

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

February 6, 2024

Company name: Kanematsu Corporation

Stock Exchange listing: Prime Market, Tokyo Stock Exchange

Stock code: 8020

URL: <https://www.kanematsu.co.jp>

Representative: President, Yoshiya Miyabe

Contact: General Manager of Accounting Dept., Reiki Fujii

TEL (03) 6747-5000

Scheduled date to submit the Quarterly Securities Report (*Shihanki Houkokusho*): February 13, 2024

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 nine months of the fiscal year ending March 2024 (April 1, 2023 – December 31, 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 nine months to December 2023	726,045	7.1	33,132	11.8	27,880	(1.9)	17,957	(8.1)	16,555	6.6	24,504	4.1
First nine months to December 2022	677,723	20.8	29,634	40.5	28,418	38.4	19,539	31.5	15,523	29.2	23,549	45.5

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
First nine months to December 2023	198.15		197.49	
First nine months to December 2022	185.84		185.43	

(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 December 31, 2023	699,026	159,670	143,599	20.5
As of March 31, 2023	677,588	143,423	128,525	19.0

2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	Year end	Fiscal
(Record date)	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2023	–	37.50	–	37.50	75.00
Fiscal year ending March 2024	–	45.00	–		
Fiscal year ending March 2024 (Forecasts)				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	42,500	9.3	36,000	0.9	23,500	26.5	281.32

(Note) Revisions to results forecasts published most recently: Yes

* 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 nine months (2023/12): | 84,500,202 shares | Fiscal year (2023/3): | 84,500,202 shares |
| 2. Number of treasury stock | | | |
| First nine months (2023/12): | 942,242 shares | Fiscal year (2023/3): | 956,231 shares |
| 3. Average number of shares during the period (First half) | | | |
| First nine months (2023/12): | 83,551,378 shares | First nine months (2022/12): | 83,530,749 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 Nine Months of the Fiscal Year Ending March 31, 2024” on page 4 of accompanying materials for further information on results forecasts.

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

(1) Details of consolidated results

During the first nine months under review (from April 1, 2023 to December 31, 2023), the global economy continued facing uncertain conditions including the economic stagnation in China and the worsening situation in the Middle East while monetary tightening reached a turning point in the U.S. and Europe as high inflation slowed down.

In the U.S., despite continued solidity in personal consumption and employment conditions, inflation slowed down, and expectations are rising for a soft economic landing. Meanwhile, it is necessary to pay close attention to the future outlook, including impacts from geopolitical risks such as the situation in the Middle East and the presidential election scheduled for November 2024.

In Europe, although policy interest rates were left unchanged as inflation pressures receded, the economy currently remained sluggish due to slumping consumption and employment. There are also concerns about the impact of the worsening situation in the Middle East on logistics networks, leaving an outlook for economic recovery unclear.

In China, there is a concern that it may take some time for the economy to fully recover due mainly to the effects of the prolonged real estate recession.

The Japanese economy is on a gradual recovery trend thanks to the recovery in inbound demand and solid capital investments against the backdrop of the ongoing digital transformation. Meanwhile, it is necessary to pay close attention to the future outlook, including impacts from increases in various costs such as high commodity prices and raw material prices, as well as monetary policy revisions.

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

Revenue increased mainly in the mobile business whose sales were in the recovery trend, and the energy business which benefited from the cheaper yen. Profit increased in the ICT solutions business that had a solid performance and in the mobile business that performed well; however, profit decreased in the steel tubing business which recognized impairment loss on equity method investments, and in the energy business which was impacted by decreased domestic demand despite the strong performance in the same period of the previous fiscal year.

As a result, consolidated revenue increased ¥48,322 million (7.1%) year on year, to ¥726,045 million. Consolidated gross profit also increased ¥10,797 million (11.6%) from a year earlier, to ¥103,648 million. Consolidated operating profit rose ¥3,498 million (11.8%) from a year earlier, to ¥33,132 million due to an increase in gross profit despite a rise in selling, general and administrative expenses. Profit before tax decreased ¥538 million (1.9%) year on year, to ¥27,880 million due mainly to deterioration of financial balance and impairment loss on equity method investments, and profit attributable to owners of the parent rose ¥1,032 million (6.6%) year on year, to ¥16,555 million.

