

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2023  
(Based on Japanese GAAP)**

May 12, 2023

Company name: NIKKON Holdings Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 9072 URL <https://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, 2023  
 Scheduled date to file Securities Report: June 30, 2023  
 Scheduled date to commence dividend payments: June 8, 2023  
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	212,071	7.0	19,580	0.3	22,108	2.4	15,913	8.0
Year ended March 31, 2022	198,159	8.6	19,512	7.3	21,584	4.9	14,741	1.4

Note: Comprehensive income Year ended March 31, 2023 18,753 million yen [19.4%]  
 Year ended March 31, 2022 15,710 million yen [(20.1)%]

	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, 2023	246.61	246.03	7.1	6.3	9.2
Year ended March 31, 2022	224.41	223.81	6.9	6.5	9.8

Reference: Investment profit (loss) on equity method Year ended March 31, 2023 640 million yen  
 Year ended March 31, 2022 460 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, 2023	360,748	229,399	63.4	3,566.33
As of March 31, 2022	339,475	219,035	64.4	3,334.70

Reference: Equity As of March 31, 2023 228,873 million yen  
 As of March 31, 2022 218,478 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, 2023	32,547	(22,548)	(208)	39,460
Year ended March 31, 2022	28,985	(31,567)	759	29,157

## 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, 2022	–	34.00	–	35.00	69.00	4,531	30.7	2.1
Year ended March 31, 2023	–	48.00	–	51.00	99.00	6,363	40.1	2.9
Year ending March 31, 2024 (Forecast)	–	50.00	–	50.00	100.00		40.1	

## 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	110,000	6.0	10,500	18.0	11,200	8.7	7,600	8.4	118.42
Full year	230,000	8.5	22,000	12.4	23,500	6.2	16,000	0.5	249.31

## 4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(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, 2023	65,739,892 shares	As of March 31, 2022	68,239,892 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	1,563,591 shares	As of March 31, 2022	2,723,278 shares
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Average number of shares during the period

Year ended March 31, 2023	64,527,241 shares	Year ended March 31, 2022	65,689,004 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, 2023).

Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	10,053	2.9	8,126	0.3	8,852	0.1	8,378	(0.6)
Year ended March 31, 2022	9,767	(19.9)	8,101	(23.6)	8,843	(18.6)	8,425	(21.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2023	129.84	129.53
Year ended March 31, 2022	128.26	127.92

(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, 2023	231,160	124,413	53.7	1,935.33
As of March 31, 2022	214,252	123,712	57.6	1,884.78

Reference: Equity      As of March 31, 2023      124,202 million yen  
                                  As of March 31, 2022      123,484 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

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.

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## 1. Overview of operating results and others

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

During the fiscal year ended March 31, 2023, although economic activities in Japan continued returning to normal following the relaxation of the restrictions on movement required due to the COVID-19 pandemic, the economic outlook remained unclear due to resources and energy price rises resulting from the continuation of the situation in Ukraine as well as severe foreign exchange fluctuations.

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

Under these circumstances, the Group's consolidated sales for the fiscal year ended March 31, 2023 were 212,071 million yen, up 7.0% from the previous fiscal year, mainly due to a recovery in business volume.

Operating profit was 19,580 million yen, up 0.3% from the previous fiscal year, despite an increase in various costs.

Ordinary profit was 22,108 million yen, up 2.4% from the previous fiscal year.

Profit attributable to owners of parent was 15,913 million yen, up 8.0% from the previous fiscal year.

Business results by segment are as follows.

Transportation business

Sales were 96,744 million yen, up 7.1% from the previous fiscal year, due mainly to a recovery in the volume of cargo handled. Operating profit was 5,062 million yen, up 12.5% from the previous fiscal year due mainly to the effect of higher sales, despite rising fuel prices.

Warehousing business

Sales were 37,729 million yen, up 9.0% 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 8,422 million yen, up 4.6% from the previous fiscal year, mainly due to the effect of higher sales.

