

Summary of Consolidated Earnings Report for the First Quarter of the Fiscal Year Ending December 31, 2024 (IFRS)

May 13, 2024

Company name: NIPPON EXPRESS HOLDINGS, INC. Listed stock exchanges: Tokyo

Code: 9147 URL <https://www.nipponexpress-holdings.com/en/> (English)
<https://www.nipponexpress-holdings.com/ja/> (Japanese)

Representative: President and Representative Director Satoshi Horikiri
Contact: Managing Executive Officer and General Hideshi Otsuki (TEL) 03-5801-1000
Manager, Corporate Strategy Headquarters

Scheduled date for release of Quarterly Financial Report: May 13, 2024

Scheduled date of dividend payment: -

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of annual financial results briefing session: Available (for institutional investors and analysts)

(Millions of yen, rounded down)

1. Consolidated Financial Results for the Three Months Ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(1) Consolidated Business Results (%: compared with the previous period)

	Revenue		Operating profit		Income before tax		Profit attributable to owners of parent		Total comprehensive income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Three Months Ended March 31, 2024	617,601	6.8	3,474	(85.7)	4,202	(82.0)	822	(93.8)	25,271	40.3
Three Months Ended March 31, 2023	578,016	(10.0)	24,322	(10.7)	23,386	(14.0)	13,320	(15.0)	18,018	(47.0)

	Basic earnings per share	Diluted earnings per share
	¥	¥
Three Months Ended March 31, 2024	9.35	-
Three Months Ended March 31, 2023	149.40	-

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	¥ million	¥ million	¥ million	%
As of March 31, 2024	2,182,715	829,196	811,563	37.2
As of December 31, 2023	2,107,116	817,806	800,062	38.0

2. Dividends Information

	Annual dividend per share				
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly
	¥	¥	¥	¥	¥
Fiscal Year Ended December 31, 2023	-	150.00	-	150.00	300.00
Fiscal Year Ending December 31, 2024	-				
Fiscal Year Ending December 31, 2024 (Forecast)		150.00	-	150.00	300.00

(Note) Revision of dividend projection from recently announced figures: No

3. Forecast of Consolidated Financial Results for Fiscal Year Ending December 31, 2024
(January 1, 2024 to December 31, 2024)

(%: compared with the previous period)

	Revenue		Operating profit		Income before tax		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim	1,200,000	6.0	34,000	(15.8)	33,000	(20.2)	23,000	(9.6)	261.54
Full year	2,500,000	11.7	82,000	36.4	79,000	29.1	55,000	48.4	625.43

(Note) Revision of consolidated results forecast from recently announced figures: No

*Notes

(1) Significant changes of subsidiaries during the period under review
(affecting specific subsidiaries due to changes in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates

1) Change in accounting policies required under IFRS:

No

2) Any changes in accounting policies other than 1) above:

No

3) Changes in accounting estimates:

No

(3) Total number of issued shares (common stock)

1) Total number of issued shares at end of period
(including treasury shares)

As of March 31, 2024	90,599,225 shares	As of December 31, 2023	90,599,225 shares
As of March 31, 2024	2,626,196 shares	As of December 31, 2023	2,659,642 shares
Fiscal Year Ended March 31, 2024	87,956,818 shares	Fiscal Year Ended March 31, 2023	89,164,725 shares

2) Total number of treasury shares at end of
period

3) Average number of shares during period

(Note) The Company introduced an Executive Compensation BIP (Board Incentive Plan) Trust. Company shares owned by the Trust were included the treasury shares at the end of the period under review.

Number of shares owned by the Executive Compensation BIP Trust:

As of March 31, 2024: 62,367 shares

As of December 31, 2023: 96,519 shares

(These figures are included the total number of treasury shares at end of period, above.)

* This consolidated earnings report is not subject to audit by a certified public accountant or independent financial statement auditor.

