

For the Fiscal Year Ended March 31, 2022

Annual Select[®] 2022

The Kodensha Co., Ltd.

5-11-10, Ginza, Chuo-ku, Tokyo

(Securities Code: 1948)

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Corporate Profile

We sincerely apologize for causing concern to our shareholders as a result of the two downward revisions of our financial forecasts for the fiscal year ended March 31, 2022. The environment surrounding our business continues to be characterized by the VUCA (Volatility Uncertainty Complexity Ambiguity) era of increasing uncertainty against a backdrop of With the novel coronavirus disease (COVID-19), geopolitical risk, and other factors. In addition to steadily improving its current business performance, Kodensha aims to achieve sustainable growth and improve corporate value, and as new initiatives, it has started to support the improvement of electric power operations toward carbon neutrality and the operation of drones for transporting materials and equipment in the power transmission business. In addition, we are also working



Hisanori Matsui

Representative Director,
President and Executive
Officer

to strengthen our business and management foundations by reinforcing governance through the transition to a company with an Audit & Supervisory Committee, launching on-site business support projects, undertaking initiatives such as business collaboration across organizational boundaries and business collaboration with other companies, and making DX investments such as renovating our core operational systems. We will continue to “contribute to the realization of an affluent human society” as a total engineering company that can meet the diverse needs of our customers. We appreciate your continued support.

I. Summary of Selected Financial Data (Consolidated)

	139 th term Fiscal year ended March 31, 2018	140 th term Fiscal year ended March 31, 2019	141 st term Fiscal year ended March 31, 2020	142 nd term Fiscal year ended March 31, 2021	143 rd term Fiscal year ended March 31, 2022
Net sales (Millions of yen)	33,983	37,527	35,654	32,424	29,159
Ordinary profit (Millions of yen)	1,715	2,826	2,600	1,311	535
Profit attributable to owners of parent (Millions of yen)	1,152	1,961	1,737	885	310
Comprehensive income (Millions of yen)	1,141	1,816	1,389	1,503	273
Net assets (Millions of yen)	14,922	16,524	17,557	18,664	18,544
Total assets (Millions of yen)	27,340	29,808	29,216	29,234	28,460
Net assets per share (Yen)	8,379.53	9,279.41	9,856.75	10,483.18	10,415.87
Basic earnings per share (Yen)	649.12	1,105.66	979.42	499.54	175.44
Diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	54.4	55.2	59.8	63.6	64.9
Return on equity (ROE) (%)	8.0	12.5	10.2	4.9	1.7
Price earnings ratio (PER) (Times)	5.7	4.3	4.2	10.2	26.7
Net cash provided by (used in) operating activities (Millions of yen)	2,577	2,232	(204)	2,854	(589)
Net cash provided by (used in) investing activities (Millions of yen)	(1,995)	(1,502)	750	(2,958)	986
Net cash provided by (used in) financing activities (Millions of yen)	(289)	(191)	(446)	(417)	(534)
Cash and cash equivalents at end of period (Millions of yen)	1,088	1,609	1,694	1,180	1,112
Number of employees (Persons)	646	651	664	671	678

Notes: 1. Diluted earnings per share is not presented because there were no potential shares.

2. Kodensha implemented a one-for-ten common share consolidation on October 1, 2017. Net assets per share and basic earnings per share have been calculated on the assumption that this consolidation of shares was conducted at the beginning of the 139th term.

3. Kodensha has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 30, 2018) and “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 30, 2018) from the beginning of the 142nd term.

4. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, released on March 31, 2020) and “Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, released on March 26, 2021) from the beginning of the 143rd term.

II. Overview of Consolidated Business Results

The market environment surrounding the Company during the fiscal year ended March 31, 2022 was expected to recover in earnest from the COVID-19 pandemic mainly due to the recovery of overseas economies, the effects of the government initiatives to make national land highly resilient, and large-scale development projects in the Tokyo metropolitan area, however, the environment was actually characterized by a mixed picture of favorable and unfavorable conditions in each industry and sector, due to restrictions on the supply of materials and parts and soaring raw material prices caused by the prolonged impact of the pandemic, as well as uncertainty about the future due to the situation in Ukraine and other factors.

