

May 9, 2024

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

[Japanese GAAP]

Company name: Maruzen Showa Unyu Co., Ltd.

Stock code: 9068

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Listing: Tokyo Stock Exchange

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Scheduled date of Annual General Meeting of Shareholders: June 27, 2024

Scheduled date of payment of dividend: June 28, 2024

Scheduled date of filing of Annual Securities Report: June 27, 2024

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2024	140,194	(0.5)	13,204	4.0	14,271	3.6	9,741	9.1
Fiscal year ended Mar. 31, 2023	140,861	2.9	12,692	7.4	13,781	9.7	8,931	4.1

Note: Comprehensive income (million yen)

Fiscal year ended Mar. 31, 2024: 15,209 (up 60.6%)

Fiscal year ended Mar. 31, 2023: 9,467 (up 0.6%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to operating revenue
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2024	481.19	-	8.1	7.7	9.4
Fiscal year ended Mar. 31, 2023	440.37	-	8.1	7.9	9.0

Reference: Equity in earnings of affiliates (million yen)

Fiscal year ended Mar. 31, 2024: 50

Fiscal year ended Mar. 31, 2023: 41

Note: Diluted net income per share is not presented since there is no dilutive share.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	191,357	127,941	65.8	6,283.23
As of Mar. 31, 2023	177,443	116,085	64.3	5,628.39

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2024: 125,927

As of Mar. 31, 2023:

114,164

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2024	14,514	(4,069)	(6,660)	41,202
Fiscal year ended Mar. 31, 2023	16,501	(6,093)	(3,605)	37,237

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2023	-	47.50	-	52.50	100.00	2,060	22.7	1.8
Fiscal year ended Mar. 31, 2024	-	60.00	-	70.00	130.00	2,662	27.0	2.2
Fiscal year ending Mar. 31, 2025 (forecasts)	-	60.00	-	70.00	130.00		21.9	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	76,000	10.8	7,800	29.0	8,200	25.7	6,100	25.3	301.30
Full year	155,000	10.6	16,000	21.2	16,500	15.6	12,000	23.2	592.72

* Notes

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting policies and accounting-based estimates, and restatements

- | | |
|---|------|
| 1) Changes in accounting policies due to revisions in accounting standards, others: | None |
| 2) Changes in accounting policies other than 1) above: | None |
| 3) Changes in accounting-based estimates: | None |
| 4) Restatements: | None |

(3) Number of issued shares (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

As of Mar. 31, 2024:	20,618,244 shares	As of Mar. 31, 2023:	20,612,844 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2024:	576,323 shares	As of Mar. 31, 2023:	329,162 shares
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3) Average number of shares during the period

Fiscal year ended Mar. 31, 2024:	20,245,581 shares	Fiscal year ended Mar. 31, 2023:	20,282,590 shares
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Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2024	111,730	0.6	10,213	4.9	12,077	4.5	9,638	17.1
Fiscal year ended Mar. 31, 2023	111,089	1.6	9,740	5.4	11,554	8.0	8,229	6.5

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2024	468.59	-
Fiscal year ended Mar. 31, 2023	399.37	-

Note: Diluted net income per share is not presented since there is no dilutive share.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	156,195	110,692	70.9	5,435.14
As of Mar. 31, 2023	143,304	99,982	69.8	4,851.69

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 110,692 As of Mar. 31, 2023: 99,982

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentages represent year-on-year changes)

	Operating revenue		Ordinary profit		Profit		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	60,000	9.0	7,000	12.6	5,700	14.1	277.11
Full year	125,000	11.9	13,500	11.8	10,500	8.9	510.46

* The current financial report is not subject to audit by certified public accountants and auditing firms.

* Cautionary statement with respect to forward-looking statements, and other special items

Cautionary statement with respect to forward-looking statements

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ materially from the forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 4 of the attachments for forecast assumptions and notes of caution for usage.