* Explanation for the appropriate use of financial forecasts and other special notes

- The forward-looking statements and other results forecasts stated herein are based on information available at the time this report was prepared, as well as certain assumptions considered reasonable. Accordingly, actual business performance may differ significantly from forecasts due to a number of factors. Please refer to 1. *Qualitative Information on Quarterly Financial Results*, (3) *Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Information* on page 3 for financial forecast assumptions and the use of the forecasts.

- We plan to hold a briefing session online for institutional investors and analysts on May 13, 2024. The materials to be distributed at that meeting will be posted on our corporate website.

○ Attachments: Table of Contents

1. Qualitative Information on Quarterly Financial Results	P. 2
(1) Explanation of Business Results	P. 2
(2) Explanation of Financial Position	P. 2
(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Information	P. 3
2. Condensed Quarterly Consolidated Financial Statement	P. 4
(1) Condensed Quarterly Consolidated Statement of Financial Position	P. 4
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income	P. 6
(3) Condensed Quarterly Consolidated Statement of Changes in Equity	P. 8
(4) Condensed Quarterly Consolidated Statement of Cash Flows	P.10
(5) Notes to Consolidated Financial Statements	P.11
(Notes Regarding Going Concern Assumption)	P.11
(Segment Information, etc.)	P.11
3. Reference Materials	P.13

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Business Results

During the first quarter of the current consolidated fiscal year, the global economy showed ongoing resilience in domestic demand for certain countries and regions. And while positive signs emerged indicating an ease in long-running price increases, there was also a deep-seated sense of caution regarding ongoing high inflation rates. The economic situation remained in a fragile state of tug-of-war between inflation control and monetary easing. In addition, geopolitical risks, including the prolonged invasion of Ukraine by Russia and growing tensions in the Middle East, increased further, giving rise to growing uncertainty about the future.

Given this economic climate, the logistics industry experienced lackluster cargo movement, despite a partial recovery in cargo movement for digital-related goods, amid continued weakness in the manufacturing sector, including sluggish capital investment in major countries. Other risks have emerged that affect international logistics directly, including avoiding navigation of the Suez Canal due to the unrest in the Red Sea. Domestic cargo movement was lackluster in general, affected by declining consumer confidence in response to soaring product prices.

In addition to continuing geopolitical risks, the situation in Japan requires close monitoring of trends that include rising procurement costs due to the weakening of the yen.

In response to this business environment, the NX Group reported a year-on-year increase in revenue for the first quarter of the current consolidated fiscal year. This increase was mainly due to the addition of the cargo-partner Group to the scope of consolidation and a recovery in cargo movement among certain sectors, mainly digital-related goods. At the same time, group profit decreased year on year due to lower unit sales prices stemming from the easing of tight supply-demand balance in air and ocean cargo transportation.

As a result, the group posted revenues of ¥617.6 billion, up ¥39.5 billion, or 6.8%, year on year. Operating income amounted to ¥3.4 billion, down ¥20.8 billion, or 85.7%, year on year. Profit before income taxes amounted to ¥4.2 billion, down ¥19.1 billion, or 82.0%, year on year, while profit attributable to owners of parent amounted to ¥0.8 billion, down ¥12.4 billion, or 93.8%.

(2) Explanation of Financial Position

1) Assets, Liabilities, and Equity

Total assets as of the end of the first quarter of the current consolidated fiscal year amounted to ¥2,182.7 billion, up ¥75.5 billion, or 3.6%, compared with the end of the previous consolidated fiscal year.

Current assets decreased ¥58.2 billion, or 6.5%, to ¥837.8 billion, while non-current assets increased ¥133.8 billion, or 11.1%, to ¥1,344.9 billion.

The decrease in current assets was mainly due to a decrease in cash and cash equivalents.

The increase in non-current assets was mainly due to an increase in goodwill and intangible assets.

Current liabilities amounted to ¥662.2 billion, up ¥71.1 billion, or 12.0%, compared with the end of the previous consolidated fiscal year. Non-current liabilities amounted to ¥691.3 billion, down ¥6.8 billion, or 1.0%.

