

For the Fiscal Year Ended March 31, 2024

Annual Select[®] 2024

The Kodensha Co., Ltd.

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

(Securities Code: 1948)

+81-3-3542-5111

Corporate Profile

In the fiscal year ended March 31, 2024, the lifting of various restrictions on movement associated with the COVID-19 pandemic led to the normalization of social and economic activities, and there were other promising signs including rising wages and a positive cycle of economic growth. However, there were also unpromising signs including heightening geopolitical risk created by the outbreak of conflict in the Middle East as well as the impact of progressing yen depreciation, making the future outlook increasingly uncertain. In the fiscal year ended March 31, 2024, the Company pursued a further recovery in our earnings power as our top management priority, resulting in year-on-year increases in revenue and profit for the second straight year. Furthermore, in our Medium-term Management Plan announced this January (the



target for the fiscal year ending March 31, 2028), to pursue the sustainability management listed as a new management policy, we have presented strategies and policies aimed at realizing our vision both internally and externally. We have also added to our system of corporate philosophy our “Corporate Message” describing the Company’s identity and our “Basic Approach” that acts as the starting point for all our actions as a company. We have positioned the fiscal year ending March 31, 2025 as an important year to properly launch our Medium-term Management Plan while being closely aware of the impact of the start of the system capping overtime work in the Japanese construction industry. Based on our new system of corporate philosophy and management policy, we will work to realize growth investment aimed at enhancing our corporate value as well as shareholder returns. We appreciate your continued support.

Yuji Kajikawa

Representative Director,
President and Executive
Officer

I. Summary of Selected Financial Data (Consolidated)

| | 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 | 145 th term Fiscal year ended March 31, 2024 |
|---|---|---|---|---|---|
| Net sales (Millions of yen) | 35,654 | 32,424 | 29,159 | 33,557 | 34,868 |
| Ordinary profit (Millions of yen) | 2,600 | 1,311 | 535 | 856 | 1,292 |
| Profit attributable to owners of parent (Millions of yen) | 1,737 | 885 | 310 | 556 | 899 |
| Comprehensive income (Millions of yen) | 1,389 | 1,503 | 273 | 573 | 2,131 |
| Net assets (Millions of yen) | 17,557 | 18,664 | 18,544 | 18,725 | 20,455 |
| Total assets (Millions of yen) | 29,216 | 29,234 | 28,460 | 31,578 | 32,424 |
| Net assets per share (Yen) | 1,971.35 | 2,096.64 | 2,083.17 | 2,102.56 | 2,299.79 |
| Basic earnings per share (Yen) | 195.88 | 99.91 | 35.09 | 62.75 | 101.51 |
| Diluted earnings per share (Yen) | — | — | — | — | — |
| Equity ratio (%) | 59.8 | 63.6 | 64.9 | 59.0 | 62.8 |
| Return on equity (ROE) (%) | 10.2 | 4.9 | 1.7 | 3.0 | 4.6 |
| Price earnings ratio (PER) (Times) | 4.2 | 10.2 | 26.7 | 13.9 | 13.0 |
| Net cash provided by (used in) operating activities (Millions of yen) | (204) | 2,854 | (589) | 123 | 190 |
| Net cash provided by (used in) investing activities (Millions of yen) | 750 | (2,958) | 986 | 238 | 13 |
| Net cash provided by (used in) financing activities (Millions of yen) | (446) | (417) | (534) | (411) | (418) |
| Cash and cash equivalents at end of period (Millions of yen) | 1,694 | 1,180 | 1,112 | 1,095 | 917 |
| Number of employees (Persons) | 664 | 671 | 678 | 681 | 687 |

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

- 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.
- 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.
- On April 1, 2024, the Company implemented a five-for-one common share split. As such, net assets per share and basic earnings per share have been calculated on the assumption that this split of shares was conducted at the beginning of the 141st term.

II. Overview of Consolidated Business Results

The market environment surrounding the Company during the fiscal year ended March 31, 2024 was steady against the backdrop of a continued recovery in private-sector construction investment, large-scale redevelopment projects and renewal projects solidified, and sustained strength in the electric materials and piping materials markets. As a result, the Company's business results for the fiscal year ended March 31, 2024, were net sales of ¥34,868 million, operating profit of ¥1,156 million, ordinary profit of ¥1,292 million and profit attributable to owners of parent of ¥899 million.