How to obtain financial results meeting materials

We plan to hold an online presentation for institutional investors and analysts on Wednesday, June 5, 2024. The materials to be used in this meeting will be posted on our website.

Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	4
(4) Outlook	4
(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years	5
2. Basic Approach to the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statements of Income and Comprehensive Income	8
Consolidated Statement of Income	8
Consolidated Statement of Comprehensive Income	9
(3) Consolidated Statement of Changes in Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
Going Concern Assumption	14
Change in Accounting Policies	14
Segment and Other Information	14
Per-share Information	18
Material Subsequent Events	18

1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended March 31, 2024, the Japanese economy recovered moderately as COVID-19 restrictions were eased with the reclassification of COVID-19 as a Class 5 disease, and social and economic activity returned to normal. However, with the domestic economy facing downside risks such as inflation driven by the protracted Ukraine conflict and yen depreciation and economic downturn overseas partly due to the effects of continued global monetary tightening, the uncertainty surrounding the economic outlook could not be dispelled.

In the logistics industry, the volume of cargo shipments in Japan was generally in decline throughout the entire year, with construction-related cargo showing sluggish growth due to decline in the number of new housing starts, and consumer-related cargo also decreasing under the impact of sluggish consumer spending in response to rising prices. As for the volume of international sea cargo, shipments of general machinery remained weak but exports of automobile parts to the United States and the EU showed a tendency toward recovery. Meanwhile, the volume of air cargo shipments generally trended downward, reflecting the ongoing shift from air cargo to ocean transport; however, shipments of automobile parts recovered as plant production returned to normal with the end of semiconductor shortages.

Furthermore, logistics companies in Japan had to deal not only with issues such as a long-standing shortage of drivers and price-based competition within the logistics sector but also with the restriction on driver overtime beginning in 2024 (known as the “2024 Problem”). In addition, soaring truck fuel prices also continued to rise due to the impact of higher crude oil prices.

Under these circumstances, the Maruzen Showa Unyu Group entered the second year of the Eighth Medium-term Management Plan for the three years from the fiscal year ended in March 2023. Goals for the plan’s second year included the growth of the third-party logistics (3PL) business and revenue growth in the agriculture category, which is one of our growth targets. To become more competitive, we provided a CO2 emission visualization service and built a new industry-specific platforms as part of our distinctive LLP service (MALoS [Maruzen Advanced Logistics Solution]). Many activities were planned for the reinforcement of our corporate foundation. We implemented the digital transformation, reexamined training programs to develop the skills of employees, disclosed more non-financial information, such as information involving ESG and TCFD, and took other actions. All the Group’s officers and employees were firmly committed to accomplishing the plan’s goals for sales and earnings.

Consequently, the Group’s results of operations for the fiscal year were as follows: operating revenue decreased by 0.5% year-on-year to 140,194 million yen, operating profit increased by 4.0% year-on-year to 13,204 million yen, ordinary profit increased by 3.6% year-on-year to 14,271 million yen, and profit attributable to owners of parent increased by 9.1% year-on-year to 9,741 million yen.

Business segment performance was as follows.

Logistic Operations

In the Logistics Operations segment, the freight truck transportation business reported a decline in the handling volume of household products and semiconductor devices but an increase in the handling volume of housing materials and construction machinery in the Kanto region. The handling volume of stainless-steel products decreased in the Chubu region. In the Kansai region, the handling volume of housing equipment and industrial equipment decreased but the handling volume of electric power equipment increased. There was also decline in the handling volume of motor-related products, but overall the freight truck transportation business reported a slight increase in operating revenue.

For the harbor transportation business the Kanto region saw an increase in the handling volume of vehicles and power generation materials but a decrease in the handling volume of construction machinery exports, non-ferrous metals and grain. In the Chubu region, there was decline in the handling volume of automobile parts. Overall, the harbor transportation business reported a decrease in operating revenue.

