

Summary of Consolidated Financial Results [IFRS] for the Third Quarter Ended December 31, 2024

February 14, 2025

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 Third Quarter Ended December 31, 2024 (April 1, 2024 to December 31, 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	%
December 31, 2024	669,273	12.5	35,315	16.6	28,442	92.3	19,845	172.5	29,604	—	28,321	—
December 31, 2023	594,874	—	30,298	—	14,790	—	7,283	—	1,101	—	(488)	—

	Adjusted operating income ratio	EBIT ratio
	%	%
December 31, 2024	5.3	4.2
December 31, 2023	5.1	2.5

*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
December 31, 2024	1,805,401	596,396	580,415
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 third quarter ended December 31, 2024, consolidated financial results of the LOGISTEED Group (hereinafter called “the Group”) are as follows.

(Million yen)

	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2024	YoY change
Revenues	594,874	669,273	113%
Adjusted operating income	30,298	35,315	117%
EBIT	14,790	28,442	192%
Net (loss) income attributable to stockholders of the parent company	(488)	28,321	—

Revenues, adjusted operating income, EBIT, and net income attributable to stockholders of the parent company increased by 13%, 17%, 92%, and —% year-on-year to ¥669,273 million, ¥35,315 million, ¥28,442 million, and ¥28,321 million, respectively.

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

【Domestic logistics business】

(Million yen)

	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2024	YoY change
Revenues	320,050	348,123	109%
Segment profit (Adjusted operating income)	13,988	17,782	127%

Revenues of domestic logistics business increased by 9% year-on-year to ¥348,123 million mainly due to contributions from expanded operations and new orders received and the impact of the consolidation of ALPS LOGISTICS CO., LTD. on October 11, 2024.

Segment profit increased by 27% year-on-year to ¥17,782 million mainly due to an increase in revenues and improved productivity.

【Global logistics business】

(Million yen)

	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2024	YoY change
Revenues	263,860	308,531	117%
Segment profit (Adjusted operating income)	14,645	16,065	110%

Revenues of global logistics business increased by 17% year-on-year to ¥308,531 million mainly due to contributions from increased volume and new orders received, the effect of foreign exchange rate fluctuations, and the impact of the consolidation of ALPS LOGISTICS CO., LTD. on October 11, 2024.

Segment profit increased by 10% year-on-year to ¥16,065 million mainly due to an increase in revenues and the effect of foreign exchange rate fluctuations.

【Other services (logistics related businesses)】

(Million yen)

	Nine Months Ended December 31, 2023	Nine Months Ended December 31, 2024	YoY change
Revenues	10,964	12,619	115%
Segment profit (Adjusted operating income)	1,665	1,468	88%

Revenues of other services increased by 15% year-on-year to ¥12,619 million.

Segment profit decreased by 12% year-on-year to ¥1,468 million.

(2) Explanation of Financial Position

1) Assets, Liabilities and Equity

Total assets as of December 31, 2024 increased by ¥245,425 million compared to March 31, 2024 to ¥1,805,401 million. Current assets increased by ¥39,117 million due to increases of ¥23,772 million in cash and cash equivalents and ¥21,790 million in trade receivables and contract assets despite decreases of ¥7,116 million in assets held for sale and ¥3,305 million in other financial assets. Non-current assets increased by ¥206,308 million due to increases of ¥115,195 million in goodwill and ¥50,084 million in property, plant and equipment.

Total liabilities as of December 31, 2024 increased by ¥206,729 million compared to March 31, 2024 to ¥1,209,005 million. Current liabilities increased by ¥103,159 million due to increases of ¥72,459 million in other financial liabilities and ¥14,150 million in current portion of long-term debt. Non-current liabilities increased by ¥103,570 million due to increases of ¥81,472 million in long-term debt and ¥14,738 million in lease liabilities.

Total equity as of December 31, 2024 increased by ¥38,696 million compared to March 31, 2024 to ¥596,396 million.

