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November 4, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Based on Japanese GAAP)

Company name: KANADEN CORPORATION
Listing: Tokyo Stock Exchange
Stock code: 8081
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Scheduled date to file Semi-annual Securities Report: November 6, 2026
Scheduled date to commence dividend payments: November 30, 2026
Preparation of supplementary material on financial results: No
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	69,409	12.6	2,036	21.6	2,219	22.8	1,472	22.9
September 30, 2025	61,657	19.0	1,675	10.5	1,806	18.1	1,198	34.4

Note: Comprehensive income For the six months ended September 30, 2026: ¥1,734 million [25.4%]
For the six months ended September 30, 2025: ¥1,383 million [28.0%]

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	66.04	–
September 30, 2025	53.76	–

Note: For the third quarter of the fiscal year ended March 31, 2026, the Company finalized the provisional accounting treatment pertaining to a business combination, and each figure for the six months ended September 30, 2025 reflects the finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2026	86,762	51,866	59.8	2,325.20
March 31, 2026	97,962	50,918	52.0	2,283.12

Reference: Equity
As of September 30, 2026: ¥51,850 million
As of March 31, 2026: ¥50,903 million

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, 2026	–	36.00	–	36.00	72.00
Fiscal year ending March 31, 2027	–	50.00			
Fiscal year ending March 31, 2027 (Forecast)			–	50.00	100.00

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

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	160,000	9.9	6,500	21.9	6,600	14.1	4,400	10.9	197.37

Note: Revisions to the consolidated financial results forecasts most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2026: No

(2) Application of special accounting methods for preparing semi-annual 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 September 30, 2026	22,500,000 shares
As of March 31, 2026	22,500,000 shares

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

As of September 30, 2026	200,674 shares
As of March 31, 2026	204,339 shares

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

Six months ended September 30, 2026	22,293,626 shares
Six months ended September 30, 2025	22,285,454 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* 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. The Company plans to hold financial results meeting for institutional investors and analysts on November 11, 2026. Materials for the meeting will be provided on the Company’s website promptly after the meeting.

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1. Overview of operating results and others

(1) Overview of operating results for the six months ended September 30, 2026

In the six months ended September 30, 2026, regarding the business environment surrounding the Group, the outlook remained uncertain due to factors such as concerns about a recession in the United States, a slow recovery in the Chinese market, persistently high resource prices resulting from prolonged geopolitical risks including the situation in the Middle East, as well as concerns about supply constraints of energy and various materials, and rising logistics costs. On the other hand, corporate capital investment expanded rapidly, driven by strong demand for generative AI. Additionally, the increased investment in social infrastructure supported the continued trend of economic recovery.

Under these circumstances, the Group has embarked on the first year of the new Medium-Term Management Plan, "True Solution 2028," aiming to pursue true issue-solving capabilities and advance the establishment of a high-profit structure and a strong management foundation. Through these efforts, we are striving to achieve sustainable growth and further enhance corporate value.

During the six months ended September 30, 2026, the Factory Automation Systems business saw steady progress in factory automation equipment for semiconductor manufacturing equipment and power distribution panels, driven by the expanding demand for AI and data centers. The Building Facilities business also performed well in power supply equipment for data centers. Furthermore, the Semiconductors Devices business saw strong performance in Wi-Fi modules for home appliances, driven by increased demand due to the impact of climate change and energy-saving measures.

As a result, net sales increased ¥7,751 million year on year to ¥69,409 million, operating profit increased ¥361 million year on year to ¥2,036 million, ordinary profit increased ¥412 million year on year to ¥2,219 million, and profit attributable to owners of parent increased ¥274 million year on year to ¥1,472 million.

Overview of operating results by segment

(Millions of yen)

		Six months ended September 30, 2025	Six months ended September 30, 2026	Change
Factory Automation Systems business	Net sales	28,311	33,468	5,156
	Operating profit	860	752	(108)
Building Facilities business	Net sales	5,106	6,906	1,800
	Operating profit	(172)	(100)	72
Semiconductors Devices business	Net sales	9,898	11,140	1,242
	Operating profit	881	1,185	303
Social Infrastructure business	Net sales	18,340	17,892	(448)
	Operating profit	105	199	94

In our new Medium-Term Management Plan, "True Solution 2028," announced on May 13, 2026, the Group revised the division of business segments in line with its organizational structure and set operating profit as the performance management indicator for each segment.