III. Management Policy, Management Environment, and Issues to be Addressed

We expect the market environment surrounding us to trend strongly overall due to positive factors including public investment, and private-sector construction and capital investments continuing to follow a track of recovery, and large-scale redevelopment projects and renewal projects solidified. However, we are also aware that we cannot avoid prolonged negative factors including persistently high material and equipment costs accompanying stubborn yen depreciation and deterioration in the energy environment originating in geopolitical factors. Furthermore, the overall construction industry faces the structural problem of a severe personnel shortage and the urgent issue of how to address the cap on overtime applied from the fiscal year ending March 31, 2025.

Amid this business environment, the Company has positioned “carbon neutrality” and “the creation of a safe, secure, and comfortable society” as social issue focus areas. By mobilizing our company-wide integrated strength (electrical facilities and product sales) and promoting cooperation with other companies, we will propose and provide high value-added solutions and pursue sustainable growth to enhance our corporate value.

Furthermore, we have positioned the current fiscal year as “Phase 0 (Start-up Period)” aimed at the “recovery of results indicators to pre-COVID-19 levels” as outlined in our Medium-term Management Plan announced on January 31, 2024. Results for all numerical targets (outlook for the fiscal year ended March 31, 2024) including net sales, operating profit (margin), profit, and ROE have already exceeded target levels established in the plan. We have positioned the period beginning from the fiscal year ending March 31, 2025 as Phase 1, and in the three-year period (from the fiscal year ending March 31, 2025 through the fiscal year ending March 31, 2027), we plan to generate ¥3.0 billion or more in operating profit, to implement growth investment aimed at enhancing our corporate value, and to provide shareholder returns.

(1) Corporate philosophy, etc.

[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.’” Furthermore, on April 1, 2024, we created a new corporate message of “Create the bright future” to express the Company’s identity and newly formulated our basic approach and management policy that form the starting point of all our actions.

[Basic approach]

- We will value all our stakeholders starting with our work colleagues and continue to be a trusted company.
- Each employee will work diligently to improve their technical capabilities and continue to challenge themselves to pursue technological innovation.
- We will constantly provide the highest quality through our cutting-edge knowledge and technical capabilities.
- We will prioritize the health and safety of all people while valuing diversity.
- In addition to working to protect the global environment, we will work to coexist in harmony with local communities.
- We will act with high ethical standards while responding to changes in laws and regulations and social conventions.

(2) Management policies

In addition to enhancing its economic value by realizing sustainable growth as a corporate entity, the Company will pursue sustainability management through the creation of social value by contributing to the sustainability of the natural environment and society as it works to enhance its corporate value with an awareness of all its stakeholders.

(3) Medium-term management strategy

The Group has always worked to create a strong management foundation and business foundation aimed at realizing sustainable growth. Amid even more rapid changes in the market environment surrounding

electrical facilities construction, as part of the heightened response to social responsibility demanded of companies listed on the Standard Market of the Tokyo Stock Exchange, on January 31, 2024, we released our new Medium-term Management Plan (the target for the fiscal year ending March 31, 2028). Our vision for the fiscal year ending March 31, 2028 onward has been positioned as a management target. We have created medium-term management strategies and target indicators for management and are working to achieve them. The details of our present and future-focused key strategies and policies are as prescribed in Medium-term Management Plan.

(4) Target indicators for management

[Evaluation of management results]

In the Medium-term Management Plan released on January 31, 2024, the Company has positioned the current fiscal year as “Phase 0 (Start-up Period)” and has decided to strive to realize a solid recovery in profitability to pre-COVID-19 levels by achieving our full-year consolidated financial forecasts, as well as to secure firm orders for large-scale construction projects scheduled for the fiscal year ending March 31, 2025 onward and to expand our customer base. In the current fiscal year, we have already achieved our targets for all our indicators including net sales, operating profit (margin), profit, and ROE. In Phase 1 covering the three years from the fiscal year ending March 31, 2025 through the fiscal year ending March 31, 2027, while generating ¥3.0 billion or more in operating profit and thus ensuring appropriate profits, we will carry out upfront investment to realize our vision and provide shareholder returns.

