

Summary of Consolidated Earnings Report for the First Quarter of the Fiscal Year Ending December 31, 2023 (IFRS)

May 12, 2023

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 Mitsuru Saito

Scheduled date for release of Quarterly Financial Report: May 12, 2023

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, 2023 (January 1, 2023 to March 31, 2023)

(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, 2023	578,016	(10.0)	24,322	(10.7)	23,386	(14.0)	13,320	(15.0)	18,018	(47.0)
Three Months Ended March 31, 2022	642,588	—	27,242	—	27,196	—	15,678	—	34,020	—

	Basic earnings per share	Diluted earnings per share
	¥	¥
Three Months Ended March 31, 2023	149.40	—
Three Months Ended March 31, 2022	173.28	—

(Note) Nippon Express Holdings, Inc. was established on January 4, 2022 via sole-share transfer by Nippon Express Co., Ltd.
 Therefore, no historical results exist for the first quarter of the fiscal year ended December 31, 2022.

(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, 2023	1,998,027	782,354	760,852	38.1
As of December 31, 2022	2,075,197	779,150	756,513	36.5

2. Dividends Information

	Annual dividend per share				
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly
	¥	¥	¥	¥	¥
Fiscal Year Ended December 31, 2022	—	250.00	—	150.00	400.00
Fiscal Year Ended December 31, 2023	—				
Fiscal Year Ending December 31, 2023 (Forecast)		150.00	—	150.00	300.00

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

The interim dividend for the fiscal year ended December 31, 2022 includes a commemorative dividend of 150 yen per share.

3. Forecast of Consolidated Financial Results for Fiscal Year Ending December 2023 (January 1, 2023 to December 31, 2023)

(%: Change in fiscal year vs. previous fiscal year; quarter vs. year-ago quarter)

	Revenue		Operating profit		Income before tax		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim	1,224,000	—	55,500	—	54,500	—	38,000	—	426.21
Full year	2,450,000	(6.4)	105,000	(32.5)	103,000	(35.7)	72,000	(33.5)	807.56

(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, 2023	90,599,225 shares	As of December 31, 2022	90,599,225 shares
2) Total number of treasury shares at end of period	As of March 31, 2023	1,427,432 shares	As of December 31, 2022	1,441,856 shares
3) Average number of shares during period	Fiscal Year Ended March 31, 2023	89,164,725 shares	Fiscal Year Ended March 31, 2022	90,484,033 shares

(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, 2023: 96,519 shares

As of December 31, 2022: 111,175 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 12, 2023. The materials to be distributed at that meeting will be posted on our corporate website.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Business Results

Throughout the first quarter of the current consolidated fiscal year, the outlook for the global economy remained uncertain, despite some positive signs beginning to emerge, including the resumption of economic activity in China and a lull in the surge in energy, food, and other resource prices. The global economy remains fragile due to high prices and a pullback in domestic demand resulting from monetary tightening, as well as downside risks that include the prolonged Russian military aggression against Ukraine.

In this economic climate, the logistics industry felt the impact of a prolonged economic recession among leading countries, while international logistics was affected by general sluggishness due to production cutbacks in automobiles, electronic equipment, etc. Meanwhile the supply-demand balance affected by the tight demand situation for air and ocean transportation that had continued since last year eased significantly. The logistics sector in Japan saw improvements in the retail and service sectors due to the easing of measures against COVID-19 infections and an increase in foreign tourists. However, overall cargo movement lacked strength due to the impact of the weak yen and a decline in production in the manufacturing sector caused by slowdowns in the global economy.

Given this business environment, Nippon Express Group business performance for the first quarter of the current consolidated fiscal year saw revenues and profit increase year on year in the Heavy Haulage & Construction segment, etc., driven by an increase in industrial machinery construction, plant construction, etc. However, volume in international freight volume, mainly related to air and ocean transportation impacted by easing in the tight supply-demand balance and other factors, was sluggish in the Japan, East Asia, South Asia & Oceania segments, resulting in lower revenues and profit in the Logistics segment.

As a result, the group posted revenues of ¥578.0 billion, down ¥64.5 billion, or 10.0%, year on year. Operating income amounted to ¥24.3 billion, down ¥2.9 billion, or 10.7%, year on year. Profit before income taxes amounted to 23.3 billion yen, down 3.8 billion yen, or 14.0%, year on year, while profit attributable to owners of parent amounted to ¥13.3 billion, down ¥2.3 billion, or 15.0%.

