

# Consolidated Financial Summary for the Fiscal Year Ended March 31, 2024 (IFRS)

May 7, 2024

Company name: Kanematsu Corporation

Stock Exchange listing: Prime Market, Tokyo Stock Exchange

Stock code: 8020

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Scheduled date for the Ordinary General Meeting of Shareholders: June 28, 2024

Scheduled date for commencement of dividend payments: June 11, 2024

Scheduled date for the submission of financial statements: June 28, 2024

Supplementary documents for financial results: Yes

Financial results briefing: Yes (for institutional investors and analysts)

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

## 1. Consolidated business results for the fiscal year ended March 2024 (April 1, 2023 – March 31, 2024)

## (1) Consolidated business results

(%: Change from the previous year)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of the parent		Total comprehensive income for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2024	985,993	8.2	43,870	12.8	37,241	4.3	24,586	(0.5)	23,218	25.0	40,966	30.9
Fiscal year ended March 2023	911,408	18.7	38,896	32.5	35,696	24.1	24,709	20.2	18,575	16.2	31,292	19.2

	Basic earnings per share		Diluted earnings per share		Return on equity attributable to owners of the parent		Profit before tax to total assets	
	Yen		Yen		%		%	
Fiscal year ended March 2024	277.90		276.97		16.1		5.3	
Fiscal year ended March 2023	222.38		221.89		12.9		5.4	

(Reference) Share of profit (loss) of investments accounted for using the equity method:

(212) million yen for the fiscal year ended March 2024

(521) million yen for the fiscal year ended March 2023

(Note) 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		Equity attributable to owners of the parent per share	
	Million yen		Million yen		Million yen		%		Yen	
As of March 31, 2024	725,347		176,000		159,318		22.0		1,906.69	
As of March 31, 2023	677,588		143,423		128,525		19.0		1,538.42	

## (3) Consolidated cash flows

	Operating activities		Investing activities		Financing activities		Cash and cash equivalents at end of year	
	Million yen		Million yen		Million yen		Million yen	
Fiscal year ended March 2024	35,582		(12,423)		(50,102)		53,431	
Fiscal year ended March 2023	(296)		(16,684)		4,751		79,462	

## 2. Dividends

(Record date)	Annual dividends					Annual total of dividend	Payout ratio (Consolidated)	Dividend on equity attributable to owners of the parent (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year end	Fiscal			
	Yen	Yen	Yen	Yen	Yen			
Fiscal year ended March 2023	–	37.50	–	37.50	75.00	6,317	33.7	4.4
Fiscal year ended March 2024	–	45.00	–	45.00	90.00	7,581	32.4	5.2
Fiscal year ending March 2025 (Forecasts)	–	50.00	–	50.00	100.00		33.4	

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

## 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	42,500	(3.1)	38,000	2.0	25,000	7.7	299.21	

\* 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 |                   |                       |                   |  |
| Fiscal year (2024/3):                                    | 84,500,202 shares | Fiscal year (2023/3): | 84,500,202 shares |  |
| 2. Number of treasury stock                              |                   |                       |                   |  |
| Fiscal year (2024/3):                                    | 942,521 shares    | Fiscal year (2023/3): | 956,231 shares    |  |
| 3. Average number of shares during the period            |                   |                       |                   |  |
| Fiscal year (2024/3):                                    | 83,552,850 shares | Fiscal year (2023/3): | 83,533,827 shares |  |

(Reference) Overview of non-consolidated business results

1. Non-consolidated business results for the fiscal year ended March 2024 (April 1, 2023 – March 31, 2024)

(1) Non-consolidated business results (%: Change from the previous year)

	Revenue		Operating profit		Ordinary profit		Profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 2024	397,709	1.0	(540)	–	10,650	(12.8)	9,943	13.7
Fiscal year ended March 2023	393,934	17.1	(45)	–	12,211	20.1	8,747	1.9

	Profit for the year per share	Diluted profit for the year per share
	Yen	Yen
Fiscal year ended March 2024	118.98	–
Fiscal year ended March 2023	104.68	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	439,996	115,540	26.3	1,382.34
As of March 31, 2023	380,717	106,172	27.9	1,270.48

(Reference) Shareholders' equity 115,540 million yen for the fiscal year ended March 2024  
106,172 million yen for the fiscal year ended March 2023

\* Consolidated financial summaries are not subject to audit by a certified public accountant or an audit corporation.

