

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 10, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: Konoike Transport Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9025
 URL: <https://www.konoike.net/>
 Representative: Tadahiko Konoike, Representative Director, Chairman, President and Chief Executive Officer
 Inquiries: Yoshihito Nakanishi, Executive Officer, Executive General Manager, Finance/Accounting Division
 Telephone: +81-6-6227-4600
 Scheduled date of ordinary general meeting of shareholders: June 21, 2024
 Scheduled date to file Securities Report: June 24, 2024
 Scheduled date to commence dividend payments: June 24, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	315,029	1.0	16,634	25.6	17,034	19.3	11,349	36.7
March 31, 2023	311,840	3.5	13,243	28.7	14,281	20.6	8,301	3.9

Note: Comprehensive income Fiscal year ended March 31, 2024: ¥14,676 million [18.8%]
 Fiscal year ended March 31, 2023: ¥12,353 million [24.8%]

	Basic earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	214.05	—	8.9	6.3	5.3
March 31, 2023	156.74	—	7.1	5.5	4.2

Reference: Share of profit (loss) of entities accounted for using equity method
 Fiscal year ended March 31, 2024 ¥(261) million
 Fiscal year ended March 31, 2023 ¥(217) million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	277,056	136,081	48.1	2,512.72
March 31, 2023	266,022	123,793	45.6	2,289.00

Reference: Equity
 As of March 31, 2024: ¥133,266 million
 As of March 31, 2023: ¥121,295 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	17,687	(7,839)	(9,896)	68,114
March 31, 2023	18,793	(5,846)	(3,547)	67,580

2. Status of dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	total			
Fiscal year ended March 31, 2023	Yen —	Yen 18.00	Yen —	Yen 24.00	Yen 42.00	Millions of yen 2,225	% 26.8	% 1.9
Fiscal year ended March 31, 2024	—	24.00	—	41.00	65.00	3,447	30.4	2.7
Fiscal year ending March 31, 2025 (Forecast)	—	35.00	—	35.00	70.00		30.9	

Note: Year-end dividends per share for the fiscal year ended March 31, 2024 has been changed from ¥38.00 to ¥41.00. For details, please refer to the “Notice Concerning Revisions to Dividend Forecast” (in Japanese) announced today (May 10, 2024).

3. Forecast of financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	170,000	9.3	9,000	10.0	9,000	3.3	6,000	8.5	113.16
Full year	340,000	7.9	18,000	8.2	18,000	5.7	12,000	5.7	226.33

* **Notes**

- (1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024: None
 Newly included: – companies (Company name)
 Excluded: – companies (Company name)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 (ii) Changes in accounting policies due to other reasons: None
 (iii) Changes in accounting estimates: None
 (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	56,952,442 shares
As of March 31, 2023	56,952,442 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	3,915,506 shares
As of March 31, 2023	3,961,817 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	53,020,483 shares
Fiscal year ended March 31, 2023	52,963,931 shares

Reference: Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	213,775	0.6	9,865	1.6	11,400	1.2	8,256	11.2
March 31, 2023	212,422	2.7	9,712	27.5	11,264	30.8	7,425	18.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	155.73	–
March 31, 2023	140.19	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	235,412	95,229	40.5	1,795.53
March 31, 2023	230,435	88,969	38.6	1,678.96

Reference: Equity

As of March 31, 2024 ¥95,229 million
 As of March 31, 2023 ¥88,969 million

- * Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.
 - * Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements and others)
 - The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. For the suppositions that form the assumptions for the forecast of financial results and cautions concerning the use thereof, please refer to the section of “(2) Future Outlook” of “1. Overview of operating results and others” on page 3 of the attached materials.
- (Acquisition method of supplementary material on financial results and contents of financial results meeting)
- The Company plans to hold an online briefing session for institutional investors and analysts on Thursday, May 23, 2024. The supplementary material on financial results will be posted to the Company’s website on the same day.

○ **Table of contents of attached materials**

Index

1. Overview of operating results and others	2
(1) Overview of operating results during the fiscal year under review	2
(2) Future outlook	3
(3) Overview of financial position during the fiscal year under review.....	3
(4) Overview of cash flows during the fiscal year under review	4
(5) Basic policy for profit allocation, and dividends for the current and the next fiscal year	5
2. Basic approach to the selection of accounting standards	5
3. Consolidated financial statements and significant notes thereto.....	6
(1) Consolidated balance sheets.....	6
(2) Consolidated statements of income and comprehensive income.....	8
Consolidated statements of income	8
Consolidated statements of comprehensive income.....	9
(3) Consolidated statement of changes in equity	10
(4) Consolidated statements of cash flows.....	12
(5) Notes to consolidated financial statements.....	14
(Notes on premise of going concern)	14
(Additional information)	14
(Segment information)	15
(Per share information).....	17
(Significant subsequent events).....	17
4. Non-consolidated financial statements	18
(1) Balance sheets	18
(2) Statements of income	20
(3) Statements of changes in equity	21

1. Overview of operating results and others

Forward-looking statements presented in this report reflect judgments made as of the end of the fiscal year under review and accordingly are not guarantees of future performance.

