

Summary of Consolidated Financial Results [IFRS] for the First Quarter Ended June 30, 2024

August 8, 2024

Company: **LOGISTEED, Ltd.**

URL: <https://www.logisteed.com/en/>

Representative: Yasuo Nakatani, Representative Director, Executive Chairman, President and CEO

Person in Charge: Tetsuro Taga, General Manager of Public Relations Department, Corporate Strategy Office

Creates Supplementary Materials for Summaries: Yes

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Highlights for the First Quarter Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Financial Results (Cumulative)

(% indicates the percentage change over year)

	Revenues		Adjusted operating income* ¹		EBIT * ²		Income before income taxes		Net income		Net income attributable to stockholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2024	210,382	8.0	10,609	12.9	12,612	66.3	10,255	92.7	7,728	185.7	7,328	237.2
June 30, 2023	194,723	—	9,398	—	7,583	—	5,323	—	2,705	—	2,173	—

	Adjusted operating income ratio	EBIT ratio
June 30, 2024	5.0%	6.0%
June 30, 2023	4.8%	3.9%

*1. In lieu of operating income, the Company uses adjusted operating income as an indicator of consolidated financial results, which is calculated as follows: [Adjusted operating income] = [Operating income] - [Other income] + [Other expenses] + [Amortization of intangible assets identified in business combination] + [Share-based remuneration expense (excluding those related to performance-based stock remuneration plan)]

*2. EBIT (Earnings Before Interest and Taxes) = [Income before income taxes] - [Interest income] + [Interest expenses]

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to stockholders of the parent company
	Million yen	Million yen	Million yen
June 30, 2024	1,570,328	572,565	561,893
March 31, 2024	1,559,976	557,700	547,474

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1. Qualitative Information on Quarterly Financial Results for the Period under Review

(1) Explanation of Operating Results

For the first quarter ended June 30, 2024, consolidated financial results of the LOGISTEED Group (hereinafter called “the Group”) are as follows.

	(Million yen)		
	Three Months Ended June 30, 2023	Three Months Ended June 30, 2024	YoY change
Revenues	194,723	210,382	108%
Adjusted operating income	9,398	10,609	113%
EBIT	7,583	12,612	166%
Net income attributable to stockholders of the parent company	2,173	7,328	337%

Revenues, adjusted operating income, EBIT, and net income attributable to stockholders of the parent company increased by 8%, 13%, 66%, and 237% year-on-year to ¥210,382 million, ¥10,609 million, ¥12,612 million, and ¥7,328 million, respectively.

Results by business segment during the period under review are as follows:

【Domestic logistics business】

(Million yen)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2024	YoY change
Revenues	104,991	107,970	103%
Segment profit (Adjusted operating income)	4,506	5,278	117%

Revenues of domestic logistics business increased by 3% year-on-year to ¥107,970 million mainly due to contributions from expanded operations and new orders received.

Segment profit increased by 17% year-on-year to ¥5,278 million mainly due to an increase in revenues and improved productivity.

【Global logistics business】

(Million yen)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2024	YoY change
Revenues	86,258	98,453	114%
Segment profit (Adjusted operating income)	4,529	4,986	110%

Revenues of global logistics business increased by 14% year-on-year to ¥98,453 million mainly due to contributions from increased volume and new orders received and the effect of foreign exchange rate fluctuations.

Segment profit increased by 10% year-on-year to ¥4,986 million mainly due to an increase in revenues and the effect of foreign exchange rate fluctuations.

【Other services (logistics related businesses)】

(Million yen)

	Three Months Ended June 30, 2023	Three Months Ended June 30, 2024	YoY change
Revenues	3,474	3,959	114%
Segment profit (Adjusted operating income)	363	345	95%

Revenues of other services increased by 14% year-on-year to ¥3,959 million.

Segment profit decreased by 5% year-on-year to ¥345 million.