Under these circumstances, the Company focused on enhancing its proposal and sales ability and cost competitiveness in the electrical equipment engineering division (interior wiring, social infrastructure and power transmission) and the product marketing division to improve gross profit margins on medium-scale renovation projects and repair work, and actively worked to increase business opportunities through collaborative activities between divisions, as well as pursuing ZEB (net zero energy buildings) and energy-saving systems business, for which the need has increased in recent years as an effort to realize a decarbonized society, that have been positioned as priority initiatives in the Company's growth strategy measures. However, the prolonged impact of the pandemic caused a series of postponements and cancellations of orders for small- and medium-scale renovation projects and repair work, which had been anticipated, and restrictions on the supply of materials and parts had a negative impact on construction schedules and product sales, making it difficult to secure the amount of sales anticipated at the beginning of this fiscal year.

As a result, the Company's business results for the fiscal year ended March 31, 2022, were net sales of ¥29,159 million, operating profit of ¥417 million, ordinary profit of ¥535 million and profit attributable to owners of parent of ¥310 million. Although we have secured a level in line with our consolidated financial forecasts that were announced on March 28, 2022, our results are lower compared with the previous fiscal year.

III. Medium-Term Management Strategy and Target Indicators for Management

The market environment surrounding the Company is expected to gradually recover due to the effects of the government initiatives to make national land highly resilient and large-scale projects in the Tokyo metropolitan area, in addition to factoring in the so-called “With COVID-19” taking hold. At the same time, there still remains a downside risk to profits due to restrictions on the supply of materials and parts and soaring raw material prices caused by the prolonged impact of the pandemic, as well as the emergence of uncertainties such as the situation in Ukraine that will significantly affect the international economies and domestic economy, and therefore, it is expected that it will take some time for full-fledged economic recovery, perhaps several years.

Against the backdrop of this business environment, we will continue to develop our business as a comprehensive facilities provider, focusing on both facilities construction and equipment sales, and achieve sustainable growth through our efforts to realize advanced social infrastructure facilities. In the fiscal year ended March 31, 2022, we fell short of our initial forecast in terms of orders, sales, and profit due to the prolonged COVID-19 pandemic, but for the fiscal year ending March 31, 2023, we forecast net sales of ¥36,400 million and ordinary profit of ¥1,050 million, taking into account the increasing number of orders for large-scale projects due to progress in order-taking activities and an increasing orders on hand coverage ratio.

[Strengthening business platforms]

(1) Strengthening and expanding sales foundation

- ◇ Retain existing major customers and expand new customers by accurately grasping customer needs and developing sales proposals throughout the entire lifecycle of “new construction, repair, and renewal”
- ◇ Develop energy-saving proposals utilizing new technologies, such as ZEB Planner certification, and collaborate with related companies through these proposals
- ◇ Expand business by evolving the business model from equipment sales to system solutions

(2) Expanding business areas

- ◇ Wide range of services from “construction to equipment supply” through collaboration with Mitsubishi Electric Group companies and cooperation between in-house divisions
- ◇ Expansion of business domain and proposal capabilities through business collaboration with other companies (one-stop proposals for air conditioning, refrigeration, and sanitation, etc.)
- ◇ Maintenance and expansion of renovation and renewal work through support (consulting) for improvement of power operation of customers
- ◇ Engage in new business initiatives such as material and equipment transportation using drones

[Strengthening business foundation]

(1) Strengthen human resources and construction ability (enhance on-site ability)

- ◇ In preparation for the application of the overtime cap from April 2024, secure and increase construction workers as a prerequisite for business scale expansion (continue active new graduate and mid-career hiring, business succession-type M&A, etc.)
- ◇ Increase corporate value by “improving employee engagement”
- ◇ Build company-wide on-site support functions (Increase productivity by improving on-site work efficiency)
- ◇ Enhance construction ability including Group and affiliate companies (enhance fundamental technologies across the Group)
- ◇ Nationwide and flexible personnel allocation through visualization of individual construction worker abilities and construction capability data

(2) Newly established Recruitment and Human Resource Development Department

- ◇ Maintain recruitment of new graduates (hire 20 new graduates every year and ensure appropriate staffing assignments)
- ◇ Expand recruitment of currently unemployed recent graduates, referral hires and alumni hires (secure personnel by diversifying recruitment methods)
- ◇ Restructuring of the training system by function and position level, and practical training at the training center