(1) Overview of operating results during the fiscal year under review

During the fiscal year ended March 31, 2024, the Japanese economy as a whole was on a gradual recovery trend. This was due to positive factors such as progress in normalization of social and economic activity, as well as a resurgence in demand from inbound travelers, despite higher prices due to factors such as manpower shortages, higher personnel expenses, and persistently high raw material prices against a backdrop of yen depreciation.

In this business environment, in the second year of its medium-term management plan concluding in the fiscal year ending March 31, 2025, the Group has accordingly newly established contracting and logistics strategy committees, which have served as advisory bodies to the Board of Directors since April 2023, and is promoting cross-departmental initiatives that address the so-called 2024 problem in Japan's logistics industry and other prevailing Company-wide challenges, as well as initiatives that provide high value-added services and clarify medium- to long-term contracting and logistics business strategies including development of new business models. Through these initiatives, the Group will strive to further expand business and enhance profitability. In addition, we made substantial progress with increasing profitability in the airport-related business due to factors such as a rebound in international passenger flights, revision of unit prices and area expansion, and returned to profitability for the first time in four years since the fiscal year ended March 31, 2020. The Group will continue to endeavor to reinforce the structure and expand its domain for further resumption of international passenger flights and sustained development of the ground handling business.

With respect to financial results for the fiscal year ended March 31, 2024, net sales increased to ¥315,029 million (1.0% increase year on year). This result was mainly attributable to factors that include gains in transaction volume due to resumption of international passenger flights in the airport-related business, recovering production mainly among the Company's customers, a production boost by its customers in part because of extreme heat, ongoing acquisition of major spot work, unit price hikes in production contract work, and orders for large projects in the engineering-related business, more than offsetting negative impact of a downturn in demand for maritime and air cargo along with a decrease in freight rates.

In terms of profits, the Company reported operating profit of ¥16,634 million (25.6% increase year on year), ordinary profit of ¥17,034 million (19.3% increase year on year), and profit attributable to owners of parent of ¥11,349 million (36.7% increase year on year), despite having encountered persistently high fuel prices and electricity fees. The increases in profits were partially attributable to a return to profitability due to gains in transaction volume in the airport-related business, and also attributable to progress achieved with ongoing efforts to improve profitability, which constitutes a basic policy under the New Medium-Term Management Plan FY3/2023 - FY3/2025, launched in April 2022, as well as progress achieved in receiving appropriate unit prices and streamlining operations.

Financial results by segment are as follows. Note that segment profit represents operating profit before deducting general and administrative expenses.

(i) Integrated Solutions Business

Net sales increased 6.9% year on year to ¥201,965 million due to contributions from the resumption of international passenger flights in its airport-related business, increases in transaction volume resulting from a production boost by the Company's customers due to factors such as extreme heat as well as operations at new business sites in its food products-related business, ongoing acquisition of major spot work and unit price hikes associated with production contract work in its steel-related business, and orders for large-scale construction projects in its engineering-related business, although earthquake reconstruction work was completed in September 2022 and the Company no longer has business dealings with some customers.

Profit rose 33.9% year on year to ¥17,392 million mainly due to a return to profitability following the effects of gains in transaction volume in the airport-related business and acquisition of spot work in its steel-related business as well as due to receiving appropriate unit prices and thorough

operational streamlining, despite having encountered persistently high fuel prices and electricity fees and having incurred expenses for substantial repairs of a distribution center warehouse.

(ii) Domestic Logistics Business

Net sales increased 2.3% year on year to ¥53,901 million due in part to higher transaction volume in the food-related (temperature controlled) business largely associated with operations of new temperature-controlled warehouses, and also due to higher transaction volume in the life-related business particularly with respect to souvenirs and gas appliances.

Profit rose 1.1% year on year to ¥3,081 million due to the effects of the increase in net sales as well as our efforts to increase profitability by receiving appropriate unit prices and thorough operational streamlining, despite having encountered persistently high fuel prices and electricity fees.

(iii) International Logistics Business

Net sales decreased 15.8% year on year to ¥59,136 million, mainly due to the significant negative impact of a downturn in demand for maritime and air cargo along with a decrease in freight rates, despite higher warehousing and transportation volume in India, Thailand, the United States and elsewhere.

Profit decreased 15.3% year on year to ¥3,010 million due in part to lower transaction volume for business as a whole, despite increased revenue in some business sites due to operational streamlining.

(2) Future outlook

In Japan, while airport-related business is expected to recover due to expected continued progress in inbound demand, the business environment surrounding the Company remains challenging due to such factors as a worsening labor shortage, rising labor costs, prolonged inflation, and trends in monetary policy, etc.

In this business environment, under the basic policy of “Leveraging synergies between people and technology, striving to go beyond expectations in response to the changing times” in its New Medium-Term Management Plan FY3/2023 - FY3/2025, the Group is promoting initiatives with the key priorities of “Pursue Innovation,” “Pursue Safety and Security,” “Pursue Sustainability,” and “Improve Profitability.” By leveraging the Group’s strengths in a wide range of technologies, from human and onsite expertise to new technologies, we will accurately identify signs of changes in the industry and customer needs to further raise the Group’s corporate value.

