

# Consolidated Financial Summary for the First Three Months of the Fiscal Year Ending March 31, 2024 (IFRS)

August 3, 2023

Company name: Kanematsu Corporation

Stock Exchange listing: Prime Market, Tokyo Stock Exchange

Stock code: 8020

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Scheduled date to submit the Quarterly Securities Report (*Shihanki Houkokusho*): August 10, 2023

Scheduled date for commencement of dividend payments: –

Supplementary documents for quarterly results: Yes

Quarterly results briefing: None

(Figures of less than one million are rounded down.)

## 1. Consolidated business results for the first three months of the fiscal year ending March 2024 (April 1, 2023 – June 30, 2023)

## (1) Consolidated business results (sum total)

(%: Change from the same period of the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit for the period		Profit attributable to owners of the parent		Total comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Three Months to June 2023	224,492	4.7	9,567	1.2	8,872	(5.2)	6,026	(14.7)	5,440	(14.3)	13,457	(3.2)
First Three Months to June 2022	214,466	22.2	9,450	87.2	9,357	77.1	7,067	87.7	6,345	95.0	13,908	388.2

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
First Three Months to June 2023	65.12		64.91	
First Three Months to June 2022	75.99		75.82	

(Notes) The basic earnings per share and the diluted earnings per share are calculated based on the profit attributable to owners of the parent.

## (2) Consolidated financial condition

	Total assets		Total equity		Equity attributable to owners of the parent		Percentage of equity attributable to owners of the parent	
	Million yen		Million yen		Million yen		%	
As of June 30, 2023	695,484		153,405		137,000		19.7	
As of March 31, 2023	677,588		143,423		128,525		19.0	

## 2. Dividends

(Record date)	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	Year end	Fiscal
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2023	–	37.50	–	37.50	75.00
Fiscal year ending March 2024	–				
Fiscal year ending March 2024 (Forecasts)		45.00	–	45.00	90.00

(Notes) Revisions to dividend forecasts published most recently: None

## 3. Forecasts for consolidated results ending March 2023 (April 1, 2023 – March 31, 2024)

(%: Changes from the previous year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	960,000	5.3	40,500	4.1	36,000	0.9	23,500	26.5	281.32

(Note) Revisions to results forecasts published most recently: None

\* Notes

(1) Important change in subsidiaries during the term (Change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates

- |   |      |
|---|------|
| 1. Changes in accounting policies required by IFRS: | Yes  |
| 2. Changes in accounting policies other than 1.:    | None |
| 3. Changes in accounting estimates:                 | None |

(3) Number of outstanding shares (common shares)

- |  |                   |                              |                   |
|--|-------------------|------------------------------|-------------------|
| 1. Number of outstanding shares including treasury stock           |                   |                              |                   |
| First three months (2023/6):                                       | 84,500,202 shares | Fiscal year (2023/3):        | 84,500,202 shares |
| 2. Number of treasury stock  |                   |                              |                   |
| First three months (2023/6):                                       | 956,501 shares    | Fiscal year (2023/3):        | 956,231 shares    |
| 3. Average number of shares during the period (First three months) |                   |                              |                   |
| First three months (2023/6):                                       | 83,543,842 shares | First three months (2022/6): | 83,515,185 shares |

\* Quarterly consolidated financial summaries are not subject to quarterly review by a certified public accountant or an audit corporation.

\* Explanation about the proper use of results forecasts, and additional information

The forward-looking statements, including results forecasts, included in this document are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not promise to achieve them. Actual results might be significantly different from the forecasts in the document, depending on various factors. Refer to “(3) Information on the future outlook, including consolidated business performance forecasts” in “1. Qualitative Information on Consolidated Results, Etc. for the First Three Months of the Fiscal Year Ending March 31, 2024” on page 3 of accompanying materials for further information on results forecasts.

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## 1. Qualitative Information on Consolidated Results, Etc. for the First Three Months of the Fiscal Year Ending March 31, 2024

### (1) Details of consolidated results

During the first three months under review (from April 1, 2023 to June 30, 2023), the global economy was plagued with uncertainty arising from factors such as the lengthening of the Russia-Ukraine war, persistent inflations worldwide, and the risk of economic slowdown due to the continued monetary tightening.