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 implement other initiatives, 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

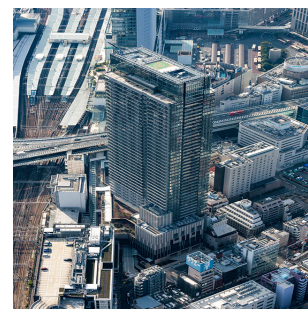
From cutting-edge large-scale plant engineering to communication network building

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.



Yokohama Station Kita West
Exit Tsuruya District Type 1
Urban Redevelopment Project



Asakusabashi Office Building
Project
(provided by Koichi Torimura)



Front Place Yotsuya



Tsukuba 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, and industrial electromechanical equipment, which are sold in close cooperation with the construction division. Amid rapid changes in technological innovation, we provide 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.



Commercial Lossnay

Initiatives on carbon neutrality and DX

■ Initiatives on carbon neutrality

1) Support for improvement of electric power operations

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 analyze data of electric power used in customer facilities in detail from all angles, share issues with users in terms of reliability, aging, and electric power usage of infrastructure facilities, and provide solutions that support improvements in electric power operations and promote optimization of energy conservation and BCP of facilities.

2) Strengthening technical capabilities related to renewable energy

Although we possess installation capabilities for renewable energy power plants and substations and private distribution lines, to respond to the expected demands from society for even greater capacity, we are working to strengthen our planning and design capabilities in addition to our existing installation capabilities.

■ Initiatives on DX

The Company is pursuing installation process innovation using BIM and IT tools to improve both operational efficiency and productivity.

[Initiative items] (excerpts)

- Building installation process core systems centered on BIM and developing, introducing, and testing automated tools (calculation, diagramming, and use of generative AI, etc.)
- Educating BIM personnel (using e-learning and educational videos) and building BIM operations and support system
- Evaluating through commercial use of generative AI and evaluating and testing robotics
- Testing and introducing databases and BI tools, streamlining routine tasks and improving productivity using RPA

V. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 1,603 | 1,450 |
| Notes receivable - trade | 401 | 248 |
| Electronically recorded monetary claims - operating | 2,859 | 3,512 |
| Accounts receivable from completed construction contracts | 4,267 | 6,213 |
| Accounts receivable - trade | 2,874 | 1,667 |
| Contract assets | 4,161 | 3,341 |
| Costs on construction contracts in progress | 57 | 31 |
| Merchandise | 744 | 588 |
| Short-term loans receivable | 7,777 | 7,754 |
| Other | 1,140 | 647 |
| Allowance for doubtful accounts | (3) | (3) |
| Total current assets | 25,884 | 25,452 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 638 | 593 |
| Machinery, vehicles, tools, furniture and fixtures, net | 39 | 25 |
| Land | 528 | 528 |
| Total property, plant and equipment | 1,206 | 1,148 |
| Intangible assets | 531 | 441 |
| Investments and other assets | | |
| Investment securities | 966 | 1,030 |
| Retirement benefit asset | 2,186 | 3,917 |
| Deferred tax assets | 375 | – |
| Other | 457 | 463 |
| Allowance for doubtful accounts | (30) | (29) |
| Total investments and other assets | 3,955 | 5,381 |
| Total non-current assets | 5,694 | 6,971 |
| Total assets | 31,578 | 32,424 |

