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February 2, 2026

Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Based on Japanese GAAP)

Company name: KANADEN CORPORATION
 Listing: Tokyo Stock Exchange
 Stock code: 8081
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(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 | % |
| Nine months ended | | | | | | | | |
| December 31, 2025 | 98,234 | 23.7 | 2,523 | 24.6 | 2,870 | 20.4 | 1,907 | 4.3 |
| December 31, 2024 | 79,400 | (1.2) | 2,024 | (22.1) | 2,383 | (18.0) | 1,828 | (5.9) |

Note: Comprehensive income For the nine months ended December 31, 2025: ¥2,445 million [208.5%]
 For the nine months ended December 31, 2024: ¥792 million [(68.5)%]

| | Earnings per share | Diluted earnings per share |
|-------------------|--------------------|----------------------------|
| Nine months ended | Yen | Yen |
| December 31, 2025 | 85.57 | – |
| December 31, 2024 | 77.94 | – |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------|-----------------|-----------------|--------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| December 31, 2025 | 83,369 | 48,786 | 58.5 | 2,188.15 |
| March 31, 2025 | 89,090 | 47,989 | 53.9 | 2,153.80 |

Reference: Equity

As of December 31, 2025: ¥48,786 million
 As of March 31, 2025: ¥47,989 million

Note: For the nine months ended December 31, 2025, the Company finalized the provisional accounting treatment pertaining to a business combination, and each figure for the fiscal year ended March 31, 2025 reflects the finalization of the provisional accounting treatment.

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2025 | – | 31.00 | – | 39.00 | 70.00 |
| Fiscal year ending March 31, 2026 | – | 36.00 | – | | |
| Fiscal year ending March 31, 2026 (Forecast) | | | | 36.00 | 72.00 |

Note: Revisions to the cash dividends forecasts most recently announced: No

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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 | 135,000 | 7.4 | 5,700 | 26.7 | 5,700 | 20.5 | 3,900 | (1.1) | 174.98 |

Note: Revisions to the consolidated financial results forecasts most recently announced: No

* Notes

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2025:
No

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: No

(ii) Changes in accounting policies due to other reasons: No

(iii) Changes in accounting estimates: No

(iv) Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

| | |
|-------------------------|-------------------|
| As of December 31, 2025 | 22,500,000 shares |
| As of March 31, 2025 | 22,500,000 shares |

(ii) Number of treasury shares at the end of the period

| | |
|-------------------------|----------------|
| As of December 31, 2025 | 204,339 shares |
| As of March 31, 2025 | 218,700 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|-------------------------------------|-------------------|
| Nine months ended December 31, 2025 | 22,288,540 shares |
| Nine months ended December 31, 2024 | 23,465,173 shares |

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: No

* Proper use of earnings forecasts, and other special matters

Earnings forecasts and other forward-looking statements stated in this document are based on information currently available to the Company. Please refer to page 4 for the assumptions and other related matters concerning the above forecasts.

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1. Overview of operating results and others

(1) Overview of operating results for the nine months ended December 31, 2025

In the nine months ended December 31, 2025, the business environment surrounding the Group continued to show a gradual recovery, supported by an improving employment and income environment, despite concerns about the impact of U.S. tariff policies in some areas.

Additionally, there are signs of recovery in personal consumption, and capital investment demand, including for automation and digital transformation (DX) as measures to address the labor shortage problem, remains robust. On the other hand, there is continuing concern that the impact of China's resource regulations and geopolitical risks will cause an overseas economic slowdown, and a high level of uncertainty remains about the future, particularly concerning the downward pressure on the domestic economy and the impact of rising prices.

Under these circumstances, the Group is striving to enhance its technological and planning capabilities as part of its efforts in the final year of its five-year medium-term management plan, Electronics Solutions-Company 2025 (ES-C2025), with the aim of becoming an "Electronics Solutions Company" that contributes to solving social issues and achieving sustainable growth through its SDG initiatives.

In spite of these efforts, the factory automation field continued to be affected by inventory adjustments in some areas. However, the Information & Communications Equipment business performed robustly, and there was an increase in large-scale projects in both the Building Facilities business and the Infrastructure business.

As a result, net sales in the nine months ended December 31, 2025 increased ¥18,834 million year on year to ¥98,234 million, and ordinary profit increased ¥486 million year on year to ¥2,870 million. Profit attributable to owners of parent increased ¥78 million year on year to ¥1,907 million.

