

For the Fiscal Year Ended March 31, 2023

Annual Select[®] 2023

The Kodensha Co., Ltd.

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

(Securities Code: 1948)

+81-3-3542-5111

Corporate Profile

The COVID-19 pandemic that began in the fiscal year ended March 31, 2021 appears at last to be coming to an end, and both society and the economy are gradually returning to normal. However, geopolitical factors including the prolonged situation in Ukraine and economic security are growing increasingly complex, and we recognized that there is a growing sense of uncertainty over the future. In the fiscal year ended March 31, 2023, as a short-term priority issue, we worked to improve current earnings. Amid unavoidable surges in material and equipment costs and personnel costs, Kodensha realized year-on-year increases in revenue and profit by securing scale and gross profit and by boosting productivity. However, our efforts are still incomplete, and in the fiscal year ending March 31, 2024, we will continue to work to



Yuji Kajikawa

Representative Director,
President and Executive
Officer

further improve our financial results. We plan to make the fiscal year ending March 31, 2024 a year in which we lay out our vision for the Company, create medium- to long-term strategies and measures to realize that vision, and execute them both inside and outside of the Company. Following our corporate philosophy of “Contributing to the realization of an affluent human society through ‘the joy of creativity’” based on the principles of “contributing to the sustainability of the environment and society through our business activities” and “realizing sustainability as a company through sustainable growth,” we aim to enhance our corporate value. We appreciate your continued support.

I. Summary of Selected Financial Data (Consolidated)

	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	144 th term Fiscal year ended March 31, 2023
Net sales (Millions of yen)	37,527	35,654	32,424	29,159	33,557
Ordinary profit (Millions of yen)	2,826	2,600	1,311	535	856
Profit attributable to owners of parent (Millions of yen)	1,961	1,737	885	310	556
Comprehensive income (Millions of yen)	1,816	1,389	1,503	273	573
Net assets (Millions of yen)	16,524	17,557	18,664	18,544	18,725
Total assets (Millions of yen)	29,808	29,216	29,234	28,460	31,578
Net assets per share (Yen)	9,279.41	9,856.75	10,483.18	10,415.87	10,512.81
Basic earnings per share (Yen)	1,105.66	979.42	499.54	175.44	313.76
Diluted earnings per share (Yen)	–	–	–	–	–
Equity ratio (%)	55.2	59.8	63.6	64.9	59.0
Return on equity (ROE) (%)	12.5	10.2	4.9	1.7	3.0
Price earnings ratio (PER) (Times)	4.3	4.2	10.2	26.7	13.9
Net cash provided by (used in) operating activities (Millions of yen)	2,232	(204)	2,854	(589)	123
Net cash provided by (used in) investing activities (Millions of yen)	(1,502)	750	(2,958)	986	238
Net cash provided by (used in) financing activities (Millions of yen)	(191)	(446)	(417)	(534)	(411)
Cash and cash equivalents at end of period (Millions of yen)	1,609	1,694	1,180	1,112	1,095
Number of employees (Persons)	651	664	671	678	681

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

2. 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.

3. 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, 2023 faced lingering uncertainty over the future amid soaring energy prices caused by geopolitical factors, surging material and equipment costs accompanying yen depreciation, and prolonged issues with shipping deadlines for industrial equipment. However, there was a strong recovery in private-sector construction investment, and large-scale redevelopment projects and renewal projects also solidified.

As a result, the Company's business results for the fiscal year ended March 31, 2023, were net sales of ¥33,357 million, operating profit of ¥682 million, ordinary profit of ¥856 million and profit attributable to owners of parent of ¥556 million.

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

In the market environment surrounding the Company, private-sector construction investment is following a track of recovery, and large-scale redevelopment projects and renewal projects are solidifying, so we appear to be breaking free from the stagnation caused by the COVID-19 pandemic. However, factors of uncertainty still remain, including soaring energy prices originating in the situation in Ukraine, persistently high material and equipment costs accompanying stubborn yen depreciation, and delays in resolving shipping deadline issues with certain equipment. Furthermore, the overall construction industry faces the structural problem of a severe personnel shortage, as well as the urgent issue of how to address the cap on overtime. Against the backdrop of this business environment, we will identify the various changes in the business environment, 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 a safe, secure, and comfortable society. In the fiscal year ended March 31, 2023, we fell short of our initial forecast in terms of orders, sales, and profit due to delays in job progress for certain projects, but for the fiscal year ending March 31, 2024, we forecast net sales of ¥35,000 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 the high level of construction balance carried forward.