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

- The results forecasts and forward-looking statements included in this document are based on information that the Consolidated Group has obtained on the date of the announcement and certain assumptions that the Consolidated Group considers reasonable. The Consolidated Group makes no guarantees with respect to the achievement of its results forecasts or forward-looking statements. Actual results might be significantly different from the forecasts in the document, depending on various factors. Refer to "1. Overview of Business Results, Etc., (1) Overview of business results, (ii) Future outlook" on page 3 of accompanying materials for further information on results forecasts.
- The Company operates its businesses on a consolidated basis. The Company produces no forecast for non-consolidated business results.
- The Company plans to hold a results briefing for institutional investors and analysts on Wednesday, May 15, 2024. Results briefing materials used at the results briefing will be posted on the Company's website immediately after it is held.

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## 1. Overview of Business Results, Etc.

### (1) Overview of business results

#### (i) Review of operations

During the fiscal year under review, the global economy headed towards soft-landing with monetary tightening policies worldwide reaching a turning point in view of the slowing inflations. There were, however, still concerns about factors that could place a downward pressure on the global economy such as the lengthening economic stagnation in China and the growing geopolitical risks resulting from the deterioration in the Middle Eastern situation.

In the U.S., monetary tightening approached its end as inflations slowed down while solid employment conditions supported personal consumption. Its economic outlook, however, requires close monitoring including the impact of the result of the Presidential election scheduled in November 2024 on the U.S. economy.

In Europe, while governments were moving toward monetary relaxation due to the slowing inflations, an outlook for economic recovery was unclear as consumption and employment were weak and geopolitical tensions were rising due to the deteriorating Middle Eastern situation.

The Chinese economy remained weak due to the ongoing property market recession and stagnant personal consumption. There is a concern that a full-swing economic recovery may take a while.

The Japanese economy was in a recovery trend with solid capital investments against the backdrop of the recovery in inbound demand and the progress in digitalization. However, the country's economic outlook requires close monitoring given factors such as the impact on the economy of interest rate hikes following the cancellation of the negative interest rate policy.

In this environment, the results of the Group in the fiscal year under review are as shown below.

Revenue increased centered on the mobile business which enjoyed strong sales and the energy business which was impacted by the weaker yen. While profit decreased in the steel business that posted an impairment loss on equity method investments and in the energy business that was affected a fall in domestic demand in comparison with the previous fiscal year which had strong results, profit increased mainly in the ICT solution business, mobile business, and foods business.

As a result, consolidated revenue increased ¥74,585 million (8.2%) year on year, to ¥985,993 million. Consolidated gross profit also increased ¥11,663 million (8.9%) from a year earlier, to ¥142,557 million. Consolidated operating profit rose ¥4,974 million (12.8%) from a year earlier, to ¥43,870 million, reflecting an increase in gross profit, despite a rise in selling, general and administrative expenses. Largely due to the rise in operating profit, profit before tax increased ¥1,545 million (4.3%) year on year, to ¥37,241 million and profit attributable to owners of the parent rose ¥4,643 million (25.0%) year on year, to ¥23,218 million, despite deterioration in net financial income and an impairment loss on equity method investments. The ratio of profit attributable to owners of the parent to equity attributable to owners of the parent or equity capital (ROE) stood at 16.1% and return on invested capital (ROIC)\* at 6.4%.

\*ROIC = net profit / invested capital (interest-bearing liabilities + shareholders' equity)

Results for each business segment are described below.

