

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

November 1, 2024

Company name: Kanematsu Corporation

Stock Exchange listing: Prime Market, Tokyo Stock Exchange

Stock code: 8020

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Scheduled date to submit the Semiannual Securities Report (*Hanki Houkokusho*): November 8, 2024

Scheduled date for commencement of dividend payments: December 3, 2024

Supplementary documents for quarterly results: Yes

Quarterly results briefing: Yes

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

1. Consolidated business results for the first half of the fiscal year ending March 2025 (April 1, 2024 – September 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 half to September 2024	518,573	9.4	25,419	13.4	23,271	14.2	15,426	14.6	15,135	22.7	12,319	(49.4)
First half to September 2023	474,129	5.5	22,407	1.6	20,373	(4.7)	13,457	(9.8)	12,339	1.0	24,338	0.9

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First half to September 2024	181.11	180.39
First half to September 2023	147.69	147.20

(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 September 30, 2024	702,625	184,231	168,359	24.0
As of March 31, 2024	725,347	176,000	159,318	22.0

2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 2024	-	45.00	-	45.00	90.00
Fiscal year ending March 2025	-	52.50	-	-	-
Fiscal year ending March 2025 (forecasts)	-	-	-	52.50	105.00

(Notes) Revisions to dividend forecasts published most recently: Yes

3. Forecasts for consolidated results ending March 2025 (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	44,500	1.4	40,000	7.4	27,000	16.3	323.08

(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: | 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 half (2025/9)	84,500,202 shares	Fiscal year (2024/3)	84,500,202 shares
2. Number of treasury stock	First half (2025/9)	906,422 shares	Fiscal year (2024/3)	942,521 shares
3. Average number of shares during the period (First half)	First half (2025/9)	83,569,561 shares	First half (2024/9)	83,548,525 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 for the First Half of the Fiscal Year Ending March 31, 2025” on page 4 of accompanying materials for further information on results forecasts.

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1. Qualitative Information on Consolidated Results for the First Half of the Fiscal Year Ending March 31, 2025

(1) Details of consolidated results

During the six months under review (from April 1, 2024, to September 30, 2024), the global economy continued facing uncertain conditions, including heightened geopolitical risks due to prolonged economic stagnation in China and worsening situation in the Middle East, and the impact of the U.S. presidential election, while monetary tightening policies eased in the U.S. and Europe.

In the U.S., the economy is increasingly likely to soft-land against the backdrop of solid personal consumption and easing of the financial environment through interest rate cuts. However, the impact of economic policies after the presidential election will need to be closely monitored.

In Europe, personal consumption is picking up in response to an increase in real income due to slowing inflation, and the economy is expected to be on a gradual recovery track.

In China, the economy remains sluggish due to a prolonged real estate recession and weak personal consumption. There are concerns that a full-fledged economic recovery will take time.

The Japanese economy is expected to recover slowly against the backdrop of solid corporate profits and expanded demand by foreign tourists for domestic goods and services. Meanwhile, it is necessary to closely monitor the future outlook including rising costs due to the weaker yen and the impact of interest rate hikes.

In this environment, the results of the Group for the half 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 business, etc. due to the impact of market stagnation, profit increased in the mobile business, plant business, aerospace business and some other businesses.

As a result, consolidated revenue increased ¥44,444 million (9.4%) year on year, to ¥518,573 million. Consolidated gross profit also increased ¥7,962 million (11.6%) from a year earlier, to ¥76,317 million. Consolidated operating profit rose ¥3,012 million (13.4%) from a year earlier, to ¥25,419 million due to an increase in gross profit. Profit before tax increased ¥2,898 million (14.2%) year on year, to ¥23,271 million. Profit attributable to owners of the parent rose ¥2,796 million (22.7%) year on year, to ¥15,135 million.

Results for each business segment are described below.

(i) ICT Solution

Revenue increased ¥4,654 million year on year, to ¥45,526 million, since security-related services, as well as network and storage services, mainly in the manufacturing industry, remained strong. Operating profit rose ¥543 million, to ¥7,000 million, and profit attributable to owners of the parent increased ¥422 million, to ¥4,709 million.