Overview of operating results by segment

(Millions of yen)

| | | Nine months ended December 31, 2024 | Nine months ended December 31, 2025 | Change |
|---|-----------------|--|--|--------|
| Factory Automation Systems business | Net sales | 33,537 | 38,109 | 4,571 |
| | Ordinary profit | 1,497 | 1,340 | (157) |
| Building Facilities business | Net sales | 9,398 | 11,696 | 2,298 |
| | Ordinary profit | (98) | (146) | (48) |
| Infrastructure business | Net sales | 16,399 | 25,291 | 8,891 |
| | Ordinary profit | (314) | (49) | 264 |
| Information & Communications Equipment business | Net sales | 20,065 | 23,137 | 3,072 |
| | Ordinary profit | 1,063 | 1,452 | 388 |

(i) Factory Automation Systems business

In the factory automation field, sales of drive control equipment remained sluggish due to the prolonged inventory adjustment impact on some products, but power distribution control devices trended toward recovery, leading to flat performance year on year.

The industrial mechatronics field saw a decrease in projects for laser processing machines.

Performance in the industrial systems field was robust in instrumentation systems for the manufacturing sector, but overall it stayed flat year on year due to the absence of last year's large-scale projects.

As a result, although net sales increased by ¥4,571 million for the segment, ordinary profit decreased by ¥157 million due to decreased profit in the industrial mechatronics field and increase in selling, general and administrative expenses.

(ii) Building Facilities business

In the facilities equipment field, demand for power supply systems for information and communication operators continued and remained robust.

In the air conditioning and refrigerating equipment field, demand for air conditioning equipment trended toward recovery while performance for refrigeration equipment stayed flat year on year.

As a result, although net sales increased by ¥2,298 million for the segment, ordinary profit decreased by ¥48 million due to the impact of large-scale projects in the facilities equipment field.

(iii) Infrastructure business

In the transportation field, wireless communication and substation equipment remained strong, helped by the recovery trend of capital investment of railway operators.

In the social systems field, the defense-related business progressed smoothly, and government projects also performed well.

As a result, net sales increased by ¥8,891 million and ordinary profit increased by ¥264 million for the segment.

(iv) Information & Communications Equipment business

In the telecommunications field, sales of image and video equipment were flat year on year, and electronic medical devices remained strong as the number of projects increased.

In the semiconductors and devices field, sales of industrial power devices struggled owing to the decreased demand, while sales of electronic devices used in office automation equipment were robust.

As a result, net sales increased by ¥3,072 million and ordinary profit increased by ¥388 million for the segment.

(2) Overview of financial position for the nine months ended December 31, 2025

Total assets at the end of the third quarter under review were ¥83,369 million (a decrease of ¥5,720 million from the end of the previous fiscal year).

Current assets were ¥65,505 million (a decrease of ¥6,505 million from the end of the previous fiscal year). This was mainly due to decreases of ¥7,056 million in notes and accounts receivable - trade, and contract assets and ¥1,210 million in accounts receivable - other, which outweighed an increase of ¥1,429 million in electronically recorded monetary claims – operating, each compared to the end of the previous fiscal year.

Non-current assets were ¥17,864 million (an increase of ¥785 million from the end of the previous fiscal year). This was mainly due to an increase of ¥1,050 million in investment securities, which outweighed a decrease of ¥302 million in intangible assets, each compared to the end of the previous fiscal year.

Current liabilities were ¥33,375 million (a decrease of ¥7,059 million from the end of the previous fiscal year). This was mainly due to decreases of ¥6,889 million in notes and accounts payable - trade, ¥845 million in accounts payable - other, ¥733 million in electronically recorded obligations - operating, ¥510 million in provision for bonuses, ¥458 million in income taxes payable, and ¥364 million in accrued consumption taxes, which outweighed an increase of ¥2,843 million in advances received, each compared to the end of the previous fiscal year.

Non-current liabilities were ¥1,207 million (an increase of ¥541 million from the end of the previous fiscal year).

Net assets were ¥48,786 million (an increase of ¥796 million from the end of the previous fiscal year). This was mainly due to increases of ¥235 million in retained earnings due to the recording of ¥1,907 million in profit attributable to owners of parent and ¥1,671 million of dividends paid, and ¥729 million in valuation difference on available-for-sale securities, which outweighed a decrease of ¥184 million in foreign currency translation adjustment, each compared to the end of the previous fiscal year.

As a result, the equity ratio at the end of the third quarter under review was 58.5%, and net assets per share were ¥2,188.15.