(1) Basic management policies

[Corporate philosophy]

Based on our high sense of ethics and spirit of compliance, in our everyday business activities, we implement our corporate philosophy of “Contributing to the realization of an affluent human society through ‘the joy of creativity.’” In addition to contributing to the creation of a safe, secure, and comfortable society through our business, the Company is working to fulfill our social responsibility through corporate activities from an ESG standpoint.

[Management policies]

Kodensha has identified the following five items as management policies based on the corporate philosophy described above.

- Commit to a customer-oriented mindset
- Create a group of engineers that stays ahead of the needs and changes in society
- Be a company that utilizes, develops, and respects people
- Increase trust and build a secure position in the industry
- Secure appropriate profit, establish a foundation for corporate development

(2) Medium-term management strategy

The Group has positioned “sustainable growth” as a management objective, established medium-term management strategy and target indicators for management, and is working to achieve them. Our present and future-focused key strategies and policies are as follows.

[Strengthening business platforms]

(a) 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

(b) Expanding business areas

- ◇ Wide range of services from “equipment supply to construction” through collaboration with Mitsubishi Electric Group companies and cooperation between in-house divisions

- ◇ Expansion of technological domain and proposal capabilities through business collaboration with other companies (one-stop proposals, including 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

[Strengthening business foundation]

- (a) Strengthen human resources and construction ability (enhance on-site ability)
 - ◇ Promote construction site support policies and enhanced productivity policies in preparation for the overtime cap starting in 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.)
 - ◇ Improve employee engagement throughout the entire lifecycle from hiring to retirement
 - ◇ Build company-wide on-site operation support functions (Increase productivity by improving on-site work efficiency)
 - ◇ Nationwide, flexible, and optimal personnel allocation through the visualization of individual construction worker careers and abilities and the creation of databases
- (b) Reorganization into the Safety & Quality Environment Division (April 2023)
 - ◇ Reorganize the former Technology Division with the goals of improving safety, quality and compliance and strengthening management capabilities
 - ◇ Pursue carbon neutrality in the Company's own business activities (creating numerical targets and action plans)
 - ◇ Expand participation in business domain related to renewable energy and the creation of a recycling-oriented society
 - ◇ Closely examine social issues in which our core competence can be used and evaluate the creation of solutions businesses
- (c) Establishment of the Technology Strategy & Innovation Division (April 2023)
 - ◇ Create technological capabilities to build new businesses in response to social change
 - ◇ Pursue value-added technology and enhance proposal capabilities to customers through new initiatives in power analysis
 - ◇ Promote diverse technological proposals aimed at encouraging coordination among internal operating divisions
- (d) Strategic growth investment
 - ◇ Continuous improvement of productivity through the ICT shift for construction sites and equipment sales
 - ◇ Led by the Business Strategy Control Department (established in April 2023), create company-wide strategic focus fields and accumulate technological knowhow at the Technology Strategy & Innovation Division
 - ◇ Visualization of possessed and insufficient technologies, and proactive efforts to introduce insufficient technologies
 - ◇ Quickly equip the Construction Center and Jobsite Support Department while pursuing nationwide organization

[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 three 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, expanding mental health and stress measures, and company-paid high-cost medical insurance. Also, we are continuing infection prevention measures against the COVID-19 to reduce the risk of infection.

(3) Target indicators for management

[Evaluation of management results]

While we achieved our officially announced targets for profitability (ordinary profit margin) and financial soundness indicators (ROE) for the three-year period from 2017 to 2019, although growth indicators (net sales) remained a challenge, the three-year period from 2020 to 2022 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. As a result of advancing various policies aimed at a recovery in financial results in the fiscal year ended March 31, 2023, many of our indicators improved year on year. However, we did not achieve our "sustainable target values," and our present evaluation is that "recovery in financial results is incomplete."

[Formulating new management strategies and targets]

Considering the state of recovery in financial results in the fiscal year ended March 31, 2023, our human resources, and changes in the market environment such as "post-COVID-19" and "workstyle reforms," in the first half of the fiscal year ending March 31, 2024, we are formulating a new company-wide Medium-term Management Plan that covers the period through the fiscal year ending March 31, 2027. Together with a review of our target figures, we are also building out strategic policies including the above formation of new organizations and restructuring. We plan to release a summary of the new Medium-term Management Plan in the fall of 2023.

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 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.