(2) Explanation of Financial Position

1) Assets, Liabilities and Equity

Total assets as of June 30, 2024 amounted to ¥1,570,328 million, an increase of ¥10,352 million compared with March 31, 2024. Current assets decreased by ¥7,286 million due to a decrease of ¥7,116 million in assets held for sale. Non-current assets increased by ¥17,638 million due to increases of ¥8,532 million in property, plant and equipment and ¥8,356 million in right-of-use assets.

Total liabilities as of June 30, 2024 amounted to ¥997,763 million, a decrease of ¥4,513 million compared with March 31, 2024. Current liabilities decreased by ¥19,869 million mainly due to decreases of ¥11,286 million in other financial liabilities and ¥4,749 million in other current liabilities. Non-current liabilities increased by ¥15,356 million mainly due to increases of ¥9,736 million in lease liabilities and ¥3,321 million in other financial liabilities.

Total equity as of June 30, 2024 amounted to ¥572,565 million, an increase of ¥14,865 million compared with March 31, 2024.

2) Cash flows

Cash and cash equivalents (hereinafter called “cash”) as of June 30, 2024 was ¥41,484 million, a decrease of ¥2,011 million from March 31, 2024.

Cash flows from each activity for the three months ended June 30, 2024 and their significant components are as follows:

Net cash provided by operating activities was ¥14,695 million as cash inflows increased by ¥47,475 million compared with the three months ended June 30, 2023. This is due to increases in cash mainly from depreciation and amortization of ¥19,060 million and recording net income of ¥7,728 million despite a decrease in cash mainly due to changes in other assets and other liabilities of ¥10,416 million.

Net cash used in investing activities was ¥1,287 million as cash outflows decreased by ¥75,094 million compared with the three months ended June 30, 2023. This is due to a decrease in cash mainly from purchase of property, plant and equipment and intangible assets of ¥9,246 million despite an increase in cash mainly due to sale of property, plant and equipment and intangible assets of ¥8,155 million.

Net cash used in financing activities was ¥17,065 million as cash outflows increased by ¥26,350 million compared with the three months ended June 30, 2023. This is due to a decrease in cash mainly from repayments of lease liabilities of ¥11,690 million and net decrease in short-term debt of ¥4,472 million.

2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2024	As of June 30, 2024
(Assets)		
Current assets		
Cash and cash equivalents	43,495	41,484
Trade receivables and contract assets	140,483	141,502
Inventories	1,593	1,607
Other financial assets	59,979	60,688
Other current assets	16,979	17,078
Subtotal	262,529	262,359
Assets held for sale	7,116	—
Total current assets	269,645	262,359
Non-current assets		
Investments accounted for using the equity method	7,208	7,234
Property, plant and equipment	184,057	192,589
Right-of-use assets	440,190	448,546
Goodwill	298,985	299,099
Intangible assets	152,049	151,627
Long-term loans receivable	150,871	150,872
Deferred tax assets	26,915	27,392
Other financial assets	21,209	21,627
Other non-current assets	8,847	8,983
Total non-current assets	1,290,331	1,307,969
Total assets	1,559,976	1,570,328

(Million yen)

	As of March 31, 2024	As of June 30, 2024
(Liabilities)		
Current liabilities		
Trade payables	54,840	53,379
Short-term debt	23,037	18,581
Current portion of long-term debt	9,875	9,864
Lease liabilities	42,957	42,739
Income tax payable	2,866	3,564
Deposits received	3,028	4,642
Other financial liabilities	39,013	27,727
Other current liabilities	41,720	36,971
Total current liabilities	217,336	197,467
Non-current liabilities		
Long-term debt	233,808	233,968
Lease liabilities	396,938	406,674
Retirement and severance benefits	33,437	33,851
Deferred tax liabilities	52,994	54,178
Other financial liabilities	54,108	57,429
Other non-current liabilities	13,655	14,196
Total non-current liabilities	784,940	800,296
Total liabilities	1,002,276	997,763
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	100	100
Capital surplus	467,628	466,549
Retained earnings	60,837	68,377
Accumulated other comprehensive income	18,909	26,867
Total equity attributable to stockholders of the parent company	547,474	561,893
Non-controlling interests	10,226	10,672
Total equity	557,700	572,565
Total liabilities and equity	1,559,976	1,570,328