(ii) Electronics & Devices

Revenue increased ¥21,070 million year on year, to ¥126,126 million, attributable to higher revenue in the mobile business and the semiconductor parts and manufacturing equipment business. Operating profit increased ¥2,888 million, to ¥6,130 million, mainly driven by growth in the mobile business. Profit attributable to owners of the parent increased ¥2,223 million, to ¥4,039 million.

(iii) Foods, Meat & Grain

Revenue increased ¥8,415 million year on year, to ¥179,064 million, reflecting growth in the meat products business and feedstuff business. Operating profit decreased ¥69 million, to ¥5,260 million, and profit attributable to owners of the parent declined ¥117 million, to ¥2,401 million.

(iv) Steel, Materials & Plant

Revenue decreased ¥3,027 million year on year, to ¥102,439 million, due to a downturn in the steel business. Operating profit fell ¥1,038 million, to ¥3,873 million, impacted by weaker performance in the steel business. Profit attributable to owners of the parent increased ¥116 million, to ¥2,148 million.

(v) Motor Vehicles & Aerospace

Revenue increased ¥13,277 million year on year, to ¥64,338 million, driven by growth in the aerospace business and the motor vehicles and parts business. Operating profit rose ¥854 million, to ¥3,185 million, supported by higher profits in the aerospace business and the machine tools and industrial machinery business. Profit attributable to owners of the parent increased ¥506 million, to ¥1,995 million.

(vi) Other

Revenue rose ¥55 million year on year, to ¥1,078 million, while the operating loss increased by ¥168 million, to ¥72 million, and the loss attributable to owners of the parent increased ¥271 million, to ¥27 million.

(2) Details of financial position

(i) Assets, liabilities and equity

Total assets at the end of the first half of the fiscal year under review increased ¥22,722 million from the end of the previous fiscal year, to ¥702,625 million.

Interest-bearing debt decreased ¥21,230 million from the end of the previous fiscal year, to ¥193,316 million. Net interest-bearing debt after deducting cash and deposits decreased ¥20,744 million from the end of the previous fiscal year, to ¥138,681 million. Interest-bearing debt does not include lease liabilities.

In terms of equity, equity attributable to owners of the parent rose ¥9,041 million from the end of the previous fiscal year, to ¥168,359 million, due to the accumulation of profit attributable to owners of the parent.

As a result, the equity ratio attributable to owners of the parent came to 24.0%. The net debt-equity ratio was 0.82 times.

(ii) Cash flows

Cash and cash equivalents at the end of the first half of the fiscal year under review decreased ¥433 million from the end of the previous fiscal year, to ¥52,998 million.

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

(Cash flows from operating activities)

Net cash provided by operating activities in the first half under review stood at ¥37,176 million (versus ¥1,789 million provided in the first half of the previous fiscal year), mainly reflecting the accumulation of operating revenue and a reduction in working capital.

(Cash flows from investing activities)

Net cash used in investing activities in the first half under review stood at ¥6,472 million (versus ¥1,818 million used in the first half of the previous fiscal year), mainly reflecting the execution of business investments such as the acquisition of property, plant and equipment, as well as subsidiaries.

(Cash flows from financing activities)

Net cash used in financing activities in the first half under review stood at ¥31,070 million (versus ¥31,991 million used in the first half of the previous fiscal year), mainly due to repayments of borrowings and lease liabilities, as well as dividend payments.

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

We have revised our forecasts for consolidated results for the fiscal year ending March 31, 2025 that we announced on May 7, 2024 as below in light of the overall progress, noting that the ICT solution, mobile and aerospace businesses are performing strongly, despite the sluggish performance of the steel business and others.