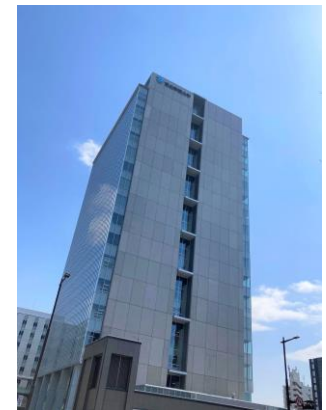
(3) Power transmission business

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.



Caritas Kindergarten



Itsutsubashi Campus, Tohoku Gakuin University



Aurora Ribbon, Saitama Stadium 2002



Niihari 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 in close contact with the customer facilities' power supply conditions, understand the structure of a stable power infrastructure, and are involved in solving problems. We provide detailed analysis 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 promote optimization of energy conservation and BCP of facilities.

■ Establishment of the technology strategy division

The business environment surrounding the current power facilities industry is experiencing significant changes, and the market is demanding higher value-added services including BCP, energy-saving, renewable energy, and carbon neutrality. Based on our construction technology capabilities cultivated over many years, we are working to strengthen our responsiveness to the technological services demanded by our customers and to pursue new technologies with added value. Through these efforts, to promote the Company's growth, we have reorganized the technology sectors of the former Technology Division's Technology Management Department and the Construction Division (indoor wiring, power production) and have newly established the Technology Strategy & Innovation Division.

V. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,594	1,603
Notes receivable - trade	480	401
Electronically recorded monetary claims - operating	2,697	2,859
Accounts receivable from completed construction contracts	4,873	4,267
Accounts receivable - trade	1,585	2,874
Contract assets	2,397	4,161
Costs on construction contracts in progress	49	57
Merchandise	469	744
Short-term loans receivable	8,057	7,777
Other	532	1,140
Allowance for doubtful accounts	(3)	(3)
Total current assets	22,734	25,884
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	674	638
Machinery, vehicles, tools, furniture and fixtures, net	57	39
Land	528	528
Total property, plant and equipment	1,261	1,206
Intangible assets		
Investments and other assets		
Investment securities	988	966
Retirement benefit asset	2,060	2,186
Deferred tax assets	362	375
Other	459	457
Allowance for doubtful accounts	(31)	(30)
Total investments and other assets	3,840	3,955
Total non-current assets	5,725	5,694
Total assets	28,460	31,578

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	2,567	3,038
Accounts payable for construction contracts	3,515	4,119
Accounts payable - trade	1,022	2,317
Short-term borrowings	560	560
Lease liabilities	19	16
Income taxes payable	37	245
Contract liabilities	132	548
Provision for bonuses	504	579
Provision for warranties for completed construction	3	1
Provision for loss on construction contracts	230	293
Other	834	622
Total current liabilities	9,427	12,342
Non-current liabilities		
Lease liabilities	29	13
Retirement benefit liability	116	135
Provision for retirement benefits for directors (and other officers)	42	46
Other	299	315
Total non-current liabilities	488	510
Total liabilities	9,915	12,853
Net assets		
Shareholders' equity		
Share capital	1,520	1,520
Capital surplus	1,070	1,070
Retained earnings	15,660	15,826
Treasury shares	(65)	(67)
Total shareholders' equity	18,185	18,350
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	81	63
Foreign currency translation adjustment	219	284
Remeasurements of defined benefit plans	(27)	(70)
Total accumulated other comprehensive income	274	277
Non-controlling interests	85	96
Total net assets	18,544	18,725
Total liabilities and net assets	28,460	31,578

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

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales		
Net sales of completed construction contracts	21,610	25,553
Net sales of goods	7,549	8,004
Total net sales	29,159	33,557
Cost of sales		
Cost of sales of completed construction contracts	17,883	21,395
Cost of goods sold	6,475	6,787
Total cost of sales	24,359	28,183
Gross profit		
Gross profit on completed construction contracts	3,726	4,158
Gross profit - merchandise	1,073	1,216
Total gross profit	4,799	5,374
Selling, general and administrative expenses	4,382	4,692
Operating profit	417	682
Non-operating income		
Interest income	23	22
Dividend income	33	37
Rental income from buildings	104	116
Foreign exchange gains	-	24
Dividend income of insurance	12	13
Other	9	17
Total non-operating income	183	232
Non-operating expenses		
Interest expenses	7	7
Rental expenses	42	42
Other	15	8
Total non-operating expenses	65	58
Ordinary profit	535	856
Profit before income taxes	535	856
Income taxes - current	114	272
Income taxes - deferred	104	14
Total income taxes	218	286
Profit	316	569
Profit attributable to non-controlling interests	5	13
Profit attributable to owners of parent	310	556

