



**KANEMATSU**

# Supplementary Material

## Third Quarter Results for FY2025

**Disclaimer:**

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# Earnings Summary

- Year-on-year growth in both revenue and profit, achieving record-high profits for the third quarter.
- Progress rate of profit attributable to owners of the parent against the full-year projection was 72%, progressing well.

## Earnings Results

(Unit: JPY Bn)	FY2024 3Q	FY2025 3Q	YoY	Growth
Revenue	726.0	781.7	+55.7	+8%
Operating profit	33.1	33.4	+0.3	+1%
Net profit <sup>1)</sup>	16.6	19.4	+2.9	+17%
Operating cash flows (adjusted) <sup>2)</sup>	18.0	25.0	+7.0	
CF from investing activities	(7.6)	4.4	+12.0	
	End of Mar 2024	End of Dec 2024	YoY	
Net D/E ratio <sup>3)</sup>	1.00x	0.83x	(0.17x)	
Equity ratio <sup>4)</sup>	22.0%	23.9%	+2.0%	

## Forecast (Announced on November 1, 2024)

(Unit: JPY Bn)	FY2025 Annual	3Q Progress
Revenue	1,100.0	71%
Operating profit	44.5	75%
Net profit <sup>1)</sup>	27.0	72%
Annual dividend per share	105 yen	
Dividend payout ratio	32.5%	

1) Net profit = Profit attributable to owners of the parent

2) Operating cash flows (adjusted) = Operating cash flows ± Change in working capital – Repayment of lease liabilities

3) Net D/E Ratio = Net interest-bearing debt ÷ total equity attributable to owners of the parent

4) Equity ratio = Shareholders' equity ÷ total assets

# Profit and Loss

## Earnings Results

(Unit: JPY Bn)	FY2024		FY2025	
	3Q	3Q	YoY	Growth
<b>Revenue</b>	<b>726.0</b>	<b>781.7</b>	<b>+55.7</b>	<b>+8%</b>
Gross profit	103.6	112.9	+9.2	+9%
Selling, general and administrative expenses	(77.6)	(84.6)	(7.1)	-
Other income (expenses)	7.1	5.2	(1.9)	(26%)
<b>Operating profit</b>	<b>33.1</b>	<b>33.4</b>	<b>+0.3</b>	<b>+1%</b>
Interest income (expenses)	(3.8)	(3.7)	+0.1	-
Dividend income	1.2	1.2	+0.0	+0%
Other finance income (costs)	(0.1)	(0.1)	+0.0	-
Finance income (costs)	(2.7)	(2.6)	+0.2	-
Share of Profit (Loss) of Investments Accounted for Using the Equity Method, and Impairment loss on equity method investments	(2.5)	(1.2)	+1.3	-
<b>Profit before tax</b>	<b>27.9</b>	<b>29.6</b>	<b>+1.7</b>	<b>+6%</b>
Income tax expense	(9.9)	(9.8)	+0.2	-
Profit for the quarter	18.0	19.9	+1.9	+11%
<b>Profit attributable to owners of the parent</b>	<b>16.6</b>	<b>19.4</b>	<b>+2.9</b>	<b>+17%</b>

### ■ Revenue

Increased by 55.7 billion yen year-on-year primarily driven by the Electronics & Devices segment and the Foods, Meat & Grain segment.

### ■ Operating profit

Although gross profit increased, higher personnel expenses and other costs led to a profit increase of 0.3 billion yen.

### ■ Profit before tax

Profit increased by 1.7 billion yen year-on-year, as the previous period included an impairment loss on equity method investments.

### ■ Profit attributable to owners of the parent

Achieved a record-high profit of 19.4 billion yen. See page 4 for more details.

