

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2022
(Based on Japanese GAAP)**

May 13, 2022

Company name: NIKKON Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9072 URL <http://www.nikon-hd.co.jp>
 Representative: President & Representative Director Masakatsu Kuroiwa
 Director, Managing Executive Officer, and
 Inquiries: Yasunori Matsuda TEL 03-3541-5330
 General Manager of Accounting Department
 Scheduled date of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 30, 2022
 Scheduled date to commence dividend payments: June 8, 2022
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(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	%
Year ended March 31, 2022	198,159	8.6	19,512	7.3	21,584	4.9	14,741	1.4
Year ended March 31, 2021	182,536	(8.5)	18,191	(12.9)	20,572	(8.7)	14,544	(13.0)

Note: Comprehensive income Year ended March 31, 2022 15,710 million yen [(20.1)%]
 Year ended March 31, 2021 19,667 million yen [55.0%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	224.41	223.81	6.9	6.5	9.8
Year ended March 31, 2021	221.26	220.51	7.3	6.6	10.0

Reference: Investment profit (loss) on equity method Year ended March 31, 2022 460 million yen
 Year ended March 31, 2021 484 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	339,475	219,035	64.4	3,334.70
As of March 31, 2021	322,139	208,290	64.5	3,160.46

Reference: Equity As of March 31, 2022 218,478 million yen
 As of March 31, 2021 207,747 million yen

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	28,985	(31,567)	759	29,157
Year ended March 31, 2021	23,229	(25,402)	1,473	30,366

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	33.00	–	34.00	67.00	4,404	30.3	2.1
Year ended March 31, 2022	–	34.00	–	35.00	69.00	4,531	30.7	2.1
Year ending March 31, 2023 (Forecast)	–	48.00	–	48.00	96.00		40.1	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

	Percentages indicate year-on-year changes								
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	102,000	7.8	10,200	10.1	11,000	10.5	7,300	11.6	111.42
Full year	215,000	8.5	21,500	10.2	23,000	6.6	15,700	6.5	239.63

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

Note: For details, please refer to “Changes in accounting policies” of “3. Consolidated financial statements and significant notes thereto, (5) Notes on consolidated financial statements” on page 17 of the attached documents.

(3) Number of issued shares (common shares)

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

As of March 31, 2022	68,239,892 shares	As of March 31, 2021	68,239,892 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	2,723,278 shares	As of March 31, 2021	2,506,469 shares
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Average number of shares during the period

Year ended March 31, 2022	65,689,004 shares	Year ended March 31, 2021	65,733,467 shares
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Note: The number of treasury shares at the end of the period and the number of treasury shares excluded from the calculation of the average number of shares outstanding during the period include shares of the Company held by a trust whose beneficiaries are Directors (26,900 shares as of March 31, 2022).

Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	9,767	(19.9)	8,101	(23.6)	8,843	(18.6)	8,425	(21.2)
Year ended March 31, 2021	12,197	10.8	10,601	9.8	10,864	9.1	10,693	3.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2022	128.26	127.92
Year ended March 31, 2021	162.69	162.14

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	214,252	123,712	57.6	1,884.78
As of March 31, 2021	209,301	120,947	57.6	1,835.10

Reference: Equity As of March 31, 2022 123,484 million yen

As of March 31, 2021 120,627 million yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution regarding forward-looking statements)

Forward-looking statements, including financial results forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Actual financial and other results may differ substantially from the statements herein due to various factors.

Index of attached documents

1.	Overview of operating results and others	5
	(1) Overview of operating results for the period	5
	(2) Explanation of financial position for the fiscal year under review	5
	(3) Overview of cash flows for the period	6
	(4) Future outlook	6
	(5) Basic policy on distribution of profits, and dividends in period under review and subsequent period.....	6
2.	Basic philosophy for selecting accounting standards	7
3.	Consolidated financial statements and significant notes thereto	8
	(1) Consolidated balance sheets.....	8
	(2) Consolidated statements of income and consolidated statements of comprehensive income	10
	(Consolidated statements of income)	10
	(Consolidated statements of comprehensive income)	12
	(3) Consolidated statements of changes in equity.....	13
	(4) Consolidated statements of cash flows	15
	(5) Notes on consolidated financial statements	17
	(Notes on going concern assumption).....	17
	(Changes in accounting policies)	17
	(Change in method of presentation).....	17
	(Segment information)	18
	(Per share information)	20
	(Subsequent events)	20

1. Overview of operating results and others

(1) Overview of operating results for the period

During the fiscal year ended March 31, 2022, the Japanese economy continued to experience harsh conditions despite ongoing signs of recovery amid the persisting impact of the novel coronavirus disease (COVID-19). The number of new COVID-19 cases has been declining due to vaccination followed by the signs that economic activities are returning to normal. Economic condition, however, is expected to remain uncertain as social and economic activities have fully recovered yet.