As a result of these corporate activities, the Group’s forecast of consolidated financial results for the following year (from April 1, 2024 to March 31, 2025) includes net sales of ¥340,000 million, operating profit of ¥18,000 million, ordinary profit of ¥18,000 million and profit attributable to owners of parent of ¥12,000 million.

(3) Overview of financial position during the fiscal year under review

(Total assets)

As of March 31, 2024, total assets amounted to ¥277,056 million, an increase of ¥11,034 million compared to the balance as of March 31, 2023.

(Current assets)

As of March 31, 2024, current assets amounted to ¥138,176 million, an increase of ¥5,921 million compared to current assets as of March 31, 2023. This result is mainly attributable to an increase of ¥4,579 million in notes and accounts receivable - trade, and contract assets and an increase of ¥1,055 million in other under current assets.

(Non-current assets)

As of March 31, 2024, non-current assets amounted to ¥138,880 million, an increase of ¥5,112 million compared to the balance as of March 31, 2023. This result is mainly attributable to an increase of ¥1,776 million in land, an increase of ¥1,035 million in buildings and structures, an increase of ¥954 million in investment securities, and an increase of ¥860 million in investments and other assets.

(Total liabilities)

As of March 31, 2024, total liabilities amounted to ¥140,975 million, a decrease of ¥1,252 million compared to the balance as of March 31, 2023.

(Current liabilities)

As of March 31, 2024, current liabilities amounted to ¥61,886 million, an increase of ¥9,359 million compared to current liabilities as of March 31, 2023. This result is mainly attributable to an increase of ¥10,000 million in current portion of bonds payable, an increase of ¥3,412 million in other under current liabilities, a decrease of ¥2,631 million in short-term borrowings, and a decrease of ¥2,228 million in current portion of long-term borrowings.

(Non-current liabilities)

As of March 31, 2024, non-current liabilities amounted to ¥79,089 million, a decrease of ¥10,612 million compared to non-current liabilities as of March 31, 2023. This result is mainly attributable to a decrease of ¥10,000 million in bonds payable, a decrease of ¥1,617 million in long-term borrowings, and an increase of ¥939 million in retirement benefit liability.

(Net assets)

As of March 31, 2024, net assets amounted to ¥136,081 million, an increase of ¥12,287 million compared to the balance as of March 31, 2023. This result is mainly attributable to an increase of ¥8,926 million in retained earnings and an increase of ¥1,796 million in foreign currency translation adjustment.

(4) Overview of cash flows during the fiscal year under review

(Cash flows from operating activities)

Net cash provided by operating activities was ¥17,687 million (a decrease of ¥1,105 million year on year). This is mainly due to profit before income taxes of ¥17,203 million, depreciation of ¥8,097 million, and income taxes paid of ¥6,349 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥7,839 million (an increase of ¥1,993 million year on year). This is mainly due to purchase of property, plant and equipment of ¥7,651 million, and purchase of intangible assets of ¥569 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥9,896 million (an increase of ¥6,348 million year on year). This result is mainly attributable to repayments of short-term borrowings of ¥5,631 million and dividends paid of ¥2,544 million.

In addition to the above, taking into account an increase of ¥513 million in effect of exchange rate change on cash and cash equivalents, cash and cash equivalents as of March 31, 2024 increased by ¥533 million to ¥68,114 million from the end of the previous fiscal year.

(5) Basic policy for profit allocation, and dividends for the current and the next fiscal year

The Company's basic policy is to aim to realize dividends in a continuous and stable manner and in response to financial results and earnings conditions while enhancing internal reserves, comprehensively taking into account financial results in each fiscal year, strengthening of financial structure, medium- to long-term business strategies, and other matters.

The Company maintains a basic policy to pay dividends of retained earnings twice a year, and has prescribed in the Articles of Incorporation that "(the Company) shall determine the matters provided for in each item of paragraph 1 of Article 459 of the Companies Act, (including dividend of retained earnings, etc.) by a resolution of the Board of Directors not by a resolution of General Meeting of Shareholders, except as otherwise provided for in the laws and regulations."

Based on the above basic policy, the Company plans to pay dividends of ¥65 (consisting of ¥24 in interim dividend and ¥41 in year-end dividend) per share for the fiscal year ended March 31, 2024.

The Company intends to make use of retained earnings to further enhance its management structure and for future business development. For the next fiscal year, the Company plans to pay a dividend of ¥70 per share.

2. Basic approach to the selection of accounting standards

Although the Group is developing its business both in Japan and overseas, management has decided to adopt Japanese GAAP for the time being, since the current business platform is mainly based on outsourcing contracts from companies in Japan.