(Millions of yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Electronically recorded obligations - operating | 3,038 | 3,135 |
| Accounts payable for construction contracts | 4,119 | 3,233 |
| Accounts payable - trade | 2,317 | 915 |
| Short-term borrowings | 560 | 560 |
| Lease liabilities | 16 | 7 |
| Income taxes payable | 245 | 257 |
| Accrued consumption taxes | 9 | 999 |
| Contract liabilities | 548 | 369 |
| Provision for bonuses | 579 | 613 |
| Provision for warranties for completed construction | 1 | 0 |
| Provision for loss on construction contracts | 293 | 467 |
| Other | 613 | 837 |
| Total current liabilities | 12,342 | 11,397 |
| Non-current liabilities | | |
| Lease liabilities | 13 | 5 |
| Retirement benefit liability | 135 | 100 |
| Provision for retirement benefits for directors (and other officers) | 46 | 50 |
| Deferred tax liabilities | — | 160 |
| Other | 315 | 254 |
| Total non-current liabilities | 510 | 571 |
| Total liabilities | 12,853 | 11,968 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,520 | 1,520 |
| Capital surplus | 1,070 | 1,070 |
| Retained earnings | 15,826 | 16,335 |
| Treasury shares | (67) | (76) |
| Total shareholders' equity | 18,350 | 18,849 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 63 | 118 |
| Foreign currency translation adjustment | 284 | 356 |
| Remeasurements of defined benefit plans | (70) | 1,029 |
| Total accumulated other comprehensive income | 277 | 1,505 |
| Non-controlling interests | 96 | 100 |
| Total net assets | 18,725 | 20,455 |
| Total liabilities and net assets | 31,578 | 32,424 |

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

(Consolidated Statements of Income)

(Millions of yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|---|-------------------------------------|-------------------------------------|
| Net sales | | |
| Net sales of completed construction contracts | 25,553 | 25,748 |
| Net sales of goods | 8,004 | 9,120 |
| Total net sales | 33,557 | 34,868 |
| Cost of sales | | |
| Cost of sales of completed construction contracts | 21,395 | 21,038 |
| Cost of goods sold | 6,787 | 7,713 |
| Total cost of sales | 28,183 | 28,752 |
| Gross profit | | |
| Gross profit on completed construction contracts | 4,158 | 4,709 |
| Gross profit - merchandise | 1,216 | 1,406 |
| Total gross profit | 5,374 | 6,115 |
| Selling, general and administrative expenses | 4,692 | 4,959 |
| Operating profit | 682 | 1,156 |
| Non-operating income | | |
| Interest income | 22 | 19 |
| Dividend income | 37 | 38 |
| Rental income from buildings | 116 | 116 |
| Foreign exchange gains | 24 | 2 |
| Dividend income of insurance | 13 | 14 |
| Other | 17 | 14 |
| Total non-operating income | 232 | 206 |
| Non-operating expenses | | |
| Interest expenses | 7 | 7 |
| Rental expenses | 42 | 56 |
| Other | 8 | 6 |
| Total non-operating expenses | 58 | 70 |
| Ordinary profit | 856 | 1,292 |
| Extraordinary income | | |
| Gain on sale of investment securities | — | 36 |
| Total extraordinary income | — | 36 |
| Extraordinary losses | | |
| Loss on sale of investment securities | — | 11 |
| Total extraordinary losses | — | 11 |
| Profit before income taxes | 856 | 1,316 |
| Income taxes - current | 272 | 386 |
| Income taxes - deferred | 14 | 26 |
| Total income taxes | 286 | 412 |
| Profit | 569 | 904 |
| Profit attributable to non-controlling interests | 13 | 5 |
| Profit attributable to owners of parent | 556 | 899 |

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| Profit | 569 | 904 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (17) | 54 |
| Foreign currency translation adjustment | 64 | 72 |
| Remeasurements of defined benefit plans, net of tax | (43) | 1,100 |
| Total other comprehensive income | 3 | 1,227 |
| Comprehensive income | 573 | 2,131 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 559 | 2,126 |
| Comprehensive income attributable to non-controlling interests | 13 | 5 |

(3) Consolidated Statements of Changes in Equity

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) |
| 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) |
| 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 |

Fiscal year ended March 31, 2024

(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 | 15,826 | (67) | 18,350 |
| Changes during period | | | | | |
| Dividends of surplus | | | (389) | | (389) |
| Profit attributable to owners of parent | | | 899 | | 899 |
| Purchase of treasury shares | | | | (9) | (9) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | — | 509 | (9) | 499 |
| Balance at end of period | 1,520 | 1,070 | 16,335 | (76) | 18,849 |

| | 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 | 63 | 284 | (70) | 277 | 96 | 18,725 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (389) |
| Profit attributable to owners of parent | | | | | | 899 |
| Purchase of treasury shares | | | | | | (9) |
| Net changes in items other than shareholders' equity | 54 | 72 | 1,100 | 1,227 | 3 | 1,230 |
| Total changes during period | 54 | 72 | 1,100 | 1,227 | 3 | 1,730 |
| Balance at end of period | 118 | 356 | 1,029 | 1,505 | 100 | 20,455 |