In the logistics industry, the severe business situation has continued due to a chronic labor shortage and intensified competition in addition to rising fuel prices and other factors.

Under these circumstances, the Group's consolidated sales for the fiscal year ended March 31, 2022 were 198,159 million yen, up 8.6% from the previous fiscal year, mainly due to a recovery in business volume.

Operating profit was 19,512 million yen, up 7.3% from the previous fiscal year, due to the effects of sales increase and efficiency improvement of operations.

Ordinary profit was 21,584 million yen, up 4.9% from the previous fiscal year, following the increase in operating profit.

Profit attributable to owners of parent was 14,741 million yen, up 1.4% from the previous fiscal year.

Business results by segment are as follows.

Transportation business

Sales were 90,338 million yen, up 6.8% from the previous fiscal year, mainly due to a recovery in the volume of cargo handled. Operating profit was 4,498 million yen, down 4.0% from the previous fiscal year, due to the effect of higher fuel price.

Warehousing business

Sales were 34,600 million yen, up 7.8% from the previous fiscal year, due to an increase in the volume of cargo stored, which is the result of our ongoing efforts in Japan and overseas to establish or expand warehouses. Operating profit was 8,050 million yen, up 6.6% from the previous fiscal year, mainly due to the effect of higher sales.

Packaging business

Sales were 44,363 million yen, up 10.5% from the previous fiscal year, mainly due to a recovery in the volume handled. Operating profit was 2,354 million yen, down 0.5% from the previous fiscal year, mainly due to the effects of higher personnel expenses and outsourcing expenses.

Testing business

Sales were 21,863 million yen, up 6.8% from the previous fiscal year, mainly due to a recovery in the volume handled. Operating profit was 3,739 million yen, up 33.1% from the previous fiscal year, due to the effects of higher sales and efficiency improvement of operations.

(2) Explanation of financial position for the fiscal year under review

(Assets)

Current assets at the end of the fiscal year under review totaled 74,655 million yen, an increase of 113 million yen from the end of the previous fiscal year. The increase mainly came from an increase of 1,729 million yen in notes and accounts receivable - trade, despite decreases of 1,172 million yen in cash and deposits and 494 million yen in securities. Non-current assets totaled 264,819 million yen, an increase of 17,222 million yen from the end of the previous fiscal year. The increase mainly came from an increase of 18,400 million yen in property, plant and equipment due to purchase of warehouses (in Ota City, Gunma Prefecture, Yorii Machi, Saitama Prefecture, Asaka City, Saitama Prefecture, Inzai City, Chiba Prefecture, Niigata City, Niigata Prefecture, Takaoka City, Toyama Prefecture, Kani City, Gifu Prefecture, Seto City, Aichi Prefecture, Ibaraki City, Osaka Prefecture, and Thailand), business sites (in Tokai City, Aichi Prefecture, Oura Machi, Gunma Prefecture, and Furukawa City, Ibaragi Prefecture), and an income property (in Wako City, Saitama Prefecture).

As a result, total assets were 339,475 million yen, an increase of 17,336 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year under review totaled 44,367 million yen, a decrease of 1,901 million yen from the end of the previous fiscal year. This decrease mainly came from decreases of 2,541 million yen in electronically recorded obligations - non-operating and 2,020 million yen in short-term borrowings, partially offset by increases of 1,737 million yen in notes and accounts payable - trade and 679 million yen in electronically recorded obligations - operating. Non-current liabilities totaled 76,072 million yen, an increase of 8,493 million yen from the end of the previous fiscal year. This increase mainly came as the company financed 10,000 million yen through issuing bonds to fund facilities, partially offset by repaying long-term borrowings of 1,823 million yen.

As a result, total liabilities were 120,440 million yen, an increase of 6,591 million yen from the end of the previous fiscal year.

(Net assets)

Net assets at the end of the fiscal year under review were 219,035 million yen, an increase of 10,744 million yen from the end of the previous fiscal year. This increase mainly came from an increase of 10,209 million yen in retained earnings.