However, we expect that overseas net sales and the ratio of foreign shareholders will gradually increase in the future as we strengthen overseas business development, which is one of the Group's growth strategies. With a view toward adopting IFRS (International Financial Reporting Standards) in the future, the Company intends to prepare an internal system and to consider the timing of IFRS adoption.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	69,381	70,034
Notes and accounts receivable - trade, and contract assets	57,586	62,165
Costs on construction contracts in progress	91	63
Supplies	1,843	1,903
Other	3,576	4,631
Allowance for doubtful accounts	(224)	(621)
Total current assets	132,254	138,176
Non-current assets		
Property, plant and equipment		
Buildings and structures	119,509	124,483
Accumulated depreciation	(76,114)	(80,053)
Buildings and structures, net	43,394	44,429
Machinery, equipment and vehicles	52,757	54,367
Accumulated depreciation	(41,547)	(42,829)
Machinery, equipment and vehicles, net	11,209	11,537
Land	41,798	43,575
Leased assets	5,471	5,734
Accumulated depreciation	(2,741)	(2,881)
Leased assets, net	2,729	2,853
Construction in progress	869	1,115
Other	9,686	10,127
Accumulated depreciation	(7,798)	(8,159)
Other, net	1,887	1,968
Total property, plant and equipment	101,889	105,479
Intangible assets		
Goodwill	1,568	1,336
Other	4,528	4,087
Total intangible assets	6,097	5,424
Investments and other assets		
Investment securities	12,610	13,565
Long-term loans receivable	304	257
Deferred tax assets	5,593	5,695
Retirement benefit asset	147	469
Other	7,280	8,141
Allowance for doubtful accounts	(155)	(153)
Total investments and other assets	25,781	27,976
Total non-current assets	133,767	138,880
Total assets	266,022	277,056

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,110	14,843
Short-term borrowings	6,636	4,005
Current portion of bonds payable	–	10,000
Current portion of long-term borrowings	3,869	1,640
Provision for bonuses for directors (and other officers)	387	312
Accrued expenses	11,875	13,126
Income taxes payable	3,501	3,399
Other	11,145	14,557
Total current liabilities	52,526	61,886
Non-current liabilities		
Bonds payable	55,000	45,000
Long-term borrowings	5,737	4,120
Lease liabilities	2,488	2,484
Deferred tax liabilities	581	612
Deferred tax liabilities for land revaluation	1,087	1,087
Retirement benefit liability	21,244	22,184
Retirement allowance for directors	118	82
Long-term accounts payable - other	640	629
Other	2,802	2,888
Total non-current liabilities	89,701	79,089
Total liabilities	142,228	140,975
Net assets		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus	1,908	1,908
Retained earnings	121,235	130,161
Treasury shares	(6,475)	(6,400)
Total shareholders' equity	118,391	127,393
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,284	5,116
Revaluation reserve for land	(5,482)	(5,482)
Foreign currency translation adjustment	4,086	5,882
Remeasurements of defined benefit plans	14	357
Total accumulated other comprehensive income	2,903	5,873
Non-controlling interests	2,498	2,814
Total net assets	123,793	136,081
Total liabilities and net assets	266,022	277,056

(2) Consolidated statements of income and comprehensive income**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	311,840	315,029
Cost of sales	283,769	281,102
Gross profit	28,070	33,927
Selling, general and administrative expenses	14,827	17,292
Operating profit	13,243	16,634
Non-operating income		
Interest income	97	162
Dividend income	458	457
Foreign exchange gains	163	475
Reversal of allowance for doubtful accounts	3	2
Gain on reversal of loss on valuation of investment securities	18	2
Subsidies for employment adjustment	324	4
Other	555	288
Total non-operating income	1,621	1,393
Non-operating expenses		
Interest expenses	269	284
Loss on valuation of investment securities	0	-
Share of loss of entities accounted for using equity method	217	261
Provision of allowance for doubtful accounts	7	339
Other	88	107
Total non-operating expenses	583	993
Ordinary profit	14,281	17,034
Extraordinary income		
Gain on sale of non-current assets	179	115
Gain on sale of investment securities	12	954
Total extraordinary income	192	1,069
Extraordinary losses		
Loss on sale and retirement of non-current assets	242	44
Loss on valuation of investment securities	59	73
Impairment losses	407	52
Loss on revision of retirement benefit plan	-	713
Other	0	16
Total extraordinary losses	709	900
Profit before income taxes	13,764	17,203
Income taxes - current	5,737	6,239
Income taxes - deferred	(368)	(498)
Total income taxes	5,368	5,741
Profit	8,395	11,462
Profit attributable to non-controlling interests	94	113
Profit attributable to owners of parent	8,301	11,349

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	8,395	11,462
Other comprehensive income		
Valuation difference on available-for-sale securities	249	842
Foreign currency translation adjustment	2,707	1,788
Remeasurements of defined benefit plans, net of tax	883	464
Share of other comprehensive income of entities accounted for using equity method	118	118
Total other comprehensive income	3,958	3,213
Comprehensive income	12,353	14,676
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,173	14,319
Comprehensive income attributable to non-controlling interests	180	357