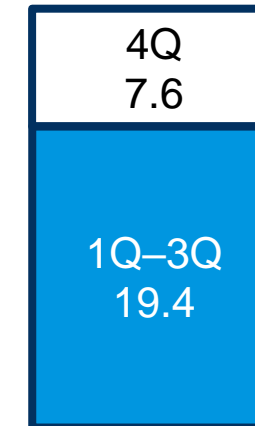
## Progress (Announced on November 1, 2024)

(Unit: JPY Bn)	FY2025	
	Annual Forecast	Progress
Revenue	1,100.0	71%
Operating profit	44.5	75%
Profit before tax	40.0	74%
Profit attributable to owners of the parent	27.0	72%
Dividend payout ratio	32.5%	

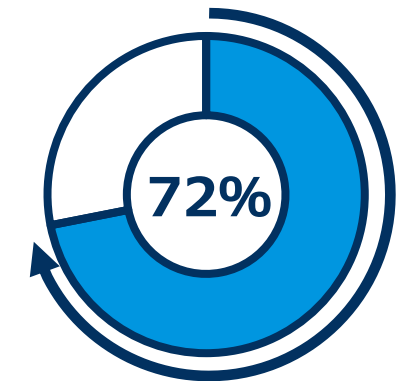
### Net Profit Forecast

(Unit: JPY Bn)

Annual forecast 27.0



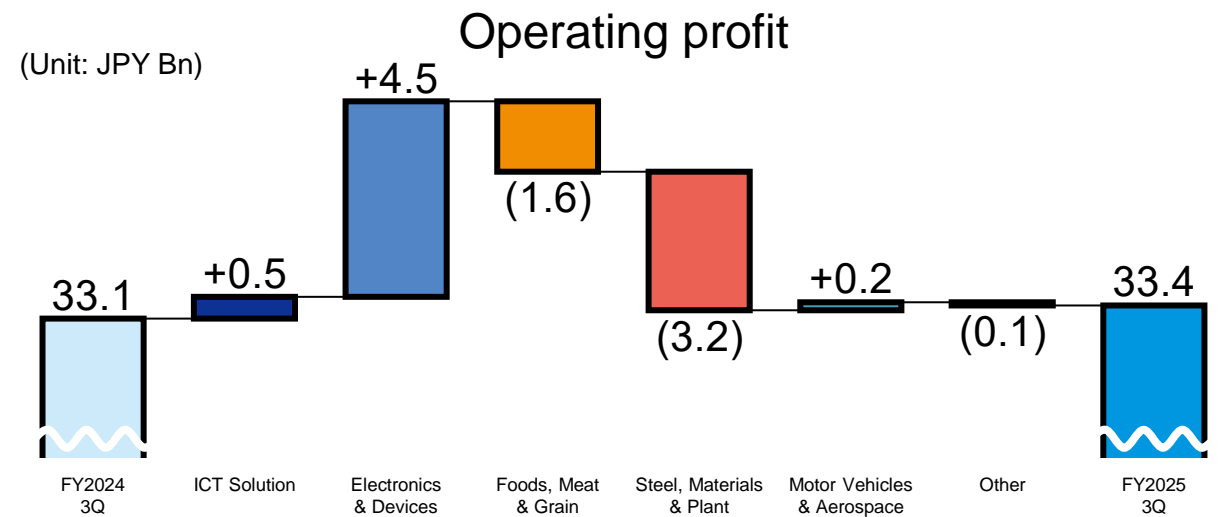
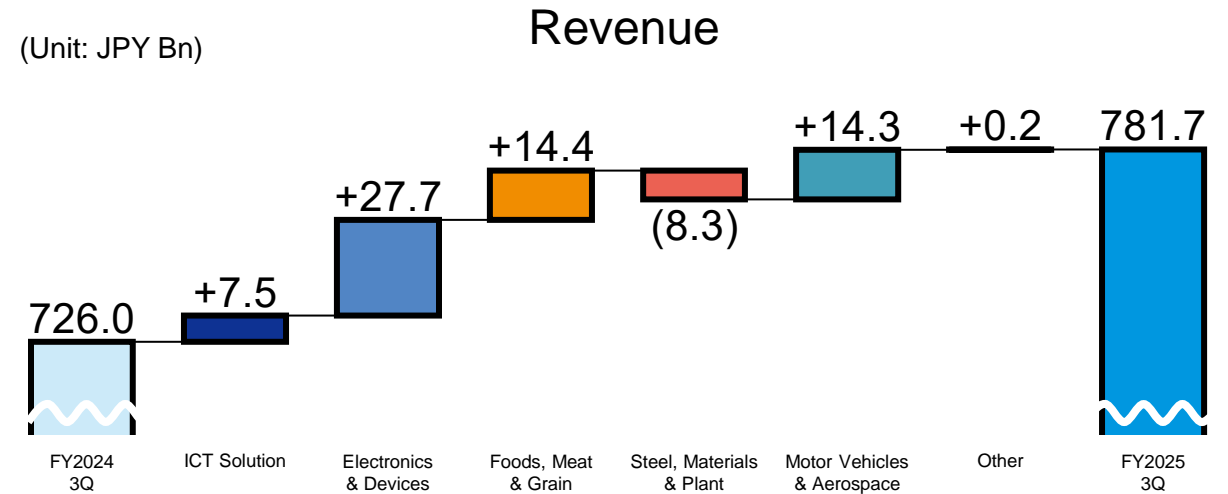
3Q progress