(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 ¥1,998.0 billion, down ¥77.1 billion, or 3.7%, compared with the end of the previous consolidated fiscal year.

Current assets decreased ¥79.4 billion, or 8.8%, to ¥828.3 billion, while non-current assets increased ¥2.2 billion, or 0.2%, to ¥1,169.6 billion.

The decrease in current assets was mainly due to a decrease in trade and other receivables.

The increase in non-current assets was mainly due to an increase in right-of-use assets.

Current liabilities amounted to ¥590.1 billion, down ¥105.7 billion, or 15.2%, compared with the end of the previous consolidated fiscal year. Non-current liabilities amounted to ¥625.4 billion, up ¥25.3

billion, or 4.2%.

The decrease in current liabilities was mainly due to a decrease in trade and other payables.

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

Total equity as of the end of the first quarter of the current consolidated fiscal year amounted to ¥782.3 billion, up ¥3.2 billion, or 0.4%, 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 ¥246.0 billion, down ¥30.6 billion compared with the end of the previous consolidated fiscal year.

Net cash provided by operating activities amounted to ¥22.1 billion, representing a decrease in proceeds of ¥39.8 billion compared to the year-ago period. This result was mainly due to an increase in income taxes paid.

Net cash used in investing activities amounted to 9.6 billion, representing a decrease in outlays of 5.9 billion compared to the year-ago period. This result was mainly due to an increase in proceeds from sales of property, plant and equipment.

Net cash used in financing activities amounted to ¥45.3 billion, representing an increase in outlays of ¥8.6 billion compared to the year-ago period. This result was mainly due to an increase 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, 2023, disclosed on March 31, 2023.

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)

	FY2022 (as of December 31, 2022)	First Quarter of FY2023 (as of March 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	276,679	246,054
Trade and other receivables	497,746	458,037
Inventories	15,381	12,899
Income taxes receivable	468	9,467
Other financial assets	82,835	64,093
Other current assets	34,546	37,640
Subtotal	907,656	828,193
Non-current assets held for sale	170	179
Total current assets	907,827	828,373
Non-current assets		
Property, plant and equipment	535,478	532,127
Investment property	70,759	71,241
Goodwill and intangible assets	60,604	61,469
Right-of-use assets	305,475	308,498
Investments accounted for using equity method	40,635	40,750
Other financial assets	120,454	120,593
Deferred tax assets	29,110	29,494
Other non-current assets	4,851	5,477
Total non-current assets	1,167,370	1,169,653
Total assets	2,075,197	1,998,027

(Unit: Millions of yen)

	FY2022 (As of December 31, 2022)	First Quarter of FY2023 (as of March 31, 2023)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	257,303	221,541
Bonds and borrowings	94,466	64,476
Lease liabilities	84,870	91,269
Other financial liabilities	82,943	59,544
Income taxes payable	29,717	14,475
Provisions	9,169	9,852
Other current liabilities	137,456	129,026
Total current liabilities	695,929	590,187
Non-current liabilities		
Bonds and borrowings	170,504	195,457
Lease liabilities	281,825	281,045
Other financial liabilities	18,171	18,271
Retirement benefit liability	105,646	104,526
Provisions	10,503	11,264
Deferred tax liabilities	6,865	6,487
Other non-current liabilities	6,600	8,431
Total non-current liabilities	600,118	625,485
Total liabilities	1,296,047	1,215,673
Equity		
Share capital	70,175	70,175
Capital surplus	22,928	22,840
Treasury shares	(10,604)	(10,529)
Other components of equity	75,590	79,983
Retained earnings	598,423	598,382
Total equity attributable to owners of parent	756,513	760,852
Non-controlling interests	22,636	21,501
Total equity	779,150	782,354
Total liabilities and equity	2,075,197	1,998,027

(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, 2022 (January 1, 2022 to March 31, 2022)	Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 2023)
Revenue	642,588	578,016
Cost of sales	581,916	522,036
Gross profit	60,671	55,979
Selling, general and administrative expenses	32,887	35,017
Other income	3,461	7,472
Other expenses	2,670	4,586
Share of profit (loss) of investments accounted for using equity method	(1,331)	475
Operating profit	27,242	24,322
Finance income	1,050	767
Finance costs	1,096	1,704
Income before tax	27,196	23,386
Income tax expense	10,367	9,912
Operating income	16,829	13,473
Profit attributable to		
Owners of parent	15,678	13,320
Non-controlling interests	1,151	152
Profit from continuing operations	16,829	13,473
Earnings per share		
Basic earnings per share (yen)	173.28	149.40