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

Condensed Quarterly Consolidated Statement of Profit or Loss

Three Months Ended June 30, 2023 and 2024

(Million yen)

	Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Revenues	194,723	210,382
Cost of sales	(169,664)	(183,989)
Gross profit	25,059	26,393
Selling, general and administrative expenses	(16,837)	(17,235)
Other income	553	3,501
Other expenses	(636)	(1,253)
Operating income	8,139	11,406
Financial income	55	1,185
Financial expenses	(760)	(155)
Share of profits of investments accounted for using the equity method	149	176
Earnings before interest and taxes	7,583	12,612
Interest income	650	1,552
Interest expenses	(2,910)	(3,909)
Income before income taxes	5,323	10,255
Income taxes	(2,618)	(2,527)
Net income	2,705	7,728
Attributable to:		
Stockholders of the parent company	2,173	7,328
Non-controlling interests	532	400

(Yen)

	Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Earnings per share attributable to stockholders of the parent company		
Basic	44.41	149.75
Diluted	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income
Three Months Ended June 30, 2023 and 2024

(Million yen)

	Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Net income	2,705	7,728
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	34	(390)
Share of OCI of investments accounted for using the equity method	1	—
Total items not to be reclassified into net income	35	(390)
Items that can be reclassified into net income		
Foreign currency translation adjustments	9,392	8,728
Share of OCI of investments accounted for using the equity method	7	43
Total items that can be reclassified into net income	9,399	8,771
Total other comprehensive income	9,434	8,381
Comprehensive income	12,139	16,109
Attributable to:		
Stockholders of the parent company	10,124	15,036
Non-controlling interests	2,015	1,073

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Million yen)

Three Months Ended June 30, 2023 (April 1, 2023 to June 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			
Balance at beginning of year	0	424,764	2,137	3,814	430,715	67,956	498,671
Changes in equity							
Net income			2,173		2,173	532	2,705
Other comprehensive income				7,951	7,951	1,483	9,434
Dividends		(10)			(10)	(167)	(177)
Transfer to retained earnings			(1)	1	—		—
Changes due to business combination		5			5	148	153
Changes in liabilities for written put options over non-controlling interests		(1,374)		264	(1,110)	(334)	(1,444)
Total changes in equity	—	(1,379)	2,172	8,216	9,009	1,662	10,671
Balance at end of period	0	423,385	4,309	12,030	439,724	69,618	509,342

(Million yen)

Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)							
					Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income			
Balance at beginning of year	100	467,628	60,837	18,909	547,474	10,226	557,700
Changes in equity							
Net income			7,328		7,328	400	7,728
Other comprehensive income				7,708	7,708	673	8,381
Dividends					—	(165)	(165)
Share-based remuneration transactions		237			237		237
Changes in liabilities for written put options over non-controlling interests		(1,316)	212	250	(854)	(462)	(1,316)
Total changes in equity	—	(1,079)	7,540	7,958	14,419	446	14,865
Balance at end of period	100	466,549	68,377	26,867	561,893	10,672	572,565

