

Summary of Consolidated Financial Results [IFRS] for the Third Quarter Ended December 31, 2021

January 31, 2022

Listed Company: **Hitachi Transport System, Ltd.** Stock Exchange: First Section of Tokyo
 Code Number: 9086 URL: <https://www.hitachi-transportssystem.com/en/>
 Representative: Yasuo Nakatani, President and Chief Executive Officer
 Person in Charge: Tetsuro Taga, General Manager of Public Relations Department, Corporate Strategy Office
 Date of the Release of Quarterly Report (Schedule): February 14, 2022
 Date of the Start of Dividend Payment (Schedule): -
 Creates Supplementary Materials for Quarterly Summaries: Yes
 Briefing Held on Quarterly Settlement of Accounts: Yes (for analysts, institutional investors, and media)

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Highlights for the Third Quarter Ended December 31, 2021 (April 1, 2021 to December 31, 2021)

(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, 2021	551,410	16.2	29,252	10.1	26,646	(23.0)	23,052	(24.3)	13,808	(28.8)	13,054	(30.3)
December 31, 2020	474,481	(7.1)	26,575	2.6	34,618	14.9	30,446	17.8	19,388	13.5	18,738	15.3

	Basic earnings per share attributable to stockholders of the parent company
	Yen
December 31, 2021	155.98
December 31, 2020	188.96

*1. [Adjusted operating income] = [Revenues] - [Cost of sales] - [Selling, general and administrative expenses]

*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	Total equity attributable to stockholders of the parent company ratio
	Million yen	Million yen	Million yen	%
December 31, 2021	757,888	172,275	164,730	21.7
March 31, 2021	787,936	162,107	155,158	19.7

2. Dividends

	Dividend per share				
	1st Quarter	2nd Quarter	3rd Quarter	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
March 31, 2021	—	22.00	—	28.00	50.00
March 31, 2022	—	28.00	—	—	—
March 31, 2022 (Forecasts)	—	—	—	28.00	56.00

(Note) Revision of the latest dividends forecasts: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates the percentage change over year)

	Revenues		Adjusted operating income		EBIT		Income before income taxes		Net income		Net income attributable to stockholders of the parent company	Basic earnings per share attributable to stockholders of the parent company
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	720,000	10.4	37,500	2.1	—	—	—	—	—	—	—	—

(Note 1) Revision of the latest consolidated financial forecasts: Yes

(Note 2) The consolidated financial forecasts for the fiscal year ending March 31, 2022 are not disclosed except for revenues and adjusted operating income as it is difficult to reasonably calculate them at this point. We will disclose them as soon as it becomes possible to calculate them. For more detail, please refer to "1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Future Forecast Information including Consolidated Financial Forecasts" on page 3.

*** Notes**

- (1) Changes in significant subsidiaries during the term (Change in specified subsidiaries causing changes in scope of consolidation): None
- (2) Changes in accounting policies and accounting estimates
- (a) Changes in accounting policies required by IFRS: None
 - (b) Changes other than (a) above: None
 - (c) Changes in accounting estimates: None
- (3) Number of shares issued (Common stock)
- (a) Number of shares at the end of the term (Including treasury stock)
 - As of December 31, 2021: 84,101,714 shares,
 - As of March 31, 2021: 111,776,714 shares
 - (b) Number of treasury stock at the end of the term
 - As of December 31, 2021: 413,200 shares,
 - As of March 31, 2021: 28,088,745 shares
 - (c) Average number of shares during the term
 - Nine months ended December 31, 2021: 83,688,262 shares,
 - Nine months ended December 31, 2020: 99,166,327 shares

(Note) Quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit corporation.

(Note) Explanation on the appropriate use of financial forecasts and other important items

- The financial forecasts shown on this report are estimated based on information available as of the issuing date of this report, and therefore, the actual results for the future terms may differ from these forecasted figures due to various unknown factors. For the assumptions for forecasts and cautions regarding the use of the forecasts, please refer to "1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Future Forecast Information including Consolidated Financial Forecasts" on Page 3.
- The supplementary material on quarterly financial results will be posted on the Company's website.
- The Company plans to hold a conference call for analysts, institutional investors, and media on January 31, 2022.