The US economy saw mixed signals: while the FRB's monetary tightening policy was reaching a turning point in response to the slowdown of inflation, employment and personal consumption remained firm. There is also a concern that the continued monetary tightening may lead to an economic downturn.

In Europe, although the supply-demand problem of energy and elevated resources prices caused by the impact of the Russia-Ukraine situation have calmed down, the ongoing monetary tightening to control the persistent inflationary pressure has slowed down the economy with an unclear recovery outlook.

In China, consumption began recovering following the cancellation of the zero COVID policy; however, there is a concern that the worsening employment situation and weak property prices may place a downward pressure on the economy.

The Japanese economy saw the continuous normalization of economic activities such as recovery in personal consumption and inbound demand thanks to the removal of restrictions placed on people's activities during the COVID-19 pandemic. In addition, demands for capital investment and IT investment were solid, leading to a moderate economic recovery. Meanwhile, the slowdown in international economies and rises in various costs including higher resource and commodity prices and soaring prices for raw materials exerted a downward pressure.

In this environment, the results of the Group for the first three months under review are as shown below.

Revenue increased centered on the energy business which benefited from a solid demand for energy, the feedstuff business which was supported by rallying market conditions, and the semiconductor parts and manufacturing equipment business that was boosted by strong semiconductor parts sales. Although profit increased in the ICT solutions business that had a solid performance and in the aerospace business that saw a growth in sales of airplane-related parts, the meat products business that was mainly affected by the impact of higher market prices overseas and the cheaper yen and the feedstuff business that prices of whose main gains had softened saw profit decrease compared with the same period of the previous year when a strong performance had been recorded. In addition, profit shrank in the mobile business which was affected by a fall in mobile phone sales and the upfront cost of branch restructuring and so on.

As a result, consolidated revenue increased ¥10,026 million (4.7%) year on year, to ¥224,492 million. Consolidated gross profit also increased ¥1,635 million (5.5%) from a year earlier, to ¥31,243 million. Consolidated operating profit rose ¥117 million (1.2%) from a year earlier, to ¥9,567 million. Largely due to a rise in interest expenses, profit before tax fell ¥485 million (5.2%) year on year, to ¥8,872 million, and profit attributable to owners of the parent shrank ¥905 million (14.3%) year on year, to ¥5,440 million.

Results for each business segment are described below

#### (i) Electronics & Devices

Revenue increased ¥4,219 million year on year, to ¥63,767 million, attributable to higher revenue in the semiconductor parts and manufacturing equipment business, the mobile business, and the ICT solutions business. Operating profit fell ¥341 million, to ¥2,751 million, due to smaller profits in the industrial electronics and electronic materials business and the mobile business, and profit attributable to owners of the parent decreased ¥64 million, to ¥1,633 million.

#### (ii) Foods, Meat & Grain

Revenue increased ¥1,035 million year on year, to ¥83,849 million, reflecting rises in revenue in the feedstuff business and the foods business. Operating profit fell ¥59 million, to ¥3,132 million, due to a smaller profit in the meat products business, and profit attributable to owners of the parent slid ¥858 million, to ¥1,710 million.

#### (iii) Steel, Materials & Plant

Revenue increased ¥6,908 million year on year, to ¥51,703 million, due to higher revenues in the energy business and the steel tubing business. Operating profit rose ¥383 million, to ¥2,635 million, mainly due to a stronger profit

in the steel tubing business, and profit attributable to owners of the parent decreased ¥186 million, to ¥1,157 million.

(iv) Motor Vehicles & Aerospace

Revenue decreased ¥1,421 million year on year, to ¥22,172 million, due to a smaller revenue in the aerospace business. Operating profit rose ¥204 million, to ¥847 million, due to an increase in profit in the aerospace business and the motor vehicles and parts business, and profit attributable to owners of the parent increased ¥215 million, to ¥697 million.