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,723	1,908	114,564	(6,596)	111,599
Changes during period					
Dividends of surplus			(1,906)		(1,906)
Profit attributable to owners of parent			8,301		8,301
The retained earnings increase amount by a consolidated subsidiary increase					–
Purchase of treasury shares					–
Disposal of treasury shares		(25)		121	96
Transfer of loss on disposal of treasury shares		25	(25)		–
Transfer from capital surplus to retained earnings					–
Reversal of revaluation reserve for land			300		300
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,670	121	6,791
Balance at end of period	1,723	1,908	121,235	(6,475)	118,391

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,054	(5,182)	1,328	(869)	(667)	2,358	113,291
Changes during period							
Dividends of surplus							(1,906)
Profit attributable to owners of parent							8,301
The retained earnings increase amount by a consolidated subsidiary increase							–
Purchase of treasury shares							–
Disposal of treasury shares							96
Transfer of loss on disposal of treasury shares							–
Transfer from capital surplus to retained earnings							–
Reversal of revaluation reserve for land							300
Net changes in items other than shareholders' equity	230	(300)	2,757	883	3,571	139	3,710
Total changes during period	230	(300)	2,757	883	3,571	139	10,502
Balance at end of period	4,284	(5,482)	4,086	14	2,903	2,498	123,793

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,723	1,908	121,235	(6,475)	118,391
Changes during period					
Dividends of surplus			(2,544)		(2,544)
Profit attributable to owners of parent			11,349		11,349
The retained earnings increase amount by a consolidated subsidiary increase			115		115
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		6		74	81
Transfer of loss on disposal of treasury shares					–
Transfer from capital surplus to retained earnings		(6)	6		–
Reversal of revaluation reserve for land					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	8,926	74	9,001
Balance at end of period	1,723	1,908	130,161	(6,400)	127,393

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,284	(5,482)	4,086	14	2,903	2,498	123,793
Changes during period							
Dividends of surplus							(2,544)
Profit attributable to owners of parent							11,349
The retained earnings increase amount by a consolidated subsidiary increase							115
Purchase of treasury shares							(0)
Disposal of treasury shares							81
Transfer of loss on disposal of treasury shares							–
Transfer from capital surplus to retained earnings							–
Reversal of revaluation reserve for land							–
Net changes in items other than shareholders' equity	831		1,796	342	2,970	316	3,286
Total changes during period	831	–	1,796	342	2,970	316	12,287
Balance at end of period	5,116	(5,482)	5,882	357	5,873	2,814	136,081

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	13,764	17,203
Depreciation	8,036	8,097
Impairment losses	407	52
Amortization of goodwill	231	231
Increase (decrease) in allowance for doubtful accounts	(133)	387
Increase (decrease) in retirement benefit liability	910	1,353
Increase (decrease) in retirement allowance for directors	(23)	(36)
Interest and dividend income	(555)	(619)
Loss on valuation of investment securities	59	73
Loss (gain) on valuation of investment securities	0	–
Gain on reversal of loss on valuation of investment securities	(18)	(2)
Interest expenses	269	284
Foreign exchange losses (gains)	20	(351)
Share of loss (profit) of entities accounted for using equity method	217	261
Subsidies for employment adjustment	(324)	(4)
Gain on sale of non-current assets	(179)	(115)
Loss (gain) on sale of investment securities	(12)	(937)
Loss on sales and retirement of non-current assets	242	44
Decrease (increase) in trade receivables	2,965	(4,150)
Decrease (increase) in inventories	(269)	(5)
Decrease (increase) in other assets	275	(968)
Increase (decrease) in trade payables	(2,810)	593
Increase (decrease) in other liabilities	(204)	2,339
Other, net	259	9
Subtotal	23,129	23,740
Interest and dividends received	507	566
Interest paid	(267)	(281)
Proceeds from subsidies for employment adjustment	361	12
Income taxes paid	(4,989)	(6,349)
Other, net	52	–
Net cash provided by (used in) operating activities	18,793	17,687

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Decrease (increase) in time deposits	(252)	(50)
Net decrease (increase) in short-term loans receivable	(49)	91
Purchase of property, plant and equipment	(4,549)	(7,651)
Proceeds from sale of property, plant and equipment	566	224
Purchase of intangible assets	(1,254)	(569)
Purchase of investment securities	(43)	(144)
Proceeds from sale of investment securities	62	1,195
Long-term loan advances	(9)	(14)
Proceeds from collection of long-term loans receivable	6	25
Other, net	(323)	(945)
Net cash provided by (used in) investing activities	(5,846)	(7,839)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(112)	(5,631)
Proceeds from long-term borrowings	–	22
Repayments of long-term borrowings	(320)	(719)
Dividends paid	(1,906)	(2,544)
Dividends paid to non-controlling interests	(41)	(54)
Repayments of finance lease liabilities	(752)	(698)
Other, net	(413)	(271)
Net cash provided by (used in) financing activities	(3,547)	(9,896)
Effect of exchange rate change on cash and cash equivalents	552	513
Net increase (decrease) in cash and cash equivalents	9,952	465
Cash and cash equivalents at beginning of period	57,628	67,580
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	68
Cash and cash equivalents at end of period	67,580	68,114

(5) Notes to consolidated financial statements
(Notes on premise of going concern)

Not applicable.