The increase in current liabilities was mainly due to an increase in bonds and borrowings.

The decrease in non-current liabilities was mainly due to a decrease in bonds and borrowings.

Total equity as of the end of the first quarter of the current consolidated fiscal year amounted to ¥829.1 billion, up ¥11.3 billion, or 1.4%, compared with the end of the previous consolidated fiscal year.

2) Cash Flows

Cash and cash equivalents as of the end of the first quarter of the current consolidated fiscal year amounted to ¥213.5 billion, down ¥101.5 billion compared with the end of the previous consolidated fiscal year.

Net cash provided by operating activities amounted to ¥52.3 billion, representing an increase in proceeds of ¥30.1 billion compared to the year-ago period. This result was mainly due to a decrease in income taxes paid.

Net cash used in investing activities amounted to ¥117.5 billion, representing an increase in outlays of ¥107.8 billion compared to the year-ago period. This result was mainly due to an increase in purchase of shares of subsidiaries resulting in change in scope of consolidation.

Net cash used in financing activities amounted to ¥43.5 billion, representing an increase in proceeds of ¥1.8 billion compared to the year-ago period. This result was mainly due to a decrease in repayments of long-term borrowings.

(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-Looking Information

We have not made any changes at this time to our consolidated earnings forecast for the fiscal year ending December 31, 2024, disclosed on February 14, 2024.

We will continue to monitor the future outlook, and disclose any revised forecasts promptly if we deem it necessary to make revisions.

2. Condensed Quarterly Consolidated Financial Statement
(1) Condensed Quarterly Consolidated Statement of Financial Position

(Unit: Millions of yen)

	FY2023 (As of December 31, 2023)	First Quarter of FY2024 (as of March 31, 2024)
Assets		
Current assets		
Cash and cash equivalents	315,076	213,528
Trade and other receivables	424,054	449,716
Inventories	10,680	12,070
Income taxes receivable	20,771	20,135
Other financial assets	88,139	84,609
Other current assets	36,941	41,504
Subtotal	895,663	821,565
Assets held for sale	428	16,247
Total current assets	896,091	837,812
Non-current assets		
Property, plant and equipment	535,583	531,329
Investment property	68,529	69,115
Goodwill and intangible assets	73,561	175,073
Right-of-use assets	354,021	379,848
Investments accounted for using equity method	42,185	41,758
Other financial assets	113,273	122,235
Deferred tax assets	16,429	17,490
Other non-current assets	7,438	8,051
Total non-current assets	1,211,024	1,344,903
Total assets	2,107,116	2,182,715

(Unit: Millions of yen)

	FY2023 (As of December 31, 2023)	First Quarter of FY2024 (as of March 31, 2024)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	214,044	208,503
Bonds and borrowings	61,782	96,366
Lease liabilities	111,730	117,718
Other financial liabilities	84,385	72,665
Income taxes payable	7,628	8,215
Provisions	10,419	17,071
Other current liabilities	101,100	132,145
Subtotal	591,092	652,685
Liabilities directly associated with assets held for sale	—	9,515
Total current liabilities	591,092	662,200
Non-current liabilities		
Bonds and borrowings	255,975	225,886
Lease liabilities	304,896	328,578
Other financial liabilities	19,123	19,318
Retirement benefit liability	93,864	92,192
Provisions	10,832	11,531
Deferred tax liabilities	6,000	6,410
Other non-current liabilities	7,524	7,400
Total non-current liabilities	698,217	691,319
Total liabilities	1,289,309	1,353,519
Equity		
Share capital	70,175	70,175
Capital surplus	23,267	23,024
Treasury shares	(20,542)	(20,368)
Other components of equity	92,625	116,578
Retained earnings	634,536	622,153
Total equity attributable to owners of parent	800,062	811,563
Non-controlling interests	17,743	17,632
Total equity	817,806	829,196
Total liabilities and equity	2,107,116	2,182,715