(v) Other

Revenue decreased ¥715 million year on year, to ¥2,998 million. Operating profit fell ¥62 million, to ¥201 million, and profit attributable to owners of the parent shrank ¥88 million, to ¥211 million.

(2) Details of financial position

(i) Assets, liabilities and equity

Total assets at the end of the first three months of the fiscal year under review increased ¥17,896 million from the end of the previous fiscal year, to ¥695,484 million.

Interest-bearing debt increased ¥5,963 million from the end of the previous fiscal year, to ¥233,857 million, mainly due to a rise in long-term borrowings. Net interest-bearing debt after deducting cash and deposits rose ¥3,945 million from the end of the previous fiscal year, to ¥151,893 million. Interest-bearing debt does not include lease liabilities. In terms of equity, equity attributable to owners of the parent rose ¥8,475 million from the end of the previous fiscal year, to ¥137,000 million, mainly due to the accumulation of profit attributable to owners of the parent and increases in other components of equity resulting from the depreciation of the yen.

As a result, the equity ratio attributable to owners of the parent came to 19.7%. The net debt-equity ratio (“net DER”) was 1.1 times.

(ii) Cash flows

Cash and cash equivalents at the end of the first three months of the fiscal year under review increased ¥2,045 million from the end of the previous fiscal year, to ¥81,507 million.

The state of cash flows and factors for each category for the first three months of the fiscal year under review are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities in the first three months under review stood at ¥1,072 million (versus ¥5,139 million provided in the first three months of the previous fiscal year), mainly reflecting the accumulation of operating revenue.

(Cash flows from investing activities)

Net cash provided by investing activities in the first three months under review stood at ¥2,121 million (versus ¥2,746 million used in the first three months of the previous fiscal year), mainly reflecting the sale of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities in the first three months under review stood at ¥1,787 million (versus ¥5,270 million used in the first three months of the previous fiscal year), mainly due to cash dividends paid and the repayment of lease liabilities, although cash was provided through an increase in long-term debt.

(3) Information on the future outlook, including consolidated business performance forecasts

We have not changed the forecasts for consolidated results that we announced on May 9, 2023.

\* Note on forward-looking statements:

The forward-looking statements, including results forecasts, included in this material are based on information that the Company has obtained and certain assumptions that the Company considers reasonable. The Company does not promise to achieve them. Actual results may differ materially from forecasts due to a number of factors.

## 2. Condensed Consolidated Financial Statements and Major Notes

### (1) Condensed consolidated statement of financial position

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	79,462	81,507
Trade and other receivables	245,890	231,454
Inventories	156,071	171,714
Other financial assets	5,633	12,356
Other current assets	28,896	34,590
Total current assets	515,954	531,622
Non-current assets		
Property, plant and equipment	47,188	46,721
Goodwill	14,481	15,324
Intangible assets	28,055	28,213
Investments accounted for using the equity method	19,947	19,562
Trade and other receivables	1,606	1,506
Other investments	37,888	40,840
Other financial assets	6,656	6,534
Deferred tax assets	2,221	1,578
Other non-current assets	3,589	3,578
Total non-current assets	161,634	163,861
Total assets	677,588	695,484

(Million yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	206,609	208,245
Bonds and borrowings	162,189	160,866
Lease liabilities	7,685	7,982
Other financial liabilities	23,939	26,242
Income taxes payable	6,488	2,714
Provisions	358	46
Other current liabilities	29,199	28,342
Total current liabilities	436,469	434,439
Non-current liabilities		
Bonds and borrowings	65,704	72,990
Lease liabilities	12,992	12,627
Other financial liabilities	3,512	3,735
Retirement benefits liabilities	6,198	6,197
Provisions	2,155	2,217
Deferred tax liabilities	5,975	8,807
Other non-current liabilities	1,156	1,064
Total non-current liabilities	97,695	107,640
Total liabilities	534,164	542,079
Equity		
Share capital	27,781	27,781
Capital surplus	–	–
Retained earnings	80,543	82,712
Treasury stock	(1,259)	(1,259)
Other components of equity		
Exchange differences on translation of foreign operations	8,878	11,875
Financial assets measured at fair value through other comprehensive income	11,829	13,708
Cash flow hedges	752	2,183
Total other components of equity	21,460	27,766
Total equity attributable to owners of the parent	128,525	137,000
Non-controlling interests	14,898	16,404
Total equity	143,423	153,405
Total liabilities and equity	677,588	695,484