Revised consolidated forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 – March 31, 2025)

	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)	1,100,000	42,500	38,000	25,000	299.21
Revised forecast (B)	1,100,000	44,500	40,000	27,000	323.08
Change (B - A)	0	2,000	2,000	2,000	23.87
Change (%)	0.00%	4.71%	5.26%	8.00%	7.98%
(Reference) Results of FY Mar. 31, 2024	985,993	43,870	37,241	23,218	277.90

* 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 September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	53,431	52,998
Trade and other receivables	287,119	255,658
Inventories	158,784	164,867
Other financial assets	9,988	7,007
Other current assets	34,189	33,584
Total current assets	543,513	514,116
Non-current assets		
Property, plant and equipment	47,190	55,481
Goodwill	16,952	17,781
Intangible assets	29,621	28,925
Investments accounted for using the equity method	20,471	21,408
Trade and other receivables	1,541	766
Other investments	53,019	54,010
Other financial assets	6,978	7,033
Deferred tax assets	1,893	935
Other non-current assets	4,164	2,165
Total non-current assets	181,834	188,509
Total assets	725,347	702,625

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	239,563	222,097
Bonds and borrowings	117,043	102,537
Lease liabilities	7,492	8,403
Other financial liabilities	8,694	11,441
Income taxes payable	6,812	7,595
Provisions	304	124
Other current liabilities	34,765	36,944
Total current liabilities	414,675	389,143
Non-current liabilities		
Bonds and borrowings	97,502	90,779
Lease liabilities	13,721	16,821
Other financial liabilities	3,576	2,791
Retirement benefits liabilities	6,076	6,078
Provisions	2,352	2,904
Deferred tax liabilities	10,331	8,944
Other non-current liabilities	1,109	930
Total non-current liabilities	134,671	129,249
Total liabilities	549,347	518,393
Equity		
Share capital	27,781	27,781
Capital surplus	—	—
Retained earnings	97,236	108,064
Treasury stock	(1,238)	(1,182)
Other components of equity		
Exchange differences on translation of foreign operations	14,262	14,488
Financial assets measured at fair value through other comprehensive income	19,958	20,387
Cash flow hedges	1,318	(1,179)
Total other components of equity	35,539	33,696
Total equity attributable to owners of the parent	159,318	168,359
Non-controlling interests	16,681	15,871
Total equity	176,000	184,231
Total liabilities and equity	725,347	702,625

(2) Condensed consolidated statements of income / Condensed consolidated statements of comprehensive income
(Condensed consolidated statements of income)

(Million yen)

	FY2023 First half (From April 1, 2023 to September 30, 2023)	FY2024 First half (From April 1, 2024 To September 30, 2024)
Revenue	474,129	518,573
Cost of sales	(405,774)	(442,256)
Gross profit	68,355	76,317
Selling, general and administrative expenses	(50,904)	(56,088)
Other income (expenses)		
Gain (loss) on sale or disposal of property, plant and equipment and intangible assets	1,852	(30)
Other income	3,776	5,575
Other expenses	(672)	(354)
Total other income (expenses)	4,957	5,190
Operating profit	22,407	25,419
Finance income		
Interest income	560	498
Dividend income	907	844
Other finance income	158	5
Total finance income	1,627	1,348
Finance costs		
Interest expenses	(3,155)	(2,978)
Other finance costs	(80)	(256)
Total finance costs	(3,236)	(3,235)
Share of profit (loss) of investments accounted for using the equity method	(424)	(261)
Profit before tax	20,373	23,271
Income tax expense	(6,916)	(7,845)
Profit for the period	13,457	15,426
Profit for the period attributable to:		
Owners of the parent	12,339	15,135
Non-controlling interests	1,118	290
Total	13,457	15,426
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	147.69	181.11
Diluted earnings per share (yen)	147.20	180.39

(Condensed consolidated statements of comprehensive income)

(Million yen)

	FY2023 First half (From April 1, 2023 to September 30, 2023)	FY2024 First half (From April 1, 2024 to September 30, 2024)
Profit for the period	13,457	15,426
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	3,127	348
Remeasurements of defined benefit plans	–	(456)
Share of other comprehensive income of investments accounted for using the equity method	(10)	(8)
Total items that will not be reclassified to profit or loss	3,116	(116)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,810	(1,788)
Cash flow hedges	928	(2,487)
Share of other comprehensive income of investments accounted for using the equity method	1,024	1,285
Total items that may be reclassified to profit or loss	7,764	(2,990)
Other comprehensive income for the period, net of tax	10,881	(3,107)
Total comprehensive income for the period	24,338	12,319
Total comprehensive income for the period attributable to:		
Owners of the parent	21,547	12,746
Non-controlling interests	2,791	(427)
Total	24,338	12,319