Condensed quarterly consolidated statement of comprehensive income

	(Unit: Millions of yen)	
	Three months ended March 31, 2022 (January 1, 2022 to March 31, 2022)	Three Months Ended March 31, 2023 (January 1, 2023 to March 31, 2023)
Profit	16,829	13,473
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity instruments measured at fair value through other comprehensive income	3,026	(317)
Share of other comprehensive income of investments accounted for using equity method	22	18
Total of items that will not be reclassified to profit or loss	3,049	(298)
Items that may be reclassified to profit or loss		
Fair value of effective portion of cash flow hedges	64	(14)
Exchange differences on translation of foreign operations	13,970	3,005
Share of other comprehensive income of investments accounted for using equity method	105	1,853
Total of items that may be reclassified to profit or loss	14,140	4,844
Total other comprehensive income after tax	17,190	4,545
Comprehensive income:	34,020	18,018
Comprehensive income attributable to		
Owners of parent	32,350	17,742
Non-controlling interests	1,669	276
Comprehensive income:	34,020	18,018

(3) Condensed quarterly consolidated statement of changes in equity

Three Months Ended March 31, 2022 (January 1, 2022 to March 31, 2022)

(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, 2022	70,175	22,870	501,079	(611)	44,923	6,048	(68)
Profit			15,678				
Other comprehensive income					3,026	13,452	64
Comprehensive income:	-	-	15,678	-	3,026	13,452	64
Purchase of treasury shares				(5)			
Disposal of treasury shares				21			
Cancellation of treasury shares			(0)	0			
Dividends			(13,589)				
Transfer from share capital to capital surplus	(0)	0					
Share-based compensation transactions		1					
Changes in ownership interests in subsidiaries		(7)	6				
Transfer from other components of equity to retained earnings			7		(7)		
Total transactions with owners	(0)	(5)	(13,577)	16	(7)	-	-
Balance as of March 31, 2022	70,175	22,864	503,181	(594)	47,942	19,501	(3)

	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, 2022	220	51,124	644,638	19,814	664,453
Profit		-	15,678	1,151	16,829
Other comprehensive income	128	16,671	16,671	518	17,190
Comprehensive income	128	16,671	32,350	1,669	34,020
Purchase of treasury shares		-	(5)		(5)
Disposal of treasury shares		-	21		21
Cancellation of treasury shares		-	-		-
Dividends		-	(13,589)	(474)	(14,064)
Transfer from share capital to capital surplus		-	-		-
Share-based compensation transactions		-	1		1
Changes in ownership interests in subsidiaries		-	(1)	37	36
Transfer from other components of equity to retained earnings		(7)	-		-
Total transactions with owners	-	(7)	(13,573)	(436)	(14,010)
Balance as of March 31, 2022	349	67,789	663,415	21,047	684,462

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

(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, 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			
Cancellation of treasury shares			-	-			
Dividends			(13,390)				
Transfer from share capital to capital surplus	-	-					
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				
	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, 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
Cancellation of treasury shares		-	-		-
Dividends		-	(13,390)	(1,323)	(14,714)
Transfer from share capital to capital surplus		-	-		-
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