(2) Condensed consolidated statements of income / Condensed consolidated statements of comprehensive income  
(Condensed consolidated statements of income)  
(First three months)

(Million yen)

	FY2022 First three months (From April 1, 2022 to June 30, 2022)	FY2023 First three months (From April 1, 2023 to June 30, 2023)
Revenue	214,466	224,492
Cost of sales	(184,858)	(193,248)
Gross profit	29,608	31,243
Selling, general and administrative expenses	(22,225)	(24,841)
Other income (expenses)		
Gain (loss) on sale or disposal of property, plant and equipment and intangible assets, net	(3)	1,874
Other income	2,221	1,593
Other expenses	(149)	(301)
Total other income (expenses)	2,068	3,165
Operating profit	9,450	9,567
Finance income		
Interest income	50	240
Dividend income	561	846
Other finance income	133	146
Total finance income	746	1,233
Finance costs		
Interest expenses	(631)	(1,520)
Other finance costs	(13)	(67)
Total finance costs	(644)	(1,587)
Share of profit (loss) of investments accounted for using the equity method	(195)	(341)
Profit before tax	9,357	8,872
Income tax expense	(2,289)	(2,845)
Profit for the period	7,067	6,026
Profit for the period attributable to:		
Owners of the parent	6,345	5,440
Non-controlling interests	721	586
Total	7,067	6,026
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	75.99	65.12
Diluted earnings per share (yen)	75.82	64.91



(Condensed consolidated statements of comprehensive income)  
(First three months)

(Million yen)

	FY2022 First three months (From April 1, 2022 to June 30, 2022)	FY2023 First three months (From April 1, 2023 to June 30, 2023)
Profit for the period	7,067	6,026
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	503	1,892
Share of other comprehensive income of investments accounted for using the equity method	(22)	(14)
Total items that will not be reclassified to profit or loss	481	1,877
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,317	4,047
Cash flow hedges	1,332	1,424
Share of other comprehensive income of investments accounted for using the equity method	708	80
Total items that may be reclassified to profit or loss	6,358	5,552
Other comprehensive income for the period, net of tax	6,840	7,430
Total comprehensive income for the period	13,908	13,457
Total comprehensive income for the period attributable to:		
Owners of the parent	12,228	11,745
Non-controlling interests	1,679	1,712
Total	13,908	13,457

## (3) Condensed consolidated statement of changes in equity

(Million yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2022	27,781	27,164	89,280	(1,305)	5,296	10,068
Profit for the period			6,345			
Other comprehensive income					3,910	629
Total comprehensive income for the period	–	–	6,345	–	3,910	629
Dividends			(2,923)			
Dividends paid to non-controlling interests						
Acquisition of treasury stock				(0)		
Equity transactions with non-controlling interests		7				
Share-based payment transactions		48				
Total transactions with owners	–	55	(2,923)	(0)	–	–
Transfer from other components of equity to retained earnings			(0)			0
Balance as of June 30, 2022	27,781	27,219	92,702	(1,305)	9,206	10,698

	Equity attributable to owners of the parent			Non-controlling interests	Total equity
	Other components of equity		Total equity attributable to owners of the parent		
	Cash flow hedges	Total other components of equity			
Balance as of April 1, 2022	1,198	16,563	159,484	39,798	199,282
Profit for the period		–	6,345	721	7,067
Other comprehensive income	1,343	5,882	5,882	957	6,840
Total comprehensive income for the period	1,343	5,882	12,228	1,679	13,908
Dividends		–	(2,923)		(2,923)
Dividends paid to non-controlling interests		–	–	(1,079)	(1,079)
Acquisition of treasury stock		–	(0)		(0)
Equity transactions with non-controlling interests		–	7	(0)	7
Share-based payment transactions		–	48		48
Total transactions with owners	–	–	(2,867)	(1,079)	(3,947)
Transfer from other components of equity to retained earnings		0	–		–
Balance as of June 30, 2022	2,541	22,446	168,845	40,398	209,243