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income
Condensed quarterly consolidated statement of profit or loss

	(Unit: Millions of yen)	
	Three months ended March 31, 2023 (January 1, 2023 to March 31, 2023)	Three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)
Revenue	578,016	617,601
Cost of sales	522,036	564,327
Gross profit	55,979	53,273
Selling, general and administrative expenses	35,017	41,406
Other income	7,472	3,137
Other expenses	4,586	11,993
Share of profit (loss) of investments accounted for using equity method	475	464
Operating profit	24,322	3,474
Finance income	767	2,868
Finance costs	1,704	2,140
Income before tax	23,386	4,202
Income tax expense	9,912	3,345
Operating income	13,473	857
Profit attributable to		
Owners of parent	13,320	822
Non-controlling interests	152	35
Profit from continuing operations	13,473	857
Earnings per share		
Basic earnings per share (yen)	149.40	9.35

Condensed quarterly consolidated statement of comprehensive income

	(Unit: Millions of yen)	
	Three months ended March 31, 2023 (January 1, 2023 to March 31, 2023)	Three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)
Profit	13,473	857
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity instruments measured at fair value through other comprehensive income	(317)	5,712
Share of other comprehensive income of investments accounted for using equity method	18	(0)
Total of items that will not be reclassified to profit or loss	(298)	5,712
Items that may be reclassified to profit or loss		
Fair value of effective portion of cash flow hedges	(14)	6
Exchange differences on translation of foreign operations	3,005	18,745
Share of other comprehensive income of investments accounted for using equity method	1,853	(50)
Total of items that may be reclassified to profit or loss	4,844	18,701
Total other comprehensive income after tax	4,545	24,414
Comprehensive income:	18,018	25,271
Comprehensive income attributable to		
Owners of parent	17,742	24,775
Non-controlling interests	276	495
Comprehensive income:	18,018	25,271

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 2023)

(Unit: Millions of yen)

(Unit: millions of yen)

	Equity attributable to owners of parent						
	Other components of equity						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Fair value of effective portion of cash flow hedges
Balance as of January 1, 2023	70,175	22,928	598,423	(10,604)	46,676	30,480	10
Profit			13,320				
Other comprehensive income					(317)	2,881	(14)
Comprehensive income:	-	-	13,320	-	(317)	2,881	(14)
Purchase of treasury shares				(2)			
Disposal of treasury shares		(0)		77			
Dividends			(13,390)				
Share-based compensation transactions		(88)					
Changes in ownership interests in subsidiaries		-	(0)				
Transfer from other components of equity to retained earnings			28		(28)		
Total transactions with owners	-	(88)	(13,362)	75	(28)	-	-
Balance as of March 31, 2023	70,175	22,840	598,382	(10,529)	46,331	33,362	(4)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Share of other comprehensive income of investments accounted for using equity method	Total			
Balance as of January 1, 2023	(1,577)	75,590	756,513	22,636	779,150
Profit		-	13,320	152	13,473
Other comprehensive income	1,871	4,421	4,421	123	4,545
Comprehensive income:	1,871	4,421	17,742	276	18,018
Purchase of treasury shares		-	(2)		(2)
Disposal of treasury shares		-	77		77
Dividends		-	(13,390)	(1,323)	(14,714)
Share-based compensation transactions		-	(88)		(88)
Changes in ownership interests in subsidiaries		-	(0)	(87)	(87)
Transfer from other components of equity to retained earnings		(28)	-		-
Total transactions with owners	-	(28)	(13,404)	(1,411)	(14,815)
Balance as of March 31, 2023	294	79,983	760,852	21,501	782,354