(4) Condensed quarterly consolidated statement of cash flows

	(Unit: Millions of yen)	
	Three months ended March 31, 2022 (January 1, 2022 to March 31, 2022)	Three months ended March 31, 2023 (January 1, 2023 to March 31, 2023)
Net cash provided by (used in) operating activities		
Income before income taxes	27,196	23,386
Depreciation and amortization	32,872	32,501
Losses (gains) on sales and valuation of investment securities	(50)	0
Loss (gain) on sale of property, plant and equipment	508	(2,773)
Increase (decrease) in provision for bonuses	12,853	13,197
Increase (decrease) in retirement benefit liability	629	(1,466)
Interest and dividend income	(233)	(573)
Interest expenses	1,040	1,339
Share of loss (profit) of investments accounted for using equity method	1,331	(475)
Decrease (increase) in trade receivables	1,866	53,221
Decrease (increase) in inventories	(2,633)	2,496
Increase (decrease) in trade payables	(11,754)	(37,906)
Increase (decrease) in consumption taxes payable	(1,104)	(27,087)
Other	8,479	1,448
Subtotal	71,001	57,306
Interest and dividends received	243	617
Interest paid	(1,116)	(1,067)
Income taxes paid	(8,144)	(34,684)
Net cash provided by (used in) operating activities	61,983	22,171
Net cash provided by (used in) investing activities		
Payments into time deposits	(2,271)	(2,045)
Proceeds from withdrawal of time deposits	1,798	222
Purchase of property, plant and equipment	(14,203)	(10,932)
Purchase of intangible assets	(4,076)	(3,945)
Proceeds from sale of property, plant and equipment	179	4,308
Purchase of equity instruments	(949)	(256)
Proceeds from sale and redemption of equity financial instruments	44	123
Collection of loans receivable	4	85
Other	3,800	2,740
Net cash provided by (used in) investing activities	(15,674)	(9,697)
Net cash provided by (used in) financing activities		
Proceeds from short-term borrowings	23,703	41,240
Repayments of short-term borrowings	(29,837)	(38,893)
Proceeds from long-term borrowings	-	25,000
Repayments of long-term borrowings	(568)	(32,518)
Repayments of lease liabilities	(15,913)	(25,492)
Dividends paid	(13,572)	(13,373)
Payments for purchase of treasury shares	(5)	(2)
Other	(489)	(1,323)
Net cash provided by (used in) financing activities	(36,683)	(45,363)
Effect of exchange rate change on cash and cash equivalents	4,331	2,265
Net increase (decrease) in cash and cash equivalents	13,957	(30,624)
Cash and cash equivalents at beginning of year	133,922	276,679
Cash and cash equivalents at end of the quarter	147,880	246,054

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

Not applicable.

(Segment Information, etc.)

[Segment Information]

Three Months Ended March 31, 2022 (January 1, 2022 to March 31, 2022)

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	352,336	26,565	45,630	55,131	51,729
Intersegment sales	5,728	6,096	2,569	4,764	9,977
Total	358,064	32,661	48,199	59,895	61,706
Segment income (business income)	13,191	2,237	2,186	3,120	6,622
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	17,190	8,186	85,817	642,588	—	642,588
Intersegment sales	17	31	21,059	50,245	(50,245)	—
Total	17,208	8,218	106,877	692,833	(50,245)	642,588
Segment income (business income)	536	536	3,458	31,889	(4,106)	27,783
Other income						3,461
Other expenses						2,670
Share of profit (loss) of investments accounted for using equity method						(1,331)
Operating profit						27,242
Finance income						1,050
Finance costs						1,096
Income before income taxes						27,196

(Note) The segment income adjustment of -¥4,106 million includes -¥579 million for the elimination of intersegment income and -¥3,526 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, 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

(Notes) Segment 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.

3. Reference Materials

Consolidated Reference Materials

○ Reportable Segment Financial Results

(Unit: Millions of yen, %)

				Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Change	
						Amount	Ratio
Revenues	Reportable Segment	Logistics	Japan	329,773	358,064	(28,291)	(7.9)
			The Americas	37,173	32,661	4,511	13.8
			Europe	44,982	48,199	(3,216)	(6.7)
			East Asia	39,181	59,895	(20,714)	(34.6)
			South Asia & Oceania	37,953	61,706	(23,753)	(38.5)
		Subtotal	489,064	560,528	(71,464)	(12.7)	
		Security Transportation	16,944	17,208	(263)	(1.5)	
		Heavy Haulage & Construction	11,189	8,218	2,971	36.2	
		Logistics Support	109,416	106,877	2,538	2.4	
		Subtotal	626,614	692,833	(66,219)	(9.6)	
	Adjustment	(48,598)	(50,245)	1,647	—		
Total			578,016	642,588	(64,571)	(10.0)	
Segment Income (Operating Income)	Reportable Segment	Logistics	Japan	[3.4] 11,314	[3.7] 13,191	(1,877)	(14.2)
			The Americas	[7.6] 2,830	[6.8] 2,237	593	26.5
			Europe	[4.8] 2,149	[4.5] 2,186	(36)	(1.7)
			East Asia	[3.9] 1,518	[5.2] 3,120	(1,601)	(51.3)
			South Asia & Oceania	[7.9] 3,005	[10.7] 6,622	(3,616)	(54.6)
		Subtotal	[4.3] 20,819	[4.9] 27,358	(6,538)	(23.9)	
		Security Transportation	[7.6] 1,290	[3.1] 536	754	140.4	
		Heavy Haulage & Construction	[8.0] 896	[6.5] 536	360	67.2	
		Logistics Support	[3.0] 3,257	[3.2] 3,458	(201)	(5.8)	
		Subtotal	[4.2] 26,264	[4.6] 31,889	(5,625)	(17.6)	
	Adjustment	(5,302)	(4,106)	(1,196)	—		
Total			[3.6] 20,961	[4.3] 27,783	(6,822)	(24.6)	

(Note) Figures in brackets indicate operating income margin.