Results for each business segment are described below

(i) Electronics & Devices

Revenue increased ¥27,101 million year on year, to ¥230,469 million, thanks to higher revenue in the mobile business and the semiconductor parts and manufacturing equipment business. Operating profit increased ¥834 million, to ¥14,214 million, due to increased profit in the mobile business, etc., and profit attributable to owners of the parent increased ¥3,349 million, to ¥8,994 million.

(ii) Foods, Meat & Grain

Revenue increased ¥510 million year on year, to ¥258,310 million, reflecting a rise in revenue in the feedstuff business and the foods business. Operating profit rose ¥1,890 million, to ¥7,357 million, due to higher profit in the meat products business and the foods business, while profit attributable to owners of the parent decreased ¥4 million, to ¥3,611 million.

(iii) Steel, Materials & Plant

Revenue increased ¥17,463 million year on year, to ¥160,002 million, due to higher revenues mainly in the energy business and the steel tubing business. Operating profit shrank ¥932 million, to ¥8,310 million, mainly due to a weaker profit in the energy business. Profit attributable to owners of the parent decreased ¥3,529 million, to ¥1,790 million.

(iv) Motor Vehicles & Aerospace

Revenue increased ¥5,013 million year on year, to ¥68,176 million, due to a rise in revenue mainly in the aerospace business. Operating profit rose ¥1,851 million, to ¥2,653 million, due to increases in profit in the aerospace business. Profit attributable to owners of the parent increased ¥871 million, to ¥1,512 million.

(v) Other

Revenue decreased ¥1,765 million year on year, to ¥9,086 million. Operating profit fell ¥149 million, to ¥581 million, and profit attributable to owners of the parent shrank ¥23 million, to ¥567 million.

(2) Details of financial position

(i) Assets, liabilities and equity

Total assets at the end of the first nine months of the fiscal year under review increased ¥21,438 million from the end of the previous fiscal year, to ¥699,026 million.

Interest-bearing debt decreased ¥3,770 million from the end of the previous fiscal year, to ¥224,124 million, while net interest-bearing debt after deducting cash and deposits rose ¥27,959 million from the end of the previous fiscal year, to ¥175,907 million mainly due to payments to acquire shares of Kanematsu Electronics, Ltd. to make it a wholly owned subsidiary after a TOB and an increase in operating capital. Interest-bearing debt does not include lease liabilities.

In terms of equity, equity attributable to owners of the parent rose ¥15,074 million from the end of the previous fiscal year, to ¥143,599 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 20.5%. The net debt-equity ratio (“net DER”) was 1.22 times.

(ii) Cash flows

Cash and cash equivalents at the end of the first nine months of the fiscal year under review decreased ¥31,920 million from the end of the previous fiscal year, to ¥47,542 million.

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

(Cash flows from operating activities)

Net cash provided by operating activities in the first nine months under review stood at ¥12,046 million (versus ¥12,453 million used in the first nine months of the previous fiscal year), mainly reflecting the accumulation of operating revenue, while working capital such as inventories increased.

(Cash flows from investing activities)

Net cash used in investing activities in the first nine months under review stood at ¥7,617 million (versus ¥14,157 million used in the first nine months of the previous fiscal year), mainly reflecting investments in new businesses, although there were proceeds mainly from the sale of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities in the first nine months under review stood at ¥36,902 million (versus net cash provided of ¥11,331 million in the first nine months of the previous fiscal year), mainly due to the repayment of short-term borrowings obtained for the TOB of Kanematsu Electronics Ltd. and payments to acquire its shares to make the company a wholly owned subsidiary.

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

We have revised our forecasts for consolidated results of the fiscal year ending March 31, 2024 that we announced on May 9, 2023 as below in light of incurred impairment loss on equity method investments and considering steady operating profit for the first nine months under review supported by stronger-than-expected demand from the energy business and the steel tubing business, which were expected to decline in reaction to strong performance in the previous fiscal year.