Three Months Ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(Unit: Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Fair value of effective portion of cash flow hedges
Balance as of January 1, 2024	70,175	23,267	634,536	(20,542)	42,014	50,149	(3)
Profit (loss)			822				
Other comprehensive income					5,712	18,285	6
Comprehensive income:	-	-	822	-	5,712	18,285	6
Purchase of treasury shares				(5)			
Disposal of treasury shares		-		178			
Dividends			(13,205)				
Share-based compensation transactions		(242)					
Changes in ownership interests in subsidiaries		-	-				
Transfer from other components of equity to retained earnings			0		(0)		
Total transactions with owners	-	(242)	(13,205)	173	(0)	-	-
Balance as of March 31, 2024	70,175	23,024	622,153	(20,368)	47,726	68,434	3

	Equity attributable to owners of parent				
	Other components of equity		Total	Non-controlling interests	Total equity
	Share of other comprehensive income of investments accounted for using equity method	Total			
Balance as of January 1, 2024	464	92,625	800,062	17,743	817,806
Profit (loss)		-	822	35	857
Other comprehensive income	(50)	23,953	23,953	460	24,414
Comprehensive income:	(50)	23,953	24,775	495	25,271
Purchase of treasury shares		-	(5)		(5)
Disposal of treasury shares		-	178		178
Dividends		-	(13,205)	(558)	(13,763)
Share-based compensation transactions		-	(242)		(242)
Changes in ownership interests in subsidiaries		-	-	(48)	(48)
Transfer from other components of equity to retained earnings		(0)	-		-
Total transactions with owners	-	(0)	(13,275)	(607)	(13,882)
Balance as of March 31, 2024	414	116,578	811,563	17,632	829,196

(4) Condensed Quarterly Consolidated Statement of Cash Flows

	(Unit: Millions of yen)	
	Three months ended March 31, 2023 (January 1, 2023 to March 31, 2023)	Three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)
Net cash provided by (used in) operating activities		
Income before income taxes	23,386	4,202
Depreciation and amortization	32,501	44,373
Losses (gains) on sales and valuation of investment securities	0	22
Loss (gain) on sale of property, plant and equipment	(2,773)	984
Impairment losses (reversal of impairment losses)	-	7,139
Increase (decrease) in provision for bonuses	13,197	11,543
Increase (decrease) in retirement benefit liability	(1,466)	351
Interest and dividend income	(573)	(1,231)
Interest expenses	1,339	1,953
Share of loss (profit) of investments accounted for using equity method	(475)	(464)
Decrease (increase) in trade receivables	53,221	12,352
Decrease (increase) in inventories	2,496	(1,348)
Increase (decrease) in trade payables	(37,906)	(22,905)
Increase (decrease) in consumption taxes payable	(27,087)	227
Other	1,448	(494)
Subtotal	57,306	56,707
Interest and dividends received	617	1,829
Interest paid	(1,067)	(1,887)
Income taxes paid	(34,684)	(4,279)
Net cash provided by (used in) operating activities	22,171	52,369
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,045)	(4,876)
Proceeds from withdrawal of time deposits	222	9,563
Purchase of property, plant and equipment	(10,932)	(14,721)
Purchase of intangible assets	(3,945)	(2,960)
Proceeds from sale of property, plant and equipment	4,308	2,656
Purchase of equity instruments	(256)	(564)
Proceeds from sale and redemption of equity financial instruments	123	19
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(103,922)
Collection of loans receivable	85	187
Other	2,740	(2,954)
Net cash provided by (used in) investing activities	(9,697)	(117,572)
Net cash provided by (used in) financing activities		
Proceeds from short-term borrowings	41,240	1,331
Repayments of short-term borrowings	(38,893)	(29,068)
Net increase (decrease) in commercial papers	-	30,000
Proceeds from long-term borrowings	25,000	-
Repayments of long-term borrowings	(32,518)	(115)
Repayments of lease liabilities	(25,492)	(31,951)
Dividends paid	(13,373)	(13,190)
Payments for purchase of treasury shares	(2)	(184)
Other	(1,323)	(379)
Net cash provided by (used in) financing activities	(45,363)	(43,557)
Effect of exchange rate change on cash and cash equivalents	2,265	7,211
Net increase (decrease) in cash and cash equivalents	(30,624)	(101,548)
Cash and cash equivalents at beginning of year	276,679	315,076
Cash and cash equivalents at end of the quarter	246,054	213,528

(5) Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not applicable.