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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, 2021, consolidated financial results of the Hitachi Transport System Group (the “Group”) are as follows:

(Million yen)

	Nine Months Ended December 31, 2020	Nine Months Ended December 31, 2021	Y on Y change
Revenues	474,481	551,410	116%
Adjusted operating income	26,575	29,252	110%
EBIT	34,618	26,646	77%
Net income attributable to stockholders of the parent company	18,738	13,054	70%

Revenues and adjusted operating income increased by 16% and 10% year-on-year to ¥551,410 million and ¥29,252 million, respectively. EBIT and net income attributable to stockholders of the parent company decreased by 23% and 30% year-on-year to ¥26,646 million and ¥13,054 million, respectively.

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

【Domestic logistics business】 (Million yen)

	Nine Months Ended December 31, 2020	Nine Months Ended December 31, 2021	Y on Y change
Revenues	312,854	313,929	100%
Segment profit (Adjusted operating income)	18,554	18,519	100%

Revenues of domestic logistics business remained flat year-on-year at ¥313,929 million.

Segment profit remained flat year-on-year at ¥18,519 million due to the fire at a logistics center of our group company despite the improvement in productivity.

【Global logistics business】 (Million yen)

	Nine Months Ended December 31, 2020	Nine Months Ended December 31, 2021	Y on Y change
Revenues	150,664	227,692	151%
Segment profit (Adjusted operating income)	7,082	9,729	137%

Revenues of global logistics business increased by 51% year-on-year to ¥227,692 million due to an increase in handling volume mainly in the freight forwarding business and automobile-related business.

Segment profit increased by 37% year-on-year to ¥9,729 million due to an increase in revenues and improved profitability in the freight forwarding business.

【Other services (logistics related businesses)】 (Million yen)

	Nine Months Ended December 31, 2020	Nine Months Ended December 31, 2021	Y on Y change
Revenues	10,963	9,789	89%
Segment profit (Adjusted operating income)	939	1,004	107%

Revenues of other services decreased by 11% year-on-year to ¥9,789 million.

Segment profit increased by 7% year-on-year to ¥1,004 million.

(2) Explanation of Financial Position

1) Assets, Liabilities and Net Assets

Total assets as of December 31, 2021 amounted to ¥757,888 million, a decrease of ¥30,048 million compared with the end of the previous fiscal year. Current assets decreased by ¥11,565 million due to a decrease of ¥14,256 million in cash and cash equivalents despite an increase of ¥5,884 million in trade receivables and contract assets. Non-current assets decreased by ¥18,483 million due to a decrease of ¥20,093 million in right-of-use assets.

Total liabilities as of December 31, 2021 amounted to ¥585,613 million, a decrease of ¥40,216 million compared with the end of the previous fiscal year. Current liabilities decreased by ¥2,507 million due to a decrease of ¥4,251 million in other current liabilities despite an increase of ¥9,762 million in current portion of long-term debt. Non-current liabilities decreased by ¥37,709 million due to decreases of ¥19,958 million in long-term debt and ¥18,702 million in lease liabilities.

Total equity as of December 31, 2021 amounted to ¥172,275 million, an increase of ¥10,168 million compared with the end of the previous fiscal year. Total equity attributable to stockholders of the parent company ratio increased from 19.7% at the end of the previous fiscal year to 21.7%.

2) Cash flows

Cash and cash equivalents (hereinafter called “cash”) as of December 31, 2021 was ¥90,559 million, a decrease of ¥14,256 million from March 31, 2021.

Cash flows from each activity for the nine months ended December 31, 2021 and their significant components are as follows:

Net cash provided by operating activities was ¥41,959 million, an increase of ¥13,989 million from the nine months ended December 31, 2020. This is mainly due to an increase in cash from depreciation and amortization of ¥37,970 million and recording net income of ¥13,808 million despite a decrease in cash from income taxes paid of ¥ 5,300 million and interest paid of ¥4,428 million.

Net cash used in investing activities was ¥13,272 million, an increase of ¥88,508 million compared with the nine months ended December 31, 2020. This is mainly due to a decrease in cash from purchase of property, plant and equipment and intangible assets of ¥13,473 million.

Net cash used in financing activities was ¥43,892 million, a decrease of ¥107,213 million compared with the nine months ended December 31, 2020. This is mainly due to a decrease in cash from repayments of lease liabilities of ¥25,364 million and repayments on long-term debt of ¥10,305 million.