# Segment Information

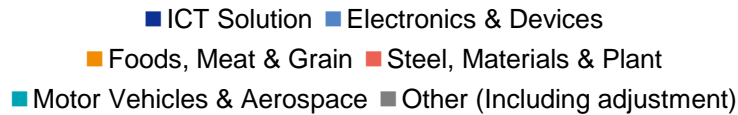
(Unit: JPY Bn)	FY2024 3Q	FY2025 3Q	YoY	Growth	FY2025 Forecast (Revised)	Progress
<b>ICT Solution</b>						
Revenue	57.8	65.3	+7.5	+13%	90.0	73%
Operating Profit	8.6	9.1	+0.5	+6%	14.5	63%
Net Profit <sup>1)</sup>	5.8	6.0	+0.3	+5%	10.0	60%
<b>Electronics &amp; Devices</b>						
Revenue	170.2	197.9	+27.7	+16%	280.0	71%
Operating profit	5.5	10.0	+4.5	+81%	11.7	86%
Net profit	3.2	6.7	+3.5	+110%	7.9	85%
<b>Foods, Meat &amp; Grain</b>						
Revenue	258.3	272.7	+14.4	+6%	410.0	67%
Operating profit	7.4	5.7	(1.6)	(22%)	7.3	79%
Net profit	3.6	2.3	(1.3)	(36%)	3.2	72%
<b>Steel, Materials &amp; Plant</b>						
Revenue	159.2	150.9	(8.3)	(5%)	195.0	77%
Operating profit	8.0	4.8	(3.2)	(40%)	5.6	86%
Net profit	1.7	1.8	+0.1	+7%	2.6	68%
<b>Motor Vehicles &amp; Aerospace</b>						
Revenue	79.0	93.3	+14.3	+18%	120.0	78%
Operating profit	3.6	3.8	+0.2	+5%	5.4	71%
Net profit	2.1	2.5	+0.4	+18%	3.3	75%
<b>Other (Including adjustment)</b>						
Revenue	1.5	1.6	+0.2	+11%	5.0	33%
Operating profit	0.0	(0.0)	(0.1)	-	0.0	-
Net profit	0.2	(0.4)	(0.7)	-	0.0	-
<b>Total</b>						
Revenue	726.0	781.7	+55.7	+8%	1,100.0	71%
Operating profit	33.1	33.4	+0.3	+1%	44.5	75%
Net profit	16.6	19.4	+2.9	+17%	27.0	72%