As a result, the equity ratio at the end of the period under review was 64.4% (64.5% at the end of the previous fiscal year).

(3) Overview of cash flows for the period

Cash and cash equivalents (hereafter referred to as “cash”) at the end of the fiscal year under review were 29,157 million yen, a decrease of 1,208 million yen from the end of the previous fiscal year.

The following is the status and factors of each of the cash flow categories during the fiscal year under review.

(Cash flows from operating activities)

Net cash inflow from operating activities was 28,985 million yen, an increase of 5,755 million yen from the previous fiscal year. The increase mainly came from increases of 3,196 million yen in loss on retirement of non-current assets, 2,584 million yen in cash flows from increase (decrease) in trade payables, 1,953 million yen in cash flows from increase (decrease) in other liabilities, and 673 million yen in depreciation, partially offset by the decrease of 3,285 million yen in gain from forfeiture of leased assets.

(Cash flows from investing activities)

Net cash used in investing activities totaled 31,567 million yen, an increase of 6,164 million yen from the previous fiscal year. This increase mainly came from an increase of 6,255 million yen in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash inflow from financing activities totaled 759 million yen, a decrease of 713 million yen from the previous fiscal year. This decrease mainly came from an increase of 573 million yen in purchase of treasury shares.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio (%)	63.3	64.8	64.5	64.4
Market value equity ratio (%)	59.0	46.8	45.4	39.5
Interest-bearing debt to cash flow ratio (%)	188.0	205.5	256.5	226.5
Interest coverage ratio (times)	149.6	136.7	112.9	138.4

* Equity ratio: $\text{Equity} / \text{Total assets}$

Market value equity ratio: $\text{Market capitalization} / \text{Total assets}$

Interest-bearing debt to cash flow ratio: $\text{Interest-bearing debt} / \text{Cash flow}$

Interest coverage ratio: $\text{Cash flow} / \text{Interest payments}$

1. All indicators are based on consolidated financial statements.
2. Market capitalization is calculated by multiplying the closing stock price at fiscal year-end by the number of shares issued at fiscal year-end (minus treasury shares).
3. Cash flow from operating activities is used for cash flow.
4. Interest-bearing debts include all those on the consolidated balance sheet on which interest is being paid. Interest payments are taken from the consolidated statements of cash flows.

(4) Future outlook

For future outlook, both domestic and international economies are expected to recover as business activities reopen. However, the severe business situation surrounding the Company is expected to continue, due to potential rebound of COVID-19 infection, chronic labor shortage and intensified competition.

Under these circumstances, the group developed “The 12th Medium-term Business Plan (Challenge 12)” for three years from April 1, 2020 and have been set out to achieve the goals. However, as various business environments surrounding the company have changed, the company revisited the consolidated financial goals of the fiscal year ending March 2023, the final year of the Challenge 12, and revised the goals: 215,000 million yen for sales, 21,500 million yen for operating profit, 23,000 million yen for ordinary profit, and 15,700 million yen for profit attributable to owners of parent.

The financial outlook above is based on the data that are available to the Company and certain assumptions that the Company believes rational. Actual results may vary significantly due to various factors.

(5) Basic policy on distribution of profits, and dividends in period under review and subsequent period

The Company has a basic policy for dividend payments of aiming for a consolidated payout ratio of 30%.

For the fiscal year ended March 31, 2022, the Company plans to pay term-end dividends of 35 yen per share and annual dividends of 69 yen per share, including interim dividends.

The Company revised the basic policy for dividend payments of aiming for a consolidated payout ratio of 40% from the fiscal year ending March 31, 2023. The Company, therefore, plans to pay annual dividends of 96 yen per share (48 yen in interim dividends and 48 yen in term-end dividends) for the fiscal year ending March 31, 2023.

2. Basic philosophy for selecting accounting standards

The Group currently prepares the consolidated financial statements according to the generally accepted accounting standards in Japan (Japanese GAAP), as it makes it possible to compare the consolidated financial statements against previous fiscal year and against other companies.