(3) Explanation of Future Forecast Information including Consolidated Financial Forecasts

While the global economy is recovering from the damage inflicted by the global pandemic of COVID-19, it still remains unpredictable, and it is also necessary to pay due attention to the impact of “U.S.-China trade friction,” “geopolitical risk,” “climate change,” and “natural disasters,” etc. In Japan, especially in the logistics industry, the business environment is becoming severe due to intensifying competitions across industries caused by labor shortage and expansion of EC market.

Against such a backdrop, under the business concept of “LOGISTEED,” the Group will strive to strengthen our core logistics function through collaborative innovation with various partners and also execute collaborative innovation strategies leading to further expansion of our domains.

<p>*[LOGISTEED]: A word that combines LOGISTICS with Exceed, Proceed, Succeed, and Speed. It represents our determination to lead businesses to a new domain beyond the conventional logistics.</p>

We revised the consolidated financial forecasts announced on April 28, 2021 as shown below. Revenues are expected to exceed the initial forecast mainly due to volume increase in the global logistics. Meanwhile, we left adjusted operating income forecast unchanged considering the recognition of various costs arising from alternative transportation related to the fire during the nine months ended December 31, 2021 and the future outlook although we expect the impact of revenue increase and the profitability improvement in the freight forwarding business to continue.

We have not yet determined the amount of items other than revenues and adjusted operating income as the investigation of the fire is still underway and therefore it is difficult to reasonably estimate when and how much of loss by fire will be incurred and the amount of insurance proceeds to be received for our own assets is also yet to be determined. We will disclose them as soon as it becomes possible to calculate the financial forecasts.

[Consolidated financial forecasts for the fiscal year ending March 31, 2022]

	Revenues	Adjusted operating income	EBIT	Income before income taxes	Net income	Net income attributable to stockholders of the parent company	Basic earnings per share attributable to stockholders of the parent company
Previous forecasts (A) (Announced on April 28, 2021)	Million yen 690,000	Million yen 37,500	Million yen 37,200	Million yen 31,500	Million yen 21,500	Million yen 20,500	Yen 244.96
Revised forecasts (B)	720,000	37,500	—	—	—	—	—
Change (B-A)	30,000	—	—	—	—	—	—
Percentage change (%)	4.3	—	—	—	—	—	—
(Ref.) Consolidated results for the fiscal year ended March 31, 2021	652,380	36,711	44,429	39,134	23,954	22,873	240.02

Please also see “Recognition of Other Expenses (Loss by Fire) Related to a Fire at a Logistics Center and Revision of Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2022” released today.

We express our sincere apologies for causing a great deal of inconvenience and concern to our stakeholders because of the fire which occurred at a logistics center of our group company Hitachi Transport System West Japan Co., Ltd.

The supplementary material on financial results will be posted on the Company’s website.
[URL] <https://www.hitachi-transportssystem.com/en/ir/library/presentations/>

2. Summary of Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2021	As of December 31, 2021
(Assets)		
Current assets		
Cash and cash equivalents	104,815	90,559
Trade receivables and contract assets	123,681	129,565
Inventories	1,083	1,416
Other financial assets	4,378	4,986
Other current assets	13,393	9,259
Total current assets	247,350	235,785
Non-current assets		
Investments accounted for using the equity method	6,372	6,628
Property, plant and equipment	159,981	163,360
Right-of-use assets	288,030	267,937
Goodwill	25,228	25,422
Intangible assets	23,824	23,431
Deferred tax assets	11,732	11,934
Other financial assets	18,459	16,941
Other non-current assets	6,960	6,450
Total non-current assets	540,586	522,103
Total assets	787,936	757,888

(Million yen)

	As of March 31, 2021	As of December 31, 2021
(Liabilities)		
Current liabilities		
Trade payables	51,733	49,322
Short-term debt	2,152	1,042
Current portion of long-term debt	10,320	20,082
Lease liabilities	30,600	29,560
Income tax payable	6,089	4,217
Other financial liabilities	24,202	22,617
Other current liabilities	31,559	27,308
Total current liabilities	156,655	154,148
Non-current liabilities		
Long-term debt	140,303	120,345
Lease liabilities	261,220	242,518
Retirement and severance benefits	37,071	38,933
Deferred tax liabilities	7,467	7,878
Other financial liabilities	20,075	18,745
Other non-current liabilities	3,038	3,046
Total non-current liabilities	469,174	431,465
Total liabilities	625,829	585,613
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	16,803	16,803
Retained earnings	236,311	145,084
Accumulated other comprehensive income	1,861	3,664
Treasury stock, at cost	(99,817)	(821)
Total equity attributable to stockholders of the parent company	155,158	164,730
Non-controlling interests	6,949	7,545
Total equity	162,107	172,275
Total liabilities and equity	787,936	757,888