(Segment Information, etc.)

[Segment Information]

Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 2023)

Revenues and segment income (loss) by reportable segment

(Unit: Millions of yen)

	Logistics				
	Japan	The Americas	Europe	East Asia	South Asia & Oceania
Revenue					
Revenue from external customers	322,875	30,802	41,254	35,595	34,172
Intersegment sales	6,898	6,371	3,728	3,585	3,781
Total	329,773	37,173	44,982	39,181	37,953
Segment income (business income)	11,314	2,830	2,149	1,518	3,005
Other income					
Other expenses					
Share of profit (loss) of investments accounted for using equity method					
Operating profit					
Finance income					
Finance costs					
Income before income taxes					

	Security Transportation	Heavy Haulage & Construction	Logistics Support	Total	Adjustment (Note)	Amount in condensed quarterly consolidated financial statement
Revenue						
Revenue from external customers	16,685	11,177	85,452	578,016	-	578,016
Intersegment sales	258	11	23,963	48,598	(48,598)	-
Total	16,944	11,189	109,416	626,614	(48,598)	578,016
Segment income (business income)	1,290	896	3,257	26,264	(5,302)	20,961
Other income						7,472
Other expenses						4,586
Share of profit (loss) of investments accounted for using equity method						475
Operating profit						24,322
Finance income						767
Finance costs						1,704
Income before income taxes						23,386

(Note) The segment income (business income) adjustment of ¥(5,302) million includes ¥(431) million for the elimination of intersegment income and ¥(4,871) million of corporate expenses that are not attributable to any individual reportable segment. The most significant portion of corporate expenses relates to Company corporate image advertising (as the pure holding company) and our administration of group companies.

Three Months Ended March 31, 2024 (January 1, 2024 to March 31, 2024)
Revenues and segment income (loss) by reportable segment

(Unit: Millions of yen)

	Logistics				
	Japan	The Americas	Europe	East Asia	South Asia & Oceania
Revenue					
Revenue from external customers	297,860	32,645	110,966	34,714	30,986
Intersegment sales	7,632	4,365	1,953	2,637	3,738
Total	305,492	37,011	112,919	37,351	34,724
Segment income (business income)	6,332	1,059	3,146	448	1,002
Other income					
Other expenses					
Share of profit (loss) of investments accounted for using equity method					
Operating profit					
Finance income					
Finance costs					
Income before income taxes					

	Security Transportation	Heavy Haulage & Construction	Logistics Support	Total	Adjustment (Note)	Amount in condensed quarterly consolidated financial statement
Revenue						
Revenue from external customers	17,436	10,602	82,388	617,601	-	617,601
Intersegment sales	164	12	25,610	46,114	(46,114)	-
Total	17,601	10,614	107,998	663,715	(46,114)	617,601
Segment income (business income)	1,375	773	2,411	16,548	(4,681)	11,866
Other income						3,137
Other expenses						11,993
Share of profit (loss) of investments accounted for using equity method						464
Operating profit						3,474
Finance income						2,868
Finance costs						2,140
Income before income taxes						4,202

(Note) The segment income adjustment of ¥(4,681) million includes ¥(159) million for the elimination of intersegment income, and ¥(4,522) million of corporate expenses that are not attributable to any individual reportable segment. The most significant portion of corporate expenses relates to Company corporate image advertising (as the pure holding company) and our administration of group companies.

3. Reference Materials

Consolidated Reference Materials

○ Reportable Segment Financial Results

(Unit: Millions of yen, %)

</

(Note) Figures in brackets indicate operating income margin.