(Additional information)

(Misconduct by employees of the Company)

During a tax examination by the Osaka Regional Taxation Bureau, the Company recognized the possibility that employees of the Company colluded with subcontractors of the Company to record fictitious outsourcing expenses and other costs. The Company immediately launched an internal investigation team, conducted an investigation with cooperation from external experts, and confirmed that the fictitious billing and embezzlement by the employees had, in fact, occurred. In order to conduct a Company-wide investigation while ensuring objectivity in confirming whether there have been other cases of misconduct similar to this one and to evaluate recurrence prevention measures, etc., the Company formed the Internal Control and Investigation Committee, appointing external attorneys at law as the chair and vice chair of the Committee, and has conducted an investigation related to the facts in this matter. The Company received a final report from the Internal Control and Investigation Committee.

As a result of the investigation by the Internal Control and Investigation Committee, it was found that the total amount of the fraud was ¥549 million during the period from the fiscal year ended March 31, 2021 to the fiscal year ended March 31, 2024. Since the impact of this matter on the operating results in each period of the previous fiscal years was negligible, there are no revisions to the Securities Reports or Quarterly Securities Reports for the previous fiscal years, or the Quarterly Securities Reports for the fiscal year ended March 31, 2024.

Regarding the impact on the consolidated financial statements for the fiscal year ended March 31, 2024, the Company recorded accounts receivable - other that eliminated the excessive amount of ¥441 million (tax excluded) from cost of sales. At the same time, since the recoverability of these receivables is uncertain, the Company established an allowance for doubtful accounts, taking into account the recoverability of the remaining amount of ¥342 million (tax included) that excludes the amount already recovered, and recorded ¥284 million in provision of allowance for doubtful accounts as non-operating expenses. As a result, operating profit increased by ¥441 million and ordinary profit increased by ¥156 million from the initial estimates.

In the future, the Company will certainly proceed with initiatives to prevent recurrence, based on the monitoring by Management Quality Council.

(Segment information)

1. Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Company's original business was transportation, but as a result of expanding its business from contracted transportation services for customers, it now undertakes a wide range of services, including process outsourcing at customers' plants and installation of plant equipment and facilities. Business divisions are organized by service, and each division headquarters formulates strategies for the services it provides and develops business activities. Therefore, the Company is composed of segments based on business divisions by service, and has three reportable segments: Integrated Solutions Business, Domestic Logistics Business, and International Logistics Business.

Integrated Solutions Business provides customer-oriented services such as in-plant transportation, transportation, and mechanical engineering. Domestic Logistics Business is engaged in the temperature-controlled logistics business based on frozen and refrigerated warehouses, and the general logistics business based on dry warehouses. International Logistics Business provides maritime and air cargo handling services and import/export cargo warehousing services in Japan and overseas.

2. Method for calculating amounts of net sales, profits or losses, assets and other items by reportable segment

Accounting methods for reportable business segments are in accordance with the accounting policies used to prepare the consolidated financial statements.

Profit of reportable segments is based on operating profit.

Intersegment revenue or transfers are based on actual market price.

3. Information on amounts of net sales, profits or losses, assets and other items by reportable segment

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjust- ments (Note 2)	Amount recorded in the consolidat ed financial statements (Note 3)
	Integrated Solutions Business	Domestic Logistics Business	Inter- national Logistics Business	Total				
Net sales								
Net sales to outside customers	188,873	52,688	70,261	311,824	15	311,840	–	311,840
Intersegment sales or transfers	1,068	1,609	121	2,800	979	3,779	(3,779)	–
Total	189,942	54,298	70,383	314,624	995	315,620	(3,779)	311,840
Segment profit (loss)	12,991	3,046	3,554	19,592	(128)	19,464	(6,221)	13,243
Segment assets	119,251	39,146	47,415	205,812	1,451	207,264	58,757	266,022
Other items								
Depreciation	4,419	1,453	1,676	7,548	3	7,551	485	8,036
Amortization of goodwill	231	–	–	231	–	231	–	231
Increase in property, plant and equipment and intangible assets	2,473	1,741	1,847	6,063	56	6,119	809	6,929

(Notes) 1. The "Other" category refers to business segments not associated with the reportable segments, with such business including software development and maintenance services as well as information processing outsourcing services.

2. Adjustments are as follows.

- (1) The ¥(6,221) million presented as adjustments to segment profit (loss) includes ¥19 million in intersegment eliminations and ¥(6,241) million in corporate expenses not allocated to a reportable segment. Corporate expenses constitute costs associated with general affairs and other administrative departments of the Company.
 - (2) The ¥58,757 million presented as adjustments to segment assets includes ¥(20,965) million in intersegment eliminations and ¥79,723 million in corporate assets.
 - (3) The adjustment for depreciation constitutes the depreciation of corporate assets.
 - (4) The adjustment to increase in property, plant and equipment and intangible assets constitutes an increase in corporate assets.
3. “Segment profit (loss)” has been adjusted to the operating profit reported in the consolidated statements of income.

