

Consolidated Financial Summary for the First Three Months of the Fiscal Year Ending March 31, 2025 (IFRS)

August 2, 2024

Company name: Kanematsu Corporation

Stock Exchange listing: Prime Market, Tokyo Stock Exchange

Stock code: 8020

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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 2025 (April 1, 2024 – June 30, 2024)

(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 2024	251,011	11.8	11,770	23.0	11,435	28.9	7,621	26.5	7,460	37.1	13,064	(2.9)
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)

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
First Three Months to June 2024	89.28		88.92	
First Three Months to June 2023	65.12		64.91	

(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, 2024	727,593	185,375	167,504	23.0
As of March 31, 2024	725,347	176,000	159,318	22.0

2. Dividends

	Annual dividends				
(Record date)	End of first quarter	End of second quarter	End of third quarter	Year end	Fiscal
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2024	–	45.00	–	45.00	90.00
Fiscal year ending March 2025	–				
Fiscal year ending March 2025 (Forecasts)		50.00	–	50.00	100.00

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

3. Forecasts for consolidated results ending March 2023 (April 1, 2024 – March 31, 2025)

(%: 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	1,100,000	11.6	42,500	(3.1)	38,000	2.0	25,000	7.7	299.21

(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: | None |
| 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 (2024/6): | 84,500,202 shares | Fiscal year (2024/3): | 84,500,202 shares |
| 2. Number of treasury stock | | | |
| First three months (2024/6): | 942,597 shares | Fiscal year (2024/3): | 942,521 shares |
| 3. Average number of shares during the period (First three months) | | | |
| First three months (2024/6): | 83,557,654 shares | First three months (2024/6): | 83,543,842 shares |

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: Yes (optional)

* 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, 2025” 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

Regarding the global economy in the first three months under review (from April 1, 2024 to June 30, 2024), the monetary tightening policies in each country were reaching a turning point in response to the slowdown of inflation. However, there is a concern that the factors, such as increasing political uncertainty surrounding the upcoming US presidential election, prolonged economic stagnation in China and growing geopolitical risks due to the deteriorating situation in the Middle East, may lead to economic downturn.

In the U.S., although personal consumption remained firm, it is necessary to continuously monitor the economic outlook given a decelerating trend in capital investment due to the continued monetary tightening policy and the impact of the result of the presidential election scheduled in November 2024 on the economy.

In Europe, although personal consumption has been on a recovery trend due to the easing of inflationary pressure, there has been a continuous uncertainty in the outlook for economic recovery due to concerns about growing geopolitical tensions arising from political turmoil caused by change of government in major countries and deteriorating situation in the Middle East.

In China, since the economic downturn has continued due to the continued weak property prices and sluggish personal consumption, there is a concern that a full-swing economic recovery may take a while.

The Japanese economy is expected to achieve a moderate recovery led by domestic demand through personal consumption growth to be achieved by the factors, such as the improvement in the employment and income environment and the effects of assets to be gained by high stock prices. However, close attention is required for the economic outlook given the impact of rises in costs arising from the ongoing depreciation of the yen and interest rate hikes.

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

Revenue increased centered on the mobile business with strong sales and the aerospace business that saw a steady growth in airplane and defense related transactions. Although profit declined in the steel tubing and other businesses due to the impact of market stagnation, profit increased in the mobile business, the aerospace business and the feedstuff business that was boosted by strong fishmeal and fish oil transactions.

As a result, consolidated revenue increased ¥26,519 million (11.8%) year on year, to ¥251,011 million. Consolidated gross profit also increased ¥4,468 million (14.3%) from a year earlier, to ¥35,711 million. Consolidated operating profit rose ¥2,203 million (23.0%) from a year earlier, to ¥11,770 million. Profit before tax rose ¥2,563 million (28.9%) year on year, to ¥11,435 million, and profit attributable to owners of the parent rose ¥2,020 million (37.1%) year on year, to ¥7,460 million.

Results for each business segment are described below

Effective from the first three months under review, we have changed reportable segments and others. The following year-on-year comparisons are made based on figures for the same period of the previous fiscal year after reclassification into the new segmentation. The details shall be as stated in “(5) Notes on condensed consolidated financial statements (segment information).”

