



July 12, 2024

**Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending February 28, 2025**  
**(Three Months Ended May 31, 2024)**

**[Japanese GAAP]**

Company name: KANTSU CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 9326

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Scheduled date of filing of Quarterly Report:

July 12, 2024

Scheduled date of payment of dividend:

-

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes

Yes

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

**1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 28, 2025**  
**(March 1, 2024 – May 31, 2024)**

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended May 31, 2024	3,761	35.5	78	29.8	62	8.9	38	(7.9)
Three months ended May 31, 2023	2,776	7.9	60	(54.4)	57	(53.3)	41	(46.0)

Note: Comprehensive income

Three months ended May 31, 2024: 38 million yen (down 7.9%)

Three months ended May 31, 2023: 41 million yen (down 46.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended May 31, 2024	3.80	3.69
Three months ended May 31, 2023	4.07	3.95

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 31, 2024	10,423	2,962	28.4
As of Feb. 29, 2024	10,309	3,024	29.3

Reference: Shareholders' equity

As of May 31, 2024: 2,961 million yen

As of Feb. 29, 2024: 3,023 million yen

**2. Dividends**

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2/24	-	0.00	-	10.00	10.00
FY2/25	-	-	-	-	-
FY2/25 (forecast)	-	0.00	-	10.00	10.00

Note: Revision to the most recently announced dividend forecast: None

**3. Consolidated Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024 – February 28, 2025)**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	7,492	33.3	98	(39.8)	91	(43.5)	62	(46.3)	6.16
Full year	15,871	32.9	542	32.3	522	28.7	352	609.8	35.06

Note: Revision to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

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

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

(4) Number of outstanding shares (common shares)

- |  |                   |                                  |                   |
|--|-------------------|----------------------------------|-------------------|
| 1) Number of shares outstanding at the end of the period (including treasury shares) |                   |                                  |                   |
| As of May 31, 2024:  | 10,308,150 shares | As of Feb. 29, 2024:             | 10,308,150 shares |
| 2) Number of treasury shares at the end of the period                                |                   |                                  |                   |
| As of May 31, 2024:  | 287,393 shares    | As of Feb. 29, 2024:             | 285,243 shares    |
| 3) Average number of shares outstanding during the period                            |                   |                                  |                   |
| Three months ended May 31, 2024:   | 10,022,120 shares | Three months ended May 31, 2023: | 10,158,057 shares |

The current financial report is not subject to quarterly review by certified public accountants or auditing firms.

Explanation of appropriate use of earnings forecasts, and other special items

Cautionary statement with respect to forward-looking statements

Earnings forecasts and other forward-looking statements in this document are based on information that was available when this information was announced and on assumptions as of the announcement date concerning uncertainties that may affect results of operations in the future. Consequently, these statements are not promises by KANTSU regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 for forecast assumptions and notes of caution for usage.

How to view supplementary information materials for financial results

The supplementary information materials for financial results will be available on KANTSU’s website (<https://www.kantsu.com/ir/>) on July 12, 2024.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

Forward-looking statements are based on the judgments of KANTSU as of May 31, 2024.

### (1) Explanation of Results of Operations

During the first quarter of the current fiscal year (March 1 to May 31, 2024), uncertainty about the outlook for the global economy increased due to changes in monetary policies of many countries, continuing inflation, and geopolitical risk involving the Russia's ongoing invasion of Ukraine and the Israel-Hamas conflict. In Japan, the recovery in demand following the end of the pandemic and there are upturns in the labor market and wages. However, the outlook is unclear because of the slow recovery of consumer spending due to inflation as companies pass on higher expenses and demand created by foreign tourists in Japan increases.

We are dedicated to increasing the quality of our services in our logistics services business and IT automation business. Our priority is the provision of services that enable our customers to accomplish their objectives effectively. Additionally, we strengthened our collaborations with suppliers and partner companies for more growth of business activities. Activities are under way to increase our ability to achieve the consistent growth of corporate value, including the consideration of changing to a holding company structure to establish a sound base for the medium- to long-term growth of the KANTSU Group.

Net sales increased 35.5% from one year earlier to 3,761 million yen, operating profit increased 29.8% to 78 million yen, ordinary profit increased 8.9% to 62 million yen and profit attributable to owners of parent decreased 7.9% to 38 million yen.

Business segment performance was as follows.

Business segment sales are sales to external customers and segment profit or loss is based on operating profit in the quarterly consolidated income statement.

#### Logistics services business

To increase customer satisfaction, improvement activities aimed at raising quality and productivity continued with emphasis on EC/catalog logistics support services. Due to the increase in wages in Japan, we are using negotiations and other lines of communication with customers regarding our rates to reflect the higher cost of people who work at warehouses, which expanded during the past fiscal year. The goal is to improve profitability.