In the warehousing operations business, the Kanto region saw a decline in the handling volume of synthetic resins and housing materials but an increase in the handling volume of chemical and food products. The handling volume of housing equipment rose in the Chubu region. In the Kansai region, the handling volume of household products and oils and fats grew. Overall, the warehousing operations business recorded an increase in operating revenue.

The railway logistics business recorded an increase in operating revenue due to an increase in the handling volume of housing materials.

For the logistics-related business, ocean transportation revenue was down significantly because of a decrease in the handling volume of chemical products and electrode-related products. Coastal transportation revenue decreased due to a drop in the handling volume of grain and other cargoes. Air transportation revenues decreased due to a decline in the handling volume of chemical products. Therefore, the logistics-related business recorded a decrease in operating revenue.

Overall, operating revenue of the Logistic Operations segment decreased by 0.7% year-on-year to 121,860 million yen and segment profit (operating profit) increased by 4.6% year-on-year to 11,363 million yen.

Yard Operations and Mechanical Cargo Handling

In Yard Operations, the handling volume of resins for beverages and stainless steel products decreased but the handling volume of industrial salt increased, and overall, the Yard Operations and Mechanical Cargo Handling segment recorded a small increase in operating revenue.

As a result, operating revenue of the Yard Operations and Mechanical Cargo Handling segment increased 1.6% year-on-year to 15,944 million yen and segment profit (operating profit) increased by 1.2% year-on-year to 1,386 million yen.

Other Operations

Construction revenue decreased due to a decline in the volumes of transportation for machinery relocations and installations in Japan. Overall, there was a small decrease in operating revenue in the Other Operations segment.

As a result, operating revenue of the Other Operations segment decreased by 0.9% year-on-year to 2,389 million yen and segment profit (operating profit) decreased by 1.1% year-on-year to 453 million yen.

(2) Financial Position

Assets

The balance of total assets at the end of the current fiscal year was 191,357 million yen, up 13,914 million yen from the end of the previous fiscal year. This was mainly due to increases of 7,252 million yen in investment securities under investments and other assets, 2,964 million yen in cash and deposits under current assets, 2,141 million yen in notes and accounts receivable-trade and contract assets, and 1,187 million yen in buildings and structures under property, plant and equipment.

Liabilities

The balance of liabilities at the end of the current fiscal year was 63,416 million yen, up 2,058 million yen from the end of the previous fiscal year. This was mainly due to an increase of 2,233 million yen in deferred tax liabilities under non-current liabilities.

Net assets

The balance of net assets at the end of the current fiscal year was 127,941 million yen, up 11,856 million yen from the end of the previous fiscal year. This was mainly due to increases of 7,423 million yen in retained earnings, 4,762 million yen in valuation difference on available-for-sale securities, and 1,008 million yen in treasury shares. The equity ratio was 65.8%, up 1.5 percentage points from the end of the previous fiscal year.

(3) Cash Flows

Cash and cash equivalents (hereinafter, “net cash”) at the end of the current fiscal year increased 3,964 million yen from the end of the previous fiscal year to 41,202 million yen.

Cash flows for the current fiscal year and the main factors for changes are described as below.

Cash flows from operating activities

Net cash provided by operating activities decreased 1,986 million yen year-on-year to 14,514 million yen.

This was mainly due to the recording of profit before income taxes of 14,946 million yen, depreciation of 4,955 million yen, an increase in trade receivables of 2,143 million yen, and income taxes paid of 4,757 million yen.

Cash flows from investing activities

Net cash used in investing activities decreased 2,024 million yen year-on-year to 4,069 million yen.

This was mainly due to payments of 4,086 million yen for purchase of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities increased 3,054 million yen year-on-year to 6,660 million yen.

This was mainly due to repayments of long-term borrowings of 6,563 million yen.

