

Summary of Consolidated Financial Results [IFRS] for the First Quarter Ended June 30, 2023

1. Summary of Condensed Quarterly Consolidated Financial Statement

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2023	As of June 30, 2023
(Assets)		
Current assets		
Cash and cash equivalents	83,792	52,584
Trade receivables and contract assets	132,036	129,034
Inventories	1,329	1,459
Other financial assets	14,588	13,002
Other current assets	11,937	14,195
Total current assets	243,682	210,274
Non-current assets		
Investments accounted for using the equity method	7,319	6,869
Property, plant and equipment	183,476	195,617
Right-of-use assets	287,658	316,683
Goodwill	30,120	29,703
Intangible assets	20,795	23,162
Long-term loans receivable	97,276	97,268
Deferred tax assets	16,126	16,455
Other financial assets	17,880	19,026
Other non-current assets	7,777	7,281
Total non-current assets	668,427	712,064
Total assets	912,109	922,338

(Million yen)

	As of March 31, 2023	As of June 30, 2023
(Liabilities)		
Current liabilities		
Trade payables	52,188	49,191
Short-term debt	36	38
Current portion of long-term debt	830	881
Lease liabilities	35,095	36,968
Income tax payable	6,990	3,631
Deposits received	46,771	5,067
Other financial liabilities	40,089	39,226
Other current liabilities	40,122	34,700
Total current liabilities	222,121	169,702
Non-current liabilities		
Long-term debt	248,100	268,112
Lease liabilities	256,125	283,413
Retirement and severance benefits	35,964	36,366
Deferred tax liabilities	9,643	11,161
Other financial liabilities	11,590	10,206
Other non-current liabilities	8,522	9,315
Total non-current liabilities	569,944	618,573
Total liabilities	792,065	788,275
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	310	310
Capital surplus	147,257	145,883
Retained earnings	168,856	174,141
Accumulated other comprehensive income	16,271	25,925
Treasury stock, at cost	(221,990)	(221,985)
Total equity attributable to stockholders of the parent company	110,704	124,274
Non-controlling interests	9,340	9,789
Total equity	120,044	134,063
Total liabilities and equity	912,109	922,338

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

(Million yen)

	Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)	Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)
Revenues	199,452	194,722
Cost of sales	(173,255)	(167,408)
Gross profit	26,197	27,314
Selling, general and administrative expenses	(15,113)	(16,940)
Adjusted operating income	11,084	10,374
Other income	758	711
Other expenses	(1,181)	(560)
Operating income	10,661	10,525
Financial income	1,214	55
Financial expenses	(42)	(249)
Share of profits of investments accounted for using equity method	176	149
Earnings before interest and taxes	12,009	10,480
Interest income	169	1,144
Interest expenses	(1,504)	(2,644)
Income before income taxes	10,674	8,980
Income taxes	(3,213)	(3,462)
Net income	7,461	5,518
Attributable to:		
Stockholders of the parent company	7,030	5,286
Non-controlling interests	431	232

	Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)	Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)
Earnings per share attributable to stockholders of the parent company		
Basic	¥401,668,854.19	¥519,245,772.58
Diluted	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Million yen)

	Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)	Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)
Net income	7,461	5,518
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	(52)	34
Share of OCI of investments accounted for using the equity method	—	1
Total items not to be reclassified into net income	(52)	35
Items that can be reclassified into net income		
Foreign currency translation adjustments	7,101	9,917
Net changes in cash flow hedges	28	—
Share of OCI of investments accounted for using the equity method	78	7
Total items that can be reclassified into net income	7,207	9,924
Other comprehensive income	7,155	9,959
Comprehensive income	14,616	15,477
Attributable to:		
Stockholders of the parent company	13,698	14,675
Non-controlling interests	918	802

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Million yen)

Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)							
	Common stock	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
Balance at beginning of year	16,803	145,026	9,162	(821)	170,170	8,043	178,213
Changes in equity							
Net income		7,030			7,030	431	7,461
Other comprehensive income			6,668		6,668	487	7,155
Dividends		(2,348)			(2,348)	(118)	(2,466)
Acquisition and sales of treasury stock				(2)	(2)		(2)
Share-based remuneration transactions		5			5		5
Changes in liabilities for written put options over non-controlling interests		(755)	109		(646)	(259)	(905)
Total changes in equity	—	3,932	6,777	(2)	10,707	541	11,248
Balance at end of period	16,803	148,958	15,939	(823)	180,877	8,584	189,461

(Million yen)

Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)								
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
Balance at beginning of year	310	147,257	168,856	16,271	(221,990)	110,704	9,340	120,044
Changes in equity								
Net income			5,286			5,286	232	5,518
Other comprehensive income				9,389		9,389	570	9,959
Dividends						—	(167)	(167)
Transfer to retained earnings			(1)	1		—		—
Increase by business combination						—	148	148
Acquisition and sales of treasury stock					5	5		5
Changes in liabilities for written put options over non-controlling interests		(1,374)		264		(1,110)	(334)	(1,444)
Total changes in equity	—	(1,374)	5,285	9,654	5	13,570	449	14,019
Balance at end of period	310	145,883	174,141	25,925	(221,985)	124,274	9,789	134,063