As a result, net sales increased 34.4% from one year earlier to 3,545 million yen and segment profit decreased 27.1% to 15 million yen mainly because of the long time that vacant space remained at new distribution centers.

#### IT automation business

There were large orders involving the Cloud Thomas Pro warehouse management system, more sales activities for the New Employee Immediate Productivity Package of the Annie check list system, and success with the addition of new customers.

As a result, net sales increased 68.5% from one year earlier to 191 million yen and segment profit increased 81.6% to 72 million yen.

#### Other businesses

In other businesses segment, sales from after-school day services for children with disabilities and support services for people with disabilities to change jobs were steady.

As a result, net sales decreased 2.9% from one year earlier to 24 million yen and there was a segment loss of 9 million yen compared with a loss of 649 thousand yen one year earlier.

## Results by business segment for the first quarter of the fiscal year ending February 28, 2025

(Thousands of yen)

Segment	Net sales			Segment profit (loss) (operating profit (loss))			
	Services	Amount	Comp. (%)	YoY change (%)	Amount	Operating profit on net sales (%)	YoY change (%)
EC/catalog logistics support services		3,486,290	92.7	35.2	-		
Outsourced order processing services		47,675	1.3	18.0	-		
Others		11,869	0.3	(34.8)	-		
Logistics services business		3,545,835	94.3	34.4	15,461	0.4	(27.1)
IT automation business		191,355	5.1	68.5	72,640	38.0	81.6
Other businesses		24,295	0.6	(2.9)	(9,522)	(39.2)	-
Total for reportable segments		3,761,487	100.0	35.5	78,578	2.1	29.8

**(2) Explanation of Financial Position**

Total assets at the end of the first quarter increased 113 million yen from the end of the previous fiscal year to 10,423 million yen. Liabilities increased 175 million yen to 7,460 million yen and net assets decreased 62 million yen to 2,962 million yen.

The major changes are as follows.

**Current assets**

Current assets increased 34 million yen to 4,863 million yen. This was attributable primarily to a decrease of 76 million yen in cash and deposits due to the acquisition of non-current assets and payment of income taxes, while there was an increase of 271 million yen in accounts receivable-trade.

**Non-current assets**

Non-current assets increased 78 million yen to 5,559 million yen. This was attributable primarily to a 34 million yen increase in buildings and a 11 million yen increase in software.

**Current liabilities**

Current liabilities increased 327 million yen to 2,285 million yen. This was attributable mainly to increases of 200 million yen in short-term borrowings and 71 million yen in accounts payable-trade.

**Non-current liabilities**

Non-current liabilities decreased 151 million yen to 5,175 million yen. This was attributable mainly to a decrease of 204 million yen in long-term borrowings.

**Net assets**

Net assets decreased 62 million yen to 2,962 million yen. This was attributable mainly to profit attributable to owners of parent of 38 million yen, a 62 million yen decrease in total retained earnings mainly due to dividends paid of 100 million yen.

**(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

KANTSU maintains consolidated forecasts for the fiscal year ending February 28, 2025 that were announced on April 12, 2024 in the “Consolidated Financial Results for the Fiscal Year Ended February 29, 2024.”

Forecasts of future performance in this report are based on assumptions judged to be valid and information available to the KANTSU’s management at the time the materials were prepared. Actual results may differ substantially from these forecasts for a number of reasons.

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

	(Thousands of yen)	
	FY2/24 (As of Feb. 29, 2024)	First quarter of FY2/25 (As of May 31, 2024)
Assets		
Current assets		
Cash and deposits	2,360,782	2,283,824
Electronically recorded monetary claims-operating	288,428	272,863
Notes receivable-trade	-	10,000
Accounts receivable-trade	1,259,465	1,531,150
Securities	200,000	200,000
Work in process	24,450	8,723
Other	700,744	561,330
Allowance for doubtful accounts	(5,167)	(4,245)
Total current assets	4,828,705	4,863,647
Non-current assets		
Property, plant and equipment		
Buildings, net	1,463,552	1,497,608
Machinery, equipment and vehicles, net	147,794	140,410
Land	561,478	570,576
Leased assets, net	223,233	216,762
Construction in progress	9,900	41,965
Other, net	459,083	452,169
Total property, plant and equipment	2,865,042	2,919,492
Intangible assets		
Goodwill	104,539	101,926
Software	157,889	169,288
Other	25,649	58,558
Total intangible assets	288,078	329,772
Investments and other assets		
Investment securities	192,010	179,333
Long-term loans receivable	24,000	24,000
Deferred tax assets	106,320	106,320
Leasehold and guarantee deposits	1,512,133	1,488,273
Other	493,958	515,498
Allowance for doubtful accounts	(776)	(3,057)
Total investments and other assets	2,327,647	2,310,368
Total non-current assets	5,480,768	5,559,633
Total assets	10,309,473	10,423,281