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments				Other (Note 1)	Total	Adjust- ments (Note 2)	Amount recorded in the consolidat ed financial statements (Note 3)
	Integrated Solutions Business	Domestic Logistics Business	Inter- national Logistics Business	Total				
Net sales								
Net sales to outside customers	201,965	53,901	59,136	315,002	27	315,029	–	315,029
Intersegment sales or transfers	980	1,719	113	2,813	676	3,490	(3,490)	–
Total	202,946	55,620	59,249	317,816	703	318,520	(3,490)	315,029
Segment profit (loss)	17,392	3,081	3,010	23,483	(199)	23,284	(6,649)	16,634
Segment assets	128,285	39,576	50,937	218,800	2,005	220,806	56,250	277,056
Other items								
Depreciation	4,380	1,525	1,718	7,624	11	7,636	461	8,097
Amortization of goodwill	231	–	–	231	–	231	–	231
Increase in property, plant and equipment and intangible assets	5,469	1,399	2,973	9,843	1	9,845	373	10,219

(Notes) 1. The “Other” category refers to business segments not associated with the reportable segments, with such business including software development and maintenance services as well as information processing outsourcing services.

2. Adjustments are as follows.

- (1) The ¥(6,649) million presented as adjustments to segment profit (loss) includes ¥23 million in intersegment eliminations and ¥(6,672) million in corporate expenses not allocated to a reportable segment. Corporate expenses constitute costs associated with general affairs and other administrative departments of the Company.
 - (2) The ¥56,250 million presented as adjustments to segment assets includes ¥(22,853) million in intersegment eliminations and ¥79,104 million in corporate assets.
 - (3) The adjustment for depreciation constitutes the depreciation of corporate assets.
 - (4) The adjustment to increase in property, plant and equipment and intangible assets constitutes an increase in corporate assets.
3. “Segment profit (loss)” has been adjusted to the operating profit reported in the consolidated statements of income.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Net assets per share	2,289.00	2,512.72
Earnings per share	156.74	214.05

(Notes) 1. The amount of diluted earnings per share is not provided because there are no potential shares.

2. Basis for calculating earnings per share is as follows.

	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	8,301	11,349
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent pertaining to common shares (Millions of yen)	8,301	11,349
Average number of shares outstanding during the period (Thousand shares)	52,963	53,020

(Significant subsequent events)

Not applicable.

4. Non-consolidated financial statements

(1) Balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	55,140	55,249
Notes receivable - trade	582	664
Electronically recorded monetary claims - operating	5,543	6,079
Accounts receivable - trade	37,392	38,784
Contract assets	1,790	1,608
Costs on construction contracts in progress	70	46
Supplies	1,086	1,106
Short-term loans receivable	1,764	2,281
Other	2,118	3,104
Allowance for doubtful accounts	(612)	(1,264)
Total current assets	104,877	107,661
Non-current assets		
Property, plant and equipment		
Buildings	28,481	28,955
Structures	1,525	1,637
Machinery and equipment	4,048	3,960
Vehicles	1,320	1,366
Tools, furniture and fixtures	989	971
Land	32,155	32,227
Leased assets	1,962	1,876
Construction in progress	119	413
Total property, plant and equipment	70,603	71,410
Intangible assets		
Leasehold interests in land	522	508
Software	1,549	2,397
Software in progress	1,444	164
Other	1	0
Total intangible assets	3,518	3,070
Investments and other assets		
Investment securities	12,732	14,144
Shares of subsidiaries and associates	26,101	26,026
Investments in capital	302	271
Investments in capital of subsidiaries and associates	1,655	1,655
Long-term loans receivable	240	196
Long-term loans receivable from subsidiaries and associates	1,372	1,271
Long-term prepaid expenses	349	292
Deferred tax assets	4,723	4,775
Guarantee deposits	3,619	4,198
Other	794	757
Allowance for doubtful accounts	(111)	(109)
Allowance for investment loss	(345)	(211)
Total investments and other assets	51,435	53,270
Total non-current assets	125,557	127,751
Total assets	230,435	235,412

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	9,839	9,608
Short-term borrowings	25,957	25,123
Current portion of bonds payable	–	10,000
Current portion of long-term borrowings	3,200	1,400
Lease liabilities	439	543
Provision for bonuses for directors (and other officers)	387	312
Accounts payable - other	4,358	5,443
Accrued expenses	9,195	9,634
Income taxes payable	2,617	2,304
Accrued consumption taxes	1,654	2,265
Deposits received	432	487
Other	131	230
Total current liabilities	58,213	67,354
Non-current liabilities		
Bonds payable	55,000	45,000
Long-term borrowings	5,500	4,100
Lease liabilities	1,732	1,531
Deferred tax liabilities for land revaluation	1,087	1,087
Provision for retirement benefits	17,325	18,446
Asset retirement obligations	1,825	1,871
Long-term accounts payable - other	592	584
Other	190	207
Total non-current liabilities	83,252	72,828
Total liabilities	141,466	140,183
Net assets		
Shareholders' equity		
Share capital	1,723	1,723
Capital surplus		
Legal capital surplus	930	930
Total capital surplus	930	930
Retained earnings		
Legal retained earnings	427	427
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	2,136	2,136
General reserve	48,080	48,080
Retained earnings brought forward	43,434	48,808
Total retained earnings	94,079	99,453
Treasury shares	(6,475)	(6,400)
Total shareholders' equity	90,258	95,706
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,193	5,004
Revaluation reserve for land	(5,482)	(5,482)
Total valuation and translation adjustments	(1,288)	(477)
Total net assets	88,969	95,229
Total liabilities and net assets	230,435	235,412