2) Cash flows

Cash and cash equivalents (hereinafter called “cash”) as of December 31, 2024 was ¥67,267 million, an increase of ¥23,772 million from March 31, 2024.

Cash flows from each activity for the nine months ended December 31, 2024 and their significant components are as follows:

Net cash provided by operating activities increased by ¥43,763 million compared to the nine months ended December 31, 2023 to ¥49,477 million. The main factors were increases in cash due to depreciation and amortization of ¥60,538 million and recording of net income of ¥29,604 million despite a decrease in cash due to changes in other assets and liabilities of ¥16,707 million.

Net cash used in investing activities decreased by ¥30,318 million compared to the nine months ended December 31, 2023 to ¥77,438 million. The main factors were decreases in cash due to purchase of investments in subsidiaries of ¥73,240 million and purchase of property, plant and equipment and intangible assets of ¥22,130 million despite an increase in cash due to proceeds from sale of property, plant and equipment and intangible assets of ¥10,616 million.

Net cash used in financing activities decreased by ¥53,287 million compared to the nine months ended December 31, 2023 to ¥50,081 million. The main factors were an increase in cash due to proceeds from long-term debt of ¥94,505 million despite a decrease in cash due to repayments of lease liabilities of ¥36,306 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 December 31, 2024
(Assets)		
Current assets		
Cash and cash equivalents	43,495	67,267
Trade receivables and contract assets	140,483	162,273
Inventories	1,593	3,538
Other financial assets	59,979	56,674
Other current assets	16,979	19,010
Subtotal	262,529	308,762
Assets held for sale	7,116	—
Total current assets	269,645	308,762
Non-current assets		
Investments accounted for using the equity method	7,208	7,312
Property, plant and equipment	184,057	234,141
Right-of-use assets	440,190	456,584
Goodwill	298,985	414,180
Intangible assets	152,049	153,193
Long-term loans receivable	150,871	152,446
Deferred tax assets	26,915	45,718
Other financial assets	21,209	24,025
Other non-current assets	8,847	9,040
Total non-current assets	1,290,331	1,496,639
Total assets	1,559,976	1,805,401

(Million yen)

	As of March 31, 2024	As of December 31, 2024
(Liabilities)		
Current liabilities		
Trade payables	54,840	60,876
Short-term debt	23,037	24,186
Current portion of long-term debt	9,875	24,025
Lease liabilities	42,957	48,367
Income tax payable	2,866	3,601
Deposits received	3,028	5,383
Other financial liabilities	39,013	111,472
Other current liabilities	41,720	42,585
Total current liabilities	217,336	320,495
Non-current liabilities		
Long-term debt	233,808	315,280
Lease liabilities	396,938	411,676
Retirement and severance benefits	33,437	35,931
Deferred tax liabilities	52,994	53,872
Other financial liabilities	54,108	57,548
Other non-current liabilities	13,655	14,203
Total non-current liabilities	784,940	888,510
Total liabilities	1,002,276	1,209,005
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	100	100
Capital surplus	467,628	467,620
Retained earnings	60,837	89,754
Accumulated other comprehensive income	18,909	22,941
Total equity attributable to stockholders of the parent company	547,474	580,415
Non-controlling interests	10,226	15,981
Total equity	557,700	596,396
Total liabilities and equity	1,559,976	1,805,401

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

Condensed Quarterly Consolidated Statement of Profit or Loss

Nine Months Ended December 31, 2023 and 2024

(Million yen)

	Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)	Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)
Revenues	594,874	669,273
Cost of sales	(518,697)	(590,960)
Gross profit	76,177	78,313
Selling, general and administrative expenses	(49,447)	(51,807)
Other income	1,782	6,156
Other expenses	(12,226)	(4,330)
Operating income	16,286	28,332
Financial income	92	756
Financial expenses	(2,082)	(1,127)
Share of profits of investments accounted for using the equity method	494	481
Earnings before interest and taxes	14,790	28,442
Interest income	1,634	4,216
Interest expenses	(9,141)	(12,813)
Income before income taxes	7,283	19,845
Income taxes	(6,182)	9,759
Net income	1,101	29,604
Attributable to:		
Stockholders of the parent company	(488)	28,321
Non-controlling interests	1,589	1,283