Reference: Cash flow indicators

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Equity ratio (%)	63.0	62.7	62.4	64.3	65.8
Equity ratio based on market value (%)	33.6	41.7	37.6	36.8	49.0
Interest-bearing debt to cash flow ratio (years)	2.5	2.5	2.7	1.9	2.0
Interest coverage ratio (times)	66.1	64.8	64.6	85.1	75.8

Notes: Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

1) All indicators are calculated based on consolidated figures.

2) Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.

3) Operating cash flows are the figures for operating cash flows in the consolidated statement of cash flows.

Interest-bearing debt includes all debts on the consolidated balance sheet that incur interest. Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.

(4) Outlook

Japan's economic recovery from the pandemic had stalled, lagging behind the recoveries of other advanced economies. However, an improving employment situation and rising wages against a backdrop of increasingly serious labor shortages have limited the decline in consumer spending, and capital spending also remains firm thanks to improvement in corporate earnings. In light of such factors, Japan's economy is likely to continue recovering moderately, driven by domestic demand.

Looking overseas, the global economy is still experiencing a moderate slowdown and, even as the rate of inflation continues to trend downward, interest rates have remained high around the world, reining in demand and also leading to decline in the volume of trade.

In such a management environment, the Group has entered the final year of the Eighth Medium-term Management Plan for the three years from the fiscal year ended in March 2023. Goals for the plan's final year include a further sales drive to win new orders from target companies in terms of our growth targets. To become more competitive, we plan to build a new logistics platform and focus on developing the infrastructure that will enable us to provide sustainable logistics services, and we will also seek to expand our network through the establishment of new bases in Japan and overseas. Many activities are planned for the reinforcement of our

corporate foundation. We will steadily push ahead with the development of our next-generation core system (MALoS) aiming for operation in the fiscal year ending March 31, 2026 and we will also develop human resources to promote improvement in our human capital, strengthen information disclosures linked to our financial and non-financial activities, and engage in sustainability activities with our partner companies. All the Group's officers and employees have a firm commitment to accomplishing the plan's goals for sales and earnings. Based on this outlook, we forecast operating revenue of 155,000 million yen, operating profit of 16,000 million yen, ordinary profit of 16,500 million yen, and profit attributable to owners of parent of 12,000 million yen on a consolidated basis for the fiscal year ending March 31, 2025.

(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

Distributing earnings to shareholders is one of our highest priorities. The basic policy is to pay a dividend that is stable over the long term while taking into consideration results of operations, the dividend payout ratio, the return on equity and all other applicable items.

Retained earnings are used for investments aimed at building an even stronger operating foundation in order to maintain the long-term stability of performance. Major investments include new warehouses and other facilities, vehicles and machinery needed to increase transportation capacity and to meet environmental regulations, and IT systems to keep pace with advances in technology. Based on this policy, in consideration of results of operations, financial position and other factors, we paid an interim dividend of 60 yen per share, and also plan to pay a year-end dividend of 70 yen per share for the fiscal year ended on March 31, 2024.

For the fiscal year ending on March 31, 2025, we plan to pay a dividend of 130 yen per share, the sum of a 60 yen interim dividend and a 70 yen year-end dividend.

2. Basic Approach to the Selection of Accounting Standards

We plan to continue using Japanese accounting standards for preparing consolidated financial statements for the time being. One reason is that shareholders, lenders and customers in Japan account for most of the stakeholders of the Group. In addition, using Japanese accounting standards allows comparing financial information with prior years and with the financial information of other companies in Japan.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

3. Consolidated Financial Statements and Notes**(1) Consolidated Balance Sheet**

(Millions of yen)

