

## Financial/Non-Financial Information

## Key Management Indicators : MD&amp;A

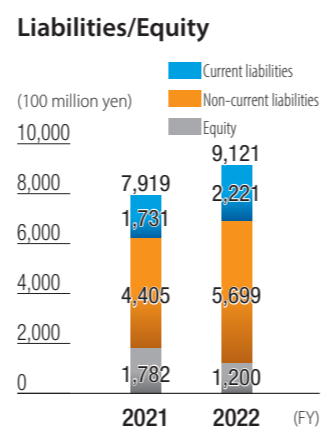
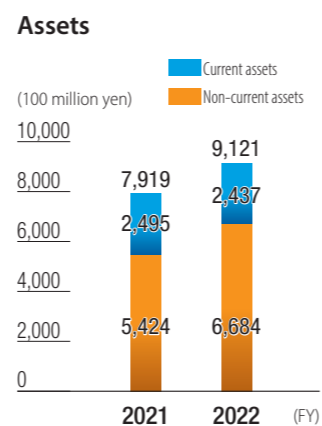
(Management's Discussion and Analysis of Financial Position, Financial Results, and Cash Flows)

## Financial Position

Total assets as of March 31, 2023 amounted to ¥912,109 million, an increase of ¥120,231 million compared with the end of the previous fiscal year. Current assets decreased by ¥5,788 million mainly due to a decrease of ¥11,115 million in cash and cash equivalents despite an increase of ¥4,008 million in other financial assets resulting from payments into Turkish lira-denominated time deposits by our consolidated subsidiary Mars Lojistik Grup Anonim Sirketi. Non-current assets increased by ¥126,019 million mainly due to increases of ¥97,205 million in long-term loans receivable resulting mainly from loans made to the parent company and ¥14,186 million in property, plant and equipment associated with capital investment in land for the construction of a multi-purpose logistics center in Tamil Nadu, India, and renewal of vehicles.

Total liabilities as of March 31, 2023 amounted to ¥792,065 million, an increase of 178,400 million compared with the end of the previous fiscal year. Current liabilities increased by ¥48,980 million mainly due to an increase of ¥45,251 million in deposits received due to withholding income taxes associated with acquisition of treasury stock from Hitachi, Ltd. ("Hitachi"). Non-current liabilities increased by ¥129,420 million mainly due to an increase of ¥127,714 million in long-term debt resulting from borrowing of new term loans and early repayment of all outstanding term loans.

Total equity as of March 31, 2023 amounted to ¥120,044 million, a decrease of ¥58,169 million compared with the end of the previous fiscal year mainly due to an increase of ¥221,169 million in treasury stock as a result of acquisition of treasury stock from Hitachi and a decrease of ¥16,493 million in common stock mainly due to capital reduction despite an increase of ¥147,257 million in capital surplus resulting from capital increase through third-party allotment to the parent company and capital reduction.



## Operating Results

## Revenues, adjusted operating income

Revenues increased by 10% year-on-year to ¥814,310 million mainly due to contributions from the freight forwarding business of global logistics business, operation of new projects, and the effect of foreign exchange rate fluctuations. Adjusted operating income increased by 18% year-on-year to ¥45,840 million mainly due to an increase in revenues, improved profitability, and the effect of foreign exchange rate fluctuations. Operating income increased by 44% year-on-year to ¥44,136 million mainly due to increases in adjusted operating income and gain on sale of property, plant and equipment despite a loss related to the fire at a logistics center at Maishima Sales Office of LOGISTEED West Japan, Ltd., our consolidated subsidiary.

## Earnings before interest and taxes (EBIT)

Earnings before interest and taxes (EBIT) increased by 54% year-on-year to ¥45,292 million mainly due to an increase in operating income and recognition of foreign exchange gains.

## Net income attributable to stockholders of the parent company

Net income attributable to stockholders of the parent company increased by 89% year-on-year to ¥25,516 million mainly due to an increase in income before income taxes.