(Yen)

	Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)	Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)
(Loss) earnings per share attributable to stockholders of the parent company		
Basic	(9.97)	578.75
Diluted	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income
Nine Months Ended December 31, 2023 and 2024

(Million yen)

	Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)	Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)
Net income	1,101	29,604
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	214	(378)
Share of OCI of investments accounted for using the equity method	4	(2)
Total items not to be reclassified into net income	218	(380)
Items that can be reclassified into net income		
Foreign currency translation adjustments	7,344	5,399
Share of OCI of investments accounted for using the equity method	74	10
Total items that can be reclassified into net income	7,418	5,409
Total other comprehensive income	7,636	5,029
Comprehensive income	8,737	34,633
Attributable to:		
Stockholders of the parent company	5,534	32,306
Non-controlling interests	3,203	2,327

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Million yen)

Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
Balance at beginning of year	0	424,764	2,137	3,814	430,715	67,956	498,671
Changes in equity							
Net income			(488)		(488)	1,589	1,101
Other comprehensive income				6,022	6,022	1,614	7,636
Dividends		(10,460)			(10,460)	(276)	(10,736)
Transfer to retained earnings			29	(29)	—		—
Changes due to business combination		11,076		1,464	12,540	(60,146)	(47,606)
Sale of treasury stock		47,760			47,760		47,760
Share-based remuneration transactions		40			40		40
Changes in liabilities for written put options over non-controlling interests		(6,587)	381	204	(6,002)	(605)	(6,607)
Total changes in equity	—	41,829	(78)	7,661	49,412	(57,824)	(8,412)
Balance at end of period	0	466,593	2,059	11,475	480,127	10,132	490,259

(Million yen)

Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
Balance at beginning of year	100	467,628	60,837	18,909	547,474	10,226	557,700
Changes in equity							
Net income			28,321		28,321	1,283	29,604
Other comprehensive income				3,985	3,985	1,044	5,029
Dividends					—	(306)	(306)
Changes due to business combination					—	4,377	4,377
Share-based remuneration transactions		326			326		326
Changes in liabilities for written put options over non-controlling interests		(334)	596	47	309	(643)	(334)
Total changes in equity	—	(8)	28,917	4,032	32,941	5,755	38,696
Balance at end of period	100	467,620	89,754	22,941	580,415	15,981	596,396

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)	Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)
Cash flows from operating activities		
Net income	1,101	29,604
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	52,020	60,538
Impairment losses	170	161
Income taxes	6,182	(9,759)
Share of profits of investments accounted for using the equity method	(494)	(481)
Loss by fire	15	737
Reversal of provision for loss by fire	(285)	(45)
Insurance proceeds	(183)	(2,613)
Loss (gain) on sale of property, plant and equipment	121	(298)
Interest and dividends income	(1,726)	(4,304)
Interest expenses	9,141	12,813
Decrease (increase) in trade receivables and contract assets	6,654	(1,498)
Increase in inventories	(179)	(197)
Decrease in trade payables	(4,236)	(4,650)
(Decrease) increase in deposits received	(42,358)	2,083
(Decrease) increase in retirement and severance benefits	(1,378)	805
Changes in other assets and liabilities	(2,354)	(16,707)
Other	1,411	1,531
Subtotal	23,622	67,720
Interest and dividends received	2,151	2,303
Interest paid	(7,012)	(10,718)
Fire-related payments	(1,696)	(6,445)
Insurance proceeds received	183	2,613
Income taxes paid	(11,534)	(5,996)
Net cash provided by operating activities	5,714	49,477
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(36,794)	(22,130)
Proceeds from sale of property, plant and equipment and intangible assets	1,125	10,616
Proceeds from sale of subsidiaries' shares	—	1,490
Proceeds from acquisition of subsidiaries' shares	338	—
Purchase of investments in subsidiaries	(73,967)	(73,240)
Decrease in time deposits	1,939	6,118
Other	(397)	(292)
Net cash used in investing activities	(107,756)	(77,438)