(Million yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2023	27,781	–	80,543	(1,259)	8,878	11,829
Profit for the period			5,440			
Other comprehensive income					2,997	1,877
Total comprehensive income for the period	–	–	5,440	–	2,997	1,877
Dividends			(3,132)			
Dividends paid to non-controlling interests						
Acquisition of treasury stock				(0)		
Equity transactions with non-controlling interests		(225)				
Share-based payment transactions		106				
Put options granted to non-controlling interests		(18)				
Total transactions with owners	–	(136)	(3,132)	(0)	–	–
Transfer from retained earnings to capital surplus		136	(136)			
Transfer from other components of equity to retained earnings			(1)			1
Balance as of June 30, 2023	27,781	–	82,712	(1,259)	11,875	13,708

	Equity attributable to owners of the parent			Non-controlling interests	Total equity
	Other components of equity		Total equity attributable to owners of the parent		
	Cash flow hedges	Total other components of equity			
Balance as of April 1, 2023	752	21,460	128,525	14,898	143,423
Profit for the period		–	5,440	586	6,026
Other comprehensive income	1,430	6,304	6,304	1,125	7,430
Total comprehensive income for the period	1,430	6,304	11,745	1,712	13,457
Dividends		–	(3,132)		(3,132)
Dividends paid to non-controlling interests		–	–	(137)	(137)
Acquisition of treasury stock		–	(0)		(0)
Equity transactions with non-controlling interests		–	(225)	(68)	(293)
Share-based payment transactions			106		106
Put options granted to non-controlling interests		–	(18)		(18)
Total transactions with owners	–	–	(3,270)	(205)	(3,475)
Transfer from retained earnings to capital surplus			–		–
Transfer from other components of equity to retained earnings		1	–		–
Balance as of June 30, 2023	2,183	27,766	137,000	16,404	153,405

## (4) Condensed consolidated statements of cash flows

(Million yen)

	FY2022 First three months (From April 1, 2022 to June 30, 2022)	FY2023 First three months (From April 1, 2023 to June 30, 2023)
Cash flows from operating activities:		
Profit for the period	7,067	6,026
Depreciation and amortization	3,246	3,564
Finance income and costs	(101)	353
Share of (profit) loss of investments accounted for using the equity method	195	341
(Gain) loss on sale or disposal of property, plant and equipment and intangible assets	3	(1,874)
Income tax expense	2,289	2,845
(Increase) decrease in trade and other receivables	5,299	16,598
(Increase) decrease in inventories	(18,169)	(12,716)
Increase (decrease) in trade and other payables	17,471	(942)
Increase (decrease) in retirement benefit liabilities	57	(27)
Other	(7,090)	(7,099)
Sub total	10,268	7,071
Interest received	47	70
Dividends received	565	988
Interest paid	(607)	(1,399)
Income taxes paid	(5,133)	(5,658)
Net cash provided by (used in) operating activities	5,139	1,072
Cash flows from investing activities:		
Payments for property, plant and equipment	(685)	(938)
Proceeds from sales of property, plant and equipment	107	3,226
Payments for intangible assets	(296)	(239)
Purchases of other investments	(153)	(165)
Proceeds from sale of other investments	24	130
Proceeds from (payments for) acquisition of subsidiaries	(2,642)	(447)
Payments for acquisition of businesses	(5)	(396)
Proceeds from business transfer	-	7
Increase in loans receivable	(9)	(4)
Proceeds from collection of loans receivable	71	346
Other	843	602
Net cash provided by (used in) investing activities	(2,746)	(2,121)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings (three months or less)	654	(5,062)
Proceeds from short-term borrowings (more than three months)	200	414
Repayment of short-term borrowings (more than three months)	(200)	(19)
Proceeds from long-term borrowings	2,100	9,000
Repayment of long-term borrowings	(2,233)	(264)
Redemption of bonds	(7)	(7)
Dividends paid	(2,682)	(2,884)
Refund of contribution to holders of non-controlling interests	-	(327)
Dividends paid to non-controlling interests	(1,009)	(302)
Repayments of lease liabilities	(2,091)	(2,328)
Other	(0)	(4)
Net cash provided by (used in) financing activities	(5,270)	(1,787)
Increase (decrease) in cash and cash equivalents, net	(2,877)	1,406
Cash and cash equivalents at the beginning of the period	91,420	79,462
Effect of exchange rate changes on cash and cash equivalents	1,123	638
Cash and cash equivalents at the end of the period	89,666	81,507