#### (Electronics & Devices)

Revenue increased ¥46,069 million year on year, to ¥328,582 million, mainly attributable to higher revenues in the mobile business and the semiconductor parts and manufacturing equipment business. Operating profit rose ¥2,486 million, to ¥22,817 million due to higher profits in the mobile business, etc. and profit attributable to owners of the parent also increased ¥6,064 million, to ¥14,840 million.

#### (Foods, Meat & Grain)

Revenue increased ¥1,248 million year on year, to ¥341,696 million, reflecting a rise in revenues in the foods business and feedstuff business. Operating profit rose ¥3,905 million, to ¥7,968 million, due to higher profits in the meat products business, foods business, etc. and profit attributable to owners of the parent grew ¥1,288 million, to ¥3,480 million.

#### (Steel, Materials & Plant)

Revenue increased ¥20,275 million year on year, to ¥213,668 million, due to rises in revenues in the energy business and steel tubing business. Operating profit fell ¥2,915 million, to ¥9,424 million, due to weaker profits in the steel tubing

business, energy business and others, and profit attributable to owners of the parent declined ¥4,053 million, to ¥2,641 million.

(Motor Vehicles & Aerospace)

Revenue increased ¥9,142 million year on year, to ¥90,486 million, due to a rise in revenue in the aerospace business, etc. Operating profit rose ¥1,603 million, to ¥3,088 million, due to a stronger profit in the aerospace business and others and profit attributable to owners of the parent grew ¥915 million, to ¥1,718 million.

(Other)

Revenue shrank ¥2,147 million from a year earlier, to ¥11,560 million. Operating profit fell ¥111 million, to ¥551 million, while profit attributable to owners of the parent increased ¥352 million, to ¥571 million.

(ii) Future outlook

In the next consolidated fiscal year, the relaxation of monetary environments worldwide is expected to support consumption leading to an economic recovery, although there is a concern that factors such as the lengthening economic stagnation in China and the rising geopolitical risks resulting from the deteriorating Middle Eastern situation might place a downward pressure on the world economy.

The Japanese economy is expected to see only a moderate recovery given the concern that the slowdown of overseas economies whose outlook is unclear will place a downward pressure, although domestic demand including inbound demand is expected to remain solid.

For the fiscal year ending March 31, 2025, the Company forecasts a consolidated revenue of ¥1,100,000 million, an operating profit of ¥42,500 million, a profit before tax of ¥38,000 million, and a profit attributable to owners of the parent of ¥25,000 million.

(Assumptions for the calculation of performance forecast)

- Exchange rate: 1 US dollar = 135 yen

- Interest rates: Interest rates in Japan are expected to remain unchanged, while interest rates overseas are expected to fall.

\* Note on forward-looking statements:

The above statements on performance forecast, such as the results forecasts, have been made based on information available to the Company at the time of the announcement and certain assumptions that the Company considers reasonable. The Company does not guarantee that the forecasts will be achieved. Actual results may differ materially from forecasts due to a number of factors.

## (2) Overview of financial position

### (i) Assets, liabilities and equity

Total assets at the end of the fiscal year under review increased ¥47,759 million from the end of the previous fiscal year, to ¥725,347 million. Interest-bearing debt decreased ¥13,348 million from the end of the previous fiscal year, to ¥214,546 million, mainly due to the repayment of debts. Net interest-bearing debt after deducting cash and deposits rose ¥11,477 million from the end of the previous fiscal year, to ¥159,425 million mainly due to a rise in operating capital. Interest-bearing debt does not include lease liabilities.

In terms of equity, equity attributable to owners of the parent rose ¥30,793 million from the end of the previous fiscal year, to ¥159,318 million, mainly due to the accumulation of net profit attributable to owners of the parent and increases in other capital components following the depreciation of the Japanese yen and rises in share prices.

As a result, the ratio of equity attributable to owners of the parent came to 22.0%. The net debt-equity ratio (“net DER”) was 1.0 times.