(i) ICT Solution

Revenue increased ¥2,230 million year on year, to ¥16,739 million, since network- and storage-related projects,

mainly in the manufacturing industry, remained strong. Operating profit rose ¥79 million, to ¥1,410 million, and profit attributable to owners of the parent increased ¥115 million, to ¥948 million.

(ii) Electronics & Devices

Revenue increased ¥12,365 million year on year, to ¥60,918 million, attributable to higher revenue mainly in the mobile business. Operating profit rose ¥1,413 million, to ¥2,785 million, due to higher profit mainly in the mobile business, and profit attributable to owners of the parent increased ¥1,131 million, to ¥1,900 million.

(iii) Foods, Meat & Grain

Revenue increased ¥3,802 million year on year, to ¥87,651 million, reflecting rises in revenue in the meat products business and the feedstuff business. Operating profit rose ¥571 million, to ¥3,703 million, due to a higher profit in the feedstuff business, etc. and profit attributable to owners of the parent increased ¥346 million, to ¥2,056 million.

(iv) Steel, Materials & Plant

Revenue decreased ¥1,938 million year on year, to ¥49,787 million, due to a decrease in revenue in the energy business. Operating profit fell ¥459 million, to ¥2,136 million, mainly due to a decrease in profit in the steel business, and profit attributable to owners of the parent increased ¥216 million, to ¥1,308 million.

(v) Motor Vehicles & Aerospace

Revenue increased ¥10,077 million year on year, to ¥35,397 million, due to a higher revenue in the aerospace business. Operating profit rose ¥694 million, to ¥1,732 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 ¥526 million, to ¥1,364 million.

(v) Other

Revenue decreased ¥17 million year on year, to ¥516 million. Operating profit fell ¥102 million, to ¥28 million, and profit attributable to owners of the parent shrank ¥98 million, to ¥34 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 ¥2,246 million from the end of the previous fiscal year, to ¥727,593 million.

Interest-bearing debt increased ¥296 million from the end of the previous fiscal year, to ¥214,842 million. Net interest-bearing debt after deducting cash and deposits rose ¥161 million from the end of the previous fiscal year, to ¥159,586 million. Interest-bearing debt does not include lease liabilities.

In terms of equity, equity attributable to owners of the parent rose ¥8,186 million from the end of the previous fiscal year, to ¥16,754 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 23.0%. The net debt-equity ratio ("net DER") was 0.95 times.

(ii) Cash flows

Cash and cash equivalents at the end of the first three months of the fiscal year under review increased ¥72million from the end of the previous fiscal year, to ¥5,353 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 ¥8,228 million (versus ¥1,072 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 used in investing activities in the first three months under review stood at ¥2,555 million (versus ¥2,121 million provided in the first three months of the previous fiscal year), mainly reflecting the execution of business investments such as the acquisition of property, plant and equipment and the acquisition of subsidiaries.

(Cash flows from financing activities)

Net cash used in financing activities in the first three months under review stood at ¥6,553 million (versus ¥1,787 million used in the first three months of the previous fiscal year), mainly due to cash dividends paid and the repayment of lease liabilities.

(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 7, 2024.

* 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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	53,431	53,503
Trade and other receivables	287,119	263,026
Inventories	158,784	166,645
Other financial assets	9,988	15,658
Other current assets	34,189	38,094
Total current assets	543,513	536,929
Non-current assets		
Property, plant and equipment	47,190	55,338
Goodwill	16,952	17,415
Intangible assets	29,621	29,596
Investments accounted for using the equity method	20,471	21,151
Trade and other receivables	1,541	1,427
Other investments	53,019	55,433
Other financial assets	6,978	7,102
Deferred tax assets	1,893	914
Other non-current assets	4,164	2,283
Total non-current assets	181,834	190,663
Total assets	725,347	727,593