(3) Explanation of consolidated earnings forecast and other forward-looking statements

At present, our consolidated earnings forecasts for the full year remain unchanged from those announced on May 16, 2025.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2025 | As of December 31, 2025 |
|--|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 16,723 | 15,918 |
| Notes and accounts receivable - trade, and contract assets | 36,663 | 29,607 |
| Electronically recorded monetary claims - operating | 7,497 | 8,927 |
| Merchandise and finished goods | 8,422 | 8,619 |
| Raw materials and supplies | 6 | 0 |
| Other | 2,711 | 2,438 |
| Allowance for doubtful accounts | (14) | (5) |
| Total current assets | 72,011 | 65,505 |
| Non-current assets | | |
| Property, plant and equipment | 8,538 | 8,616 |
| Intangible assets | | |
| Goodwill | 1,611 | 1,453 |
| Other | 1,567 | 1,423 |
| Total intangible assets | 3,179 | 2,877 |
| Investments and other assets | | |
| Investment securities | 4,358 | 5,409 |
| Other | 1,036 | 993 |
| Allowance for doubtful accounts | (33) | (33) |
| Total investments and other assets | 5,361 | 6,369 |
| Total non-current assets | 17,078 | 17,864 |
| Total assets | 89,090 | 83,369 |

(Millions of yen)

| | As of March 31, 2025 | As of December 31, 2025 |
|---|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 27,968 | 21,078 |
| Electronically recorded obligations - operating | 6,298 | 5,564 |
| Income taxes payable | 630 | 171 |
| Provisions | 1,007 | 429 |
| Other | 4,530 | 6,130 |
| Total current liabilities | 40,434 | 33,375 |
| Non-current liabilities | | |
| Provisions | 26 | 30 |
| Retirement benefit liability | 277 | 300 |
| Other | 362 | 877 |
| Total non-current liabilities | 665 | 1,207 |
| Total liabilities | 41,100 | 34,583 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,576 | 5,576 |
| Capital surplus | 5,355 | 5,358 |
| Retained earnings | 34,688 | 34,923 |
| Treasury shares | (312) | (291) |
| Total shareholders' equity | 45,308 | 45,566 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,315 | 2,045 |
| Revaluation reserve for land | 373 | 373 |
| Foreign currency translation adjustment | 955 | 771 |
| Remeasurements of defined benefit plans | 36 | 29 |
| Total accumulated other comprehensive income | 2,681 | 3,219 |
| Non-controlling interests | - | - |
| Total net assets | 47,989 | 48,786 |
| Total liabilities and net assets | 89,090 | 83,369 |

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

(Millions of yen)

| | Nine months ended December 31, 2024 | Nine months ended December 31, 2025 |
|---|--|--|
| Net sales | 79,400 | 98,234 |
| Cost of sales | 67,807 | 85,262 |
| Gross profit | 11,593 | 12,971 |
| Selling, general and administrative expenses | 9,568 | 10,448 |
| Operating profit | 2,024 | 2,523 |
| Non-operating income | | |
| Interest income | 60 | 23 |
| Dividend income | 81 | 107 |
| Purchase discounts | 21 | 52 |
| Foreign exchange gains | 144 | 113 |
| Other | 70 | 84 |
| Total non-operating income | 378 | 381 |
| Non-operating expenses | | |
| Interest expenses | 11 | 14 |
| Donations | 0 | 12 |
| Other | 7 | 7 |
| Total non-operating expenses | 19 | 33 |
| Ordinary profit | 2,383 | 2,870 |
| Extraordinary income | | |
| Gain on sale of investment securities | 119 | 38 |
| Gain on sale of shares of subsidiaries and associates | 51 | – |
| Gain on transition to retirement benefit plan | 516 | – |
| Gain on sale of non-current assets | – | 20 |
| Total extraordinary income | 687 | 58 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 4 | 0 |
| Loss on valuation of golf club membership | 1 | – |
| Loss on sale of investment securities | – | 0 |
| Total extraordinary losses | 5 | 0 |
| Profit before income taxes | 3,065 | 2,929 |
| Income taxes - current | 599 | 811 |
| Income taxes - deferred | 631 | 210 |
| Total income taxes | 1,231 | 1,022 |
| Profit | 1,834 | 1,907 |
| Profit attributable to non-controlling interests | 5 | – |
| Profit attributable to owners of parent | 1,828 | 1,907 |

Consolidated statements of comprehensive income

(Millions of yen)

| | Nine months ended December 31, 2024 | Nine months ended December 31, 2025 |
|--|--|--|
| Profit | 1,834 | 1,907 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (267) | 729 |
| Foreign currency translation adjustment | 35 | (184) |
| Remeasurements of defined benefit plans, net of tax | (809) | (7) |
| Total other comprehensive income | (1,041) | 538 |
| Comprehensive income | 792 | 2,445 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 787 | 2,445 |
| Comprehensive income attributable to non-controlling interests | 5 | – |

(3) Notes on quarterly consolidated financial statements**Notes on premise of going concern**

Not applicable.

Notes when there are significant changes in amounts of shareholders' equity

Not applicable.

Notes on quarterly consolidated statements of cash flows

The Company has not prepared quarterly consolidated statements of cash flows for the nine months ended December 31, 2025.