### (ii) Cash flows

Cash and cash equivalents at the end of the fiscal year under review shrank ¥26,031 million from the end of the previous fiscal year, to ¥53,431 million.

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

#### (Cash flows from operating activities)

Net cash provided by operating activities in the fiscal year under review stood at ¥35,582 million (versus net cash used of ¥296 million in the previous fiscal year), mainly reflecting the accumulation of operating revenue.

#### (Cash flows from investing activities)

Net cash used in investing activities in the fiscal year under review was ¥12,423 million (versus net cash used of ¥16,684 million in the previous fiscal year), mainly due to the execution of new business investments, while cash flow was generated from the sale of property, plant and equipment and other sources.

#### (Cash flows from financing activities)

Net cash used in financing activities in the fiscal year under review amounted to ¥50,102 million (versus net cash provided of ¥4,751 million in the previous fiscal year), mainly due to the repayment of short-term borrowings obtained for the tender offer for Kanematsu Electronics, Ltd. and payment to purchase its shares to make the company a wholly owned subsidiary.

## (3) Basic policy for distribution of profits and dividends

The Company regards the distribution of profits to its shareholders as a critical management issue. It adopts a basic policy of distributing profits supported by business results, while taking into consideration the balance with appropriate internal reserves for future growth investments.

The Company’s target payout ratio (total return ratio) under “*future 135*,” its medium-term vision, is set at 30-35%. For the fiscal year under review, the Company paid an interim dividend of ¥45 per share and plans to pay a year-end dividend of ¥45 per share, bringing the annual dividend to ¥90 per share. As a result, the payout ratio is estimated to be 32.4%.

As for the dividends in the next fiscal year, the Company plans to pay the annual dividend of ¥100 per share (interim dividend of ¥50 and year-end dividend of ¥50) based on the target payout (total return ratio) of 30-35% under the medium-term management plan, “*integration 1.0*,” and the performance forecast for the next fiscal year. As a result, the payout ratio is expected to be 33.4%.

## 2. Basic Approach to Selection of Accounting Standards

The Company decided to voluntarily adopt International Financial Reporting Standards (IFRS), in place of the Japanese GAAP used previously, beginning with its consolidated financial statements in the annual securities report for the fiscal year ended March 31, 2016 (122nd Term), to improve the global comparability of financial information in capital markets.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated statement of financial position

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	79,462	53,431
Trade and other receivables	245,890	287,119
Inventories	156,071	158,784
Other financial assets	5,633	9,988
Other current assets	28,896	34,189
Total current assets	515,954	543,513
Non-current assets		
Property, plant and equipment	47,188	47,190
Goodwill	14,481	16,952
Intangible assets	28,055	29,621
Investments accounted for using the equity method	19,947	20,471
Trade and other receivables	1,606	1,541
Other investments	37,888	53,019
Other financial assets	6,656	6,978
Deferred tax assets	2,221	1,893
Other non-current assets	3,589	4,164
Total non-current assets	161,634	181,834
Total assets	677,588	725,347

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	206,609	239,563
Bonds and borrowings	162,189	117,043
Lease liabilities	7,685	7,492
Other financial liabilities	23,939	8,694
Income taxes payable	6,488	6,812
Provisions	358	304
Other current liabilities	29,199	34,765
Total current liabilities	436,469	414,675
Non-current liabilities		
Bonds and borrowings	65,704	97,502
Lease liabilities	12,992	13,721
Other financial liabilities	3,512	3,576
Retirement benefits liabilities	6,198	6,076
Provisions	2,155	2,352
Deferred tax liabilities	5,975	10,331
Other non-current liabilities	1,156	1,109
Total non-current liabilities	97,695	134,671
Total liabilities	534,164	549,347
Equity		
Share capital	27,781	27,781
Capital surplus	–	–
Retained earnings	80,543	97,236
Treasury stock	(1,259)	(1,238)
Other components of equity		
Exchange differences on translation of foreign operations	8,878	14,262
Financial assets measured at fair value through other comprehensive income	11,829	19,958
Cash flow hedges	752	1,318
Total other components of equity	21,460	35,539
Total equity attributable to owners of the parent	128,525	159,318
Non-controlling interests	14,898	16,681
Total equity	143,423	176,000
Total liabilities and equity	677,588	725,347



