

Key Management Indicators : MD&A

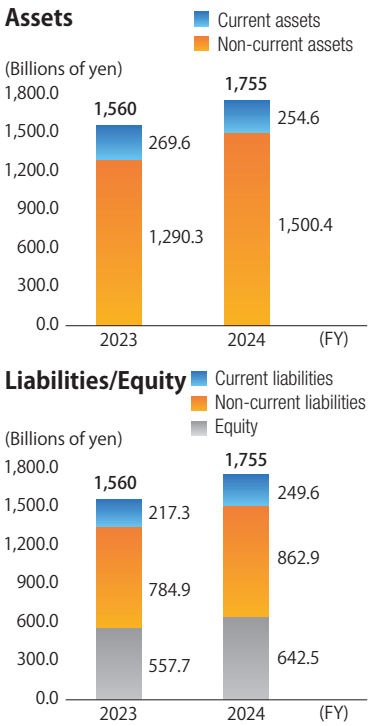
(Management’s Discussion and Analysis of Consolidated Financial Condition, Results and Cash Flows)

Financial Position

Total assets as of March 31, 2025 (FY2024) increased by ¥195,024 million compared to March 31, 2024 (FY2023) to ¥1,755,000 million. Current assets decreased by ¥15,015 million due to factors including a decrease in other financial assets of ¥52,260 million and a decrease in assets held for sale of ¥7,116 million, which offset an increase in trade receivables and contract assets of ¥20,651 million and an increase in cash and cash equivalents of ¥19,036 million. Non-current assets increased by ¥210,039 million, due to increases in goodwill of ¥111,628 million and in property, plant and equipment of ¥47,789 million.

Total liabilities as of March 31, 2025 increased by ¥110,239 million compared to March 31, 2024 to ¥1,112,515 million. Current liabilities increased by ¥32,265 million due to factor such as increases in the current portion of long-term debt of ¥9,941 million, in short-term debt of ¥8,716 million, and in trade payables of ¥8,348 million, compared to a decrease in other financial liabilities of ¥5,314 million. Non-current liabilities increased by ¥77,974 million, due to increases in long-term debt of ¥53,011 million and lease liabilities of ¥17,088 million.

Total equity as of March 31, 2025 increased by ¥84,785 million compared to March 31, 2024 to ¥642,485 million, due to factors such as increases in non-controlling interests of ¥35,012 million, in retained earnings of ¥31,063 million, and in capital surplus of ¥19,647 million.



Operating Results

Revenues, adjusted operating income and operating income

Revenues in the consolidated fiscal year under review increased 14% compared to the previous consolidated fiscal year to ¥910,742 million. This was mainly due to the expansion of contracted services, contributions from the operation of new projects, the impact of foreign exchange rates, and the impact of the consolidation of ALPS LOGISTICS CO., LTD. on October 11, 2024. Adjusted operating income increased 25% year-on-year to ¥48,498 million driven by increased revenues, improved productivity, and exchange rates. Operating income increased 78% year-on-year to ¥37,033 million. Although stock compensation expenses were recorded, the main factors for this increase were the recording of insurance proceeds and income from sale and leaseback transactions, as well as the decrease in costs associated with early retirement from the implementation of the second-career support program, loss by fire and acquisition-related costs, each of which were recorded in the previous consolidated fiscal year.

Earnings before interest and taxes (EBIT)

Earnings before interest and taxes (EBIT) in the consolidated fiscal year under review increased 91% year-on-year to ¥36,434 million, attributed to the increase in operating income and other factors.

Net income attributable to stockholders of the parent company

Net income attributable to stockholders of the parent company in the consolidated fiscal year under review decreased 48% year-on-year to ¥30,427 million. This was due to factors including the elimination in the reversal of deferred tax liabilities associated with asset liquidation recorded in the previous consolidated fiscal year, despite an increase in income before income taxes.