○ Summary of Consolidated Statements of Income

(Unit: Millions of yen, %)

Unit: Millions of yen, %

			Three Months Ended March 31, 2024		Three Months Ended March 31, 2023		Change	
				% of Sales		% of Sales	Amount	Ratio
Revenues by business	Distribution & transportation	Motor transportation	101,235	16.4	91,097	15.8	10,137	11.1
		Marine and harbor transportation	94,112	15.2	80,533	13.9	13,579	16.9
		Air transportation	126,481	20.5	118,984	20.6	7,496	6.3
		Warehousing & storage	96,294	15.6	88,162	15.3	8,132	9.2
		Security transportation	17,228	2.8	16,834	2.9	394	2.3
		Heavy haulage & construction	16,116	2.6	16,383	2.8	(267)	(1.6)
		Other	77,149	12.5	74,183	12.8	2,966	4.0
	Subtotal		528,618	85.6	486,179	84.1	42,438	8.7
	Goods sales business		79,746	12.9	81,378	14.1	(1,632)	(2.0)
	Other		9,236	1.5	10,457	1.8	(1,220)	(11.7)
Total		617,601	100.0	578,016	100.0	39,585	6.8	
Operating costs	Personnel expenses		115,882	18.8	107,824	18.7	8,057	7.5
	Forwarding costs		121,127	19.6	103,433	17.9	17,693	17.1
	Vehicle chartering and subcontracting costs		121,663	19.7	113,170	19.6	8,492	7.5
	Other		205,654	33.3	197,608	34.2	8,046	4.1
	Total		564,327	91.4	522,036	90.3	42,290	8.1
Gross profit			53,273	8.6	55,979	9.7	(2,705)	(4.8)
	Personnel expenses		22,507	3.6	19,088	3.3	3,418	17.9
	Other		18,899	3.1	15,929	2.8	2,970	18.6
	Selling, general and administrative expenses		41,406	6.7	35,017	6.1	6,389	18.2
	Segment profit (business profit)		11,866	1.9	20,961	3.6	(9,094)	(43.4)
	Gain on sales of non-current assets		1,013	0.2	5,386	0.9	(4,372)	(81.2)
	Other		2,124	0.3	2,085	0.4	38	1.8
	Total other income		3,137	0.5	7,472	1.3	(4,334)	(58.0)
	Loss on disposal of non-current assets		2,115	0.3	2,747	0.5	(632)	(23.0)
	Other		9,878	1.6	1,838	0.3	8,039	437.3
	Total other expenses		11,993	1.9	4,586	0.8	7,407	161.5
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates			464	0.1	475	0.1	(11)	(2.4)
Operating income			3,474	0.6	24,322	4.2	(20,847)	(85.7)
Total finance income			2,868	0.5	767	0.1	2,100	273.6
Total finance costs			2,140	0.3	1,704	0.3	436	25.6
Income before income taxes			4,202	0.7	23,386	4.0	(19,183)	(82.0)
Income tax expense			3,345	0.5	9,912	1.7	(6,567)	(66.3)
Profit			857	0.1	13,473	2.3	(12,616)	(93.6)
Profit attributable to								
Owners of parent			822	0.1	13,320	2.3	(12,498)	(93.8)
Non-controlling interests			35	0.0	152	0.0	(117)	(76.9)
Profit			857	0.1	13,473	2.3	(12,616)	(93.6)
Total personnel expenses	Operating costs		115,882	18.8	107,824	18.7	8,057	7.5
	Selling, general and administrative expenses		22,507	3.6	19,088	3.3	3,418	17.9
	Total		138,389	22.4	126,912	22.0	11,476	9.0

○ Financial Results Forecast, FY2024

(Unit: Millions of yen, %)