Packaging business

Sales were 49,591 million yen, up 11.8% from the previous fiscal year, mainly due to a recovery in business volume. Operating profit was 3,008 million yen, up 27.8%, mainly due to the effect of higher sales.

Testing business

Sales were 20,942 million yen, down 4.2% from the previous fiscal year, due to the suspensions and delays in the testing business. Operating profit was 2,223 million yen, down 40.5%, mainly due to the effects of higher personnel expenses and outsourcing expenses.

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

(Assets)

Current assets at the end of the fiscal year under review totaled 83,026 million yen, an increase of 8,371 million yen from the end of the previous fiscal year. This increase was mainly the result of an increase of 9,994 million yen in cash and deposits partially offset by a 1,702 million yen decrease in notes and accounts receivable - trade. Non-current assets totaled 277,721 million yen, an increase of 12,901 million yen from the end of the previous fiscal year. The increase mainly came from an increase of 10,343 million yen in property, plant and equipment due to the purchase of warehouses and other assets (in Kitakami City, Iwate Prefecture; Iwanuma City, Miyagi Prefecture; Oura Town, Gunma Prefecture; Atsugi City, Kanagawa Prefecture; Hino Town, Shiga Prefecture; Suzuka City, Mie Prefecture; and Shime Town, Fukuoka Prefecture), and business sites (Kanegasaki Town, Iwate Prefecture; Sendai City, Miyagi Prefecture; Haga Town, Tochigi Prefecture; Koga City, Ibaraki Prefecture; Atsugi City, Kanagawa Prefecture; and Shime Town, Fukuoka Prefecture). As a result, total assets were 360,748 million yen, an increase of 21,273 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year under review totaled 58,358 million yen, an increase of 13,991 million yen from the end of the previous fiscal year. This increase mainly came from an increase of 11,328 million yen in short-term borrowings due to transfers from long-term borrowings and an increase of 821 million yen in income taxes payable. Non-current liabilities totaled 72,990 million yen, a decrease of 3,082 million yen from the end of the previous fiscal year. The decrease occurred mainly because, although the Company borrowed 10,000 million yen in new loans, long-term borrowings decreased by 3,151 million yen due to transfers to short-term borrowings.

As a result, total liabilities were 131,349 million yen, an increase of 10,909 million yen from the end of the previous fiscal year.

(Net assets)

Net assets at the end of the fiscal year under review totaled 229,399 million yen, an increase of 10,363 million yen from the end of the previous fiscal year. This was mainly due to an increase of 4,533 million yen in retained earnings, and an increase of 1,683 million yen in foreign currency translation adjustment and a decrease of 3,012 million yen in treasury shares.

As a result, the equity ratio at the end of the period under review was 63.4% (64.4% at the end of the previous fiscal year).

### (3) Overview of cash flows for the year under review

Cash and cash equivalents (hereafter referred to as “cash”) at the end of the fiscal year under review were 39,460 million yen, an increase of 10,302 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 provided by operating activities was 32,547 million yen, an increase of 3,562 million yen from the previous fiscal year. Major factors having a positive impact on cash flow from operating activities included an increase of 2,657 million yen from a decrease (increase) in trade receivables, an increase of 1,139 million yen in profit before income taxes, an increase of 1,069 million yen in depreciation, a decrease in gain on cancellation of leases of 3,285 million yen, and a decrease in income taxes paid of 1,057 million yen. Major factors having a negative impact on cash flow from operating activities were respective decreases in a loss on retirement of non-current assets of 3,261 million yen and an increase (decrease) in trade payables of 2,231 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 22,548 million yen, a decrease of 9,018 million yen from the previous fiscal year. This decrease mainly came from a decrease of 10,008 million yen in the purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash outflow from financing activities totaled 208 million yen, a decrease of 967 million yen from the previous fiscal year. Major factors contributing to the decrease were a decrease of 10,000 million yen in proceeds from issuance of bonds and respective increases in cash outflow of 2,427 million yen for the purchase of treasury shares and 909 million yen in payment of dividends. Major factors partially offsetting the net decrease were an increase of 10,000 million yen in proceeds from long-term borrowings, and a decrease in repayments of long-term borrowings of 2,020 million yen.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity ratio (%)	64.8	64.5	64.4	63.4
Market value equity ratio (%)	46.8	45.4	39.5	44.0
Interest-bearing debt to cash flow ratio (%)	205.5	256.5	226.5	227.2
Interest coverage ratio (times)	136.7	112.9	138.4	145.7