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)	Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)
Cash flows from operating activities		
Net income	7,461	5,518
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	13,632	14,803
Income taxes	3,213	3,462
Share of profits (losses) of investments accounted for using equity method	(176)	(149)
Loss by fire	812	4
Insurance proceeds	(368)	(20)
Gain on sale of property, plant and equipment	(61)	(264)
Interest and dividends income	(217)	(1,199)
Interest expenses	1,504	2,644
(Increase) decrease in trade receivables and contract assets	(748)	7,176
(Increase) decrease in inventories	45	(64)
Increase (decrease) in trade payables	(2,819)	(4,728)
Increase (decrease) in deposits received	3,394	(41,729)
Increase (decrease) in retirement and severance benefits	287	307
Decrease in other assets and liabilities	(7,726)	(12,467)
Other	(48)	451
Subtotal	18,185	(26,255)
Interest and dividends received	389	954
Interest paid	(1,345)	(1,507)
Fire-related payments	(649)	(144)
Insurance proceeds received	368	20
Income taxes paid	(4,729)	(5,815)
Net cash provided by (used in) operating activities	12,219	(32,747)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(5,215)	(11,430)
Proceeds from sale of property, plant and equipment and intangible assets	124	653
Proceeds from acquisition of subsidiaries' shares	—	338
Payments into time deposits	(712)	(6,093)
Proceeds from withdrawal of time deposits	137	7,637
Payments for acquisition of businesses	(131)	—
Other	36	(343)
Net cash used in investing activities	(5,761)	(9,238)

	Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)	Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)
Cash flows from financing activities		
Decrease in short-term debt, net	(519)	(1)
Proceeds from long-term debt	—	19,499
Repayments of long-term debt	(27)	(29)
Repayments of lease liabilities	(8,437)	(9,701)
Dividends paid to stockholders of the parent company	(2,348)	—
Dividends paid to non-controlling interests	(118)	(167)
Other	(178)	(306)
Net cash (used in) provided by financing activities	(11,627)	9,295
Effect of exchange rate changes on cash and cash equivalents	1,526	1,482
Net increase (decrease) in cash and cash equivalents	(3,643)	(31,208)
Cash and cash equivalents at beginning of period	94,907	83,792
Cash and cash equivalents at end of period	91,264	52,584

(5) Summary of Notes to the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

None

(Additional Information)

(Fire at our consolidated subsidiary)

On November 29, 2021, a fire broke out at a logistics center at Maishima Sales Office of LOGISTEED West Japan, Ltd., one of our consolidated subsidiaries, and was put out on December 4, 2021.

Provision for loss by fire for the first quarter was ¥11,168 million and included loss related to rental properties such as costs to dismantle and remove buildings burned, and the payments to customers and other affected parties that can be reasonably estimated. Changes in “Provision for loss by fire” and “Other payables” included in “Other current liabilities” and “Other non-current liabilities” during the three month ended June 30, 2023 are shown in the table below.

(Million yen)

	Provision for loss by fire	Other payables
Balance at beginning of year (April 1, 2023)	11,221	120
Increase during the period	—	3
Decrease due to intended use	(23)	(120)
Reclassified to other payables	(30)	30
Balance at end of period (June 30, 2023)	11,168	33
Current liabilities	5,584	33
Non-current liabilities	5,584	—

During the three months ended June 30, 2023, the Company recorded ¥4 million of provision for loss by fire, etc. as “Loss by fire” in other expenses, but no insurance payment related to the fire has been finalized yet. The impact of the insurance payment still in processing on the Company’s condensed quarterly consolidated financial statements in future periods has not yet been determined at this point.

The Company is now discussing the payments, etc. related to the fire with the relevant parties, and because some of the effects stated above were calculated based on the best estimate using the information available to us at this point, in the case where it becomes necessary to review the accounting estimates as the discussion progresses, it may have an impact on the Company’s condensed quarterly consolidated financial statements in or after the second quarter.

(Segment Information)

Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(Million yen)

	Reportable segment			Other services ¹	Total	Adjustments and eliminations ²	Amount recorded in consolidated financial statements
	Domestic logistics	Global logistics	Subtotal				
Revenues							
Revenues from outside customers	102,780	93,400	196,180	3,272	199,452	—	199,452
Revenues from intersegment transactions or transfers	—	—	—	4,670	4,670	(4,670)	—
Total	102,780	93,400	196,180	7,942	204,122	(4,670)	199,452
Segment profit	5,318	5,595	10,913	171	11,084	—	11,084
Other income							758
Other expenses							(1,181)
Financial income							1,214
Financial expenses							(42)
Share of profits of investments accounted for using the equity method							176
Interest income							169
Interest expenses							(1,504)
Income before income taxes							10,674

Notes: 1. "Other services" includes information system development, sale and maintenance of motor vehicles which are excluded from the reportable segments.

2. Company-wide expenses which do not belong to any business segment such as corporate general administration expenses incurred in the parent company are allocated to each business segment in accordance with a rational basis.

Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(Million yen)

	Reportable segment			Other services ¹	Total	Adjustments and eliminations ²	Amount recorded in consolidated financial statements
	Domestic logistics	Global logistics	Subtotal				
Revenues							
Revenues from outside customers	104,990	86,258	191,248	3,474	194,722	—	194,722
Revenues from intersegment transactions or transfers	—	—	—	5,435	5,435	(5,435)	—
Total	104,990	86,258	191,248	8,909	200,157	(5,435)	194,722
Segment profit	4,829	5,194	10,023	351	10,374	—	10,374
Other income							711
Other expenses							(560)
Financial income							55
Financial expenses							(249)
Share of profits of investments accounted for using the equity method							149
Interest income							1,144
Interest expenses							(2,644)
Income before income taxes							8,980

(Notes) 1. "Other services" includes information system development, sale and maintenance of motor vehicles which are excluded from the reportable segments.

2. Company-wide expenses which do not belong to any business segment such as corporate general administration expenses incurred in the parent company are allocated to each business segment in accordance with a rational basis.