				FY2024		FY2023		Change	
								Amount	Ratio
Revenues	Reportable Segment	Logistics	Japan	1,213,000	1,256,571	(43,571)	(3.5)		
			The Americas	153,000	151,291	1,708	1.1		
			Europe	432,000	192,655	239,344	124.2		
			East Asia	161,000	157,663	3,336	2.1		
			South Asia & Oceania	150,000	140,840	9,159	6.5		
		Subtotal		2,109,000	1,899,022	209,977	11.1		
		Security Transportation		68,000	67,892	107	0.2		
		Heavy Haulage & Construction		50,000	51,111	(1,111)	(2.2)		
		Logistics Support		445,000	425,896	19,103	4.5		
		Subtotal		2,672,000	2,443,923	228,076	9.3		
	Adjustment		(172,000)	(204,906)	32,906	-			
Total			2,500,000	2,239,017	260,982	11.7			
Segment Income (Operating Income)	Reportable Segment	Logistics	Japan	[4.2] 51,000	[3.9] 48,579	2,420	5.0		
			The Americas	[5.2] 8,000	[6.1] 9,262	(1,262)	(13.6)		
			Europe	[2.3] 10,000	[5.1] 9,853	146	1.5		
			East Asia	[3.1] 5,000	[2.4] 3,763	1,236	32.9		
			South Asia & Oceania	[5.3] 8,000	[5.9] 8,348	(348)	(4.2)		
		Subtotal		[3.9] 82,000	[4.2] 79,807	2,192	2.7		
		Security Transportation		[4.4] 3,000	[5.0] 3,386	(386)	(11.4)		
		Heavy Haulage & Construction		[12.0] 6,000	[12.8] 6,520	(520)	(8.0)		
		Logistics Support		[2.9] 13,000	[3.3] 13,844	(844)	(6.1)		
		Subtotal		[3.9] 104,000	[4.2] 103,559	440	0.4		
	Adjustment		(19,000)	(22,302)	3,302	-			
Total			[3.4] 85,000	[3.6] 81,256	3,743	4.6			

(Note) Figures in brackets indicate operating income margin.

○ Financial Results Forecast, First Half of FY2024

(Unit: Millions of yen, %)

(Unit: millions of yen, %)

			First Half of FY2024		First Half of FY2023		Change	
							Amount	Ratio
Revenues	Reportable Segment	Logistics	Japan		593,000	640,249	(47,249)	(7.4)
			The Americas		75,000	74,091	908	1.2
			Europe		213,000	94,380	118,619	125.7
			East Asia		75,000	77,378	(2,378)	(3.1)
			South Asia & Oceania		71,000	71,961	(961)	(1.3)
		Subtotal		1,027,000	958,062	68,937	7.2	
		Security Transportation		34,000	33,890	109	0.3	
		Heavy Haulage & Construction		23,000	25,879	(2,879)	(11.1)	
		Logistics Support		220,000	209,099	10,900	5.2	
		Subtotal		1,304,000	1,226,933	77,066	6.3	
	Adjustment		(104,000)	(95,066)	(8,933)	-		
Total			1,200,000	1,131,866	68,133	6.0		
Segment Income (Operating Income)	Reportable Segment	Logistics	Japan		[3.2] 19,000	[3.6] 23,186	(4,186)	(18.1)
			The Americas		[4.7] 3,500	[7.1] 5,269	(1,769)	(33.6)
			Europe		[3.1] 6,500	[5.2] 4,946	1,553	31.4
			East Asia		[2.7] 2,000	[3.4] 2,596	(596)	(23.0)
			South Asia & Oceania		[4.2] 3,000	[6.8] 4,910	(1,910)	(38.9)
		Subtotal		[3.3] 34,000	[4.3] 40,908	(6,908)	(16.9)	
		Security Transportation		[4.4] 1,500	[5.1] 1,721	(221)	(12.9)	
		Heavy Haulage & Construction		[10.9] 2,500	[11.6] 3,000	(500)	(16.7)	
		Logistics Support		[3.2] 7,000	[3.1] 6,524	475	7.3	
		Subtotal		[3.5] 45,000	[4.3] 52,155	(7,155)	(13.7)	
	Adjustment		(10,000)	(9,905)	(94)	-		
Total			[2.9] 35,000	[3.7] 42,249	(7,249)	(17.2)		

(Note) Figures in brackets indicate operating income margin.