With regard to future adoption of IFRS, the Group will give due consideration to domestic and international circumstances and take actions accordingly.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	31,399	30,227
Notes and accounts receivable - trade	33,380	35,110
Electronically recorded monetary claims - operating	3,704	3,545
Securities	951	456
Raw materials and supplies	408	531
Other	4,713	4,797
Allowance for doubtful accounts	(15)	(12)
Total current assets	74,542	74,655
Non-current assets		
Property, plant and equipment		
Buildings and structures	197,057	215,176
Accumulated depreciation	(104,943)	(111,952)
Buildings and structures, net	92,114	103,224
Machinery, equipment and vehicles	51,357	54,924
Accumulated depreciation	(43,059)	(46,099)
Machinery, equipment and vehicles, net	8,298	8,825
Tools, furniture and fixtures	8,622	9,353
Accumulated depreciation	(7,401)	(8,030)
Tools, furniture and fixtures, net	1,220	1,323
Land	103,966	110,792
Leased assets	551	541
Accumulated depreciation	(458)	(361)
Leased assets, net	92	180
Construction in progress	8,236	7,981
Total property, plant and equipment	213,928	232,328
Intangible assets	2,073	2,173
Investments and other assets		
Investment securities	22,191	20,911
Long-term loans receivable	668	559
Deferred tax assets	3,409	3,485
Other	5,399	5,390
Allowance for doubtful accounts	(73)	(29)
Total investments and other assets	31,595	30,317
Total non-current assets	247,596	264,819
Total assets	322,139	339,475

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,799	11,537
Electronically recorded obligations - operating	5,521	6,200
Short-term borrowings	3,843	1,823
Lease liabilities	67	85
Income taxes payable	4,186	3,645
Provision for bonuses	3,785	3,977
Provision for bonuses for directors (and other officers)	183	196
Notes payable - facilities	242	489
Electronically recorded obligations - non-operating	6,470	3,929
Other	12,168	12,482
Total current liabilities	46,269	44,367
Non-current liabilities		
Bonds payable	40,000	50,000
Long-term borrowings	15,033	13,210
Lease liabilities	34	88
Deferred tax liabilities	5,570	5,138
Retirement benefit liability	5,088	5,696
Provision for retirement benefits for directors (and other officers)	395	435
Other	1,457	1,502
Total non-current liabilities	67,579	76,072
Total liabilities	113,848	120,440
Net assets		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	180,131	190,340
Treasury shares	(6,187)	(6,609)
Total shareholders' equity	197,593	207,380
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,295	9,621
Foreign currency translation adjustment	(187)	1,807
Remeasurements of defined benefit plans	46	(330)
Total accumulated other comprehensive income	10,154	11,098
Share acquisition rights	320	227
Non-controlling interests	222	328
Total net assets	208,290	219,035
Total liabilities and net assets	322,139	339,475

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

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales		
Transportation income	84,553	90,338
Warehouse income	32,083	34,600
Packaging income	40,136	44,363
Other revenue	25,763	28,856
Total net sales	182,536	198,159
Cost of sales		
Transportation cost	75,767	81,220
Warehouse cost	22,851	24,727
Packaging cost	35,464	39,490
Other costs	20,883	23,226
Total cost of sales	154,966	168,665
Gross profit	27,569	29,493
Selling, general and administrative expenses		
Personnel expenses	5,782	6,038
Provision for bonuses	394	395
Provision for bonuses for directors (and other officers)	183	192
Retirement benefit expenses	124	106
Provision for retirement benefits for directors (and other officers)	63	96
Depreciation	552	527
Taxes and dues	1,276	1,325
Travel and transportation expenses	165	208
Provision of allowance for doubtful accounts	(1)	(1)
Other	1,601	1,882
Total selling, general and administrative expenses	9,378	9,980
Operating profit	18,191	19,512
Non-operating income		
Interest income	77	68
Dividend income	488	613
Rental income	76	75
Share of profit of entities accounted for using equity method	484	460
Foreign exchange gains	164	532
Subsidy income	320	130
Compensation income	781	17
Miscellaneous income	386	494
Total non-operating income	2,780	2,392
Non-operating expenses		
Interest expenses	205	210
Bond issuance costs	97	50
Non-deductible consumption tax, etc.	60	-
Miscellaneous expenses	34	59
Total non-operating expenses	398	320
Ordinary profit	20,572	21,584

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary income		
Gain on sale of non-current assets	416	114
Gain on sale of investment securities	372	3
Gain on revision of retirement benefit plan	167	-
Compensation income	-	17
Gain on cancellation of leases	-	3,285
Total extraordinary income	956	3,421
Extraordinary losses		
Loss on sale of non-current assets	33	20
Loss on retirement of non-current assets	77	3,339
Loss on valuation of investment securities	-	4
Loss on sale of investment securities	-	4
Loss on disaster	21	-
Total extraordinary losses	131	3,368
Profit before income taxes	21,397	21,637
Income taxes - current	6,771	6,850
Income taxes - deferred	64	34
Total income taxes	6,836	6,884
Profit	14,560	14,752
Profit attributable to non-controlling interests	16	11
Profit attributable to owners of parent	14,544	14,741