\* Equity ratio: Equity / Total assets

Market value equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / 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

The Company expects that while economic activities are returning to normal following the coronavirus pandemic, increases in various costs including energy costs and the application of restrictions on overtime working hours from April 2024 will result in a continued difficult environment for the Group.

Under these circumstances, the Group launched “The 13th Medium-term Business Plan” for the three years commencing on April 1, 2023. For the first year of the above Plan, the year ending March 31, 2024, the Company forecasts the following performance, on a consolidated basis: net sales at 230,000 million yen, operating profit at 22,000 million yen, ordinary profit at 23,500 million yen, and profit attributable to owners of parent at 16,000 million yen.

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’s basic policy for dividend payments is to aim for a consolidated payout ratio of 40%. For the fiscal year ended March 31, 2023, the Company plans to pay term-end dividends of ¥51 per share and annual dividends of ¥99 per share, including interim dividend.

## **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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	30,227	40,221
Notes and accounts receivable - trade	35,110	33,408
Electronically recorded monetary claims - operating	3,545	3,647
Securities	456	265
Raw materials and supplies	531	562
Other	4,797	4,935
Allowance for doubtful accounts	(12)	(14)
Total current assets	74,655	83,026
Non-current assets		
Property, plant and equipment		
Buildings and structures	215,176	229,447
Accumulated depreciation	(111,952)	(119,126)
Buildings and structures, net	103,224	110,320
Machinery, equipment and vehicles	54,924	56,125
Accumulated depreciation	(46,099)	(48,579)
Machinery, equipment and vehicles, net	8,825	7,545
Tools, furniture and fixtures	9,353	10,311
Accumulated depreciation	(8,030)	(8,539)
Tools, furniture and fixtures, net	1,323	1,771
Land	110,792	116,849
Leased assets	541	389
Accumulated depreciation	(361)	(243)
Leased assets, net	180	146
Construction in progress	7,981	6,037
Total property, plant and equipment	232,328	242,671
Intangible assets	2,173	2,368
Investments and other assets		
Investment securities	20,911	22,248
Long-term loans receivable	559	388
Deferred tax assets	3,485	3,603
Other	5,390	6,469
Allowance for doubtful accounts	(29)	(28)
Total investments and other assets	30,317	32,681
Total non-current assets	264,819	277,721
Total assets	339,475	360,748



(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,537	11,240
Electronically recorded obligations - operating	6,200	6,682
Short-term borrowings	1,823	13,151
Lease liabilities	85	60
Income taxes payable	3,645	4,467
Provision for bonuses	3,977	3,930
Provision for bonuses for directors (and other officers)	196	213
Notes payable - facilities	489	99
Electronically recorded obligations - non-operating	3,929	4,299
Other	12,482	14,215
Total current liabilities	44,367	58,358
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	13,210	10,059
Lease liabilities	88	81
Deferred tax liabilities	5,138	5,481
Retirement benefit liability	5,696	5,399
Provision for retirement benefits for directors (and other officers)	435	454
Other provisions	–	13
Other	1,502	1,501
Total non-current liabilities	76,072	72,990
Total liabilities	120,440	131,349
<b>Net assets</b>		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	190,340	194,873
Treasury shares	(6,609)	(3,596)
Total shareholders' equity	207,380	214,926
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,621	10,423
Foreign currency translation adjustment	1,807	3,490
Remeasurements of defined benefit plans	(330)	32
Total accumulated other comprehensive income	11,098	13,947
Share acquisition rights	227	210
Non-controlling interests	328	314
Total net assets	219,035	229,399
Total liabilities and net assets	339,475	360,748