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

Condensed Quarterly Consolidated Statement of Profit or Loss

(Million yen)

	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Revenues	474,481	551,410
Cost of sales	(411,718)	(481,048)
Gross profit	62,763	70,362
Selling, general and administrative expenses	(36,188)	(41,110)
Adjusted operating income	26,575	29,252
Other income	10,100	1,497
Other expenses	(4,768)	(2,064)
Operating income	31,907	28,685
Financial income	74	74
Financial expenses	(289)	(2,526)
Share of profits of investments accounted for using the equity method	2,926	413
Earnings before interest and taxes	34,618	26,646
Interest income	750	1,047
Interest expenses	(4,922)	(4,641)
Income before income taxes	30,446	23,052
Income taxes	(11,058)	(9,244)
Net income	19,388	13,808
Attributable to:		
Stockholders of the parent company	18,738	13,054
Non-controlling interests	650	754

	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Earnings per share attributable to stockholders of the parent company		
Basic	¥188.96	¥155.98
Diluted	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Million yen)

	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Net income	19,388	13,808
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	316	(687)
Remeasurements of defined benefit plans	(56)	(66)
Share of OCI of investments accounted for using the equity method	17	1
Total items not to be reclassified into net income	277	(752)
Items that can be reclassified into net income		
Foreign currency translation adjustments	2,616	2,434
Net changes in cash flow hedges	(1)	(2)
Share of OCI of investments accounted for using the equity method	(1)	60
Total items that can be reclassified into net income	2,614	2,492
Other comprehensive income	2,891	1,740
Comprehensive income	22,279	15,548
Attributable to:		
Stockholders of the parent company	21,319	14,681
Non-controlling interests	960	867

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Million yen)

Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)							
					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	220,829	(4,587)	(184)	232,861	6,396	239,257
Changes in equity							
Net income		18,738			18,738	650	19,388
Other comprehensive income			2,581		2,581	310	2,891
Transactions with non-controlling interests		164	(107)		57	(212)	(155)
Dividends		(4,299)			(4,299)	(130)	(4,429)
Transfer to retained earnings		11	(11)		—		—
Acquisition and sales of treasury stock				(99,632)	(99,632)		(99,632)
Share-based remuneration transactions		17			17		17
Changes in liabilities for written put options over non-controlling interests		(187)	183		(4)	(511)	(515)
Total changes in equity	—	14,444	2,646	(99,632)	(82,542)	107	(82,435)
Balance at end of period	16,803	235,273	(1,941)	(99,816)	150,319	6,503	156,822

(Million yen)

Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 2021)							
					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	236,311	1,861	(99,817)	155,158	6,949	162,107
Changes in equity							
Net income		13,054			13,054	754	13,808
Other comprehensive income			1,627		1,627	113	1,740
Transactions with non-controlling interests			14		14		14
Dividends		(4,696)			(4,696)	(162)	(4,858)
Transfer to retained earnings		1	(1)		—		—
Acquisition and sales of treasury stock				(1)	(1)		(1)
Cancellation of treasury stock		(99,080)		98,994	(86)		(86)
Share-based remuneration transactions		84		3	87		87
Changes in liabilities for written put options over non-controlling interests		(590)	163		(427)	(109)	(536)
Total changes in equity	—	(91,227)	1,803	98,996	9,572	596	10,168
Balance at end of period	16,803	145,084	3,664	(821)	164,730	7,545	172,275