	FY3/23 (As of Mar. 31, 2023)	FY3/24 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	15,337	18,302
Notes and accounts receivable - trade, and contract assets	28,144	30,286
Securities	18,199	19,199
Supplies	315	337
Prepaid expenses	747	912
Other	5,651	5,567
Allowance for doubtful accounts	(9)	(10)
Total current assets	68,386	74,596
Non-current assets		
Property, plant and equipment		
Buildings and structures	99,162	102,879
Accumulated depreciation	(63,218)	(65,748)
Buildings and structures, net	35,943	37,131
Machinery and equipment	28,474	28,660
Accumulated depreciation	(20,090)	(20,959)
Machinery and equipment, net	8,384	7,700
Vessels	2	2
Accumulated depreciation	(2)	(2)
Vessels, net	0	0
Vehicles	10,259	10,315
Accumulated depreciation	(9,306)	(9,382)
Vehicle, net	952	933
Tools, furniture and fixtures	1,294	1,314
Accumulated depreciation	(1,004)	(1,045)
Tools, furniture and fixtures, net	289	269
Land	30,032	30,066
Leased assets	2,948	2,723
Accumulated depreciation	(808)	(687)
Leased assets, net	2,139	2,036
Construction in progress	1,230	301
Total property, plant and equipment	78,973	78,439
Intangible assets		
Goodwill	734	157
Other	1,219	2,937
Total intangible assets	1,953	3,095
Investments and other assets		
Investment securities	20,273	27,526
Long-term loans receivable	142	141
Deferred tax assets	766	662
Retirement benefit asset	350	925
Other	6,613	5,987
Allowance for doubtful accounts	(16)	(16)
Total investments and other assets	28,129	35,226
Total non-current assets	109,056	116,761
Total assets	177,443	191,357

	(Millions of yen)	
	FY3/23	FY3/24
	(As of Mar. 31, 2023)	(As of Mar. 31, 2024)
Liabilities		
Current liabilities		
Trade notes and accounts payable	12,835	13,954
Short-term borrowings	15,260	15,693
Accounts payable-other	1,052	1,034
Income taxes payable	2,520	2,772
Accrued consumption taxes	656	1,125
Accrued expenses	2,016	2,057
Contract liabilities	87	42
Provision for bonuses	1,786	1,764
Provision for bonuses for directors (and other officers)	5	3
Other	681	919
Total current liabilities	36,903	39,367
Non-current liabilities		
Long-term borrowings	16,269	12,982
Deferred tax liabilities	4,681	6,914
Provision for retirement benefits for directors (and other officers)	80	67
Provision for loss on compensation	-	571
Retirement benefit liability	405	412
Asset retirement obligations	862	891
Other	2,155	2,208
Total non-current liabilities	24,454	24,048
Total liabilities	61,358	63,416
Net assets		
Shareholders' equity		
Share capital	10,117	10,127
Capital surplus	9,949	9,960
Retained earnings	87,457	94,880
Treasury shares	(600)	(1,608)
Total shareholders' equity	106,924	113,361
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,854	11,616
Foreign currency translation adjustment	539	803
Remeasurements of defined benefit plans	(154)	147
Total accumulated other comprehensive income	7,239	12,566
Non-controlling interests	1,920	2,013
Total net assets	116,085	127,941
Total liabilities and net assets	177,443	191,357

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

	(Millions of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Operating revenue	140,861	140,194
Operating costs	122,987	121,777
Operating gross profit	17,874	18,417
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	509	533
Executive officers' compensations	133	159
Salaries and allowances	1,524	1,521
Bonuses	340	316
Provision for bonuses for directors (and other officers)	8	5
Retirement benefit expenses	33	43
Provision for retirement benefits for directors (and other officers)	13	11
Taxes and dues	452	477
Depreciation	190	176
Provision of allowance for doubtful accounts	0	1
Amortization of goodwill	576	576
Other	1,398	1,389
Total selling, general and administrative expenses	5,182	5,212
Operating profit	12,692	13,204
Non-operating income		
Interest income	19	29
Dividend income	834	837
Share of profit of entities accounted for using equity method	41	50
Miscellaneous income	424	378
Total non-operating income	1,320	1,295
Non-operating expenses		
Interest expenses	194	193
Miscellaneous expenses	36	35
Total non-operating expenses	230	228
Ordinary profit	13,781	14,271
Extraordinary income		
Gain on sale of non-current assets	62	107
Gain on sale of investment securities	169	1,372
Subsidy income	57	192
Insurance claim income	2	64
Total extraordinary income	291	1,737
Extraordinary losses		
Loss on sale and retirement of non-current assets	209	28
Impairment losses	-	214
Loss on tax purpose reduction entry of non-current assets	56	175
Loss on valuation of investment securities	260	-
Compensation for damage	7	70
Provision for compensation loss	-	571
Total extraordinary losses	534	1,062
Profit before income taxes	13,538	14,946
Income taxes-current	4,385	4,964
Income taxes-deferred	101	115
Total income taxes	4,487	5,080
Profit	9,051	9,866
Profit attributable to non-controlling interests	119	124
Profit attributable to owners of parent	8,931	9,741