(3) Strategic growth investment

- ◇ Continuous improvement of productivity through the ICT shift for construction sites and equipment sales
- ◇ Thorough rationalization of indirect operations and promotion of operational reforms through the establishment of a backbone system
- ◇ Visualization of possessed and insufficient technologies, and proactive efforts to introduce insufficient technologies

[Health management]

We are currently working on health management as one of the cornerstones of our management, and the Company has been recognized as a “Certified Health & Productivity Management Outstanding Organization (Large Enterprise Category)” by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi for two consecutive years since 2021. The health of our employees is of paramount importance in fulfilling our corporate social responsibility. Realizing “a company and workplace where everyone is healthy, comfortable, and rewarding to work in” will lead to better employee health, higher employee satisfaction and engagement, and increased corporate value. To this end, the Company appointed a Chief Health Officer (CHO) and we are taking measures such as maintaining 100% health checkups, mental health and stress measures, and company-paid high-cost medical insurance. Also, as an urgent issue, we are promoting infection prevention measures, telework and flexible work hours to reduce the risk of infection, and support for affected employees and their families in response to the COVID-19. In addition, in preparation for the overtime work limit regulations that will come into effect in April 2024, we are working to reduce overtime work by promoting reforms in work styles and providing operational support.

[Management challenges]

“Indicators for continual achievement” were initially set for the four-year period starting from April 2016 through fiscal 2019 as the period of activity and we began to develop various measures to strengthen our management structure. Then, in April 2018, we conducted an evaluation of the first step, re-set higher goals, and formulated a Medium-Term Management Plan for the three-year period from 2019 to 2021, which we have been working on. While we achieved our targets for profitability and financial soundness indicators for the three-year period from 2016 to 2018, although growth indicators remained a challenge, the three-year period from 2019 to 2021 was affected by the impact of the COVID-19 that emerged from the beginning of 2020 (construction schedule delays as a result of cancellation and postponement of customers’ capital investment plans and equipment delivery deadlines) and the impact of the sharp rise in raw materials prices, such as a decrease in profits, was significant, and we missed our targets for all indicators. In addition to the aforementioned market conditions, there are uncertainties such as the situation in Ukraine, and a full-fledged economic recovery is not yet in sight, however, the basic policy of our new Medium-Term Management Plan is to build a solid business foundation that will enable us to consistently achieve the “indicators for continual achievement” over the three-year period through 2024, and we will further deepen and accelerate measures to strengthen our business and management foundations that have been initiated and deployed to date. Also, in light of the uncertain business environment, we will evaluate the degree of achievement of management targets after every two years and revise them as necessary.

IV. Introduction of Four Business Domains

Kodensha Solutions Linking Information, Energy, and Time

(1) Interior wiring business

Design and Installation of Critical Advanced Electrical Facilities for Diverse and Various Buildings, such as Office Buildings, and Energy Conservation Measures and Renewal of Aging Facilities through Proposals and Facilities Inspections to Meet Various Needs

As Kodensha works to maintain, develop and improve the safety and other aspects of an advanced information society, and as more advanced and diverse functionality is sought in electrical facilities in new building projects, a high level of technical capability and reliability is required in each step of planning, design, and installation. In the design and construction of office buildings, hospitals, factories, and public buildings and facilities, Kodensha will meet its customers' demands by applying its accumulated technical capabilities and knowledge of the latest facilities.

Furthermore, Kodensha makes use of the engineering capabilities it has developed to date so that customers are able to extend the lives of buildings while making effective use of them as assets. Kodensha provides solutions such as design and installation of electrical infrastructure for buildings, as well as solutions for physical deterioration, changes in needs, and equipment upgrades to more environmental and energy-conserving electrical equipment, in order to support building lifecycle management.

(2) Social infrastructure business

From cutting-edge large-scale plant engineering to communication network building

Kodensha delivers total engineering solutions focused on electric power and instrumentation equipment used in large-scale social infrastructure facilities, such as power plants and substations or water treatment facilities, and such other facilities as expressway traffic control centers and large-scale video billboards. We have an extensive track record in the field of control and management systems incorporating the latest electronics technologies.

(3) Power transmission business

Highly public business specialized in installation, renovation, and maintenance, etc. of transmission line facilities that contribute to stable supplies of electricity

Kodensha supports the stable supply of electric power, an important public need, by providing a wide range of services to electric power companies, including installation of transmission lines and related land surveys, facility maintenance patrol and repairs, and other civil engineering. Over the years, Kodensha's successful completion of numerous high-quality transmission line installations has enabled the company to establish a strong reputation for technological excellence with customers. To fulfill our mission of supporting society through the stable supply of electricity, we constantly seek to enhance our technological abilities in order to conduct our installation work in a more efficient and less-costly manner and extend the useful life of the infrastructure installed.