(Unit:100 million yen)

	FY2021	FY2022
Revenues	7,436	8,143
Adjusted operating income	387	458
Operating income	307	441
Earnings before interest and taxes (EBIT)	294	453
Income before income taxes	246	400
Net income attributable to stockholders of the parent company	135	255

## Cash Flows

## Cash flows from operating activities

Net cash provided by operating activities was ¥122,063 million, an increase of ¥56,928 million compared with the fiscal year ended March 31, 2022. This is mainly due to increases in cash from depreciation and amortization of ¥56,686 million, deposits received of ¥45,223 million consisting mainly of withholding income taxes associated with acquisition of treasury stock from Hitachi, and recording of net income of ¥27,410 million despite a decrease in cash from income taxes paid of ¥13,928 million.

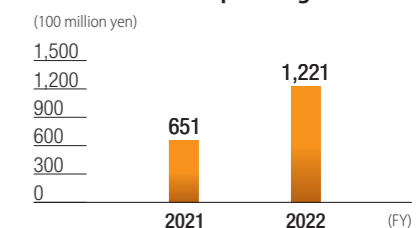
## Cash flows from investing activities

Net cash used in investing activities was ¥117,310 million, an increase of ¥92,433 million compared with the fiscal year ended March 31, 2022. This is mainly due to decreases in cash from payments for loans made to the parent company of 97,200 million and purchase of property, plant and equipment consisting mainly of capital investment in land for the construction of a multi-purpose logistics center in Tamil Nadu, India and renewal of vehicles, and intangible assets of ¥26,374 million.

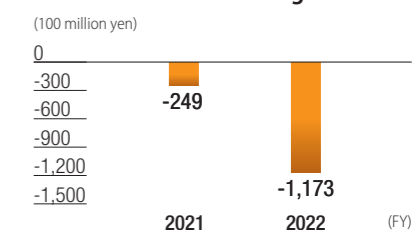
## Cash flows from financing activities

Net cash used in financing activities was ¥17,266 million, a decrease of ¥35,245 million compared with the fiscal year ended March 31, 2022. This is mainly due to a decrease in cash from acquisition of treasury stock of ¥221,997 million despite an increase in cash through proceeds from long-term debt of ¥198,783 million.

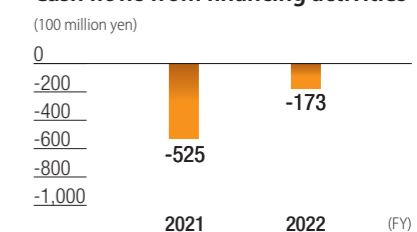
## Cash flows from operating activities



## Cash flows from investing activities



## Cash flows from financing activities



## Outline of Capital Expenditures

The Group (LOGISTEED and its consolidated subsidiaries) carefully selected and executed investments to expand logistics sites and renewed vehicles as part of ordinary business operation. The details of capital expenditures (based on tangible and intangible assets accepted) for the fiscal year ended March 31, 2023 are as follows: In domestic logistics, we acquired LOGI'Q Kyoto Kumiyama Logistics Center (Kuse-gun, Kyoto Prefecture) as a right-of-use asset in an effort to expand logistics sites. We also renewed existing assets and made investments for streamlining and labor-saving. As a result, capital expenditures amounted to ¥37,566 million. In global logistics, we acquired land and a building for the construction of a multi-purpose logistics center in Tamil Nadu, India as property, plant and equipment, and renewed existing assets such as vehicles. As a result, capital expenditures amounted to ¥30,017 million.

In other, we renewed existing assets such as vehicles for rental business. As a result, capital expenditures amounted to ¥3,549 million.

## Details of capital expenditures

(Unit:100 million yen)

	FY2021	FY2022
Domestic logistics	260	376
Global logistics	161	300
Other	31	35
Company-wide	40	29
Total	493	741