(Million yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	239,563	228,023
Bonds and borrowings	117,043	117,322
Lease liabilities	7,492	8,748
Other financial liabilities	8,694	10,901
Income taxes payable	6,812	2,157
Provisions	304	247
Other current liabilities	34,765	34,648
Total current liabilities	414,675	402,048
Non-current liabilities		
Bonds and borrowings	97,502	97,519
Lease liabilities	13,721	17,166
Other financial liabilities	3,576	3,682
Retirement benefits liabilities	6,076	6,114
Provisions	2,352	2,589
Deferred tax liabilities	10,331	12,198
Other non-current liabilities	1,109	897
Total non-current liabilities	134,671	140,169
Total liabilities	549,347	542,218
Equity		
Share capital	27,781	27,781
Capital surplus	—	80
Retained earnings	97,236	100,483
Treasury stock	(1,238)	(1,239)
Other components of equity		
Exchange differences on translation of foreign operations	14,262	17,631
Financial assets measured at fair value through other comprehensive income	19,958	21,017
Cash flow hedges	1,318	1,749
Total other components of equity	35,539	40,398
Total equity attributable to owners of the parent	159,318	167,504
Non-controlling interests	16,681	17,870
Total equity	176,000	185,375
Total liabilities and equity	725,347	727,593

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

(Million yen)

	FY2023 First three months (From April 1, 2023 to June 30, 2023)	FY2024 First three months (From April 1, 2024 to June 30, 2024)
Revenue	224,492	251,011
Cost of sales	(193,248)	(215,299)
Gross profit	31,243	35,711
Selling, general and administrative expenses	(24,841)	(27,632)
Other income (expenses)		
Gain (loss) on sale or disposal of property, plant and equipment and intangible assets	1,874	(5)
Other income	1,593	3,849
Other expenses	(301)	(152)
Total other income (expenses)	3,165	3,691
Operating profit	9,567	11,770
Finance income		
Interest income	240	265
Dividend income	846	810
Other finance income	146	112
Total finance income	1,233	1,188
Finance costs		
Interest expenses	(1,520)	(1,508)
Other finance costs	(67)	(5)
Total finance costs	(1,587)	(1,514)
Share of profit (loss) of investments accounted for using the equity method	(341)	(9)
Profit before tax	8,872	11,435
Income tax expense	(2,845)	(3,814)
Profit for the period	6,026	7,621
Profit for the period attributable to:		
Owners of the parent	5,440	7,460
Non-controlling interests	586	161
Total	6,026	7,621
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	65.12	89.28
Diluted earnings per share (yen)	64.91	88.92

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

(Million yen)

	FY2023 First three months (From April 1, 2023 to June 30, 2023)	FY2024 First three months (From April 1, 2024 to June 30, 2024)
Profit for the period	6,026	7,621
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	1,892	1,118
Remeasurement of defined benefit pension plans	—	(509)
Share of other comprehensive income of investments accounted for using the equity method	(14)	(2)
Total items that will not be reclassified to profit or loss	1,877	606
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	4,047	3,747
Cash flow hedges	1,424	431
Share of other comprehensive income of investments accounted for using the equity method	80	657
Total items that may be reclassified to profit or loss	5,552	4,836
Other comprehensive income for the period, net of tax	7,430	5,442
Total comprehensive income for the period	13,457	13,064
Total comprehensive income for the period attributable to:		
Owners of the parent	11,745	11,866
Non-controlling interests	1,712	1,198
Total	13,457	13,064

(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, 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 noncontrolling 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	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			—	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

(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, 2024	27,781	—	97,236	(1,238)	14,262	19,958
Profit for the period			7,460			
Other comprehensive income					3,368	1,115
Total comprehensive income for the period	—	—	7,460	—	3,368	1,115
Dividends			(3,760)			
Dividends paid to non-controlling interests						
Acquisition of treasury stock				(0)		
Disposition of treasury stock		0		0		
Equity transactions with non-controlling interests						
Share-based payment transactions		106				
Put options granted to non-controlling interests		(26)				
Total transactions with owners	—	80	(3,760)	(0)	—	—
Transfer from other components of equity to retained earnings			(453)			(56)
Balance as of June 30, 2024	27,781	80	100,483	(1,239)	17,631	21,017