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	14,560	14,752
Other comprehensive income		
Valuation difference on available-for-sale securities	3,347	(674)
Foreign currency translation adjustment	1,332	1,894
Remeasurements of defined benefit plans, net of tax	409	(376)
Share of other comprehensive income of entities accounted for using equity method	17	114
Total other comprehensive income	5,106	958
Comprehensive income	19,667	15,710
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,633	15,685
Comprehensive income attributable to non-controlling interests	33	25

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,316	12,332	170,254	(6,186)	187,716
Changes of items during period					
Dividends of surplus			(4,667)		(4,667)
Profit attributable to owners of parent			14,544		14,544
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares					
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	-	9,877	(0)	9,876
Balance at end of current period	11,316	12,332	180,131	(6,187)	197,593

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	6,948	(1,520)	(363)	5,064	320	194	193,296
Changes of items during period							
Dividends of surplus							(4,667)
Profit attributable to owners of parent							14,544
Purchase of treasury shares							(0)
Disposal of treasury shares							
Net changes of items other than shareholders' equity	3,347	1,332	409	5,089		27	5,117
Total changes of items during period	3,347	1,332	409	5,089	-	27	14,994
Balance at end of current period	10,295	(187)	46	10,154	320	222	208,290

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,316	12,332	180,131	(6,187)	197,593
Changes of items during period					
Dividends of surplus			(4,472)		(4,472)
Profit attributable to owners of parent			14,741		14,741
Purchase of treasury shares				(639)	(639)
Disposal of treasury shares			(59)	217	158
Net changes of items other than shareholders' equity					
Total changes of items during period			10,209	(422)	9,786
Balance at end of current period	11,316	12,332	190,340	(6,609)	207,380

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	10,295	(187)	46	10,154	320	222	208,290
Changes of items during period							
Dividends of surplus							(4,472)
Profit attributable to owners of parent							14,741
Purchase of treasury shares							(639)
Disposal of treasury shares							158
Net changes of items other than shareholders' equity	(674)	1,995	(376)	943	(92)	106	957
Total changes of items during period	(674)	1,995	(376)	943	(92)	106	10,744
Balance at end of current period	9,621	1,807	(330)	11,098	227	328	219,035

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	21,397	21,637
Depreciation	10,630	11,237
Increase (decrease) in provision for bonuses	167	164
Increase (decrease) in provision for bonuses for directors (and other officers)	(29)	9
Increase (decrease) in allowance for doubtful accounts	5	(47)
Increase (decrease) in retirement benefit liability	452	104
Increase (decrease) in provision for retirement benefits for directors (and other officers)	11	39
Interest and dividend income	(566)	(681)
Interest expenses	205	210
Share of loss (profit) of entities accounted for using equity method	(484)	(460)
Loss (gain) on sale of non-current assets	(382)	(96)
Loss on retirement of non-current assets	77	3,273
Gain on cancellation of leases	–	(3,285)
Loss (gain) on sale of investment securities	(372)	0
Decrease (increase) in trade receivables	(742)	(718)
Decrease (increase) in other assets	759	814
Increase (decrease) in trade payables	(167)	2,416
Increase (decrease) in other liabilities	(968)	985
Other, net	(544)	(186)
Subtotal	29,447	35,419
Interest and dividends received	764	1,176
Interest paid	(205)	(209)
Income taxes paid	(6,776)	(7,401)
Net cash provided by (used in) operating activities	23,229	28,985
Cash flows from investing activities		
Payments into time deposits	(49,505)	(1,081)
Proceeds from withdrawal of time deposits	49,215	1,162
Purchase of securities	(701)	(225)
Proceeds from sale and redemption of securities	877	1,066
Purchase of property, plant and equipment	(25,985)	(32,240)
Proceeds from sale of property, plant and equipment	762	160
Purchase of intangible assets	(394)	(382)
Purchase of investment securities	(438)	(140)
Proceeds from sale of investment securities	861	95
Loan advances	(207)	(125)
Proceeds from collection of loans receivable	343	220
Purchase of shares of subsidiaries and associates	(115)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(263)
Other, net	(116)	187
Net cash provided by (used in) investing activities	(25,402)	(31,567)

