	661	204	30.8	8,600	10.1

Basic earnings per share (yen)	30.27	23.14	7.13	30.8
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Segment Information						
(Million yen)	Net sales			Segment profit		
	FY Mar 2023 1Q	FY Mar 2022 1Q	Year-on-year change	FY Mar 2023 1Q	FY Mar 2022 1Q	Year-on-year change
IT Systems Business	8,043	6,544	1,499	314	53	261
Services and Support Business	4,827	4,752	75	920	832	87
Total	12,871	11,296	1,574	1,235	886	349
Other (including adjustments)	(78)	(89)	11	39	35	4
Total	12,792	11,207	1,585	1,275	921	353

■ Net sales
Net sales increased by ¥1,585 million year on year to ¥12,792 million (up 14.1% year on year) in an effort that the Group worked on workstyle reform and COVID-19 countermeasures through the construction of robust environments for virtual desktop infrastructure (VDI) and security solutions in line with the era of zero trust networks. At the same time, the Group further expanded sales of its service-oriented businesses centered on the 3Ks*1.

■ Profit
Operating profit increased by ¥353 million year on year to ¥1,275 million (up 38.4% year on year). Ordinary profit increased by ¥350 million year on year to ¥1,301 million (up 36.8% year on year). Profit attributable to owners of parent increased by ¥204 million year on year to ¥866 million (up 30.8% year on year).

*1 3Ks: The service business cluster comprising KEL Briefing Center (KBC); KEL Custom Cloud (KCC); and KEL Managed Service (KMS).

■ IT Systems Business
Net sales increased ¥1,499 million year on year, mainly due to strong performance in the server-related business for the service industry and government offices.

■ Services and Support Business
Net sales increased ¥75 million year on year, mainly due to an increase in sales related to cloud services for the manufacturing industry.

Status of assets, liabilities and net assets

(Million yen)	As of June 30, 2022	As of March 31, 2022	Year-on-year change	Percentage change (%)
Total Assets	75,887	82,446	(6,559)	(8.0)
Current assets	69,025	75,031	(6,006)	(8.0)
Non-current assets	6,862	7,415	(552)	(7.5)
Liabilities	15,726	20,518	(4,791)	(23.4)
Current liabilities	13,133	17,966	(4,833)	(26.9)
Non-current liabilities	2,592	2,551	41	1.6
Net assets	60,161	61,928	(1,767)	(2.9)
Equity (Note 1)	60,114	61,885	(1,770)	(2.9)
Equity ratio (Note 2)	79.2%	75.1%	Up 4.1pt	-