(4) Consolidated Statements of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 856 | 1,316 |
| Depreciation | 190 | 210 |
| Increase (decrease) in provision for loss on construction contracts | 63 | 174 |
| Increase (decrease) in provision for bonuses | 75 | 33 |
| Increase or decrease in retirement benefit asset and liability | (170) | (180) |
| Interest and dividend income | (59) | (58) |
| Insurance claim income | (13) | (14) |
| Interest expenses | 7 | 7 |
| Loss (gain) on sale of investment securities | – | (24) |
| Decrease (increase) in accounts receivable - trade, and contract assets | (2,517) | (398) |
| Decrease (increase) in costs on construction contracts in progress | (7) | 25 |
| Decrease (increase) in inventories | (274) | 155 |
| Increase (decrease) in trade payables | 2,341 | (2,221) |
| Increase (decrease) in contract liabilities | 415 | (179) |
| Decrease (increase) in consumption taxes refund receivable | (611) | 611 |
| Increase (decrease) in accrued consumption taxes | (272) | 990 |
| Decrease (increase) in other current assets | (265) | (116) |
| Increase (decrease) in other current liabilities | 115 | 222 |
| Other, net | 19 | (54) |
| Subtotal | (109) | 499 |
| Interest and dividends received | 59 | 58 |
| Interest paid | (7) | (7) |
| Proceeds from insurance income | 13 | 14 |
| Income taxes paid | (29) | (374) |
| Income taxes refund | 196 | – |
| Net cash provided by (used in) operating activities | 123 | 190 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (7) | (6) |
| Purchase of intangible assets | (45) | (49) |
| Proceeds from sale of investment securities | – | 41 |
| Long-term loan advances | (4,000) | (3,000) |
| Proceeds from collection of long-term loans receivable | 6,200 | 4,000 |
| Net decrease (increase) in short-term loans receivable | (1,906) | (963) |
| Other payments | (52) | (20) |
| Other proceeds | 50 | 12 |
| Net cash provided by (used in) investing activities | 238 | 13 |

(Millions of yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Net decrease (increase) in treasury shares | (1) | (9) |
| Dividends paid | (389) | (389) |
| Other, net | (20) | (18) |
| Net cash provided by (used in) financing activities | (411) | (418) |
| Effect of exchange rate change on cash and cash equivalents | 32 | 36 |
| Net increase (decrease) in cash and cash equivalents | (17) | (178) |
| Cash and cash equivalents at beginning of period | 1,112 | 1,095 |
| Cash and cash equivalents at end of period | 1,095 | 917 |

VI. Corporate Data

Basic Information (as of March 31, 2024)

| | |
|-------------------------------------|---|
| 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: | 687 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 27, 2024)

| | |
|---|-------------------|
| Representative Director, President and Executive Officer | Yuji Kajikawa |
| Representative Director and Senior Managing Executive Officer | Shoji Kanazawa |
| Director and Managing Executive Officer | Katsuhide Yamana |
| Director and Managing Executive Officer | Ryuichi Takemura |
| Director and Managing Executive Officer | Shigeto Honda |
| 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, 2024)

| | |
|------------------------------------|------------------|
| Total number of shares authorized: | 4,000,000 shares |
| Total number of shares issued: | 1,794,000 shares |
| Number of shareholders: | 1,907 |

Major shareholders

| Shareholder name | Number of shares held (Thousands) | Share-holding ratio (excluding treasury shares) (%) |
|--|--------------------------------------|---|
| Mitsubishi Electric Corporation | 897 | 50.7 |
| Kodensha Employee Stock Ownership Plan | 77 | 4.4 |
| 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 |
| HIKARI TSUSHIN, INC. | 11 | 0.7 |

Notes: 1. In addition to the above, Kodensha holds 23 thousand shares (1.3%) as treasury shares.

2. On April 1, 2024, the Company implemented a five-for-one common share split. The number of shares held and the share-holding ratio prior to this split of shares are listed.

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