	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, 2024	1,318	—	35,539	159,318	16,681	176,000
Profit for the period			—	7,460	161	7,621
Other comprehensive income	431	(509)	4,405	4,405	1,036	5,442
Total comprehensive income for the period	431	(509)	4,405	11,866	1,198	13,064
Dividends			—	(3,760)		(3,760)
Dividends paid to non-controlling interests			—	—	(232)	(232)
Acquisition of treasury stock			—	(0)		(0)
Disposal of treasury stock			—	0		0
Equity transactions with non-controlling interests			—	—	222	222
Share-based payment transactions			—	106		106
Put options granted to non-controlling interests			—	(26)		(26)
Total transactions with owners	—	—	—	(3,679)	(9)	(3,689)
Transfer from other components of equity to retained earnings		509	453	—		—
Balance as of June 30, 2024	1,749	—	40,398	167,504	17,870	185,375

(4) Condensed consolidated statements of cash flows

(Million yen)

	FY2023 First three months (From April 1, 2023 to June 30, 2023)	FY2024 First three months (From April 1, 2024 to June 30, 2024)
Cash flows from operating activities:		
Profit for the period	6,026	7,621
Depreciation and amortization	3,564	3,961
Finance income and costs	353	325
Share of (profit) loss of investments accounted for using the equity method	341	9
(Gain) loss on sale or disposal of property, plant and equipment and intangible assets	(1,874)	5
Income tax expense	2,845	3,814
(Increase) decrease in trade and other receivables	16,598	25,044
(Increase) decrease in inventories	(12,716)	(5,803)
Increase (decrease) in trade and other payables	(942)	(14,819)
Increase (decrease) in retirement benefit liabilities	(27)	650
Other	(7,099)	(6,635)
Sub total	7,071	14,174
Interest received	70	634
Dividends received	988	989
Interest paid	(1,399)	(1,460)
Income taxes paid	(5,658)	(6,109)
Net cash provided by (used in) operating activities	1,072	8,228
Cash flows from investing activities:		
Payments for property, plant and equipment	(938)	(2,157)
Proceeds from sales of property, plant and equipment	3,226	252
Payments for intangible assets	(239)	(308)
Purchases of other investments	(165)	(189)
Proceeds from sale of other investments	130	85
Proceeds from (payments for) acquisition of subsidiaries	(447)	(2,080)
Payments for acquisition of businesses	(396)	△164
Proceeds from business transfer	7	—
Proceeds from sales of other non-current assets	—	1,897
Increase in loans receivable	(4)	(2)
Proceeds from collection of loans receivable	346	272
Other	602	(160)
Net cash provided by (used in) investing activities	2,121	(2,555)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings (three months or less)	(5,062)	(1,014)
Proceeds from short-term borrowings (more than three months)	414	185
Repayment of short-term borrowings (more than three months)	(19)	—
Proceeds from long-term borrowings	9,000	880
Repayment of long-term borrowings	(264)	(946)
Redemption of bonds	(7)	—
Dividends paid	(2,884)	(3,478)
Purchase of shares of subsidiaries from non-controlling interests	(327)	(10)
Capital contribution from holders of non-controlling interests	—	230
Dividends paid to non-controlling interests	(302)	(92)
Repayments of lease liabilities	(2,328)	(2,305)
Other	(4)	(0)
Net cash provided by (used in) financing activities	(1,787)	(6,553)
Increase (decrease) in cash and cash equivalents, net	1,406	(880)
Cash and cash equivalents at the beginning of the period	79,462	53,431
Effect of exchange rate changes on cash and cash equivalents	638	951
Cash and cash equivalents at the end of the period	81,507	53,503

(5) Notes on condensed consolidated financial statements

(Basis of Preparation)

The condensed consolidated financial statements of the Group are prepared in accordance with Article 5, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements as stipulated by Tokyo Stock Exchange, Inc. Moreover, matters other than those listed in each item of Paragraph 2, Article 5 of the said Standards are omitted in accordance with Article 5, Paragraph 5 thereof.

(Notes on the going concern assumption)

Not applicable.