	(Millions of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	130	–
Repayments of long-term borrowings	(3,869)	(3,843)
Purchase of treasury shares	(0)	(573)
Proceeds from issuance of bonds	20,000	10,000
Redemption of bonds	(10,000)	–
Dividends paid	(4,667)	(4,472)
Dividends paid to non-controlling interests	(5)	(6)
Other, net	(113)	(344)
Net cash provided by (used in) financing activities	1,473	759
Effect of exchange rate change on cash and cash equivalents	246	613
Net increase (decrease) in cash and cash equivalents	(453)	(1,208)
Cash and cash equivalents at beginning of period	30,820	30,366
Cash and cash equivalents at end of period	30,366	29,157

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

No such events occurred.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

Accordingly, the Company and its consolidated domestic subsidiaries recognize revenue, assuming obligation is fulfilled by providing cargo transportation service from start of cargo transportation to arrival of cargo, or to inspection of delivered goods by addressees.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the fiscal year under review was added to or deducted from the opening balance of retained earnings of the first quarter of the fiscal year under review, and thus the new accounting policy was applied from such opening balance. However, the new accounting policy was not retrospectively applied to contracts for which nearly all the revenue amounts had been recognized according to the previous treatment in periods prior to the beginning of the first quarter of the fiscal year under review, by applying the method provided for in paragraph 86 of the Accounting Standard for Revenue Recognition.

As a result of this change, for the fiscal year under review, net sales decreased by 126 million yen, cost of sales decreased by 80 million yen, while gross profit, operating profit, ordinary profit and profit before income taxes each decreased by 45 million yen respectively. There is no impact on the opening balance of retained earnings.

According to transitional treatment set in paragraph 89-3 of the Accounting Standard for Revenue Recognition, information about revenue breakdown from contracts with customers in the previous fiscal year is not stated.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the first quarter of the fiscal year under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no impact on the consolidated financial statements.

(Change in method of presentation)

During the previous fiscal year, “Loss on retirement of non-current assets” was included in “Other” under cash flows from operating activities. It is stated independently from the fiscal year under review, as it has become more important. To reflect this change, reclassification is made in the consolidated financial statements in the previous fiscal year.

As a result, (467) million yen under “Other” in cash flows from operating activities in the previous fiscal year, is reclassified to 77 million yen under “Loss on retirement of non-current assets” and (544) million yen under “Other.”

(Segment information)

1. Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available that is evaluated regularly by the Board of Directors to determine allocation of management resources and assess performance. Depending on the type of service to provide, the Company has four reporting segments, Transportation, Warehousing, Packaging and Testing.

The Transportation segment engages in the transportation of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. The Warehousing segment engages in the storage of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. The Packaging segment engages in processing for distribution, delivery agency of automotive parts and others, export packing and other operations. The Testing segment engages in testing finished four-wheeled vehicles and motorcycles, automotive parts, agricultural machinery and others.

2. Methods of calculating amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Methods of accounting procedures for the reportable segments are generally identical to those adopted for the consolidated financial statements. Profits in the reportable segments are operating profits. Transactions between the reportable segments are based on market prices.

3. Information regarding net sales, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Consolidated financial statements amount
	Transportation business	Warehousing business	Packaging business	Testing business	Total				
Net sales									
Sales to external customers	84,553	32,083	40,136	20,463	177,236	5,300	182,536	-	182,536
Intersegment sales or transfers	254	342	512	14	1,123	2,176	3,299	(3,299)	-
Total	84,807	32,426	40,648	20,477	178,359	7,476	185,836	(3,299)	182,536
Segment profit	4,686	7,549	2,365	2,809	17,411	921	18,332	(141)	18,191
Segment assets	99,985	106,183	53,773	17,534	277,476	43,349	320,825	1,314	322,139
Others									
Depreciation (Note 3)	2,986	4,796	1,077	1,130	9,991	639	10,630	-	10,630
Investment in equity method affiliates	1,417	-	174	-	1,592	1,054	2,646	-	2,646
Increase in property, plant and equipment and intangible assets (Note 3)	6,651	10,574	2,182	1,951	21,361	6,983	28,344	-	28,344