(Unit : Billions of yen)		
	FY2023	FY2024
Revenues	800.2	910.7
Adjusted operating income	38.9	48.5
Operating income	20.8	37.0
Earnings before interest and taxes (EBIT)	19.1	36.4
Income before income taxes	8.8	24.0
Net income attributable to stockholders of the parent company	58.3	30.4

Cash Flows

Cash flows from operating activities

Cash flows from operating activities increased by ¥66,506 million compared to the year ended March 31, 2024, totaling inflows of ¥81,106 million. The main factors for this were increases in funds resulting from depreciation and amortization of ¥82,390 million and from net income of ¥31,952 million, compared to a decrease in funds due to interest paid of ¥15,567 million, etc.

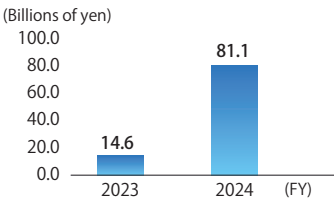
Cash flows from investing activities

Cash flows from investing activities decreased by ¥15,687 million compared to the year ended March 31, 2024, totaling outflows of ¥46,727 million. The main factors for this were increases in funds due to proceeds from the sale of subsidiary shares of ¥47,036 million and proceeds from sale of property, plant and equipment and intangible assets of ¥20,280 million, etc., compared to decreases in funds due to purchase of subsidiaries’ shares of ¥83,914 million and purchase of property, plant and equipment and intangible assets of ¥26,649 million.

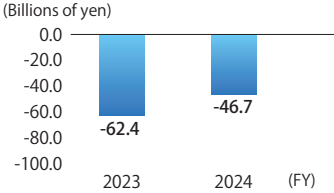
Cash flows from financing activities

Cash flows from financing activities decreased by ¥46,905 million compared to the year ended March 31, 2024, totaling outflows of ¥15,215 million. The main factors for this were increases in funds due to proceeds from long-term debt of ¥118,511 million and proceeds from sales of treasury shares of ¥15,000 million, etc., compared to decreases in funds due to repayments of long-term debt of ¥61,708 million, repayments of lease liabilities of ¥50,388 million, and payments for the purchase of treasury shares of subsidiaries of ¥40,019 million, etc.

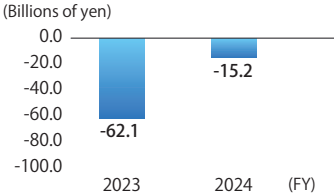
Cash flows from operating activities



Cash flows from investing activities



Cash flows from financing activities



Overview of Capital Investment

The LOGISTEED Group (LOGISTEED and its consolidated subsidiaries) executed targeted investments aimed at expanding logistics locations, in addition to conducting regular renewals of vehicles. In addition, we implemented the liquidation of domestic logistics centers. The breakdown of capital investments for the current consolidated fiscal year (based on the receipt of tangible and intangible assets), is as follows.

In domestic logistics, we expanded our logistics network by acquiring the Ogori Logistics Center (Ogori City, Fukuoka Prefecture) as a right-of-use asset. In addition to renewing existing assets, the Company carried out investments focused on operational streamlining and labor-saving initiatives. In addition to the abovementioned capital investments, as part of our efforts to transition to an asset-light business model and enhance capital efficiency, the LOGISTEED Group liquidated three domestic logistics centers.

Accordingly, we transferred buildings and structures valued at ¥12,935 million, machinery and equipment of ¥212 million, and land totaling ¥6,656 million, while acquiring right-of-use assets amounting to ¥13,271 million. As a result, capital investments amounted to ¥53,965 million.

In global logistics, we acquired a multifunctional integrated logistics center (Bangkok, Thailand), as a property, plant and equipment investment, and renewed existing assets such as vehicles. As a result, capital investments amounted to ¥32,100 million.

In the other category, we renewed existing assets such as vehicles used in the rental business. As a result, capital investments amounted to ¥5,038 million.

Breakdown of Capital Investment

	(Unit : Billions of yen)	
	FY2023	FY2024
Domestic logistics	199.0	54.0
Global logistics	33.1	32.1
Other services	4.0	5.0
Company-wide (shared)	6.0	5.6
Total	242.1	96.7