(2) Statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	212,422	213,775
Cost of sales	192,958	192,505
Gross profit	19,464	21,269
Selling, general and administrative expenses	9,752	11,404
Operating profit	9,712	9,865
Non-operating income		
Interest income	201	222
Dividend income	1,776	1,716
Foreign exchange gains	82	487
Subsidies for employment adjustment	10	–
Other	357	158
Total non-operating income	2,428	2,584
Non-operating expenses		
Interest expenses	109	113
Interest expenses on bonds	201	201
Provision of allowance for doubtful accounts	505	651
Other	58	83
Total non-operating expenses	875	1,049
Ordinary profit	11,264	11,400
Extraordinary income		
Gain on sale of non-current assets	45	104
Gain on sale of investment securities	4	931
Reversal of allowance for investment loss	–	133
Total extraordinary income	49	1,169
Extraordinary losses		
Loss on sale and retirement of non-current assets	81	35
Loss on sale of investment securities	–	16
Loss on valuation of investment securities	1	–
Impairment losses	340	–
Loss on valuation of shares of subsidiaries and associates	61	64
Loss on revision of retirement benefit plan	–	713
Other	42	–
Total extraordinary losses	527	830
Profit before income taxes	10,786	11,739
Income taxes - current	3,767	3,891
Income taxes - deferred	(405)	(409)
Total income taxes	3,361	3,482
Profit	7,425	8,256

(3) Statements of changes in equity

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	1,723	930	–	930	427	2,093	48,080	37,684	88,285
Changes during period									
Dividends of surplus								(1,906)	(1,906)
Profit								7,425	7,425
Decrease by corporate division									–
Provision of reserve for tax purpose reduction entry of non-current assets						43		(43)	–
Purchase of treasury shares									–
Disposal of treasury shares			(25)	(25)					–
Transfer from retained earnings brought forward to other capital surplus									–
Transfer of loss on disposal of treasury shares			25	25				(25)	(25)
Reversal of revaluation reserve for land								300	300
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	–	43	–	5,750	5,793
Balance at end of period	1,723	930	–	930	427	2,136	48,080	43,434	94,079

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(6,596)	84,342	4,003	(5,182)	(1,178)	83,164
Changes during period						
Dividends of surplus		(1,906)				(1,906)
Profit		7,425				7,425
Decrease by corporate division		–				–
Provision of reserve for tax purpose reduction entry of non-current assets		–				–
Purchase of treasury shares		–				–
Disposal of treasury shares	121	96				96
Transfer from retained earnings brought forward to other capital surplus		–				–
Transfer of loss on disposal of treasury shares		–				–
Reversal of revaluation reserve for land		300				300
Net changes in items other than shareholders' equity			189	(300)	(110)	(110)
Total changes during period	121	5,915	189	(300)	(110)	5,804
Balance at end of period	(6,475)	90,258	4,193	(5,482)	(1,288)	88,969

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	1,723	930	–	930	427	2,136	48,080	43,434	94,079
Changes during period									
Dividends of surplus								(2,544)	(2,544)
Profit								8,256	8,256
Decrease by corporate division			(344)	(344)					–
Provision of reserve for tax purpose reduction entry of non-current assets									–
Purchase of treasury shares									–
Disposal of treasury shares			6	6					–
Transfer from retained earnings brought forward to other capital surplus			338	338				(338)	(338)
Transfer of loss on disposal of treasury shares									–
Reversal of revaluation reserve for land									–
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	–	–	–	5,374	5,374
Balance at end of period	1,723	930	–	930	427	2,136	48,080	48,808	99,453

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	(6,475)	90,258	4,193	(5,482)	(1,288)	88,969
Changes during period						
Dividends of surplus		(2,544)				(2,544)
Profit		8,256				8,256
Decrease by corporate division		(344)				(344)
Provision of reserve for tax purpose reduction entry of non-current assets		-				-
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	74	81				81
Transfer from retained earnings brought forward to other capital surplus		-				-
Transfer of loss on disposal of treasury shares		-				-
Reversal of revaluation reserve for land		-				-
Net changes in items other than shareholders' equity			811		811	811
Total changes during period	74	5,448	811	-	811	6,259
Balance at end of period	(6,400)	95,706	5,004	(5,482)	(477)	95,229