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Profit	9,051	9,866
Other comprehensive income		
Valuation difference on available-for-sale securities	241	4,737
Foreign currency translation adjustment	339	263
Remeasurements of defined benefit plans, net of tax	(193)	301
Share of other comprehensive income of entities accounted for using equity method	28	39
Total other comprehensive income	415	5,342
Comprehensive income	9,467	15,209
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,346	15,068
Comprehensive income attributable to non-controlling interests	120	140

(3) Consolidated Statement of Changes in Equity

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,117	9,948	80,380	(610)	99,835
Changes during period					
Dividends of surplus			(1,854)		(1,854)
Profit attributable to owners of parent			8,931		8,931
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		1		13	14
Net changes in items other than shareholders' equity					-
Total changes during period	-	1	7,077	10	7,088
Balance at end of period	10,117	9,949	87,457	(600)	106,924

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,585	200	39	6,825	1,853	108,514
Changes during period						
Dividends of surplus				-		(1,854)
Profit attributable to owners of parent				-		8,931
Purchase of treasury shares				-		(2)
Disposal of treasury shares				-		14
Net changes in items other than shareholders' equity	268	339	(193)	414	67	481
Total changes during period	268	339	(193)	414	67	7,570
Balance at end of period	6,854	539	(154)	7,239	1,920	116,085

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,117	9,949	87,457	(600)	106,924
Changes during period					
Issuance of new shares	10	10			21
Dividends of surplus			(2,318)		(2,318)
Profit attributable to owners of parent			9,741		9,741
Purchase of treasury shares				(1,008)	(1,008)
Disposal of treasury shares					-
Net changes in items other than shareholders' equity					-
Total changes during period	10	10	7,423	(1,008)	6,436
Balance at end of period	10,127	9,960	94,880	(1,608)	113,361

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,854	539	(154)	7,239	1,920	116,085
Changes during period						
Issuance of new shares				-		21
Dividends of surplus				-		(2,318)
Profit attributable to owners of parent				-		9,741
Purchase of treasury shares				-		(1,008)
Disposal of treasury shares				-		-
Net changes in items other than shareholders' equity	4,762	263	301	5,326	92	5,419
Total changes during period	4,762	263	301	5,326	92	11,856
Balance at end of period	11,616	803	147	12,566	2,013	127,941