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales		
Transportation income	90,338	96,744
Warehouse income	34,600	37,729
Packaging income	44,363	49,591
Other revenue	28,856	28,005
Total net sales	198,159	212,071
Cost of sales		
Transportation cost	81,220	86,394
Warehouse cost	24,727	27,340
Packaging cost	39,490	43,693
Other costs	23,226	24,073
Total cost of sales	168,665	181,502
Gross profit	29,493	30,569
Selling, general and administrative expenses		
Personnel expenses	6,038	6,386
Provision for bonuses	395	393
Provision for bonuses for directors (and other officers)	192	213
Retirement benefit expenses	106	134
Provision for retirement benefits for directors (and other officers)	96	80
Depreciation	527	551
Taxes and dues	1,325	1,462
Travel and transportation expenses	208	274
Provision of allowance for doubtful accounts	(1)	1
Other	1,882	2,311
Total selling, general and administrative expenses	9,980	10,988
Operating profit	19,512	19,580
Non-operating income		
Interest income	68	113
Dividend income	613	692
Rental income	75	74
Share of profit of entities accounted for using equity method	460	640
Foreign exchange gains	532	333
Subsidy income	130	321
Compensation income	17	219
Miscellaneous income	494	456
Total non-operating income	2,392	2,853
Non-operating expenses		
Interest expenses	210	229
Bond issuance costs	50	—
Miscellaneous expenses	59	95
Total non-operating expenses	320	325
Ordinary profit	21,584	22,108

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Extraordinary income		
Gain on sale of non-current assets	114	95
Gain on sale of investment securities	3	1
Compensation for expropriation	17	860
Gain on cancellation of leases	3,285	–
Total extraordinary income	3,421	957
Extraordinary losses		
Loss on sale of non-current assets	20	17
Loss on retirement of non-current assets	3,339	272
Loss on valuation of investment securities	4	–
Loss on sale of investment securities	4	–
Total extraordinary losses	3,368	289
Profit before income taxes	21,637	22,776
Income taxes - current	6,850	7,184
Income taxes - deferred	34	(303)
Total income taxes	6,884	6,881
Profit	14,752	15,895
Profit (loss) attributable to non-controlling interests	11	(17)
Profit attributable to owners of parent	14,741	15,913

**(Consolidated statements of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	14,752	15,895
Other comprehensive income		
Valuation difference on available-for-sale securities	(674)	802
Foreign currency translation adjustment	1,894	1,663
Remeasurements of defined benefit plans, net of tax	(376)	363
Share of other comprehensive income of entities accounted for using equity method	114	29
Total other comprehensive income	958	2,857
Comprehensive income	15,710	18,753
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,685	18,762
Comprehensive income attributable to non-controlling interests	25	(8)

### (3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,316	12,332	180,131	(6,187)	197,593
Changes 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 in items other than shareholders' equity					-
Total changes during period	-	-	10,209	(422)	9,786
Balance at end of 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 period	10,295	(187)	46	10,154	320	222	208,290
Changes 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 in items other than shareholders' equity	(674)	1,995	(376)	943	(92)	106	957
Total changes during period	(674)	1,995	(376)	943	(92)	106	10,744
Balance at end of period	9,621	1,807	(330)	11,098	227	328	219,035

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,316	12,332	190,340	(6,609)	207,380
Changes during period					
Dividends of surplus			(5,382)		(5,382)
Profit attributable to owners of parent			15,913		15,913
Purchase of treasury shares				(3,001)	(3,001)
Disposal of treasury shares			(10)	27	17
Cancellation of treasury shares			(5,986)	5,986	–
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	4,533	3,012	7,546
Balance at end of period	11,316	12,332	194,873	(3,596)	214,926