(Segment information)

(1) Summary of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available, and which are regularly used by the Board of Directors when allocating management resources and evaluating performance, and they are subject to regular consideration.

The Group provides a variety of products and services by organically integrating its expertise cultivated through its internal and external network in each business sectors and trading company functions such as business transactions, information collection, market development, business development and formation, risk management, and logistics.

Moreover, the Group consists of business segments by product and service based on the sales department and it has set the five segments, "ICT Solution," "Electronics & Devices," "Foods, Meat & Grain," "Steel, Materials & Plant," and "Motor Vehicles & Aerospace," as its reportable segments.

Based on the reorganization as of April 1, 2024, the ICT solution business, which was previously included in the "Electronics & Devices" segment, was newly classified as the "ICT Solution" segment and the new classification shall be applied from the first three months under review. In addition, the Machine Tools & Industrial Machinery business, which was previously included in the "Steel, Materials & Plant" segment, was newly classified into the "Motor Vehicles & Aerospace" segment, and the Kanematsu Sustech Corporation's business, which was previously included in "Electronics & Devices" segment and "Other" was classified as the environment-related business in the "Steel, Materials & Plant" segment. As for the segment information for the first three months of the previous fiscal year, the information prepared based on the classification on the reportable segments after the change has been disclosed.

(2) Information on reportable segments

The accounting treatment for the reported business segments are same as the accounting policies applied to the consolidated financial statements for the previous fiscal year.

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

I. Previous first three months (From April 1, 2023 to June 30, 2023)

(Million yen)

	Reported segments						Other (Note 1)	Adjustment (Note 2)	Consolidated
	ICT Solution	Electronics & Devices	Foods, Meat & Grain	Steel, Materials & Plant	Motor Vehicles & Aerospace	Sub-total			
Revenue									
External	14,509	48,553	83,849	51,725	25,320	223,958	533	—	224,492
Inter-segment	345	258	0	8	0	613	51	(664)	—
Total revenues	14,854	48,811	83,850	51,734	25,320	274,572	585	(664)	224,492
Operating profit (loss)	1,331	1,372	3,132	2,595	1,038	9,469	74	23	9,567
Segment profit (loss)	833	769	1,710	1,092	838	5,244	132	63	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.

(Note 2) Adjustments are as follows.

- The adjustment of ¥23 million for segment profit (loss) includes an inter-segment elimination of ¥23 million.
- The adjustment of ¥63 million for segment profit (loss) includes an inter-segment elimination of ¥25 million and corporate expenses that are not allocated to any particular segment of ¥38 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, 2024 to June 30, 2024)

(Million yen)

	Reported segments						Other (Note 1)	Adjustment (Note 2)	Consolidated
	ICT Solution	Electronics & Devices	Foods, Meat & Grain	Steel, Materials & Plant	Motor Vehicles & Aerospace	Sub-total			
Revenue									
External	16,739	60,918	87,651	49,787	35,397	250,494	516	—	251,011
Inter-segment	346	42	0	10	0	400	47	(448)	—
Total revenues	17,086	60,960	87,652	49,797	35,397	250,895	564	(448)	251,011
Operating profit (loss)	1,410	2,785	3,703	2,136	1,732	11,769	(28)	29	11,770
Segment profit (loss)	948	1,900	2,056	1,308	1,364	7,578	34	(152)	7,460

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

(Note 2) Adjustments are as follows.

- The adjustment of ¥29 million for segment profit (loss) includes an inter-segment elimination of ¥29 million.
- The adjustment of -¥152 million for segment profit (loss) includes an inter-segment elimination of ¥30 million and corporate expenses that are not allocated to any particular segment of -¥182 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.

(Other)

A lawsuit against our subsidiary, Kanematsu Communications Limited, (in which the claim is ¥14,664 million) was filed with the Tokyo District Court by its client (hereafter referred to as the counterparty) in April 2021 with regard to compensation for damages based on default in connection with its telecommunication service transaction. In December 2023, the court of first instance dismissed all claims by the counterparty, and in January 2024, the counterparty filed an appeal. However, on July 1, 2024, a settlement was reached under the condition that our subsidiary will not incur any payment.