Revised consolidated forecasts for the fiscal year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

	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
Previous forecast (A)	960,000	40,500	36,000	23,500	281.32
Revised forecast (B)	960,000	42,500	36,000	23,500	281.32
Change (B - A)	0	2,000	0	0	0
Change (%)	0.0%	4.9%	0.0%	0.0%	–
(Reference) Results of FY Mar. 31, 2023	911,408	38,896	35,696	18,575	222.38

* 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 December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	79,462	47,542
Trade and other receivables	245,890	275,295
Inventories	156,071	169,546
Other financial assets	5,633	7,283
Other current assets	28,896	33,158
Total current assets	515,954	532,825
Non-current assets		
Property, plant and equipment	47,188	42,440
Goodwill	14,481	17,903
Intangible assets	28,055	27,888
Investments accounted for using the equity method	19,947	19,012
Trade and other receivables	1,606	1,485
Other investments	37,888	45,839
Other financial assets	6,656	6,675
Deferred tax assets	2,221	1,347
Other non-current assets	3,589	3,608
Total non-current assets	161,634	166,200
Total assets	677,588	699,026

(Million yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	206,609	230,080
Bonds and borrowings	162,189	124,338
Lease liabilities	7,685	6,614
Other financial liabilities	23,939	10,255
Income taxes payable	6,488	2,373
Provisions	358	223
Other current liabilities	29,199	33,006
Total current liabilities	436,469	406,892
Non-current liabilities		
Bonds and borrowings	65,704	99,785
Lease liabilities	12,992	10,902
Other financial liabilities	3,512	3,724
Retirement benefits liabilities	6,198	6,246
Provisions	2,155	2,168
Deferred tax liabilities	5,975	8,549
Other non-current liabilities	1,156	1,086
Total non-current liabilities	97,695	132,462
Total liabilities	534,164	539,355
Equity		
Share capital	27,781	27,781
Capital surplus	–	–
Retained earnings	80,543	89,984
Treasury stock	(1,259)	(1,238)
Other components of equity		
Exchange differences on translation of foreign operations	8,878	12,535
Financial assets measured at fair value through other comprehensive income	11,829	14,482
Cash flow hedges	752	54
Total other components of equity	21,460	27,072
Total equity attributable to owners of the parent	128,525	143,599
Non-controlling interests	14,898	16,071
Total equity	143,423	159,670
Total liabilities and equity	677,588	699,026

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

(Million yen)

	FY2023 First nine months (From April 1, 2022 to December 31, 2022)	FY2024 First nine months (From April 1, 2023 To December 31, 2023)
Revenue	677,723	726,045
Cost of sales	(584,871)	(622,396)
Gross profit	92,851	103,648
Selling, general and administrative expenses	(69,417)	(77,588)
Other income (expenses)		
Gain (loss) on sale or disposal of property, plant and equipment and intangible assets, net	(240)	1,857
Impairment loss on property, plant and equipment and intangible assets	(119)	—
Other income	7,171	6,007
Other expenses	(611)	(792)
Total other income (expenses)	6,199	7,072
Operating profit	29,634	33,132
Finance income		
Interest income	208	836
Dividend income	916	1,205
Other finance income	341	42
Total finance income	1,467	2,085
Finance costs		
Interest expenses	(2,611)	(4,658)
Other finance costs	(8)	(166)
Total finance costs	(2,619)	(4,824)
Share of profit (loss) of investments accounted for using the equity method	(64)	(162)
Impairment loss on equity method investments	—	(2,349)
Profit before tax	28,418	27,880
Income tax expense	(8,878)	(9,923)
Profit for the period	19,539	17,957
Profit for the period attributable to:		
Owners of the parent	15,523	16,555
Non-controlling interests	4,016	1,401
Total	19,539	17,957
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	185.84	198.15
Diluted earnings per share (yen)	185.43	197.49

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

(Million yen)