	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 period	9,621	1,807	(330)	11,098	227	328	219,035
Changes during period							
Dividends of surplus							(5,382)
Profit attributable to owners of parent							15,913
Purchase of treasury shares							(3,001)
Disposal of treasury shares							17
Cancellation of treasury shares							–
Net changes in items other than shareholders' equity	802	1,683	363	2,848	(17)	(14)	2,817
Total changes during period	802	1,683	363	2,848	(17)	(14)	10,363
Balance at end of period	10,423	3,490	32	13,947	210	314	229,399

**(4) Consolidated statements of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	21,637	22,776
Depreciation	11,237	12,307
Increase (decrease) in provision for bonuses	164	(59)
Increase (decrease) in provision for bonuses for directors (and other officers)	9	16
Increase (decrease) in allowance for doubtful accounts	(47)	1
Increase (decrease) in retirement benefit liability	104	101
Increase (decrease) in provision for retirement benefits for directors (and other officers)	39	18
Interest and dividend income	(681)	(806)
Interest expenses	210	229
Share of loss (profit) of entities accounted for using equity method	(460)	(640)
Loss (gain) on sale of non-current assets	(96)	(78)
Loss on retirement of non-current assets	3,273	12
Gain on cancellation of leases	(3,285)	–
Loss (gain) on sale of investment securities	0	(1)
Decrease (increase) in trade receivables	(718)	1,939
Decrease (increase) in other assets	814	1,291
Increase (decrease) in trade payables	2,416	185
Increase (decrease) in other liabilities	985	685
Other, net	(186)	196
Subtotal	35,419	38,176
Interest and dividends received	1,176	938
Interest paid	(209)	(223)
Income taxes paid	(7,401)	(6,344)
Net cash provided by (used in) operating activities	28,985	32,547
Cash flows from investing activities		
Payments into time deposits	(1,081)	(1,362)
Proceeds from withdrawal of time deposits	1,162	1,718
Purchase of securities	(225)	(286)
Proceeds from sale and redemption of securities	1,066	510
Purchase of property, plant and equipment	(32,240)	(22,232)
Proceeds from sale of property, plant and equipment	160	244
Purchase of intangible assets	(382)	(514)
Purchase of investment securities	(140)	(30)
Proceeds from sale of investment securities	95	9
Loan advances	(125)	(8)
Proceeds from collection of loans receivable	220	211
Payments for investments in capital of subsidiaries and associates	–	(495)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(263)	–
Other, net	187	(312)
Net cash provided by (used in) investing activities	(31,567)	(22,548)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from long-term borrowings	–	10,000
Repayments of long-term borrowings	(3,843)	(1,823)
Purchase of treasury shares	(573)	(3,001)
Proceeds from sale of treasury shares	0	0
Proceeds from issuance of bonds	10,000	–
Dividends paid	(4,472)	(5,382)
Dividends paid to non-controlling interests	(6)	(5)
Other, net	(344)	4
Net cash provided by (used in) financing activities	759	(208)
Effect of exchange rate change on cash and cash equivalents	613	511
Net increase (decrease) in cash and cash equivalents	(1,208)	10,302
Cash and cash equivalents at beginning of period	30,366	29,157
Cash and cash equivalents at end of period	29,157	39,460



**(5) Notes on consolidated financial statements**

(Notes on going concern assumption)

No such events occurred.

(Change in method of presentation)

Note that the “non-operating income” item listed as “compensation income” during the previous fiscal year has been reclassified as “compensation for expropriation” for the fiscal year under review, so as to clearly reflect the nature of this item. To reflect this change, reclassification is made in the consolidated financial statements in the previous fiscal year.

Therefore, while the consolidated statements of income for the previous fiscal year included 17 million yen for the non-operating income item “compensation income,” this 17 million yen is now listed as “compensation for expropriation.”