○ Summary of Consolidated Statements of Income

(Unit: Millions of yen, %)

			Three Months Ended March 31, 2023		Three Months Ended March 31, 2022		Change	
				% of Sales		% of Sales	Amount	Ratio
Revenues by business	Distribution & transportation business	Motor transportation	91,097	15.8	91,355	14.2	(257)	(0.3)
		Marine and harbor transportation	80,533	13.9	100,121	15.6	(19,587)	(19.6)
		Air transportation	118,984	20.6	178,499	27.8	(59,514)	(33.3)
		Warehousing & storage	88,162	15.3	79,094	12.3	9,067	11.5
		Security transportation	16,834	2.9	16,963	2.6	(128)	(0.8)
		Heavy haulage & construction	16,383	2.8	12,615	2.0	3,767	29.9
		Other	74,183	12.8	72,791	11.3	1,392	1.9
	Subtotal		486,179	84.1	551,440	85.8	(65,261)	(11.8)
	Goods sales business		81,378	14.1	81,607	12.7	(228)	(0.3)
	Other		10,457	1.8	9,539	1.5	917	9.6
Total		578,016	100.0	642,588	100.0	(64,571)	(10.0)	
Operating costs	Personnel expenses		107,824	18.7	107,000	16.7	823	0.8
	Forwarding costs		103,433	17.9	174,908	27.2	(71,475)	(40.9)
	Vehicle chartering and subcontracting costs		113,170	19.6	112,320	17.5	850	0.8
	Other		197,608	34.2	187,686	29.2	9,921	5.3
	Total		522,036	90.3	581,916	90.6	(59,879)	(10.3)
Gross profit		55,979	9.7	60,671	9.4	(4,692)	(7.7)	
	Personnel expenses		19,088	3.3	17,116	2.7	1,972	11.5
	Other		15,929	2.8	15,771	2.5	157	1.0
	Selling, general and administrative expenses		35,017	6.1	32,887	5.1	2,130	6.5
	Segment profit (business profit)		20,961	3.6	27,783	4.3	(6,822)	(24.6)
	Gain on sales of non-current assets		5,386	0.9	1,023	0.2	4,362	426.3
	Other		2,085	0.4	2,437	0.4	(351)	(14.4)
	Total other income		7,472	1.3	3,461	0.5	4,010	115.9
	Loss on disposal of non-current assets		2,747	0.5	1,709	0.3	1,038	60.7
	Other		1,838	0.3	961	0.1	877	91.3
	Total other expenses		4,586	0.8	2,670	0.4	1,915	71.7
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates		475	0.1	(1,331)	(0.2)	1,806	—	
Operating income		24,322	4.2	27,242	4.2	(2,920)	(10.7)	
Total finance income		767	0.1	1,050	0.2	(282)	(26.9)	
Total finance costs		1,704	0.3	1,096	0.2	608	55.5	
Income before income taxes		23,386	4.0	27,196	4.2	(3,810)	(14.0)	
Income tax expense		9,912	1.7	10,367	1.6	(454)	(4.4)	
Profit		13,473	2.3	16,829	2.6	(3,356)	(19.9)	
Profit attributable to								
Owners of parent		13,320	2.3	15,678	2.4	(2,357)	(15.0)	
Non-controlling interests		152	0.0	1,151	0.2	(998)	(86.7)	
Profit		13,473	2.3	16,829	2.6	(3,356)	(19.9)	

Total personnel expenses	Operating costs	107,824	18.7	107,000	16.7	823	0.8
	Selling, general and administrative expenses	19,088	3.3	17,116	2.7	1,972	11.5
	Total	126,912	22.0	124,116	19.3	2,796	2.3

○ Financial Results Forecast, FY2023

(Unit: Millions of yen, %)