Accordingly, in order to more accurately present the business performance, we have reviewed the reportable segments, and reorganized them into four segments from the first quarter ended June

30, 2026: Factory Automation Systems, Building Facilities, Semiconductors Devices, and Social Infrastructure. We have also changed segment profit from ordinary profit to operating profit.

Please note that the segment information for the six months ended September 30, 2025, has been reclassified and presented based on the revised classification method.

(i) Factory Automation Systems business

In the factory automation field, the impact of inventory adjustment improved, and both controller systems and drive control equipment showed steady progress, while power distribution control devices for data centers and power receiving equipment for energy storage plants also performed well.

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

The industrial systems field performed well, partly due to a large order for electric motors for warships.

In the air conditioning and refrigerating equipment field, projects for heat mitigation measures increased; however, the decrease in large-scale projects led to flat performance year on year.

As a result, net sales increased by ¥5,156 million for the segment. However, operating profit decreased by ¥108 million overall, partly due to the absence of high value-added projects from the previous fiscal year in the industrial systems field, despite an increase in profit in the factory automation field.

(ii) Building Facilities business

In the facilities equipment field, power supply systems for data centers performed well.

In the telecommunications field, sales of image and video equipment for the logistics field were sluggish.

As a result, net sales increased by ¥1,800 million and operating profit increased by ¥72 million for the segment.

(iii) Semiconductors Devices business

Demand for Wi-Fi modules for home appliances and electronic devices for office automation equipment continued, while demand for industrial power devices also recovered, resulting in a strong performance.

As a result, net sales increased by ¥1,242 million and operating profit increased by ¥303 million for the segment.

(iv) Social Infrastructure business

In the transportation field, vehicle equipment and substation equipment remained favorable, supported by the continuously active capital investment of railway operators.

In the defense & medical field, while defense-related field remained at the same level as the previous fiscal year, the performance was sluggish due to the fact that the accounting period for electronic medical devices is concentrated in the second half of the fiscal year.

As a result, for the segment, net sales decreased by ¥448 million, while operating profit increased by ¥94 million due to factors such as improved profit margins resulting from an increase in high value-added projects in the transportation field.

(2) Overview of financial position for the six months ended September 30, 2026

(i) Assets, liabilities and net assets

Total assets at the end of the six months ended September 30, 2026 were ¥86,762 million (a decrease of ¥11,200 million from the end of the previous fiscal year).

Current assets were ¥69,139 million (a decrease of ¥11,256 million from the end of the previous fiscal year). This was mainly due to an increase of ¥1,979 million in merchandise and finished goods, while notes and accounts receivable - trade, and contract assets decreased by ¥8,088 million, cash and deposits decreased by ¥2,316 million, and electronically recorded monetary claims - operating decreased by ¥1,940 million, each compared to the end of the previous fiscal year.

Non-current assets were ¥17,623 million (an increase of ¥55 million from the end of the previous fiscal year). This was mainly due to an increase of ¥209 million in investment securities, which outweighed a decrease of ¥151 million in intangible assets, each compared to the end of the previous fiscal year.

On the other hand, current liabilities were ¥33,795 million (a decrease of ¥12,440 million from the end of the previous fiscal year). This was mainly due to decreases of ¥11,166 million in notes and accounts payable - trade, ¥1,647 million in accounts payable - other, and ¥1,642 million in electronically recorded obligations - operating, which outweighed an increase of ¥3,875 million in advances received, each compared to the end of the previous fiscal year.

Non-current liabilities were ¥1,100 million (an increase of ¥292 million from the end of the previous fiscal year).

Net assets were ¥51,866 million (an increase of ¥947 million from the end of the previous fiscal year). This was mainly due to increases of ¥669 million in retained earnings resulting from the recording of ¥1,472 million in profit attributable to owners of parent and ¥802 million of dividends paid, ¥132 million in valuation difference on available-for-sale securities and ¥132 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 six months ended September 30, 2026 was 59.8%, and net assets per share were ¥2,325.20.

(ii) Cash flows

At the end of the six months ended September 30, 2026, cash and cash equivalents were ¥21,610 million, a decrease of ¥2,316 million (down 9.7%) from the end of the previous fiscal year.