The amounts of depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2025 are as stated below.

| | (Millions of yen) | |
|--------------------------|---|---|
| | Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024) | Nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025) |
| Depreciation | 326 | 518 |
| Amortization of goodwill | 113 | 158 |

Notes on segment information, etc.

Segment information

I Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

1. Information of net sales and profit (loss) for each reportable segment

(Millions of yen)

| | Reportable segments | | | | |
|---------------------------------|-------------------------------------|------------------------------|-------------------------|---|--------|
| | Factory Automation Systems business | Building Facilities business | Infrastructure business | Information & Communications Equipment business | Total |
| Net sales | | | | | |
| Net sales to external customers | 33,537 | 9,398 | 16,399 | 20,065 | 79,400 |
| Intersegment sales or transfers | 64 | 102 | 11 | 49 | 228 |
| Total | 33,601 | 9,501 | 16,410 | 20,115 | 79,628 |
| Segment profit (loss) | 1,497 | (98) | (314) | 1,063 | 2,148 |

2. Differences between total reportable segment profit or loss amounts and the amounts recorded in the consolidated statements of income for the nine months, and main items of the differences (matters relating to reconciliation)

(Millions of yen)

| Profit | Amount |
|--|--------|
| Total of reportable segments | 2,148 |
| Company-wide expenses (Note) | 234 |
| Ordinary profit in the consolidated statements of income for the nine months | 2,383 |

Note: Company-wide expenses mainly consist of general and administrative expenses as well as non-operating income (expenses) not attributable to any reportable segment.

3. Information on impairment losses on non-current assets or information on goodwill, etc., for each reportable segment

Significant changes in the amount of goodwill

In the third quarter ended December 31, 2024, the Company acquired shares of Takashima Electric Corporation, and newly included both the company and its subsidiary, Takashima Engineering Corporation, in the scope of consolidation. The resulting increase in goodwill in the Factory Automation Systems business is ¥298 million.

The amount of goodwill is presented using figures reflecting material changes to the initial allocation of acquisition costs, which arose due to the finalization of the provisional accounting treatment for business combinations.

II Nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025)

1. Information of net sales and profit (loss) for each reportable segment

(Millions of yen)

| | Reportable segments | | | | |
|---------------------------------|-------------------------------------|------------------------------|-------------------------|---|--------|
| | Factory Automation Systems business | Building Facilities business | Infrastructure business | Information & Communications Equipment business | Total |
| Net sales | | | | | |
| Net sales to external customers | 38,109 | 11,696 | 25,291 | 23,137 | 98,234 |
| Intersegment sales or transfers | – | – | – | – | – |
| Total | 38,109 | 11,696 | 25,291 | 23,137 | 98,234 |
| Segment profit (loss) | 1,340 | (146) | (49) | 1,452 | 2,596 |

2. Differences between total reportable segment profit or loss amounts and the amounts recorded in the consolidated statements of income for the nine months, and main items of the differences (matters relating to reconciliation)

(Millions of yen)

| Profit | Amount |
|--|--------|
| Total of reportable segments | 2,596 |
| Company-wide expenses (Note) | 274 |
| Ordinary profit in the consolidated statements of income for the nine months | 2,870 |

Note: Company-wide expenses mainly consist of general and administrative expenses as well as non-operating income (expenses) not attributable to any reportable segment.

3. Information on impairment losses on non-current assets or information on goodwill, etc., for each reportable segment

Significant changes in the amount of goodwill

In the Factory Automation Systems business, the business combination with Takashima Electric Corporation and its subsidiary Takashima Engineering Corporation, which took place on December 2, 2024 (Deemed date of acquisition: December 31, 2024), was accounted for provisionally in the previous fiscal year but was finalized in the third quarter ended December 31, 2025.

For details, please refer to “Finalization of provisional accounting treatment for a business combination” of “Notes on quarterly consolidated financial statements, Business combinations.”

Business combinationsFinalization of provisional accounting treatment for a business combination

The business combination with Takashima Electric Corporation and its subsidiary Takashima Engineering Corporation, which took place on December 2, 2024, was accounted for provisionally in the previous fiscal year but was finalized in the third quarter ended December 31, 2025.

The comparative information presented in the quarterly consolidated financial statements for the nine months ended December 31, 2025, reflects material changes to amounts initially allocated to acquisition cost accompanying finalization of provisional accounting treatment.

As a result, the goodwill amount of ¥318 million that had been provisionally calculated was reduced by ¥19 million upon finalization, resulting in goodwill of ¥298 million. The decrease in goodwill was due to increases of ¥28 million in intangible assets (customer-related intangible assets) and ¥8 million in deferred tax liabilities.

There is no impact on the consolidated statements of income for the nine months ended December 31, 2024 due to the finalization of the accounting treatment.