	FY2023 First nine months (From April 1, 2022 to December 31, 2022)	FY2024 First nine months (From April 1, 2023 to December 31, 2023)
Profit for the period	19,539	17,957
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,299	2,699
Remeasurements of defined benefit plans	(28)	—
Share of other comprehensive income of investments accounted for using the equity method	(8)	(16)
Total items that will not be reclassified to profit or loss	1,262	2,682
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	3,206	3,571
Cash flow hedges	(2,198)	(697)
Share of other comprehensive income of investments accounted for using the equity method	1,739	991
Total items that may be reclassified to profit or loss	2,747	3,865
Other comprehensive income for the period, net of tax	4,010	6,547
Total comprehensive income for the period	23,549	24,504
Total comprehensive income for the period attributable to:		
Owners of the parent	18,631	22,195
Non-controlling interests	4,918	2,309
Total	23,549	24,504

(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			15,523			
Other comprehensive income					4,142	1,202
Total comprehensive income for the period	—	—	15,523	—	4,142	1,202
Dividends			(6,055)			
Dividends paid to non-controlling interests						
Acquisition of treasury stock				(1)		
Disposal of treasury stock		(0)		47		
Equity transactions with non-controlling interests		6				
Share-based payment transactions		60				
Put options granted to non-controlling interests		(1,926)				
Total transactions with owners	—	(1,858)	(6,055)	46	—	—
Transfer from other components of equity to retained earnings			329			(357)
Balance as of December 31, 2022	27,781	25,305	99,077	(1,259)	9,438	10,913

	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	Remeasurements of defined benefit plans	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			—	15,523	4,016	19,539
Other comprehensive income	(2,208)	(28)	3,107	3,107	902	4,010
Total comprehensive income for the period	(2,208)	(28)	3,107	18,631	4,918	23,549
Dividends			—	(6,055)		(6,055)
Dividends paid to non-controlling interests			—	—	(2,110)	(2,110)
Acquisition of treasury stock			—	(1)		(1)
Disposal of treasury stock			—	47		47
Equity transactions with non-controlling interests			—	6	371	378
Share-based payment transactions			—	60		60
Put options granted to non-controlling interests			—	(1,926)		(1,926)
Total transactions with owners	—	—	—	(7,868)	(1,739)	(9,607)
Transfer from other components of equity to retained earnings		28	(329)	—		—
Balance as of December 31, 2022	(1,010)	—	19,341	170,246	42,977	213,224

(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			16,555			
Other comprehensive income					3,657	2,680
Total comprehensive income for the period	—	—	16,555	—	3,657	2,680
Dividends			(6,893)			
Dividends paid to non-controlling interests						
Acquisition of treasury stock				(3)		
Disposal of treasury stock		0		24		
Equity transactions with non-controlling interests		(314)				
Share-based payment transactions		135				
Put options granted to non-controlling interests		(70)				
Total transactions with owners	—	(249)	(6,893)	21	—	—
Transfer from retained earnings to capital surplus		249	(249)			
Transfer from other components of equity to retained earnings			27			(27)
Balance as of December 31, 2023	27,781	—	89,984	(1,238)	12,535	14,482

	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	Remeasurements of defined benefit plans	Total other components of equity			
Balance as of April 1, 2023	752	—	21,460	128,525	14,898	143,423
Profit for the period			—	16,555	1,401	17,957
Other comprehensive income	(698)		5,639	5,639	908	6,547
Total comprehensive income for the period	(698)	—	5,639	22,195	2,309	24,504
Dividends			—	(6,893)		(6,893)
Dividends paid to non-controlling interests			—	—	(191)	(191)
Acquisition of treasury stock			—	(3)		(3)
Disposal of treasury stock			—	24		24
Equity transactions with non-controlling interests			—	(314)	(945)	(1,259)
Share-based payment transactions			—	135		135
Put options granted to non-controlling interests			—	(70)		(70)
Total transactions with owners	—	—	—	(7,121)	(1,136)	(8,257)
Transfer from retained earnings to capital surplus			—	—		—
Transfer from other components of equity to retained earnings			(27)	—		—
Balance as of December 31, 2023	54	—	27,072	143,599	16,071	159,670

(4) Condensed consolidated statements of cash flows

(Million yen)