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	316	569
Other comprehensive income		
Valuation difference on available-for-sale securities	(23)	(17)
Foreign currency translation adjustment	143	64
Remeasurements of defined benefit plans, net of tax	(162)	(43)
Total other comprehensive income	(43)	3
Comprehensive income	273	573
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	267	559
Comprehensive income attributable to non-controlling interests	5	13

(3) Consolidated Statements of Changes in Equity

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

Fiscal year ended March 31, 2023

(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	15,660	(65)	18,185
Changes during period					
Dividends of surplus			(389)		(389)
Profit attributable to owners of parent			556		556
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				-	-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	166	(1)	164
Balance at end of period	1,520	1,070	15,826	(67)	18,350

	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	81	219	(27)	274	85	18,544
Changes during period						
Dividends of surplus						(389)
Profit attributable to owners of parent						556
Purchase of treasury shares						(1)
Disposal of treasury shares						-
Net changes in items other than shareholders' equity	(17)	64	(43)	3	11	15
Total changes during period	(17)	64	(43)	3	11	180
Balance at end of period	63	284	(70)	277	96	18,725

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	535	856
Depreciation	109	190
Increase (decrease) in provision for loss on construction contracts	27	63
Increase (decrease) in provision for bonuses	(64)	75
Increase or decrease in retirement benefit asset and liability	(306)	(170)
Interest and dividend income	(57)	(59)
Insurance claim income	(12)	(13)
Interest expenses	7	7
Decrease (increase) in trade receivables and contract assets	187	(2,517)
Decrease (increase) in costs on construction contracts in progress	(7)	(7)
Decrease (increase) in inventories	(264)	(274)
Increase (decrease) in trade payables	(322)	2,341
Increase (decrease) in contract liabilities	(150)	415
Decrease (increase) in consumption taxes refund receivable	2	(611)
Increase (decrease) in accrued consumption taxes	23	(272)
Decrease (increase) in other current assets	124	(265)
Increase (decrease) in other current liabilities	(16)	115
Other, net	38	19
Subtotal	(145)	(109)
Interest and dividends received	57	59
Interest paid	(7)	(7)
Proceeds from insurance income	12	13
Income taxes paid	(506)	(29)
Income taxes refund	–	196
Net cash provided by (used in) operating activities	(589)	123
Cash flows from investing activities		
Net decrease (increase) in time deposits	(68)	–
Purchase of property, plant and equipment	(29)	(7)
Purchase of intangible assets	(359)	(45)
Long-term loan advances	(3,200)	(4,000)
Proceeds from collection of long-term loans receivable	3,200	6,200
Net decrease (increase) in short-term loans receivable	1,448	(1,906)
Other payments	(35)	(52)
Other proceeds	30	50
Net cash provided by (used in) investing activities	986	238

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(120)	–
Net decrease (increase) in treasury shares	(2)	(1)
Dividends paid	(390)	(389)
Other, net	(22)	(20)
Net cash provided by (used in) financing activities	(534)	(411)
Effect of exchange rate change on cash and cash equivalents	70	32
Net increase (decrease) in cash and cash equivalents	(67)	(17)
Cash and cash equivalents at beginning of period	1,180	1,112
Cash and cash equivalents at end of period	1,112	1,095

VI. Corporate Data

Basic Information (as of March 31, 2023)

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:	681 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 29, 2023)

Representative Director, President and Executive Officer	Yuji Kajikawa
Representative Director and Senior Managing Executive Officer	Tsutomu Yamazaki
Representative Director and Senior Managing Executive Officer	Shoji Kanazawa
Director and Managing Executive Officer	Katsuhide Yamana
Director and Managing Executive Officer	Ryuichi Takemura
Director	Junichi Kato
Director	Yoshio Murata
Director	Hiroyuki Harada
Director (Standing Audit and Supervisory Committee Member)	Yasushi Nagashima
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, 2023)

Total number of shares authorized:	4,000,000 shares
Total number of shares issued:	1,794,000 shares
Number of shareholders:	1,577

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	76	4.3
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
The Master Trust Bank of Japan, Ltd. (Trust Account)	17	1.0
MSIP CLIENT SECURITIES (Standing proxy: Morgan Stanley MUFG Securities Co., Ltd.)	16	0.9
DBS BANK LTD. 700152 (Standing proxy: Mizuho Bank, Ltd.)	14	0.8

- Notes: 1. In addition to the above, Kodensha holds 22 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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