1) Net profit = Profit attributable to owners of the parent

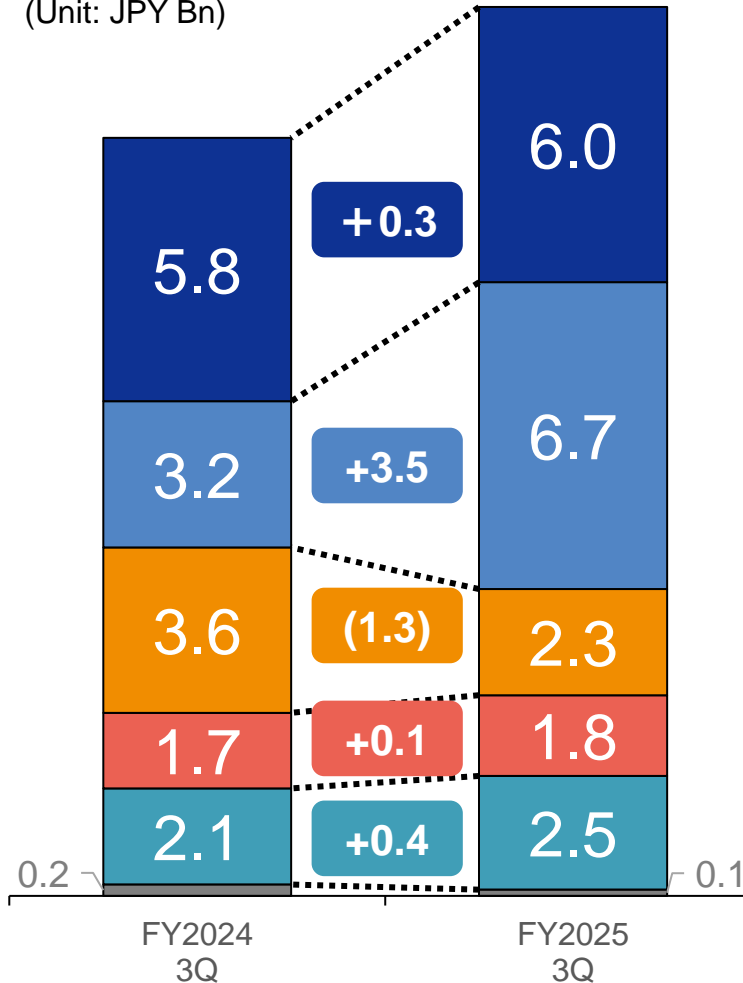


# Net Profit Breakdown

Profit attributable to owners of the parent



(Unit: JPY Bn)



## Primary factors contributing to the year-on-year changes

### ICT Solution

**increased 0.3 billion yen**

- Despite increased expenses for personnel and office renovations, profits grew due to robust performance in security-related services, as well as network and storage services, particularly in the manufacturing sector.

### Electronics & Devices

**increased 3.5 billion yen**

- **Mobile:** Profit grew due to the increase in directly operated stores, the expansion of sales channels, and the rise in sales volume, along with the growth of enterprise business, in contrast to the same period last year, when the costs related to store reorganization were incurred.
- **Semiconductor Parts & Equipment Business:** While semiconductor parts business showed a slowdown compared to the strong performance of the previous year, and semiconductor equipment business struggled due to the slow recovery of the semiconductor market, profit still increased, partly because of mergers and acquisitions.

### Foods, Meat & Grain

**decreased 1.3 billion yen**

- **Foods:** While retail transactions and sales of beverage ingredients remained strong, agricultural products saw a profit decrease compared to the strong performance in the same period last year.
- **Meat Products:** Sales struggled, leading to a decline in profit due to high overseas market prices, increased costs from yen depreciation, and sluggish domestic market conditions.
- **Grain, Oilseeds & Feedstuff:** While imported rice performed well, roughage transactions remained sluggish, resulting in a decline in profit.

### Steel, Materials & Plant

**increased 0.1 billion yen**

- **Steel:** While the absence of the impairment loss on equity method investments recognized in the same period of the previous fiscal year had a positive impact, profit remained almost flat due to factors such as the slowdown in North American steel tubing transactions.
- **Plant:** Profit increased due to strong performance in ODA (Official Development Assistance) projects.
- **Energy:** Profit decreased due to sluggish sales caused by the warm winter and other factors.

### Motor Vehicles & Aerospace

**increased 0.4 billion yen**

- **Aerospace:** Profits increased due to strong performance in aircraft and defense-related transactions.

# Cash Flows

## ■ Cash flows from operating activities

The cash inflow of 27.3 billion yen was primarily due to the accumulation of operating revenue.