Shimokitazawa Area F-II / F-III Block Commercial Facilities



Minato-ku Toranomon 4-chome Project



Sakura Technology Innovation Center



TEPCO Power Grid, Incorporated
Obari Hasuda Power Line

(4) Sales business

Using the strength of our cooperation with the construction division, contribute to the world of industry through our sales operations as a technology-oriented trading company and member of the Mitsubishi Electric Corporation Group

Kodensha has been involved in sales since the very beginning of its history as a sales agent of Mitsubishi Electric's products, which dates back to 1926. Kodensha's diverse product line includes FA and control equipment, HVAC systems, building facilities equipment, and industrial electromechanical equipment, which are sold in close cooperation with the construction division. Amid rapid changes in technological innovation, our lineup includes a large number of cutting-edge AI and IoT products that are adapted to a highly sophisticated information age.

Furthermore, we not only sell components, but also systems that lead to solutions, and make sales proposals that meet various customer needs, such as increasing productivity, conserving energy, enhancing security and improving quality.



Multi-split air conditioner for offices

New Initiatives

- Support for improvement of electric power operations toward carbon neutrality

In the course of our electrical maintenance work at customer plants, we are constantly in close contact with the various power supply conditions, understand the structure of a stable power infrastructure, and amid being involved in solving problems, we provide detailed analysis of power consumption data from all angles, including “the correlation of daily peak power with average temperatures (environmental data),” “annual and daily time period power consumption by use,” and “average power consumption linked to PV by time period,” etc., share issues with users in terms of reliability, aging, and power usage of infrastructure facilities, and promote the provision of services that support power improvement and further promote energy conservation and BCP of facilities.

- Introduction of drones for transporting materials and equipment in power transmission business

The Company has jointly developed a drone for transporting materials and equipment for power transmission line construction work, mainly in mountainous areas, with a drone manufacturer, and we have put the drones into current operation in order to reduce the burden of cargo loading and unloading work, improve safety, and reduce costs by increasing efficiency. We are working to establish and expand the application of this transport technology that can reduce the time required to transport materials and equipment by hand from approximately 40 minutes to only 2 minutes.



Jointly developed model TK40



Replacing the Koto Liaison Line Insulator

- Model used: TK40

V. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	1,541	1,594
Notes receivable, accounts receivable from completed construction contracts and other	12,187	–
Notes receivable - trade	–	480
Electronically recorded monetary claims - operating	–	2,697
Accounts receivable from completed construction contracts	–	4,873
Accounts receivable - trade	–	1,585
Contract assets	–	2,397
Costs on construction contracts in progress	41	49
Merchandise	205	469
Short-term loans receivable	6,475	8,057
Other	428	532
Allowance for doubtful accounts	(3)	(3)
Total current assets	20,875	22,734
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	688	674
Machinery, vehicles, tools, furniture and fixtures, net	73	57
Land	528	528
Total property, plant and equipment	1,291	1,261
Intangible assets	263	624
Investments and other assets		
Investment securities	1,020	988
Long-term loans receivable	3,000	–
Retirement benefit asset	1,969	2,060
Deferred tax assets	384	362
Other	462	459
Allowance for doubtful accounts	(32)	(31)
Total investments and other assets	6,804	3,840
Total non-current assets	8,359	5,725
Total assets	29,234	28,460

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	7,359	–
Electronically recorded obligations - operating	–	2,567
Accounts payable for construction contracts	–	3,515
Accounts payable - trade	–	1,022
Short-term borrowings	680	560
Lease liabilities	19	19
Income taxes payable	214	37
Advances received on construction contracts in progress	275	–
Contract liabilities	–	132
Provision for bonuses	568	504
Provision for warranties for completed construction	5	3
Provision for loss on construction contracts	202	230
Other	778	834
Total current liabilities	10,105	9,427
Non-current liabilities		
Lease liabilities	39	29
Retirement benefit liability	96	116
Provision for retirement benefits for directors (and other officers)	157	42
Other	171	299
Total non-current liabilities	464	488
Total liabilities	10,570	9,915
Net assets		
Shareholders' equity		
Share capital	1,520	1,520
Capital surplus	1,070	1,070
Retained earnings	15,739	15,660
Treasury shares	(63)	(65)
Total shareholders' equity	18,267	18,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	104	81
Foreign currency translation adjustment	76	219
Remeasurements of defined benefit plans	135	(27)
Total accumulated other comprehensive income	317	274
Non-controlling interests	80	85
Total net assets	18,664	18,544
Total liabilities and net assets	29,234	28,460