- (Notes)
- The "Others" category consists of business that is not included in reportable segments. It includes customs clearance business and automobile repair business, etc.
 - Adjustment of segment profit of (141) million yen is the difference resulting from the elimination of operating and non-operating transactions.
Adjustment of segment assets of 1,314 million yen primarily includes surplus operating assets (time deposits, etc.) and long-term investment assets (investment securities).
 - Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Consolidated financial statements amount
	Transportation business	Warehousing business	Packaging business	Testing business	Total				
Net sales									
Automobiles	24,801	8,689	17,668	21,189	72,348	972	73,321	–	73,321
Automotive parts	21,232	9,509	9,309	556	40,609	1,673	42,282	–	42,282
Housing	15,547	3,030	7,837	–	26,414	156	26,571	–	26,571
Agricultural machinery	4,625	1,520	924	20	7,091	126	7,217	–	7,217
Food and beverages	1,459	2,170	617	–	4,248	55	4,303	–	4,303
Newspapers and publications	4,614	0	0	–	4,615	–	4,615	–	4,615
Others	18,057	9,069	8,005	97	35,229	2,947	38,177	–	38,177
Revenue from contracts with customers	90,338	33,990	44,363	21,863	190,556	5,933	196,490	–	196,490
Other revenue	–	609	–	–	609	1,059	1,669	–	1,669
Sales to external customers	90,338	34,600	44,363	21,863	191,166	6,993	198,159	–	198,159
Intersegment sales or transfers	313	285	403	26	1,028	2,603	3,632	(3,632)	–
Total	90,652	34,886	44,766	21,890	192,195	9,596	201,791	(3,632)	198,159
Segment profit	4,498	8,050	2,354	3,739	18,643	1,035	19,678	(165)	19,512
Segment assets	101,054	115,758	56,432	18,170	291,415	46,905	338,321	1,153	339,475
Others									
Depreciation (Note 3)	2,880	5,412	1,033	1,235	10,561	676	11,237	–	11,237
Investment in equity method affiliates	1,536	–	135	–	1,672	1,049	2,722	–	2,722
Increase in property, plant and equipment and intangible assets (Note 3)	5,154	13,826	2,802	1,477	23,261	5,019	28,280	–	28,280

- (Notes)
- The “Others” category consists of business that is not included in reportable segments. It includes customs clearance business and automobile repair business, etc.
 - Adjustment of segment profit of (165) million yen is the difference resulting from the elimination of operating and non-operating transactions.
Adjustment of segment assets of 1,153 million yen primarily includes surplus operating assets (time deposits, etc.) and long-term investment assets (investment securities).
 - Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.
 - (Matters relating to changes in reportable segments)
As described in “Changes in accounting policies,” the Company has applied the Accounting Standard for Revenue Recognition, etc. from the beginning of the first quarter of the fiscal year under review, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of operating segments.
According to those changes, compared to previous accounting treatment, in Transportation business, sales decreased by 103 million yen and segment profit decreased by 35 million yen. In Packaging business, sales decreased by 19 million yen and segment profit decreased by 9 million yen.
In Others, sales decreased by 3 million yen, and segment profit decreased by 0 million yen.

(Per share information)

	Previous fiscal year (April 1, 2020 to March 31, 2021)		Current fiscal year (April 1, 2021 to March 31, 2022)
Net assets per share	3,160.46 yen	Net assets per share	3,334.70 yen
Earnings per share	221.26 yen	Earnings per share	224.41 yen
Earnings per share after adjustment for the effects of dilutive potential shares	220.51 yen	Earnings per share after adjustment for the effects of dilutive potential shares	223.81 yen

(Note) The basis for calculating earnings per share and earnings per share after adjustment for the effects of dilutive potential shares during the period is as follows.

Items	Previous fiscal year (April 1, 2020 to March 31, 2021)	Current fiscal year (April 1, 2021 to March 31, 2022)
(1) Earnings per share		
Profit attributable to owners of parent (millions of yen)	14,544	14,741
Amount not belonging to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent on common stock (millions of yen)	14,544	14,741
Average common shares during the period (thousand shares)	65,733	65,689
(2) Earnings per share after adjustment for the effects of dilutive potential shares		
Adjustment of profit attributable to owners of parent (million yen)	-	-
Increase in the number of common shares (thousand shares)	222	174
(Subscription rights to shares (thousand shares))	(222)	(174)
Overview of potential shares not included in the calculation of Earnings per share after adjustment for the effects of dilutive potential shares because of having no dilutive effect	-	-

(Subsequent events)

No such events occurred.