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	13,538	14,946
Depreciation	4,868	4,955
Impairment losses	-	214
Amortization of goodwill	578	576
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	(12)
Increase (decrease) in provision for bonuses	24	(22)
Increase (decrease) in provision for bonuses for directors (and other officers)	0	(1)
Increase (decrease) in allowance for doubtful accounts	(3)	1
Decrease (increase) in retirement benefit asset	106	(133)
Increase (decrease) in retirement benefit liability	(24)	6
Interest and dividend income	(853)	(867)
Insurance claim income	(2)	(64)
Interest expenses	194	193
Share of loss (profit) of entities accounted for using equity method	(41)	(50)
Loss (gain) on sale and retirement of non-current assets	147	(78)
Loss (gain) on sale of investment securities	(169)	(1,372)
Loss (gain) on valuation of investment securities	260	-
Decrease (increase) in trade receivables	1,891	(2,143)
Decrease (increase) in inventories	(52)	(22)
Increase (decrease) in trade payables	(434)	1,052
Increase (decrease) in accrued consumption taxes	75	508
Loss on tax purpose reduction entry of non-current assets	56	175
Subsidy income	(57)	(192)
Loss on compensation for damage	7	70
Allowance for compensation loss	-	571
Other, net	(174)	96
Subtotal	19,939	18,407
Interest and dividends received	855	869
Interest paid	(193)	(191)
Income taxes paid	(4,135)	(4,757)
Proceeds from insurance income	2	64
Subsidies received	57	192
Payments associated with disaster loss	(16)	-
Compensation paid for damage	(7)	(70)
Net cash provided by (used in) operating activities	16,501	14,514

	(Millions of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,024)	(4,086)
Proceeds from sale of property, plant and equipment	68	168
Purchase of investment securities	(212)	(535)
Proceeds from sale of investment securities	313	1,862
Purchase of intangible assets	(80)	(2,042)
Purchase of shares of subsidiaries	-	(277)
Proceeds from collection of short-term loans receivable	27	28
Proceeds from collection of long-term loans receivable	0	129
Acquisition of other investments	(532)	(250)
Proceeds on sale of other investments	465	932
Loan advances	(28)	(85)
Other, net	(91)	88
Net cash provided by (used in) investing activities	(6,093)	(4,069)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(800)	-
Proceeds from long-term borrowings	2,717	3,709
Repayments of long-term borrowings	(3,345)	(6,563)
Purchase of treasury shares	(2)	(1,008)
Dividends paid	(1,854)	(2,318)
Dividends paid to non-controlling interests	(53)	(47)
Other, net	(266)	(431)
Net cash provided by (used in) financing activities	(3,605)	(6,660)
Effect of exchange rate change on cash and cash equivalents	184	179
Net increase (decrease) in cash and cash equivalents	6,987	3,964
Cash and cash equivalents at beginning of period	30,250	37,237
Cash and cash equivalents at end of period	37,237	41,202

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Changes in Accounting Policies

Not applicable.

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Company's operations are divided into the Logistics Operations segment, the Yard Operations and Mechanical Cargo Handling segment, and Other Operations. Each consolidated subsidiary is an independent business unit that undergoes periodic reviews by the Board of Directors of the Company. Each subsidiary establishes its own comprehensive strategy and conducts its own business activities.

Consequently, the Group's operations consist of business segments for different services based on the three categories in the preceding paragraph and the activities of consolidated subsidiaries. To provide suitable information about business activities and the operating environment, operations that are generally similar regarding economic characteristics, services and other items are combined into two reportable segments: Logistics Operations, and Yard Operations and Mechanical Cargo Handling.

Services by reportable segment are as follows.

Reportable segment	Services
Logistics Operations	Freight truck transportation, freight forwarding (truck, rail, ocean transportation and coastal transportation, air), harbor transportation (general harbor transportation, loading and unloading (in ships and on shore), barges), warehousing operations, customs brokerage, packaging, marine cargo transportation, air cargo agency
Yard Operations and Mechanical Cargo Handling	On-site moving, assembly, filling and warehouse storage of raw materials, finished products, heavy loads, precision machinery and other items, handling of incoming and outgoing shipments, provision of services associated with these activities, and rental of machinery

2. Calculation method for operating revenue, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is generally the same as the method adopted for preparation of the consolidated financial statements.

Profits for reportable business segments are operating profit figures.

Inter-segment sales and transfers are based on prevailing market prices.