The status and factors affecting the increase or decrease of each cash flow during the six months ended September 30, 2026 are as follows:

Cash flows from operating activities

Net cash used in operating activities for the six months ended September 30, 2026 was ¥1,296 million (compared to ¥1,984 million provided in the same period of the previous fiscal year), mainly due to a decrease of ¥12,883 million in trade payables, an increase of ¥1,923 million in inventories, and ¥1,497 million in income taxes paid, which offset the securing of ¥2,257 million in profit before income taxes (¥1,824 million in the same period of the previous fiscal year), a decrease of ¥10,097 million in accounts receivable - trade and contract assets, and an increase of ¥3,874 million in advances received.

Cash flows from investing activities

Net cash used in investing activities for the six months ended September 30, 2026 was ¥253 million (compared to ¥229 million used in the same period of the previous fiscal year), mainly due to ¥236 million in proceeds from sale of investment securities, which was offset by ¥210 million in purchase of investment securities, ¥46 million in purchase of property, plant and equipment, and ¥117 million in purchase of intangible assets.

Cash flows from financing activities

Net cash used in financing activities for the six months ended September 30, 2026 was ¥824 million (compared to ¥882 million used in the same period of the previous fiscal year), mainly due to ¥801 million in dividends paid.

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

For details regarding the revision of our consolidated earnings forecast, please refer to the "Notice Regarding Revision (Upward Revision) of Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2027" which was announced today (November 4, 2026).

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	24,126	21,810
Notes and accounts receivable - trade, and contract assets	35,284	27,196
Electronically recorded monetary claims - operating	8,764	6,824
Merchandise and finished goods	7,761	9,741
Raw materials and supplies	1	0
Other	4,463	3,571
Allowance for doubtful accounts	(6)	(4)
Total current assets	80,395	69,139
Non-current assets		
Property, plant and equipment	8,595	8,490
Intangible assets		
Goodwill	1,400	1,294
Other	1,343	1,297
Total intangible assets	2,743	2,591
Investments and other assets		
Investment securities	5,227	5,437
Other	1,033	1,132
Allowance for doubtful accounts	(33)	(29)
Total investments and other assets	6,228	6,540
Total non-current assets	17,567	17,623
Total assets	97,962	86,762

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,907	18,741
Electronically recorded obligations - operating	5,865	4,222
Income taxes payable	1,569	601
Provision for bonuses	1,255	711
Provision for bonuses for directors (and other officers)	124	59
Other	7,513	9,459
Total current liabilities	46,236	33,795
Non-current liabilities		
Provisions	31	23
Retirement benefit liability	304	316
Other	472	760
Total non-current liabilities	807	1,100
Total liabilities	47,044	34,896
Net assets		
Shareholders' equity		
Share capital	5,576	5,576
Capital surplus	5,355	5,368
Retained earnings	36,978	37,648
Treasury shares	(291)	(288)
Total shareholders' equity	47,619	48,304
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,924	2,056
Revaluation reserve for land	373	373
Foreign currency translation adjustment	964	1,096
Remeasurements of defined benefit plans	22	18
Total accumulated other comprehensive income	3,284	3,546
Non-controlling interests	15	15
Total net assets	50,918	51,866
Total liabilities and net assets	97,962	86,762

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

Consolidated statements of income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	61,657	69,409
Cost of sales	53,098	60,205
Gross profit	8,559	9,204
Selling, general and administrative expenses	6,883	7,167
Operating profit	1,675	2,036
Non-operating income		
Interest income	12	17
Dividend income	67	95
Purchase discounts	35	69
Other	58	59
Total non-operating income	172	242
Non-operating expenses		
Interest expenses	8	6
Foreign exchange losses	26	35
Donations	2	12
Other	4	4
Total non-operating expenses	41	59
Ordinary profit	1,806	2,219
Extraordinary income		
Gain on sale of investment securities	17	38
Other	–	0
Total extraordinary income	17	38
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	1,824	2,257
Income taxes - current	523	542
Income taxes - deferred	102	242
Total income taxes	626	785
Profit	1,198	1,472
Profit attributable to non-controlling interests	–	0
Profit attributable to owners of parent	1,198	1,472

Consolidated statements of comprehensive income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	1,198	1,472
Other comprehensive income		
Valuation difference on available-for-sale securities	445	132
Foreign currency translation adjustment	(255)	132
Remeasurements of defined benefit plans, net of tax	(4)	(3)
Total other comprehensive income	184	261
Comprehensive income	1,383	1,734
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,383	1,733
Comprehensive income attributable to non-controlling interests	–	0