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Cash flows from operating activities		
Net income	2,705	7,728
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	16,805	19,060
Impairment losses	—	84
Income taxes	2,618	2,527
Share of profits of investments accounted for using the equity method	(149)	(176)
Loss by fire	4	174
Insurance proceeds	(20)	(2,519)
Gain on sale of property, plant and equipment	(18)	(196)
Interest and dividends income	(705)	(1,608)
Interest expenses	2,910	3,909
Decrease in trade receivables and contract assets	7,176	2,318
(Increase) decrease in inventories	(64)	27
Decrease in trade payables	(4,728)	(2,990)
(Decrease) increase in deposits received	(41,729)	1,588
Increase in retirement and severance benefits	307	345
Changes in other assets and liabilities	(12,121)	(10,416)
Other	722	38
Subtotal	(26,287)	19,893
Interest and dividends received	954	999
Interest paid	(1,507)	(2,183)
Fire-related payments	(144)	(4,627)
Insurance proceeds received	20	2,519
Income taxes paid	(5,816)	(1,906)
Net cash (used in) provided by operating activities	(32,780)	14,695
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(11,430)	(9,246)
Proceeds from sale of property, plant and equipment and intangible assets	653	8,155
Proceeds from acquisition of subsidiaries' shares	338	—
Purchase of investments in subsidiaries	(67,143)	—
Decrease (increase) in time deposits	1,544	(233)
Other	(343)	37
Net cash used in investing activities	(76,381)	(1,287)

(Million yen)

	Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)	Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)
Cash flows from financing activities		
Decrease in short-term debt, net	(1)	(4,472)
Proceeds from long-term debt	19,499	—
Repayments of long-term debt	(29)	(87)
Repayments of lease liabilities	(9,701)	(11,690)
Dividends paid	(10)	—
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(159)
Dividends paid to non-controlling interests	(167)	(165)
Other	(306)	(492)
Net cash provided by (used in) financing activities	9,285	(17,065)
Effect of exchange rate changes on cash and cash equivalents	1,482	1,646
Net decrease in cash and cash equivalents	(98,394)	(2,011)
Cash and cash equivalents at beginning of period	151,063	43,495
Cash and cash equivalents at end of period	52,669	41,484

(5) Notes to the Condensed Quarterly Consolidated Financial Statements
(Notes on Going Concern Assumption)
None

(Segment Information)

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	104,991	86,258	191,249	3,474	194,723	—	194,723
Revenues from intersegment transactions or transfers	—	—	—	5,435	5,435	(5,435)	—
Total	104,991	86,258	191,249	8,909	200,158	(5,435)	194,723
Segment profit							
Adjusted operating income ³	4,506	4,529	9,035	363	9,398	—	9,398
(Adjustments)							
Amortization of intangible assets identified in business combination							(1,176)
Share-based remuneration expense (excluding those related to performance-based stock remuneration plan)							—
Other income							553
Other expenses							(636)
Operating income							8,139
Financial income							55
Financial expenses							(760)
Share of profits of investments accounted for using the equity method							149
Interest income							650
Interest expenses							(2,910)
Income before income taxes							5,323

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

3. Adjusted operating income = Operating income - Other income + Other expenses + Amortization of intangible assets identified in business combination + Share-based remuneration expense (excluding those related to performance-based stock remuneration plan)

Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(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	107,970	98,453	206,423	3,959	210,382	—	210,382
Revenues from intersegment transactions or transfers	—	—	—	6,769	6,769	(6,769)	—
Total	107,970	98,453	206,423	10,728	217,151	(6,769)	210,382
Segment profit							
Adjusted operating income ³	5,278	4,986	10,264	345	10,609	—	10,609
(Adjustments)							
Amortization of intangible assets identified in business combination							(1,214)
Share-based remuneration expense (excluding those related to performance-based stock remuneration plan)							(237)
Other income							3,501
Other expenses							(1,253)
Operating income							11,406
Financial income							1,185
Financial expenses							(155)
Share of profits of investments accounted for using the equity method							176
Interest income							1,552
Interest expenses							(3,909)
Income before income taxes							10,255

- Notes: 1. "Other services" includes information system development and sale and maintenance of motor vehicles which are excluded from 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.
3. Adjusted operating income = Operating income - Other income + Other expenses + Amortization of intangible assets identified in business combination + Share-based remuneration expense (excluding those related to performance-based stock remuneration plan)