

Summary of Consolidated Financial Results [IFRS] for the Second Quarter Ended September 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 September 30, 2023
(Assets)		
Current assets		
Cash and cash equivalents	83,792	47,457
Trade receivables and contract assets	132,036	134,845
Inventories	1,329	1,705
Other financial assets	14,588	12,852
Other current assets	11,937	13,417
Total current assets	243,682	210,276
Non-current assets		
Investments accounted for using the equity method	7,319	7,060
Property, plant and equipment	183,476	213,556
Right-of-use assets	287,658	314,741
Goodwill	30,120	35,144
Intangible assets	20,795	23,467
Long-term loans receivable	97,276	108,900
Deferred tax assets	16,126	16,496
Other financial assets	17,880	18,567
Other non-current assets	7,777	7,495
Total non-current assets	668,427	745,426
Total assets	912,109	955,702

(Million yen)

	As of March 31, 2023	As of September 30, 2023
(Liabilities)		
Current liabilities		
Trade payables	52,188	48,740
Short-term debt	36	17,045
Current portion of long-term debt	830	6,190
Lease liabilities	35,095	37,340
Income tax payable	6,990	4,883
Deposits received	46,771	2,954
Other financial liabilities	40,089	27,468
Other current liabilities	40,122	39,198
Total current liabilities	222,121	183,818
Non-current liabilities		
Long-term debt	248,100	263,954
Lease liabilities	256,125	281,842
Retirement and severance benefits	35,964	36,562
Deferred tax liabilities	9,643	12,691
Other financial liabilities	11,590	31,893
Other non-current liabilities	8,522	9,232
Total non-current liabilities	569,944	636,174
Total liabilities	792,065	819,992
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	310	310
Capital surplus	147,257	140,564
Retained earnings	168,856	179,476
Accumulated other comprehensive income	16,271	27,248
Treasury stock, at cost	(221,990)	(221,985)
Total equity attributable to stockholders of the parent company	110,704	125,613
Non-controlling interests	9,340	10,097
Total equity	120,044	135,710
Total liabilities and equity	912,109	955,702

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

Condensed Quarterly Consolidated Statement of Profit or Loss

(Million yen)

	Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)	Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)
Revenues	412,034	390,943
Cost of sales	(356,879)	(336,083)
Gross profit	55,155	54,860
Selling, general and administrative expenses	(31,248)	(33,151)
Adjusted operating income	23,907	21,709
Other income	1,533	1,367
Other expenses	(3,615)	(1,638)
Operating income	21,825	21,438
Financial income	2,592	136
Financial expenses	(42)	(272)
Share of profits of investments accounted for using equity method	411	300
Earnings before interest and taxes	24,786	21,602
Interest income	366	2,234
Interest expenses	(2,962)	(5,436)
Income before income taxes	22,190	18,400
Income taxes	(5,965)	(7,413)
Net income	16,225	10,987
Attributable to:		
Stockholders of the parent company	15,086	10,396
Non-controlling interests	1,139	591

	Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)	Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)
Earnings per share attributable to stockholders of the parent company		
Basic	¥861,934,354.12	¥1,030,319,383.44
Diluted	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Million yen)

	Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)	Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)
Net income	16,225	10,987
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	76	82
Remeasurements of defined benefit plans	286	—
Share of OCI of investments accounted for using the equity method	—	5
Total items not to be reclassified into net income	362	87
Items that can be reclassified into net income		
Foreign currency translation adjustments	8,896	11,297
Net changes in cash flow hedges	(12)	—
Share of OCI of investments accounted for using the equity method	140	44
Total items that can be reclassified into net income	9,024	11,341
Other comprehensive income	9,386	11,428
Comprehensive income	25,611	22,415
Attributable to:		
Stockholders of the parent company	23,983	21,146
Non-controlling interests	1,628	1,269

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Million yen)

Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)							
					Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
	Common stock	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost			
Balance at beginning of year	16,803	145,026	9,162	(821)	170,170	8,043	178,213
Changes in equity							
Net income		15,086			15,086	1,139	16,225
Other comprehensive income			8,897		8,897	489	9,386
Dividends		(2,348)			(2,348)	(160)	(2,508)
Acquisition and sales of treasury stock				(3)	(3)		(3)
Share-based remuneration transactions		(21)		26	5		5
Changes in liabilities for written put options over non-controlling interests		(370)	12		(358)	(621)	(979)
Total changes in equity	—	12,347	8,909	23	21,279	847	22,126
Balance at end of period	16,803	157,373	18,071	(798)	191,449	8,890	200,339

(Million yen)

Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)								
					Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity	
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost			
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			10,396			10,396	591	10,987
Other comprehensive income				10,750		10,750	678	11,428
Dividends						—	(198)	(198)
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		(6,693)	225	226		(6,242)	(462)	(6,704)
Total changes in equity	—	(6,693)	10,620	10,977	5	14,909	757	15,666
Balance at end of period	310	140,564	179,476	27,248	(221,985)	125,613	10,097	135,710

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)	Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)
Cash flows from operating activities		
Net income	16,225	10,987
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	27,678	30,038
Income taxes	5,965	7,413
Share of profits of investments accounted for using equity method	(411)	(300)
Loss by fire	2,650	6
Insurance proceeds	(387)	(183)
Gain on sale of property, plant and equipment	(97)	(307)
Interest and dividends income	(427)	(2,299)
Interest expenses	2,962	5,436
(Increase) decrease in trade receivables and contract assets	(1,150)	3,125
Increase in inventories	(229)	(303)
Decrease in trade payables	(4,263)	(5,772)
Decrease in deposits received	(372)	(43,964)
Increase in retirement and severance benefits	67	495
Changes in other assets and liabilities	(1,681)	(3,892)
Other	159	451
Subtotal	46,689	931
Interest and dividends received	612	1,519
Interest paid	(2,913)	(5,217)
Fire-related payments	(1,195)	(329)
Insurance proceeds received	387	183
Income taxes paid	(7,088)	(7,407)
Net cash provided by (used in) operating activities	36,492	(10,320)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(13,760)	(28,741)
Proceeds from sale of property, plant and equipment and intangible assets	249	865
Payments for loans to the parent company	—	(10,450)
Proceeds from acquisition of subsidiaries' shares	—	338
Purchase of investments in subsidiaries	—	(6,824)
(Increase) decrease in time deposits	(3,403)	832
Payments for acquisition of businesses	(131)	—
Other	100	(530)
Net cash used in investing activities	(16,945)	(44,510)

	Six Months Ended September 30, 2022 (April 1, 2022 to September 30, 2022)	Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)
Cash flows from financing activities		
(Decrease) increase in short-term debt, net	(728)	17,005
Proceeds from long-term debt	—	19,499
Repayments of long-term debt	(20,055)	(60)
Repayments of lease liabilities	(17,378)	(19,279)
Dividends paid to stockholders of the parent company	(2,348)	—
Dividends paid to non-controlling interests	(160)	(198)
Acquisition of treasury stock	(3)	—
Other	(339)	(633)
Net cash (used in) provided by financing activities	(41,011)	16,334
Effect of exchange rate changes on cash and cash equivalents	1,721	2,161
Net decrease in cash and cash equivalents	(19,743)	(36,335)
Cash and cash equivalents at beginning of period	94,907	83,792
Cash and cash equivalents at end of period	75,164	47,457

(5) Summary of Notes to the Condensed 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 as of September 30, 2023 was ¥10,951 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 six months ended September 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, etc. due to intended use	(172)	(153)
Reclassified to other payables	(98)	98
Balance at end of period (September 30, 2023)	10,951	67
Current liabilities	5,420	67
Non-current liabilities	5,532	—

In addition, during the six months ended September 30, 2023, the Company recorded ¥6 million of various costs related to the fire as “Loss by fire” in other expenses. Insurance payment related to the fire whose amount is fixed of ¥161 million was recorded as insurance proceeds in other income, but the impact of the insurance payment still in processing on the Company’s condensed quarterly consolidated financial statements in the future periods is not yet to be 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 the future periods.

(Segment Information)

Six Months Ended September 30, 2022 (April 1, 2022 to September 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	209,691	195,309	405,000	7,034	412,034	—	412,034
Revenues from intersegment transactions or transfers	—	—	—	10,516	10,516	(10,516)	—
Total	209,691	195,309	405,000	17,550	422,550	(10,516)	412,034
Segment profit	11,263	11,885	23,148	759	23,907	—	23,907
Other income							1,533
Other expenses							(3,615)
Financial income							2,592
Financial expenses							(42)
Share of profits of investments accounted for using the equity method							411
Interest income							366
Interest expenses							(2,962)
Income before income taxes							22,190

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.

Six Months Ended September 30, 2023 (April 1, 2023 to September 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	211,337	172,343	383,680	7,263	390,943	—	390,943
Revenues from intersegment transactions or transfers	—	—	—	11,273	11,273	(11,273)	—
Total	211,337	172,343	383,680	18,536	402,216	(11,273)	390,943
Segment profit	9,661	10,939	20,600	1,109	21,709	—	21,709
Other income							1,367
Other expenses							(1,638)
Financial income							136
Financial expenses							(272)
Share of profits of investments accounted for using the equity method							300
Interest income							2,234
Interest expenses							(5,436)
Income before income taxes							18,400

(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.