(3) Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	1,824	2,257
Depreciation	336	349
Amortization of goodwill	105	105
Increase (decrease) in provision for bonuses	(254)	(545)
Interest and dividend income	(79)	(113)
Interest expenses	8	6
Loss (gain) on sale of investment securities	(17)	(38)
Decrease (increase) in accounts receivable - trade, and contract assets	10,066	10,097
Decrease (increase) in inventories	175	(1,923)
Increase (decrease) in trade payables	(10,421)	(12,883)
Other, net	729	2,780
Subtotal	2,472	94
Interest and dividends received	79	113
Interest paid	(8)	(6)
Income taxes paid	(559)	(1,497)
Net cash provided by (used in) operating activities	1,984	(1,296)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	199	–
Purchase of property, plant and equipment	(308)	(46)
Purchase of intangible assets	(74)	(117)
Purchase of investment securities	(11)	(210)
Proceeds from sale of investment securities	18	236
Payments for investments in capital of subsidiaries and associates	(82)	–
Other, net	28	(115)
Net cash provided by (used in) investing activities	(229)	(253)
Cash flows from financing activities		
Dividends paid	(864)	(801)
Other, net	(18)	(23)
Net cash provided by (used in) financing activities	(882)	(824)
Effect of exchange rate change on cash and cash equivalents	(144)	57
Net increase (decrease) in cash and cash equivalents	726	(2,316)
Cash and cash equivalents at beginning of period	16,423	23,926
Cash and cash equivalents at end of period	17,150	21,610

(4) Notes on semi-annual 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 segment information, etc.

Segment information

I Six months ended September 30, 2025 (April 1, 2025 to September 30, 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	Semiconductors Devices business	Social Infrastructure business	Total
Net sales					
Net sales to external customers	28,311	5,106	9,898	18,340	61,657
Intersegment sales or transfers	–	–	–	–	–
Total	28,311	5,106	9,898	18,340	61,657
Segment profit (loss)	860	(172)	881	105	1,675

Notes: 1. Segment profit (loss) is consistent with operating profit in the consolidated statements of income.

2. For the nine months ended December 31, 2025, the Company finalized the provisional accounting treatment pertaining to a business combination, and the segment information reflects the finalization of this provisional accounting treatment.

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

Not applicable.

3. Matters relating to changes in reportable segments, etc.

As stated in “3. Matters relating to changes in reportable segments, etc.” under “II Six months ended September 30, 2026.”

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

Not applicable.

II Six months ended September 30, 2026 (April 1, 2026 to September 30, 2026)

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

(Millions of yen)

	Reportable segments				
	Factory Automation Systems business	Building Facilities business	Semiconductors Devices business	Social Infrastructure business	Total
Net sales					
Net sales to external customers	33,468	6,906	11,140	17,892	69,409
Intersegment sales or transfers	–	–	–	–	–
Total	33,468	6,906	11,140	17,892	69,409
Segment profit (loss)	752	(100)	1,185	199	2,036

Note: Segment profit (loss) is consistent with operating profit in the consolidated statements of income.

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

Not applicable.

3. Matters relating to changes in reportable segments, etc.

In our new Medium-Term Management Plan, “True Solution 2028,” announced on May 13, 2026, the Group revised the division of business segments in line with its organizational structure and set operating profit as the performance management indicator for each segment.

Accordingly, in order to more accurately present the business performance, we have reviewed the reportable segments, and reorganized them into four segments from the first quarter ended June 30, 2026: Factory Automation Systems, Building Facilities, Semiconductors Devices, and Social Infrastructure. We have also changed segment profit from ordinary profit to operating profit.

Please note that the segment information for the six months ended September 30, 2025, has been reclassified and presented based on the revised classification method.

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

Not applicable.

Business combinations

Finalization 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 six months ended September 30, 2025 but was finalized in the third quarter ended December 31, 2025.

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.

The comparative information presented in the semi-annual consolidated financial statements for the six months ended September 30, 2026, reflects changes to amounts initially allocated to acquisition cost accompanying finalization of provisional accounting treatment.

Furthermore, the impact on the consolidated statements of income and consolidated statements of cash flows for the six months ended September 30, 2025 is minor.