3. Information related to operating revenue, profit or loss, assets, liabilities, and other items for each reportable segment and on breakdown of revenues

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Total (Note 3)
	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Subtotal				
Operating revenue							
Goods or services that are transferred over a certain period of time	122,753	15,698	138,451	2,409	140,861	-	140,861
Revenue from contracts with customers	122,753	15,698	138,451	2,378	140,830	-	140,830
Other revenue	-	-	-	31	31	-	31
External sales	122,753	15,698	138,451	2,409	140,861	-	140,861
Inter-segment sales and transfers	-	-	-	546	546	(546)	-
Total	122,753	15,698	138,451	2,956	141,408	(546)	140,861
Segment profit	10,863	1,369	12,232	459	12,692	-	12,692
Segment assets	107,484	7,369	114,853	1,985	116,839	60,604	177,443
Other items:							
Depreciation	4,404	225	4,630	237	4,868	-	4,868
Increase in property, plant and equipment and intangible assets	6,717	418	7,135	102	7,237	-	7,237

Notes: 1. "Other" is a business segment not included in reportable segments and provides construction, security, real estate, insurance agency, vehicle maintenance and other services.

2. The adjustment of (546) million yen is elimination of inter-segment transactions.

The adjustment to segment assets of 60,604 million yen is company-wide assets that are not allocated to reportable segments.

3. Total of segment profit is equal to operating profit as shown on the consolidated financial statements.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Total (Note 3)
	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Subtotal				
Operating revenue Goods or services that are transferred over a certain period of time	121,860	15,944	137,805	2,389	140,194	-	140,194
Revenue from contracts with customers	121,860	15,944	137,805	2,357	140,162	-	140,162
Other revenue	-	-	-	32	32	-	32
External sales	121,860	15,944	137,805	2,389	140,194	-	140,194
Inter-segment sales and transfers	-	-	-	552	552	(552)	-
Total	121,860	15,944	137,805	2,942	140,747	(552)	140,194
Segment profit	11,363	1,386	12,750	453	13,204	-	13,204
Segment assets	109,833	7,991	117,825	2,170	119,995	71,361	191,357
Other items:							
Depreciation	4,516	199	4,715	239	4,955	-	4,955
Increase in property, plant and equipment and intangible assets	6,084	433	6,518	54	6,572	-	6,572

Notes: 1. "Other" is a business segment not included in reportable segments and provides construction, security, real estate, insurance agency, vehicle maintenance and other services.

2. The adjustment of (552) million yen is elimination of inter-segment transactions.
The adjustment to segment assets of 71,361 million yen is company-wide assets that are not allocated to reportable segments.

3. Total of segment profit is equal to operating profit as shown on the consolidated financial statements.

Related information

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

1. Information by product and service

This information is omitted since the same information is presented in segment information.

2. Information by region

(1) Operating revenue

This information is omitted since operating revenue to external customers in Japan exceeded 90% of operating revenue on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted since no external client accounts for more than 10% of operating revenue on the consolidated statement of income.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

1. Information by product and service

This information is omitted since the same information is presented in segment information.

2. Information by region

(1) Operating revenue

This information is omitted since operating revenue to external customers in Japan exceeded 90% of operating revenue on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted since no external client accounts for more than 10% of operating revenue on the consolidated statement of income.

Information related to impairment of non-current assets for each reportable segment

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

Not applicable.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other Operations	Elimination or corporate	Total
Impairment losses	214	-	-	-	214

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other Operations	Elimination or corporate	Total
Amortization for the period	568	10	0	-	578
Balance at the end of period	715	18	-	-	734

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other Operations	Elimination or corporate	Total
Amortization for the period	564	11	-	-	576
Balance at the end of period	148	8	-	-	157

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per-share Information

(Yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net assets per share	5,628.39	6,283.23
Net income per share	440.37	481.19

Notes: 1. Diluted net income per share is not presented since there is no dilutive shares.

2. The basis for calculating net income per share is as follows.

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	8,931	9,741
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent applicable to common shareholders (Millions of yen)	8,931	9,741
Average number of common shares outstanding during period (Thousand shares)	20,282	20,245

Material Subsequent Events

Not applicable.

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.