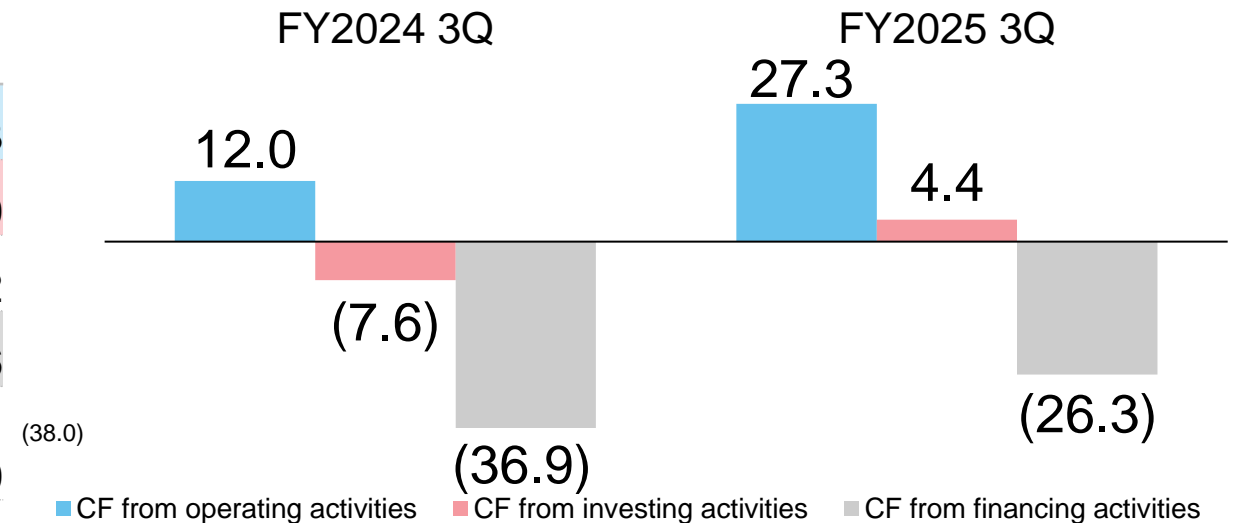
## ■ Cash flows from investing activities

While there were expenditures for business investments, including the acquisition of property, plant and equipment, as well as subsidiaries, the sale of cross-shareholdings (other investments) resulted in a cash inflow of 4.4 billion yen.

## ■ Cash flows from financing activities

The cash outflow of 26.3 billion yen was primarily due to repayments of borrowings and lease liabilities, as well as dividend payments.

(Unit: JPY Bn)	FY2024 3Q	FY2025 3Q	YoY
CF from operating activities	12.0	27.3	+15.3
CF from investing activities	(7.6)	4.4	+12.0
Free cash flows	4.4	31.7	+27.2
CF from financing activities	(36.9)	(26.3)	+10.6
Operating cash flows (adjusted) <sup>1)</sup>	18.0	25.0	+7.0



1) Operating cash flows (adjusted) = Operating cash flows ± Change in working capital – Repayment of lease liabilities

# Financial Position

## ■ Total assets

An increase of 1.3 billion yen due to the acquisition of property, plant and equipment, and higher inventories.