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

(Million yen)

	Fiscal year from April 1, 2022 to March 31, 2023	Fiscal year from April 1, 2023 to March 31, 2024
Revenue	911,408	985,993
Cost of sales	(780,513)	(843,435)
Gross profit	130,894	142,557
Selling, general and administrative expenses	(96,305)	(106,177)
Other income (expenses)		
Gain (loss) on sale or disposal of property, plant and equipment and intangible assets, net	(263)	1,781
Impairment loss on property, plant and equipment and intangible assets	(419)	-
Other income	6,006	6,850
Other expenses	(1,016)	(1,142)
Total other income (expenses)	4,307	7,490
Operating profit	38,896	43,870
Finance income		
Interest income	441	1,113
Dividend income	1,062	1,322
Other finance income	315	83
Total finance income	1,819	2,518
Finance costs		
Interest expenses	(3,885)	(6,109)
Other finance costs	(611)	(477)
Total finance costs	(4,497)	(6,586)
Share of profit (loss) of investments accounted for using the equity method	(521)	(212)
Impairment loss on equity method investments	-	(2,349)
Profit before tax	35,696	37,241
Income tax expense	(10,987)	(12,655)
Profit for the year	24,709	24,586
Profit for the year attributable to:		
Owners of the parent	18,575	23,218
Non-controlling interests	6,133	1,367
Total	24,709	24,586
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	222.38	277.90
Diluted earnings per share (yen)	221.89	276.97

## (Consolidated statements of comprehensive income)

(Million yen)

	Fiscal year from April 1, 2022 to March 31, 2023	Fiscal year from April 1, 2023 to March 31, 2024
Profit for the year	24,709	24,586
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	2,176	8,120
Remeasurement of defined benefit pension plans	392	506
Share of other comprehensive income of investments accounted for using the equity method	29	(35)
Total items that will not be reclassified to profit or loss	2,598	8,590
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	3,205	6,565
Cash flow hedges	(445)	563
Share of other comprehensive income of investments accounted for using the equity method	1,224	661
Total items that may be reclassified to profit or loss	3,984	7,790
Other comprehensive income for the year, net of tax	6,583	16,380
Total comprehensive income for the year	31,292	40,966
Total comprehensive income for the year attributable to:		
Owners of the parent	24,209	37,756
Non-controlling interests	7,082	3,210
Total	31,292	40,966

## (3) 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	27,034	89,280	(1,305)	5,296	10,068
Profit			18,575			
Other comprehensive income					3,581	2,126
Total comprehensive income for the year	–	–	18,575	–	3,581	2,126
Dividends			(6,055)			
Dividends paid to non-controlling interests						
Acquisition of treasury stock				(2)		
Disposition of treasury stock		(0)		47		
Change due to business combination						
Equity transactions with non-controlling interests		(47,290)				
Share-based payment transactions		106				
Put options granted to non-controlling interests		(1,972)				
Total transactions with owners	–	(49,157)	(6,055)	45	–	–
Transfer from retained earnings to capital surplus		21,993	(21,993)			
Transfer from other components of equity to retained earnings			736			(365)
Balance as of March 31, 2023	27,781	–	80,543	(1,259)	8,878	11,829
Profit			23,218			
Other comprehensive income					5,384	8,112
Total comprehensive income for the year	–	–	23,218	–	5,384	8,112
Dividends			(6,893)			
Dividends paid to non-controlling interests						
Acquisition of treasury stock				(4)		
Disposition of treasury stock		0		24		
Equity transactions with non-controlling interests		(314)				
Share-based payment transactions		161				
Put options granted to non-controlling interests		60				
Total transactions with owners	–	(91)	(6,893)	20	–	–
Transfer from retained earnings to capital surplus		91	(91)			
Transfer from other components of equity to retained earnings			458			16
Balance as of March 31, 2024	27,781	–	97,236	(1,238)	14,262	19,958