(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			12,339			
Other comprehensive income					5,156	3,115
Total comprehensive income for the period	–	–	12,339	–	5,156	3,115
Dividends			(3,132)			
Dividends paid to non-controlling interests						
Acquisition of treasury stock				(2)		
Disposal of treasury stock		0		24		
Equity transactions with non-controlling interests		(313)				
Share-based payment transactions		108				
Put options granted to non-controlling interests		(41)				
Total transactions with owners	–	(246)	(3,132)	21	–	–
Transfer from retained earnings to capital surplus		246	(246)			
Transfer from other components of equity to retained earnings			46			(46)
Balance as of September 30, 2023	27,781	–	89,550	(1,237)	14,034	14,897

	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			–	12,339	1,118	13,457
Other comprehensive income	937		9,208	9,208	1,672	10,881
Total comprehensive income for the period	937	–	9,208	21,547	2,791	24,338
Dividends			–	(3,132)		(3,132)
Dividends paid to non-controlling interests			–	–	(185)	(185)
Acquisition of treasury stock			–	(2)		(2)
Disposal of treasury stock			–	24		24
Equity transactions with non-controlling interests			–	(313)	(942)	(1,255)
Share-based payment transactions			–	108		108
Put options granted to non-controlling interests			–	(41)		(41)
Total transactions with owners	–	–	–	(3,357)	(1,128)	(4,485)
Transfer from retained earnings to capital surplus			–	–		–
Transfer from other components of equity to retained earnings			(46)	–		–
Balance as of September 30, 2023	1,690	–	30,621	146,716	16,561	163,277

(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			15,135			
Other comprehensive income					226	339
Total comprehensive income for the period	—	—	15,135	—	226	339
Dividends			(3,760)			
Dividends paid to non-controlling interests						
Acquisition of treasury stock				(0)		
Disposal of treasury stock		0		57		
Equity transactions with non-controlling interests						
Share-based payment transactions		49				
Put options granted to non-controlling interests		(51)				
Total transactions with owners	—	(1)	(3,760)	56	—	—
Transfer from retained earnings to capital surplus		1	(1)			
Transfer from other components of equity to retained earnings			(546)			89
Balance as of September 30, 2024	27,781	—	108,064	(1,182)	14,488	20,387

	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			—	15,135	290	15,426
Other comprehensive income	(2,497)	(456)	(2,388)	(2,388)	(718)	(3,107)
Total comprehensive income for the period	(2,497)	(456)	(2,388)	12,746	(427)	12,319
Dividends			—	(3,760)		(3,760)
Dividends paid to non-controlling interests			—	—	(604)	(604)
Acquisition of treasury stock			—	(0)		(0)
Disposal of treasury stock			—	57		57
Equity transactions with non-controlling interests			—	—	222	222
Share-based payment transactions			—	49		49
Put options granted to non-controlling interests			—	(51)		(51)
Total transactions with owners	—	—	—	(3,705)	(382)	(4,087)
Transfer from retained earnings to capital surplus			—	—		—
Transfer from other components of equity to retained earnings		456	546	—		—
Balance as of September 30, 2024	(1,179)	—	33,696	168,359	15,871	184,231

(4) Condensed consolidated statements of cash flows

(Million yen)