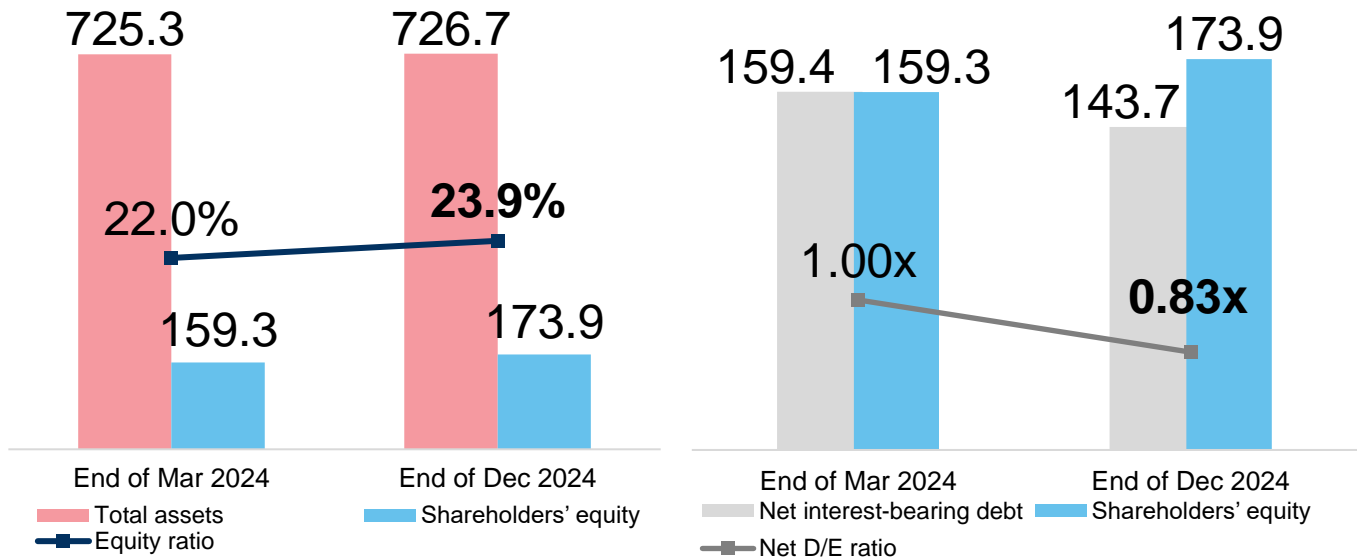
## ■ Net interest-bearing debt

A decrease of 15.7 billion yen due to repayments of borrowings resulting from a reduction in working capital and the sale of cross-shareholdings, as well as the redemption of bonds.

## ■ Shareholders' equity

An increase of 14.6 billion yen was mainly from the accumulation of profit attributable to owners of the parent. The equity ratio reached 23.9%, with a net D/E ratio of 0.83x.

(Unit: JPY Bn)	End of Mar 2024	End of Dec 2024	YoY
Total assets	725.3	726.7	+1.3
Net interest-bearing debt	159.4	143.7	(15.7)
Shareholders' equity <sup>1)</sup>	159.3	173.9	+14.6
Equity ratio <sup>2)</sup>	22.0%	23.9%	+2.0%
Net D/E ratio <sup>3)</sup>	1.00x	0.83x	(0.17x)
PBR <sup>4)</sup>	1.37x	1.28x	(0.10x)



1) Shareholders' equity = Total equity attribute to owners of the parent

2) Equity ratio = Shareholders' equity ÷ total assets

3) Net D/E Ratio = Net interest-bearing debt ÷ total equity attributable to owners of the parent

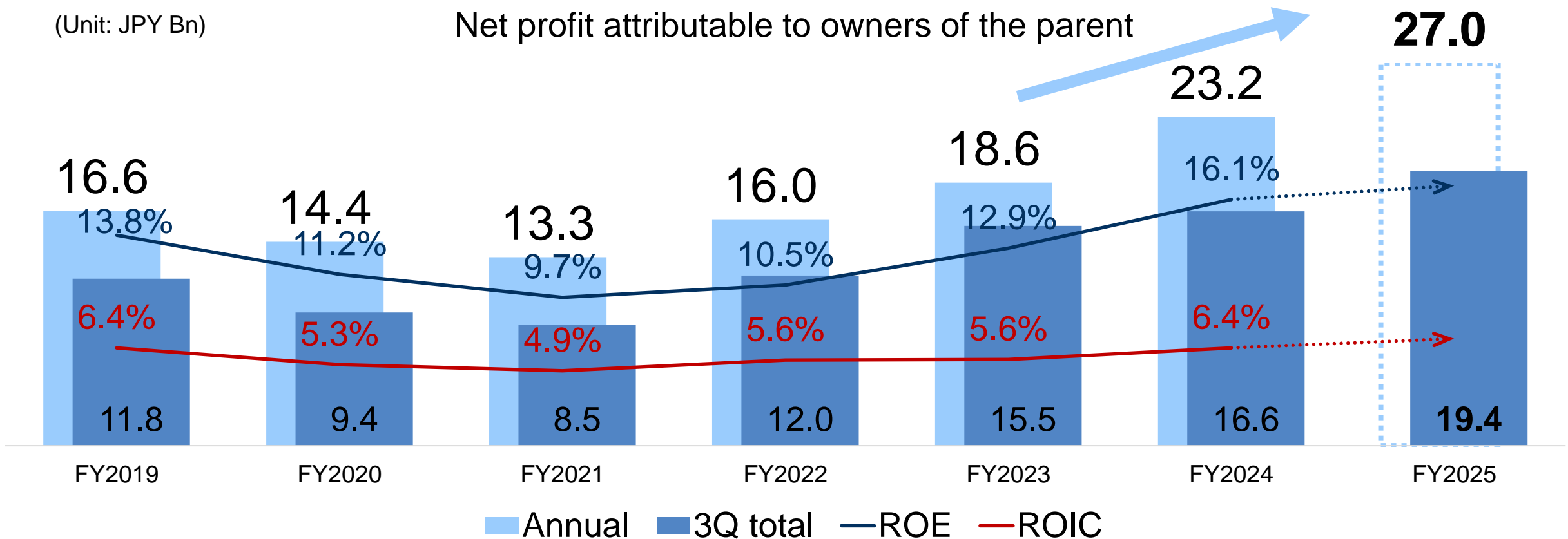
4) PBR = Market cap at the end of the period (end stock price x number of issued shares) ÷ Equity capital