(Million yen)

	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	Remeasurement of defined benefit pension plans	Total other components of equity			
Balance as of April 1, 2022	1,198	—	16,563	159,484	39,798	199,282
Profit			—	18,575	6,133	24,709
Other comprehensive income	(445)	371	5,633	5,633	949	6,583
Total comprehensive income for the year	(445)	371	5,633	24,209	7,082	31,292
Dividends			—	(6,055)		(6,055)
Dividends paid to non-controlling interests			—	—	(2,376)	(2,376)
Acquisition of treasury stock			—	(2)		(2)
Disposition of treasury stock			—	47		47
Change due to business combination			—	—	1,188	1,188
Equity transactions with non-controlling interests			—	(47,290)	(30,795)	(78,086)
Share-based payment transactions			—	106		106
Put options granted to non-controlling interests			—	(1,972)		(1,972)
Total transactions with owners	—	—	—	(55,168)	(31,982)	(87,150)
Transfer from retained earnings to capital surplus			—	—		—
Transfer from other components of equity to retained earnings		(371)	(736)	—		—
Balance as of March 31, 2023	752	—	21,460	128,525	14,898	143,423
Profit			—	23,218	1,367	24,586
Other comprehensive income	565	475	14,537	14,537	1,843	16,380
Total comprehensive income for the year	565	475	14,537	37,756	3,210	40,966
Dividends			—	(6,893)		(6,893)
Dividends paid to non-controlling interests			—	—	(481)	(481)
Acquisition of treasury stock			—	(4)		(4)
Disposition of treasury stock			—	24		24
Equity transactions with non-controlling interests			—	(314)	(945)	(1,259)
Share-based payment transactions			—	161		161
Put options granted to non-controlling interests			—	60		60
Total transactions with owners	—	—	—	(6,963)	(1,426)	(8,390)
Transfer from retained earnings to capital surplus			—	—		—
Transfer from other components of equity to retained earnings		(475)	(458)	—		—
Balance as of March 31, 2024	1,318	—	35,539	159,318	16,681	176,000

## (4) Consolidated statements of cash flows

(Million yen)

	Fiscal year from April 1, 2022 to March 31, 2023	Fiscal year from April 1, 2023 to March 31, 2024
Cash flows from operating activities:		
Profit for the year	24,709	24,586
Depreciation and amortization	13,778	14,741
Impairment loss on property, plant and equipment and intangible assets	419	–
Finance income and costs	2,677	4,067
Share of (profit) loss of investments accounted for using the equity method	521	212
Impairment loss on equity method investments	–	2,349
(Gain) loss on sale or disposal of property, plant and equipment and intangible assets	263	(1,781)
Income tax expense	10,987	12,655
(Increase) decrease in trade and other receivables	(3,820)	(35,141)
(Increase) decrease in inventories	(31,998)	2,429
Increase (decrease) in trade and other payables	(6,814)	27,422
Increase (decrease) in retirement benefit liabilities	(662)	(821)
Other	4,139	1,393
Sub total	14,202	52,112
Interest received	306	530
Dividends received	1,233	1,579
Interest paid	(3,977)	(5,953)
Income taxes paid	(12,061)	(12,686)
Net cash provided by (used in) operating activities	(296)	35,582
Cash flows from investing activities:		
Payments for property, plant and equipment	(4,655)	(3,609)
Proceeds from sales of property, plant and equipment	1,287	4,045
Payments for intangible assets	(882)	(1,148)
Purchases of other investments	(5,198)	(7,842)
Proceeds from sale of other investments	2,033	746
Proceeds from (payments for) acquisition of subsidiaries	(9,205)	(3,790)
Payments for acquisition of businesses	(195)	(560)
Proceeds from business transfer	750	7
Increase in loans receivable	(2,633)	(618)
Proceeds from collection of loans receivable	559	1,605
Other	1,455	(1,259)
Net cash provided by (used in) investing activities	(16,684)	(12,423)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings (three months or less), net	28,898	2,421
Proceeds from short-term borrowings (more than three months)	58,707	1,205
Repayment of short-term borrowings (more than three months)	(511)	(59,505)
Proceeds from long-term borrowings	17,324	64,411
Repayment of long-term borrowings	(16,118)	(24,657)
Redemption of bonds	(5,014)	(14)
Dividends paid	(6,045)	(6,883)
Purchase of shares of subsidiaries from non-controlling interests	(61,571)	(17,300)
Capital contribution from holders of non-controlling interests	7	–
Dividends paid to non-controlling interests	(2,213)	(401)
Repayments of lease liabilities	(8,707)	(9,371)
Other	(3)	(7)
Net cash provided by (used in) financing activities	4,751	(50,102)
Increase (decrease) in cash and cash equivalents, net	(12,228)	(26,942)
Cash and cash equivalents at the beginning of the year	91,420	79,462
Effect of exchange rate changes on cash and cash equivalents	270	912
Cash and cash equivalents at the end of the year	79,462	53,431