(5) Notes on condensed consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Change in accounting policies)

The important accounting policies applied to the Group's condensed quarterly consolidated financial statements are same as the accounting policies applied to the consolidated financial statements for the previous fiscal year except for the following.

The application of the following standard does not have any material impact on the condensed quarterly consolidated financial statements.

Statement of accounting standard	Name of the standard	New / Revised
IAS 12	Income Taxes	Clarification of the accounting treatment of deferred tax on assets and liabilities that arose from a single transaction

(Segment information)

Profit figures for reportable segments are based on profit attributable to owners of the parent.

Inter-segment revenue and transfers are determined according to transaction prices with outside customers.

I. Previous first three months (From April 1, 2022 to June 30, 2022)

(Million yen)

	Reported segments					Other (Note 1)	Adjustment (Note 2)	Consolidated
	Electronics & Devices	Foods, Meat & Grain	Steel, Materials & Plant	Motor Vehicles & Aerospace	Sub-total			
Revenue								
External	59,548	82,814	44,795	23,593	210,752	3,713	–	214,466
Inter-segment	130	0	34	0	164	56	(221)	–
Total revenues	59,679	82,814	44,830	23,593	210,917	3,770	(221)	214,466
Operating profit (loss)	3,092	3,191	2,252	643	9,180	263	6	9,450
Segment profit (loss)	1,697	2,568	1,343	482	6,092	299	(45)	6,345

(Note 1) “Other” is a business segment that is not included in the reportable segments and includes the logistics and insurance service business and geotech business, etc.

(Note 2) Adjustments are as follows.

- The adjustment of ¥6 million for segment profit (loss) includes an inter-segment elimination of ¥6 million.
- The adjustment of -¥45 million for segment profit (loss) includes an inter-segment elimination of -¥2 million and corporate expenses that are not allocated to any particular segment of -¥43 million. Corporate expenses include the difference between actual income taxes incurred by the Company and income taxes allocated to each segment by an internal calculation method.

II. First three months under review (From April 1, 2023 to June 30, 2023)

(Million yen)

	Reported segments					Other (Note 1)	Adjustment (Note 2)	Consolidated
	Electronics & Devices	Foods, Meat & Grain	Steel, Materials & Plant	Motor Vehicles & Aerospace	Sub-total			
Revenue								
External	63,767	83,849	51,703	22,172	221,493	2,998	–	224,492
Inter-segment	290	0	14	0	305	51	(357)	–
Total revenues	64,057	83,850	51,718	22,172	221,799	3,049	(357)	224,492
Operating profit (loss)	2,751	3,132	2,635	847	9,367	201	(1)	9,567
Segment profit (loss)	1,633	1,710	1,157	697	5,200	211	28	5,440

(Note 1) “Other” is a business segment that is not included in the reportable segments and includes the logistics and insurance service business and geotech business, etc.

(Note 2) Adjustments are as follows.

- The adjustment of -¥1 million for segment profit (loss) includes an inter-segment elimination of -¥1 million.
- The adjustment of ¥28 million for segment profit (loss) includes an inter-segment elimination of ¥0 million and corporate expenses that are not allocated to any particular segment of ¥28 million. Corporate expenses include the difference between actual income taxes incurred by the Company and income taxes allocated to each segment by an internal calculation method.

(Significant subsequent events)

Not applicable.