	(Thousands of yen)	
	FY2/24 (As of Feb. 29, 2024)	First quarter of FY2/25 (As of May 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	515,225	587,201
Short-term borrowings	-	200,000
Current portion of long-term borrowings	965,706	919,689
Income taxes payable	11,715	34,862
Provision for bonuses	28,000	14,810
Lease liabilities	28,990	22,435
Other	407,991	506,328
Total current liabilities	1,957,629	2,285,326
Non-current liabilities		
Long-term borrowings	4,458,791	4,254,633
Asset retirement obligations	455,446	469,180
Lease liabilities	200,013	199,477
Other	212,613	251,817
Total non-current liabilities	5,326,864	5,175,108
Total liabilities	7,284,494	7,460,435
<b>Net assets</b>		
Shareholders' equity		
Share capital	788,275	788,275
Capital surplus	768,275	768,275
Retained earnings	1,640,832	1,578,699
Treasury shares	(174,004)	(174,004)
Total shareholders' equity	3,023,378	2,961,245
Share acquisition rights	1,600	1,600
Total net assets	3,024,978	2,962,845
Total liabilities and net assets	10,309,473	10,423,281

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income****(For the Three-month Period)**

	(Thousands of yen)	
	First three months of FY2/24 (Mar. 1, 2023 – May 31, 2023)	First three months of FY2/25 (Mar. 1, 2024 – May 31, 2024)
Net sales	2,776,122	3,761,487
Cost of sales	2,437,105	3,363,919
Gross profit	339,017	397,567
Selling, general and administrative expenses	278,476	318,988
Operating profit	60,540	78,578
Non-operating income		
Interest income	4,936	4,107
Other	4,229	6,707
Total non-operating income	9,166	10,814
Non-operating expenses		
Interest expenses	10,522	10,976
Share of loss of entities accounted for using equity method	-	12,677
Other	1,533	2,979
Total non-operating expenses	12,056	26,632
Ordinary profit	57,650	62,760
Profit before income taxes	57,650	62,760
Income taxes	16,273	24,664
Profit	41,377	38,096
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	41,377	38,096



**Quarterly Consolidated Statement of Comprehensive Income**  
**(For the Three-month Period)**

	(Thousands of yen)	
	First three months of FY2/24 (Mar. 1, 2023 – May 31, 2023)	First three months of FY2/25 (Mar. 1, 2024 – May 31, 2024)
Profit	41,377	38,096
Comprehensive income	41,377	38,096
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	41,377	38,096
Comprehensive income attributable to non-controlling interests	-	-

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements**

## Calculation of income taxes

The tax expense was calculated by first estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the fiscal year, and multiplying that rate by the quarterly profit before income taxes.

**Segment and Other Information****Segment Information**

I. First three months of FY2/24 (Mar. 1, 2023 – May 31, 2023)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment	Amounts shown on quarterly consolidated statement of income (Note 2)
	Logistics services	IT automation	Sub-total				
Net sales							
External sales	2,637,497	113,592	2,751,090	25,032	2,776,122	-	2,776,122
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	2,637,497	113,592	2,751,090	25,032	2,776,122	-	2,776,122
Segment profit (loss)	21,200	39,989	61,190	(649)	60,540	-	60,540

Notes: 1. Others are businesses that are not included in the reportable segments and mainly consist of technology education services for foreign trainees and other education services.

2. Segment profit (loss) is consistent with operating profit recorded in the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets, or goodwill, etc. for each reportable segment

Not applicable.

## II. First three months of FY2/25 (Mar. 1, 2024 – May 31, 2024)

## 1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment			Others (Note 1)	Total	Adjustment	Amounts shown on quarterly consolidated statement of income (Note 2)
	Logistics services	IT automation	Sub-total				
Net sales							
External sales	3,545,835	191,355	3,737,191	24,295	3,761,487	-	3,761,487
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	3,545,835	191,355	3,737,191	24,295	3,761,487	-	3,761,487
Segment profit (loss)	15,461	72,640	88,101	(9,522)	78,578	-	78,578

Notes: 1. Others are businesses that are not included in the reportable segments and mainly consist of technology education services for foreign trainees and employee benefits and training services.

2. Segment profit (loss) is consistent with operating profit recorded in the quarterly consolidated statement of income.

## 2. Information related to impairment losses on non-current assets, or goodwill, etc. for each reportable segment

Not applicable.

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