(5) Notes on the consolidated financial statements

(Notes on the going concern assumption)

Not applicable.

(Notes on change to accounting policy)

Important accounting principles applied to the consolidated financial statements of the Group have not changed from the accounting principles applied to the Group's consolidated financial statements for the previous consolidated fiscal year except for the following. The adoption of the standard below does not have any material impact on the Group's consolidated financial statements.

Standard	Name	Overview
IAS 12	Income taxes	Clarification of accounting treatment applied to deferred taxes related to the assets and liabilities arising 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. Fiscal year from April 1, 2022 to March 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	282,513	340,448	193,393	81,344	897,700	13,707	–	911,408
Inter-segment	559	2	97	14	673	236	(910)	–
Total revenues	283,072	340,450	193,491	81,359	898,374	13,944	(910)	911,408
Operating profit (loss)	20,331	4,063	12,339	1,485	38,219	662	13	38,896
Segment profit (loss)	8,776	2,192	6,694	803	18,467	219	(111)	18,575
Other profit or loss:								
Depreciation and amortization	7,221	2,060	2,939	1,235	13,456	340	(17)	13,778
Share of profit (loss) of investments accounted for using the equity method	(506)	(9)	(296)	–	(812)	290	–	(521)
Segment assets	232,145	171,901	161,977	62,138	628,163	12,577	36,847	677,588
Other assets:								
Investments accounted for using the equity method	4,070	2,063	10,358	–	16,491	3,459	(3)	19,947
Capital expenditures (Note 3)	1,872	508	907	1,023	4,311	52	1,970	6,335

(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.

- (1) The adjustment of ¥13 million for operating profit (loss) includes an inter-segment elimination of ¥13 million.
- (2) The adjustment of -¥111 million for segment profit (loss) includes an inter-segment elimination of -¥1 million and corporate expenses that are not allocated to any particular segment of -¥110 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.
- (3) Adjustment for segment assets amounting to ¥36,847 million includes inter-segment elimination of -¥8,982 million and Group assets of ¥45,829 million that have not been distributed to reportable segments. These Group assets consist mainly of cash and bank deposits in connection with financing activities and assets such as investments in securities.
- (4) Adjustment for depreciation and amortization amounting to -¥17 million includes inter-segment elimination of -¥17 million.
- (5) Adjustment for investments accounted for using the equity method amounting to -¥3 million includes intersegment elimination of -¥3 million.
- (6) Adjustment for capital expenditure amounting to ¥1,970 million includes inter-segment elimination of -¥12 million and Group assets of ¥1,983 million that have not been distributed to reportable segments. These Group assets consist mainly of buildings and structures related to the relocation works of the Company’s head office.