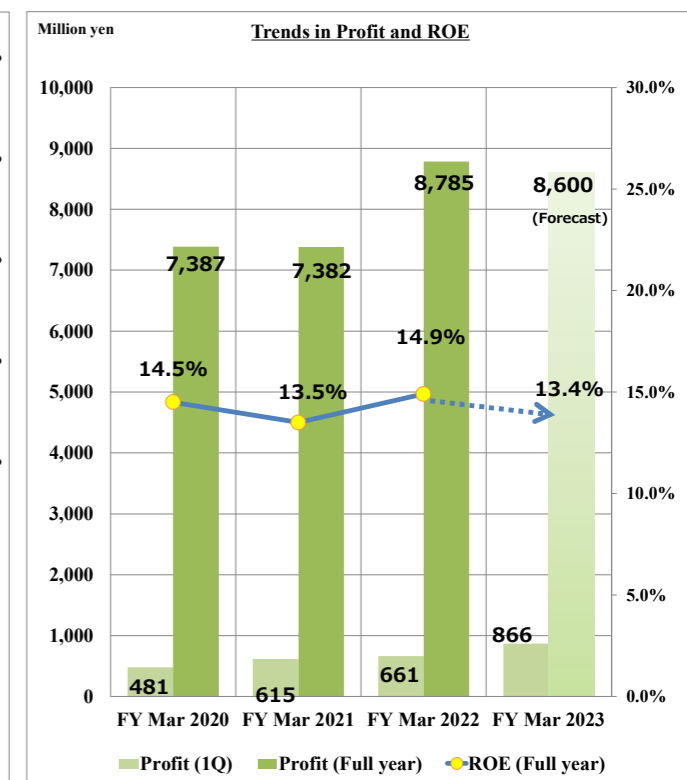
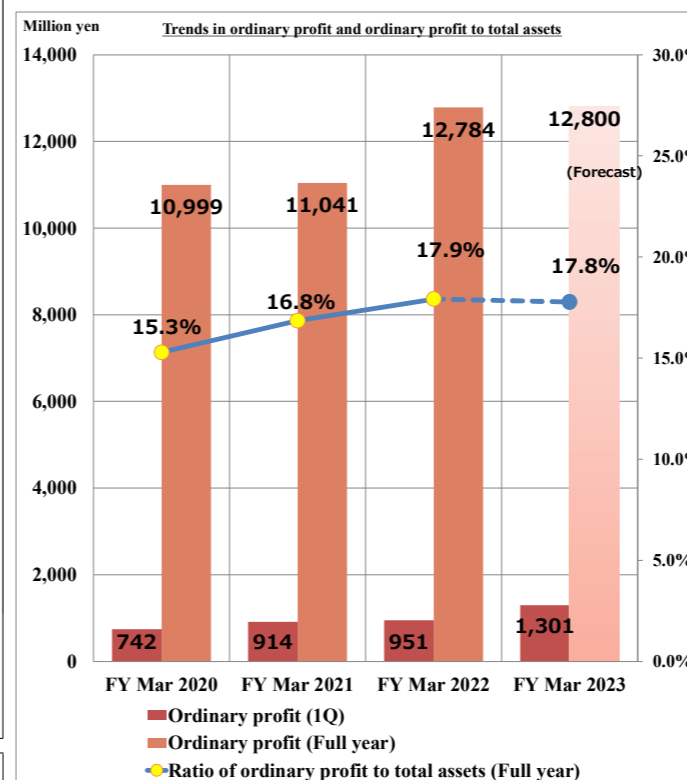
■ Assets
Current assets decreased ¥6,006 million (8.0%) from the end of the previous fiscal year, mainly due to a decrease of ¥8,166 million in notes and accounts receivable-trade. Non-current assets decreased ¥552 million (7.5%) from the end of the previous fiscal year, mainly due to a decrease of ¥464 million in investment securities.

■ Liabilities
Current liabilities decreased ¥4,833 million (26.9%) from the end of the previous fiscal year, mainly due to a decrease of ¥2,523 million in income taxes payable. Non-current liabilities increased ¥41 million (1.6%) from the end of the previous fiscal year, mainly due to an increase of ¥26 million in other non-current liabilities.

■ Net assets
Net assets decreased ¥1,767 million (2.9%) from the end of the previous fiscal year, mainly due to an increase from recording ¥866 million in profit attributable to owners of parent and a decrease from the payment of ¥2,289 million in dividends. As a result, the equity ratio stood at 79.2%, up 4.1pt from the end of the previous fiscal year.

(Note 1) Equity = "Total shareholders' equity" + "Total accumulated other comprehensive income" of net assets

(Note 2) Equity ratio = Equity capital / Total assets



Dividends				
	FY March 2023	FY March 2022	FY March 2021	FY March 2020
Interim dividend (Yen)	75.00 (forecast)	75.00	65.00	65.00
Year-end dividend (Yen)	80.00 (forecast)	80.00	70.00	70.00
Annual dividend (Yen)	155.00 (forecast)	155.00	135.00	135.00
Equity (Million yen)	-	61,885	56,361	52,863
Payout ratio (%)	51.60 (forecast)	50.50	52.30	52.30

*The financial results outlook and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed reasonable, and do not represent a promise by the Company to achieve them. Actual results may differ significantly from these forecasts due to a wide range of factors.