(Million yen)

	Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)	Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	19,028	(745)
Proceeds from long-term debt	19,499	94,505
Repayments of long-term debt	(1,045)	(5,231)
Repayments of lease liabilities	(28,977)	(36,306)
Dividends paid	(10,460)	—
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(159)
Dividends paid to non-controlling interests	(276)	(306)
Other	(975)	(1,677)
Net cash (used in) provided by financing activities	(3,206)	50,081
Effect of exchange rate changes on cash and cash equivalents	1,293	1,652
Net (decrease) increase in cash and cash equivalents	(103,955)	23,772
Cash and cash equivalents at beginning of period	151,063	43,495
Cash and cash equivalents at end of period	47,108	67,267

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

(Segment Information)

Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 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	320,050	263,860	583,910	10,964	594,874	—	594,874
Revenues from intersegment transactions or transfers	—	—	—	17,796	17,796	(17,796)	—
Total	320,050	263,860	583,910	28,760	612,670	(17,796)	594,874
Segment profit							
Adjusted operating income ³	13,988	14,645	28,633	1,665	30,298	—	30,298
(Adjustments)							
Amortization of intangible assets identified in business combination							(3,528)
Share-based remuneration expense (excluding those related to performance-based stock remuneration plan)							(40)
Other income							1,782
Other expenses							(12,226)
Operating income							16,286
Financial income							92
Financial expenses							(2,082)
Share of profits of investments accounted for using the equity method							494
Interest income							1,634
Interest expenses							(9,141)
Income before income taxes							7,283

- 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)

Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 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	348,123	308,531	656,654	12,619	669,273	—	669,273
Revenues from intersegment transactions or transfers	—	—	—	20,708	20,708	(20,708)	—
Total	348,123	308,531	656,654	33,327	689,981	(20,708)	669,273
Segment profit							
Adjusted operating income ³	17,782	16,065	33,847	1,468	35,315	—	35,315
(Adjustments)							
Amortization of intangible assets identified in business combination							(3,639)
Share-based remuneration expense (excluding those related to performance-based stock remuneration plan)							(5,170)
Other income							6,156
Other expenses							(4,330)
Operating income							28,332
Financial income							756
Financial expenses							(1,127)
Share of profits of investments accounted for using the equity method							481
Interest income							4,216
Interest expenses							(12,813)
Income before income taxes							19,845

- 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)

(Significant Subsequent Events)

The Company resolved at the Board of Directors' meeting held on January 23, 2025 to propose a written resolution to shareholders in lieu of an extraordinary shareholders' meeting to approve the disposal of shares through a third-party allotment ("Third-Party Allotment"). Upon obtaining shareholder consent for the Third-Party Allotment, we carried it out on January 29, 2025, with LOGISTEED Holdings, Ltd. ("LOGISTEED Holdings") as the allottee.

Overview of the Third-Party Allotment

- (1) Class and issue of securities: Common stock of the Company
- (2) Number of shares disposed: One share
- (3) Disposal price: 15,000,000,000 yen per share
- (4) Total value of disposal: 15,000,000,000 yen
- (5) Description of shares: Common stock of the Company (treasury stock held by the Company)
- (6) Method of disposal: By way of third -party allotment to allot one share of common stock to LOGISTEED Holdings
- (7) Purpose: To cover a portion of the funds for a series of transactions to make LDEC, Ltd., our consolidated subsidiary, ("Tender Offeror") the sole shareholder of ALPS LOGISTICS CO., LTD. ("Target") through a tender offer, etc. conducted by the Tender Offeror for ordinary shares and share options of the Target with the tender offer period set from August 22, 2024 to October 4, 2024 and delist ordinary shares of the Target.
- (8) Date of disposition (date of payment): January 29, 2025