(Note 3) Capital expenditures do not include amounts pertaining to right-of-use assets.

II. Fiscal year from April 1, 2023 to March 31, 2024

(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	328,582	341,696	213,668	90,486	974,433	11,560	–	985,993
Inter-segment	777	3	68	12	861	199	(1,061)	–
Total revenues	329,360	341,699	213,736	90,499	975,295	11,760	(1,061)	985,993
Operating profit (loss)	22,817	7,968	9,424	3,088	43,299	551	20	43,870
Segment profit (loss)	14,840	3,480	2,641	1,718	22,680	571	(33)	23,218
Other profit or loss:								
Depreciation and amortization	7,946	2,069	3,217	1,181	14,415	341	(15)	14,741
Share of profit (loss) of investments accounted for using the equity method	47	(98)	(582)	–	(634)	421	–	(212)
Impairment loss on equity method investments	–	–	(2,349)	–	(2,349)	–	–	(2,349)
Segment assets	269,481	192,437	173,769	70,894	706,583	12,550	6,213	725,347
Other assets:								
Investments accounted for using the equity method	3,963	4,767	7,912	–	16,643	3,832	(4)	20,471
Capital expenditures (Note 3)	1,971	658	1,302	894	4,827	148	523	5,499

(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.

- (1) The adjustment of ¥20 million for operating profit (loss) includes an inter-segment elimination of ¥20 million.
- (2) The adjustment of -¥33 million for segment profit (loss) includes an inter-segment elimination of ¥21 million and corporate expenses that are not allocated to any particular segment of -¥54 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.
- (3) Adjustment for segment assets amounting to ¥6,213 million includes inter-segment elimination of -¥55,419 million and Group assets of ¥61,632 million that have not been distributed to reportable segments. These Group assets consist mainly of cash and bank deposits in connection with financing activities and assets such as investments in securities.
- (4) Adjustment for depreciation and amortization amounting to -¥15 million includes inter-segment elimination of -¥15 million.
- (5) Adjustment for investments accounted for using the equity method amounting to -¥4 million includes intersegment elimination of -¥4 million.
- (6) Adjustment for capital expenditure amounting to ¥523 million includes Group assets of ¥523 million that have not been distributed to reportable segments. These Group assets consist mainly of software and other assets related to the Company’s information systems.

(Note 3) Capital expenditures do not include amounts pertaining to right-of-use assets.



(Per share information)

(i) Profit for the year per share (yen)

	Fiscal year from April 1, 2022 to March 31, 2023	Fiscal year from April 1, 2023 to March 31, 2024
Basic earnings per share (yen)	222.38	277.90
Diluted earnings per share (yen)	221.89	276.97

(Note) The amount of diluted earnings per share is calculated by deeming the shares authorized to be issued subject to conditions which are expected to be provided under the performance-linked stock compensation plan as potential shares.

(ii) Basis for calculation of profit for the year per share

	Fiscal year from April 1, 2022 to March 31, 2023	Fiscal year from April 1, 2023 to March 31, 2024
Profit attributable to owners of the parent (million yen)	18,575	23,218
Amount not attributable to common shareholders of the parent (million yen)	–	–
Profit used to calculate basic earnings per share (million yen)	18,575	23,218
Profit used to calculate diluted earnings per share (million yen)	18,575	23,218
Weighted average number of common shares (thousand shares)	83,533	83,552
Increase due to performance-linked stock compensation plan (thousand shares)	183	279
Weighted average number of shares adjusted for dilution (thousand shares)	83,717	83,832

(Note) In the calculation of the earnings per share, the shares of the Company owned by the stock issuance trust for officers below are included in the treasury stock which is deducted in the calculation of average number of shares during the fiscal year:

Previous consolidated fiscal year      678,007 shares  
Consolidated fiscal year under review      657,130 shares

(Significant subsequent events)

Not applicable.