	FY2023 First nine months (From April 1, 2022 to December 31, 2022)	FY2024 First nine months (From April 1, 2023 to December 31, 2023)
Cash flows from operating activities:		
Profit for the period	19,539	17,957
Depreciation and amortization	10,199	10,816
Impairment loss on property, plant and equipment and intangible assets	119	—
Finance income and costs	1,151	2,739
Share of (profit) loss of investments accounted for using the equity method	64	162
Impairment loss on equity method investments	—	2,349
(Gain) loss on sale or disposal of property, plant and equipment and intangible assets	240	(1,857)
Income tax expense	8,878	9,923
(Increase) decrease in trade and other receivables	(7,858)	(24,569)
(Increase) decrease in inventories	(28,072)	(10,099)
Increase (decrease) in trade and other payables	(3,644)	19,749
Increase (decrease) in retirement benefit liabilities	(13)	26
Other	(703)	(629)
Sub total	(97)	26,568
Interest received	190	462
Dividends received	1,061	1,537
Interest paid	(2,665)	(4,469)
Income taxes paid	(10,941)	(12,052)
Net cash provided by (used in) operating activities	(12,453)	12,046
Cash flows from investing activities:		
Payments for property, plant and equipment	(3,890)	(2,525)
Proceeds from sales of property, plant and equipment	961	3,998
Payments for intangible assets	(690)	(793)
Purchases of other investments	(3,273)	(5,569)
Proceeds from sale of other investments	1,939	729
Proceeds from (payments for) acquisition of subsidiaries	(8,702)	(3,790)
Payments for acquisition of businesses	(148)	(560)
Proceeds from business transfer	750	7
Increase in loans receivable	(2,628)	(605)
Proceeds from collection of loans receivable	270	1,406
Other	1,255	84
Net cash provided by (used in) investing activities	(14,157)	(7,617)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings (three months or less)	31,743	13,221
Proceeds from short-term borrowings (more than three months)	508	901
Repayment of short-term borrowings (more than three months)	(492)	(58,851)
Proceeds from long-term borrowings	6,924	49,881
Repayment of long-term borrowings	(7,877)	(10,849)
Redemption of bonds	(5,014)	(14)
Dividends paid	(5,874)	(6,671)
Payments to acquire subsidiary shares from non-controlling interests	—	(17,240)
Dividends paid to non-controlling interests	(2,056)	(392)
Repayments of lease liabilities	(6,526)	(6,880)
Other	(1)	(6)
Net cash provided by (used in) financing activities	11,331	(36,902)
Increase (decrease) in cash and cash equivalents, net	(15,278)	(32,472)
Cash and cash equivalents at the beginning of the period	91,420	79,462
Effect of exchange rate changes on cash and cash equivalents	722	552
Cash and cash equivalents at the end of the period	76,864	47,542

(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 nine months (From April 1, 2022 to December 31, 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	203,368	257,800	142,539	63,163	666,872	10,851	–	677,723
Inter-segment	168	1	87	102	359	188	(547)	–
Total revenues	203,536	257,801	142,627	63,266	667,231	11,039	(547)	677,723
Operating profit (loss)	13,380	5,467	9,242	802	28,893	730	10	29,634
Segment profit (loss)	5,645	3,615	5,319	641	15,220	590	(288)	15,523

(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 ¥10 million for segment profit (loss) includes an inter-segment elimination of ¥10 million.
- The adjustment of -¥288 million for segment profit (loss) includes an inter-segment elimination of -¥14 million and corporate expenses that are not allocated to any particular segment of -¥274 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 nine months under review (From April 1, 2023 to December 31, 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	230,469	258,310	160,002	68,176	716,958	9,086	–	726,045
Inter-segment	548	1	49	3	602	158	(761)	–
Total revenues	231,018	258,311	160,051	68,179	717,560	9,245	(761)	726,045
Operating profit (loss)	14,214	7,357	8,310	2,653	32,535	581	15	33,132
Segment profit (loss)	8,994	3,611	1,790	1,512	15,908	567	79	16,555

(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 ¥15 million for segment profit (loss) includes an inter-segment elimination of ¥15 million.
- The adjustment of ¥79 million for segment profit (loss) includes an inter-segment elimination of ¥16 million and corporate profits and losses that are not allocated to any particular segment of ¥63 million. Corporate profits and losses 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.