	FY2023 First half (From April 1, 2023 to September 30, 2023)	FY2024 First half (From April 1, 2024 to September 30, 2024)
Cash flows from operating activities:		
Profit for the period	13,457	15,426
Depreciation and amortization	7,117	7,843
Finance income and costs	1,609	1,886
Share of (profit) loss of investments accounted for using the equity method	424	261
(Gain) loss on sale or disposal of property, plant and equipment and intangible assets	(1,852)	30
Income tax expense	6,916	7,845
(Increase) decrease in trade and other receivables	(21,300)	33,258
(Increase) decrease in inventories	(7,051)	(5,945)
Increase (decrease) in trade and other payables	20,091	(18,146)
Increase (decrease) in retirement benefit liabilities	(12)	644
Other	(8,922)	464
Sub total	10,475	43,568
Interest received	260	863
Dividends received	1,421	1,046
Interest paid	(3,032)	(2,983)
Income taxes paid	(7,334)	(5,318)
Net cash provided by (used in) operating activities	1,789	37,176
Cash flows from investing activities:		
Payments for property, plant and equipment	(1,669)	(4,629)
Proceeds from sales of property, plant and equipment	3,517	559
Payments for intangible assets	(442)	(402)
Purchases of other investments	(3,774)	(548)
Proceeds from sale of other investments	685	301
Proceeds from (payments for) acquisition of subsidiaries	(447)	(3,238)
Payments for acquisition of businesses	(560)	(164)
Proceeds from business transfer	7	—
Proceeds from the sale of other non-current assets	—	1,897
Increase in loans receivable	(601)	(345)
Proceeds from collection of loans receivable	1,276	1,443
Other	189	(1,343)
Net cash provided by (used in) investing activities	(1,818)	(6,472)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings (three months or less)	11,228	(18,160)
Proceeds from short-term borrowings (more than three months)	455	204
Repayment of short-term borrowings (more than three months)	(58,431)	(36)
Proceeds from long-term borrowings	48,881	2,880
Repayment of long-term borrowings	(8,946)	(6,885)
Redemption of bonds	(7)	—
Dividends paid	(3,126)	(3,750)
Payments to acquire subsidiary shares from non-controlling interests	(17,081)	(16)
Proceeds from payments by non-controlling interests	—	223
Dividends paid to non-controlling interests	(365)	(585)
Repayments of lease liabilities	(4,592)	(4,944)
Other	(6)	(0)
Net cash provided by (used in) financing activities	(31,991)	(31,070)
Increase (decrease) in cash and cash equivalents, net	(32,020)	(366)
Cash and cash equivalents at the beginning of the period	79,462	53,431
Effect of exchange rate changes on cash and cash equivalents	825	(66)
Cash and cash equivalents at the end of the period	48,266	52,998

(5) Notes on condensed consolidated financial statements

(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 sector 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 of the reportable segments after the change has been disclosed.

(2) Information on reportable segments

The accounting treatment for the reported business segments is the 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.

(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 half (From April 1, 2023 to September 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	40,872	105,056	170,649	105,466	51,061	473,106	1,023	—	474,129
Inter-segment	788	352	1	16	1	1,160	106	(1,267)	—
Total revenues	41,661	105,409	170,650	105,483	51,063	474,267	1,129	(1,267)	474,129
Operating profit (loss)	6,457	3,242	5,329	4,911	2,331	22,272	96	38	22,407
Segment profit (loss)	4,287	1,816	2,518	2,032	1,489	12,144	244	(49)	12,339

(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 ¥38 million for segment profit (loss) includes an inter-segment elimination of ¥38 million.
- The adjustment of ¥(49) million for segment profit (loss) includes an inter-segment elimination of ¥35 million and corporate expenses that are not allocated to any particular segment of ¥(85) 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 half under review (From April 1, 2024 to September 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	45,526	126,126	179,064	102,439	64,338	517,494	1,078	—	518,573
Inter-segment	765	108	0	21	4	900	104	(1,004)	—
Total revenues	46,291	126,234	179,064	102,461	64,342	518,395	1,183	(1,004)	518,573
Operating profit (loss)	7,000	6,130	5,260	3,873	3,185	25,450	(72)	42	25,419
Segment profit (loss)	4,709	4,039	2,401	2,148	1,995	15,294	(27)	(131)	15,135

(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 ¥42 million for segment profit (loss) includes an inter-segment elimination of ¥42 million.
- The adjustment of ¥(131) million for segment profit (loss) includes an inter-segment elimination of ¥50 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.