				FY 2023	FY2022	Change	
						Amount	Ratio
Revenues	Reportable Segment	Logistics	Japan	1,378,900	1,450,991	(72,091)	(5.0)
			The Americas	170,900	162,080	8,819	5.4
			Europe	198,200	215,707	(17,507)	(8.1)
			East Asia	187,000	241,529	(54,529)	(22.6)
			South Asia & Oceania	171,100	221,886	(50,786)	(22.9)
		Subtotal		2,106,100	2,292,195	(186,095)	(8.1)
		Security Transportation		69,000	68,088	911	1.3
		Heavy Haulage & Construction		47,000	44,542	2,457	5.5
		Logistics Support		422,200	421,609	590	0.1
		Subtotal		2,644,300	2,826,435	(182,135)	(6.4)
	Adjustment		(194,300)	(207,775)	13,475	—	
Total			2,450,000	2,618,659	(168,659)	(6.4)	
Segment Income (Operating Income)	Reportable Segment	Logistics	Japan	[4.7] 65,200	[4.9] 71,444	(6,244)	(8.7)
			The Americas	[7.3] 12,400	[8.5] 13,751	(1,351)	(9.8)
			Europe	[5.5] 10,900	[5.8] 12,546	(1,646)	(13.1)
			East Asia	[4.3] 8,100	[5.3] 12,818	(4,718)	(36.8)
			South Asia & Oceania	[6.4] 11,000	[9.1] 20,098	(9,098)	(45.3)
		Subtotal		[5.1] 107,600	[5.7] 130,660	(23,060)	(17.6)
		Security Transportation		[5.2] 3,600	[4.6] 3,110	489	15.7
		Heavy Haulage & Construction		[12.3] 5,800	[14.3] 6,391	(591)	(9.3)
		Logistics Support		[3.5] 14,600	[3.9] 16,435	(1,835)	(11.2)
		Subtotal		[5.0] 131,600	[5.5] 156,597	(24,997)	(16.0)
	Adjustment		(14,600)	(19,047)	4,447	—	
Total			[4.8] 117,000	[5.3] 137,550	(20,550)	(14.9)	

(Note) Figures in brackets indicate operating income margin.

○ Financial Results Forecast, First Half of FY2023

(Unit: Millions of yen, %)

				First Half of FY2023	First Half of FY2022	Change		
						Amount	Ratio	
Revenues	Reportable Segment	Logistics	Japan	680,900	725,553	(44,653)	(6.2)	
			The Americas	85,900	74,725	11,174	15.0	
			Europe	101,900	104,025	(2,125)	(2.0)	
			East Asia	92,800	124,663	(31,863)	(25.6)	
			South Asia & Oceania	85,700	117,210	(31,510)	(26.9)	
		Subtotal			1,047,200	1,146,179	(98,979)	(8.6)
		Security Transportation			34,500	34,230	269	0.8
		Heavy Haulage & Construction			26,000	19,988	6,011	30.1
		Logistics Support			213,500	207,152	6,347	3.1
		Subtotal			1,321,200	1,407,551	(86,351)	(6.1)
		Adjustment			(97,200)	(104,360)	7,160	—
Total			1,224,000	1,303,191	(79,191)	(6.1)		
Segment Income (Operating Income)	Reportable Segment	Logistics	Japan	[4.1] 28,000	[5.0] 36,010	(8,010)	(22.2)	
			The Americas	[7.2] 6,200	[7.2] 5,361	838	15.6	
			Europe	[5.1] 5,200	[5.9] 6,133	(933)	(15.2)	
			East Asia	[4.3] 4,000	[5.2] 6,421	(2,421)	(37.7)	
			South Asia & Oceania	[6.0] 5,100	[9.8] 11,467	(6,367)	(55.5)	
		Subtotal			[4.6] 48,500	[5.7] 65,395	(16,895)	(25.8)
		Security Transportation			[5.2] 1,800	[4.2] 1,449	350	24.2
		Heavy Haulage & Construction			[10.8] 2,800	[10.7] 2,145	654	30.5
		Logistics Support			[3.2] 6,900	[4.0] 8,215	(1,315)	(16.0)
		Subtotal			[4.5] 60,000	[5.5] 77,205	(17,205)	(22.3)
		Adjustment			(7,500)	(8,017)	517	—
Total			[4.3] 52,500	[5.3] 69,188	(16,688)	(24.1)		

(Notes) 1. Figures in brackets indicate operating income margin.

2. First Half of FY2022 was prepared based on pro forma.