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales		
Net sales of completed construction contracts	24,393	21,610
Net sales of goods	8,031	7,549
Total net sales	32,424	29,159
Cost of sales		
Cost of sales of completed construction contracts	19,722	17,883
Cost of goods sold	6,892	6,475
Total cost of sales	26,615	24,359
Gross profit		
Gross profit on completed construction contracts	4,670	3,726
Gross profit - merchandise	1,139	1,073
Total gross profit	5,809	4,799
Selling, general and administrative expenses	4,586	4,382
Operating profit	1,223	417
Non-operating income		
Interest income	16	23
Dividend income	31	33
Rental income from buildings	97	104
Gain on sale of investment securities	20	-
Dividend income of insurance	11	12
Other	12	9
Total non-operating income	189	183
Non-operating expenses		
Interest expenses	7	7
Rental expenses	39	42
Other	54	15
Total non-operating expenses	101	65
Ordinary profit	1,311	535
Profit before income taxes	1,311	535
Income taxes - current	561	114
Income taxes - deferred	(142)	104
Total income taxes	418	218
Profit	892	316
Profit attributable to non-controlling interests	6	5
Profit attributable to owners of parent	885	310

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	892	316
Other comprehensive income		
Valuation difference on available-for-sale securities	30	(23)
Foreign currency translation adjustment	10	143
Remeasurements of defined benefit plans, net of tax	570	(162)
Total other comprehensive income	610	(43)
Comprehensive income	1,503	273
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,496	267
Comprehensive income attributable to non-controlling interests	6	5

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,520	1,070	15,244	(59)	17,775
Changes during period					
Dividends of surplus			(390)		(390)
Profit attributable to owners of parent			885		885
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				–	–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	495	(3)	491
Balance at end of period	1,520	1,070	15,739	(63)	18,267

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	74	65	(434)	(293)	76	17,557
Changes during period						
Dividends of surplus						(390)
Profit attributable to owners of parent						885
Purchase of treasury shares						(3)
Disposal of treasury shares						–
Net changes in items other than shareholders' equity	30	10	570	610	4	615
Total changes during period	30	10	570	610	4	1,107
Balance at end of period	104	76	135	317	80	18,664

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,520	1,070	15,739	(63)	18,267
Changes during period					
Dividends of surplus			(390)		(390)
Profit attributable to owners of parent			310		310
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				-	-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(79)	(2)	(81)
Balance at end of period	1,520	1,070	15,660	(65)	18,185

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	104	76	135	317	80	18,664
Changes during period						
Dividends of surplus						(390)
Profit attributable to owners of parent						310
Purchase of treasury shares						(2)
Disposal of treasury shares						-
Net changes in items other than shareholders' equity	(23)	143	(162)	(43)	4	(38)
Total changes during period	(23)	143	(162)	(43)	4	(120)
Balance at end of period	81	219	(27)	274	85	18,544

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,311	535
Depreciation	106	109
Loss (gain) on sale of investment securities	(20)	–
Increase (decrease) in provision for loss on construction contracts	144	27
Increase (decrease) in provision for bonuses	(3)	(64)
Increase (decrease) in retirement benefit liability	36	(257)
Decrease (increase) in retirement benefit asset	194	(49)
Interest and dividend income	(47)	(57)
Insurance claim income	(11)	(12)
Interest expenses	7	7
Decrease (increase) in trade receivables and contract assets	–	187
Decrease (increase) in trade receivables	2,021	–
Decrease (increase) in costs on construction contracts in progress	105	(7)
Decrease (increase) in inventories	86	(264)
Increase (decrease) in trade payables	(625)	(322)
Increase (decrease) in contract liabilities	–	(150)
Increase (decrease) in advances received on construction contracts in progress	(651)	–
Decrease (increase) in consumption taxes refund receivable	207	2
Increase (decrease) in accrued consumption taxes	249	23
Decrease (increase) in other current assets	407	124
Increase (decrease) in other current liabilities	11	(16)
Other, net	(4)	38
Subtotal	3,525	(145)
Interest and dividends received	47	57
Interest paid	(7)	(7)
Proceeds from insurance income	11	12
Income taxes paid	(722)	(506)
Net cash provided by (used in) operating activities	2,854	(589)
Cash flows from investing activities		
Net decrease (increase) in time deposits	123	(68)
Purchase of property, plant and equipment	(35)	(29)
Purchase of intangible assets	(201)	(359)
Proceeds from sale of investment securities	113	–
Long-term loan advances	(6,200)	(3,200)
Proceeds from collection of long-term loans receivable	3,100	3,200
Net decrease (increase) in short-term loans receivable	149	1,448
Other payments	(50)	(35)
Other proceeds	41	30
Net cash provided by (used in) investing activities	(2,958)	986