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)	Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 2021)
Cash flows from operating activities		
Net income	19,388	13,808
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	38,405	37,970
Impairment losses	994	—
Income taxes	11,058	9,244
Share of profits (losses) of investments accounted for using the equity method	(2,926)	(413)
Gain on sale of investments in associates	(4,945)	—
Gain on sale of property, plant and equipment	(2,810)	(229)
Interest and dividends income	(821)	(1,121)
Interest expenses	4,922	4,641
(Increase) decrease in trade receivables and contract assets	(3,880)	(4,427)
(Increase) decrease in inventories	(97)	(338)
Increase (decrease) in trade payables	(1,423)	(1,432)
Increase (decrease) in retirement and severance benefits	1,578	1,846
Decrease in other assets and liabilities	(5,589)	(10,653)
Other	474	1,491
Subtotal	54,328	50,387
Interest and dividends received	3,700	1,300
Interest paid	(4,728)	(4,428)
Income taxes paid	(25,330)	(5,300)
Net cash provided by operating activities	27,970	41,959
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(14,382)	(13,473)
Proceeds from sale of property, plant and equipment and intangible assets	3,564	668
Proceeds from sale of investments in associates	87,183	14
Purchase of investments in subsidiaries	(1,476)	—
Other	347	(481)
Net cash (used in) provided by investing activities	75,236	(13,272)
Cash flows from financing activities		
Decrease in short-term debt, net	(1,520)	(1,168)
Repayments on long-term debt	(10,307)	(10,305)
Repayments of lease liabilities	(27,247)	(25,364)
Proceeds from sale of interests in subsidiaries to non-controlling interests	114	—
Payments for acquisition of interests in subsidiaries from non-controlling interests	(7,443)	(1,763)
Dividends paid to stockholders of the parent company	(4,299)	(4,696)
Dividends paid to non-controlling interests	(130)	(162)
Acquisition of treasury stock	(99,632)	(1)
Other	(641)	(433)
Net cash used in financing activities	(151,105)	(43,892)
Effect of exchange rate changes on cash and cash equivalents	907	949
Net decrease in cash and cash equivalents	(46,992)	(14,256)
Cash and cash equivalents at beginning of period	139,021	104,815
Cash and cash equivalents at end of period	92,029	90,559

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

(Notes on Going Concern Assumptions)

None

(Additional Information)

(Impact of the spread of the novel coronavirus infection)

We believe COVID-19 has only a limited impact in terms of valuation of the Group's assets as of December 31, 2021. However, if a significant change in the situation regarding the spread of COVID-19 further increases uncertainty, we may need to review the carrying amount of assets or liabilities after the fourth quarter ending March 31, 2022.

(Fire at our consolidated subsidiary)

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

This fire destroyed or burned rental properties recorded as right-of-use assets and our own machinery and equipment, etc., resulting in decreases in right-of-use assets of ¥8,992 million, in lease liabilities of ¥9,142 million, in property, plant and equipment of ¥71 million, and in intangible assets of ¥1 million in the condensed quarterly consolidated statement of financial position during the three months ended December 31, 2021. Also, various costs arising from alternative transportation, etc. incurred due to the fire of ¥214 million were recorded as cost of sales and loss on disposal of fixed assets for property, plant and equipment destroyed or burned of ¥116 million was recorded as loss by fire in other expenses in the condensed quarterly consolidated statement of profit or loss for the nine months ended December 31, 2021. The insurance proceeds for these assets are not recorded as the amount to be received is not yet determined.

As the cause of the fire is still under investigation by the third-party agencies as of the release date of this report, the impact on the condensed quarterly consolidated financial statements for the nine months ended December 31, 2021 includes our best estimate based on the information available to us at this point. Accordingly, such estimate may change depending on the investigation results, which may give rise to responsibility for the loss of assets burned in the fire, but because the investigation is still underway, it is difficult to reasonably estimate when and how much of an impact such change or responsibility will have on the Group's consolidated financial statements.

(Segment Information)

Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)

(Million yen)

	Reporting 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	312,854	150,664	463,518	10,963	474,481	—	474,481
Revenues from intersegment transactions or transfers	—	—	—	11,192	11,192	(11,192)	—
Total	312,854	150,664	463,518	22,155	485,673	(11,192)	474,481
Segment profit	18,554	7,082	25,636	939	26,575	—	26,575
Other income							10,100
Other expenses							(4,768)
Financial income							74
Financial expenses							(289)
Share of profits of investments accounted for using the equity method							2,926
Interest income							750
Interest expenses							(4,922)
Income before income taxes							30,446

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

Nine Months Ended December 31, 2021 (April 1, 2021 to December 31, 2021)

(Million yen)

	Reporting 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	313,929	227,692	541,621	9,789	551,410	—	551,410
Revenues from intersegment transactions or transfers	—	—	—	12,441	12,441	(12,441)	—
Total	313,929	227,692	541,621	22,230	563,851	(12,441)	551,410
Segment profit	18,519	9,729	28,248	1,004	29,252	—	29,252
Other income							1,497
Other expenses							(2,064)
Financial income							74
Financial expenses							(2,526)
Share of profits of investments accounted for using the equity method							413
Interest income							1,047
Interest expenses							(4,641)
Income before income taxes							23,052

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