(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 evaluated regularly by the Board of Directors to determine allocation of management resources and assess performance.

The Company divides the services it provides into four reporting segments according to service type: 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, the delivery of automotive parts and other goods on behalf of other parties, export packing and other operations. The Testing segment engages in testing finished four-wheeled vehicles and motorcycles, automotive parts, agricultural machinery and other goods.

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

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, 2022

Fiscal year ended March 31, 2022

(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									
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 items									
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)
1. The “Others” category consists of businesses that are not included in reportable segments. It includes the customs clearance business and automobile repair business, etc.
  2. Adjustment of segment profit of (165) million yen is the difference resulting from the elimination of operating and nonoperating 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).
  3. 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.

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Amount listed in consolidated financial statements
	Transportation business	Warehousing business	Packaging business	Testing business	Total				
Net sales									
Automobiles	26,891	9,387	21,216	20,171	77,666	608	78,275	–	78,275
Automotive parts	22,513	9,925	9,814	495	42,748	2,012	44,761	–	44,761
Housing	15,920	3,450	8,126	–	27,497	212	27,710	–	27,710
Agricultural machinery	4,690	1,611	938	35	7,275	106	7,382	–	7,382
Food and beverages	1,760	2,336	740	–	4,838	61	4,899	–	4,899
Newspapers and publications	4,659	0	0	–	4,660	–	4,660	–	4,660
Others	20,308	10,408	8,755	240	39,711	2,914	42,625	–	42,625
Revenue from contracts with customers	96,744	37,121	49,591	20,942	204,399	5,915	210,314	–	210,314
Other revenue	–	608	–	–	608	1,147	1,756	–	1,756
Sales to external customers	96,744	37,729	49,591	20,942	205,007	7,063	212,071	–	212,071
Intersegment sales or transfers	426	287	302	19	1,035	3,230	4,265	(4,265)	–
Total	97,170	38,017	49,893	20,961	206,043	10,293	216,337	(4,265)	212,071
Segment profit	5,062	8,422	3,008	2,223	18,717	1,103	19,820	(239)	19,580
Segment assets	105,863	125,429	61,084	17,626	310,003	49,899	359,903	845	360,748
Others items									
Depreciation (Note 3)	2,883	6,346	1,178	1,200	11,608	698	12,307	–	12,307
Investment in equity method affiliates	2,512	–	162	–	2,674	1,099	3,773	–	3,773
Increase in property, plant and equipment and intangible assets (Note 3)	4,106	12,389	1,884	773	19,153	3,072	22,226	–	22,226

- (Notes) 1. The “Others” category consists of businesses that are not included in reportable segments. It includes the customs clearance business and automobile repair business, etc.
2. Adjustment of segment profit of (239) million yen is the difference resulting from the elimination of operating and nonoperating transactions.  
Adjustment of segment assets of 845 million yen primarily includes surplus operating assets (time deposits, etc.) and long-term investment assets (investment securities).
3. 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.

(Per share information)

Previous fiscal year (April 1, 2021 to March 31, 2022)		Current fiscal year (April 1, 2022 to March 31, 2023)	
Net assets per share	3,334.70 yen	Net assets per share	3,566.33 yen
Earnings per share	224.41 yen	Earnings per share	246.61 yen
Earnings per share after adjustment for the effects of dilutive potential shares	223.81 yen	Earnings per share after adjustment for the effects of dilutive potential shares	246.03 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, 2021 to March 31, 2022)	Current fiscal year (April 1, 2022 to March 31, 2023)
(1) Earnings per share		
Profit attributable to owners of parent (millions of yen)	14,741	15,913
Amount not belonging to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent on common stock (millions of yen)	14,741	15,913
Average common shares during the period (thousand shares)	65,689	64,527
(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)	174	153
(Subscription rights to shares (thousand shares))	(174)	(153)
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.