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(120)
Net decrease (increase) in treasury shares	(3)	(2)
Dividends paid	(390)	(390)
Other, net	(23)	(22)
Net cash provided by (used in) financing activities	(417)	(534)
Effect of exchange rate change on cash and cash equivalents	6	70
Net increase (decrease) in cash and cash equivalents	(514)	(67)
Cash and cash equivalents at beginning of period	1,694	1,180
Cash and cash equivalents at end of period	1,180	1,112

VI. Corporate Data

Basic Information (as of March 31, 2022)

Trade name:	The Kodensha Co., Ltd.
Established:	June 25, 1917
Listed market:	The Standard Market of Tokyo Stock Exchange (Securities Code: 1948)
Listed:	July 1962
Business year:	From April 1 to March 31 of the following year
Capital stock:	1,520 million yen
Number of employees:	678 persons (Consolidated)
Head office:	5-11-10, Ginza, Chuo-ku, Tokyo
Telephone:	+81-3-3542-5111
Overseas consolidated subsidiaries:	KODENSHA Engineering & Construction (Beijing) Co., Ltd. KODENSHA Property Management (Beijing) Co., Ltd.

Directors and Corporate Auditors (as of June 24, 2022)

Representative Director, President and Executive Officer	Hisanori Matsui
Representative Director, Vice President and Executive Officer	Yuji Kajikawa
Representative Director and Senior Managing Executive Officer	Tsutomu Yamazaki
Director and Managing Executive Officer	Katsuhide Yamana
Director and Managing Executive Officer	Ryuichi Takemura
Director	Junichi Kato
Director	Yoshio Murata
Director	Hideyuki Kitajima
Director (Standing Audit and Supervisory Committee Member)	Yuichi Kobayashi
Director (Audit and Supervisory Committee Member)	Tetsuya Azuma
Director (Audit and Supervisory Committee Member)	Masako Tomotsune

- Notes: 1. As a result of the resolution to amend the Articles of Incorporation at the Ordinary General Meeting of Shareholders held on June 25, 2020, the Company transitioned to a company with an Audit and Supervisory Committee on the same date.
2. Directors Junichi Kato and Yoshio Murata are Outside Directors of the Company.
3. Directors Tetsuya Azuma and Masako Tomotsune are Outside Directors who are Audit and Supervisory Committee Members of the Company.

Stock Status (as of March 31, 2022)

Total number of shares authorized:	4,000,000 shares
Total number of shares issued:	1,794,000 shares
Number of shareholders:	1,519

Major shareholders

Shareholder name	Number of shares held (Thousands)	Share-holding ratio (excluding treasury shares) (%)
Mitsubishi Electric Corporation	897	50.6
Kodensha Employee Stock Ownership Plan	68	3.8
Mitsubishi Estate Co., Ltd.	58	3.3
Negurosu Denko Co., Ltd.	23	1.3
MUFG Bank, Ltd.	23	1.3
Mizuho Bank, Ltd.	23	1.3
MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	22	1.3
The Master Trust Bank of Japan, Ltd. (Trust Account)	17	1.0
DBS BANK LTD. 700152 (Standing proxy: Mizuho Bank, Ltd.)	14	0.8

- Notes: 1. In addition to the above, Kodensha holds 21 thousand shares (1.2%) as treasury shares.
2. Of the above shares of The Master Trust Bank of Japan, Ltd., 17 thousand shares are related to trust operations. Of these shares, 17 thousand shares are in a pension trust.

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