# Annual Net Profit

- The annual net profit<sup>1)</sup> for the fiscal year ending March 2025 is projected to be 27.0 billion yen, reflecting an increase of 3.8 billion yen compared to the previous fiscal year.
- The net profit for the third quarter was 19.4 billion yen, reaching a record high for this quarter.

(Unit: JPY Bn)

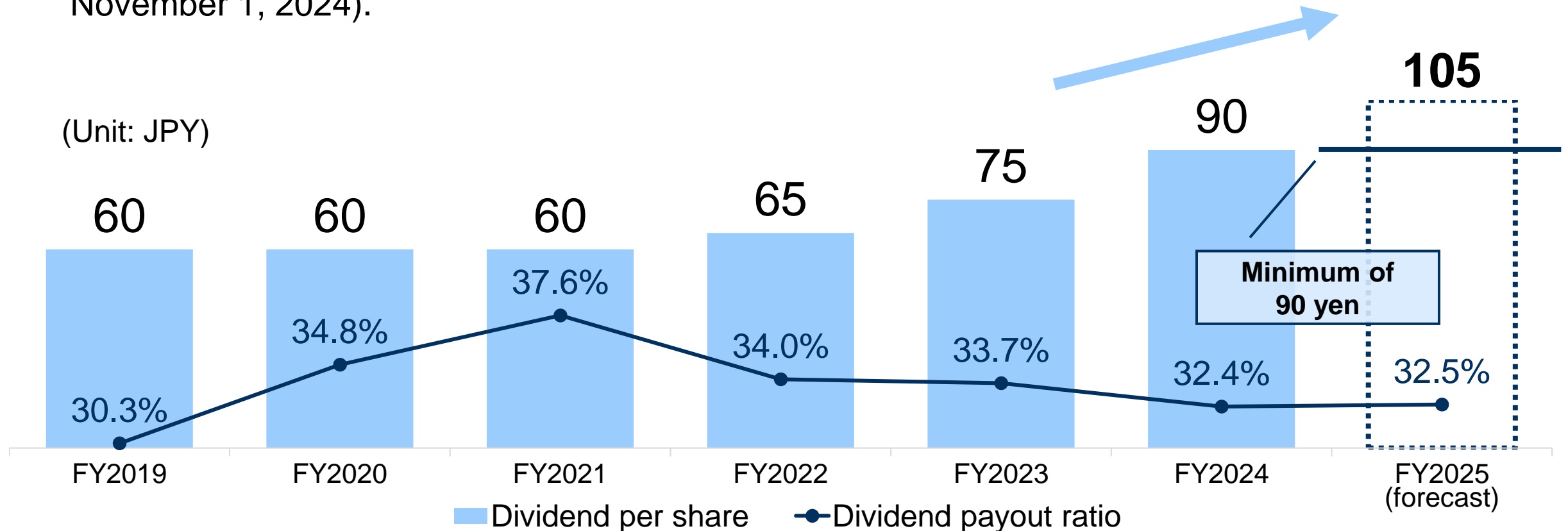
Net profit attributable to owners of the parent



1) Net profit = Profit attributable to owners of the parent

# Dividends

- An annual dividend of a minimum of 90 yen, with progressive dividends.
- With a target total return ratio of 30–35%, the policy is to increase dividends in accordance with the growth of net profit<sup>1)</sup>.
- The annual dividend per share for the fiscal year 2025 is expected to be 105 yen (announced on November 1, 2024).



1) Net profit = Profit attributable to owners of the parent

