

# Summary of Business Results for the Year Ended December 31, 2023 [Japan GAAP] (Consolidated)

February 14, 2024

Company	<b>SBS Holdings, Inc.</b>	Listed on the TSE
Stock Code	2384	URL: <a href="http://www.sbs-group.co.jp/">http://www.sbs-group.co.jp/</a>
Representative	Masahiko Kamata, President and Representative Director	
Contact	Kozo Miura, General Manager of Finance Division	T E L: +81-3-6772-8200
Expected date of annual shareholders' meeting	: March 27, 2024	
Expected starting date of dividend payment	: March 11, 2024	
Expected date of filing of annual securities report	: March 27, 2024	
Preparation of supplementary financial document	: Yes	
Results briefing	: Yes (for institutional investors and analysts)	

(Rounded down to million yen)

## 1. Consolidated business results for the fiscal year ended December 2023 (January 1, 2023 through December 31, 2023)

### (1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2023	431,911	△5.2	19,719	△9.7	19,747	△7.7	10,056	△14.3
Year ended Dec. 2022	455,481	12.9	21,844	5.5	21,404	4.5	11,732	8.7

(Note) Comprehensive income:

Year ended December 2023:	13,439 million yen (△5.3%)
Year ended December 2022:	14,189 million yen (1.8%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Year ended Dec. 2023	253.20	-	13.4	6.6	4.6
Year ended Dec. 2022	295.39	-	17.9	7.5	4.8

(Reference) Investment earnings/loss on equity-method:

Year ended December 2023:	719 million yen
Year ended December 2022:	639 million yen

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per Share
	Million yen	Million yen	%	Yen
As of Dec. 2023	301,317	102,592	26.4	2,003.63
As of Dec. 2022	296,898	92,172	23.7	1,772.04

(Reference) Shareholders' equity:

As of December 2023:	79,578 million yen
As of December 2022:	70,381 million yen

### (3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Year ended Dec. 2023	14,113	-10,184	-7,647	29,660
Year ended Dec. 2022	22,407	-15,895	489	32,668

## 2. Dividends

	Annual dividend					Total dividend (Total)	Dividend payout ratio (Consolidated)	Rate of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended Dec. 2022	-	0.00	-	61.00	61.00	2,422	20.7	3.7
Year ended Dec. 2023	-	0.00	-	65.00	65.00	2,581	25.7	3.4
Year ending Dec. 2024 (forecast)	-	0.00	-	70.00	70.00		26.5	

### 3. Forecast of consolidated business results for the fiscal year ending December 2024

(January 1, 2024 through December 31, 2024)

(% change from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
For the six months ending Jun. 2024	226,000	1.5	11,500	△19.3	11,200	△21.9	6,400	△21.8	161.14
Year ending Dec. 2024	450,000	4.2	21,000	6.5	20,500	3.8	10,500	4.4	264.37

#### \*Notes

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

(2) Changes in accounting policies, accounting estimates and restatement

- ① Changes in accounting policies associated with revision of accounting standards : None
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Restatement : None

(3) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

As of December 2023 39,718,200 shares

As of December 2022 39,718,200 shares

② Treasury stock at the end of period:

As of December 2023 789 shares

As of December 2022 728 shares

③ Average number of stock during period (cumulative period)

Year ended December 2023 39,717,429 shares

Year ended December 2022 39,717,505 shares

(Reference) Summary of non-consolidated business results

#### 1. Non-consolidated business results for the fiscal year ended December 2023

(January 1, 2023 through December 31, 2023)

(1) Non-consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Dec. 2023	17,838	13.1	10,537	13.6	9,811	13.5	9,830	23.5
Year ended Dec. 2022	15,766	74.5	9,274	193.3	8,647	257.4	7,962	183.1

	Net income per share	Diluted net income per share
	Yen	Yen
Year ended Dec. 2023	247.52	-
Year ended Dec. 2022	200.47	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per Share
	Million yen	Million yen	%	Yen
As of Dec. 2023	135,567	30,885	22.8	777.62
As of Dec. 2022	132,301	23,419	17.7	589.66

(Reference) Shareholders' equity:

As of December 2023: 30,885 million yen

As of December 2022: 23,419 million yen

**\*Financial summary is not subject to the review procedures by certified public accountants or auditing firms.**

**\*Explanation regarding appropriate use of business forecasts and other special instructions**

1. Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. The company does not make promises about the achievements. Actual results may differ significantly from the forecasts due to various factors.
2. The company plans to hold results briefing for institutional investors and analysts on February 14, 2024 (Wednesday). After the results briefing, the company will promptly post the presentation materials on the company website.

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## 1. Summary of Operating Results

### (1) Summary of Operating Results for the Current Fiscal Year

During the current fiscal year (January 1, 2023 to December 31, 2023), while restricted movement on COVID-19 eased and economic activities normalized, the economic outlook remained uncertain due to soaring utility costs and rising prices of resources and daily necessities.

The logistics industry has also been struggling due to falling freight rates for marine containers, the semiconductor shortage, price hikes caused by the yen's depreciation, and the resulting refraining from purchasing. Against this backdrop, the Group has worked to acquire 3PL, 4PL businesses in our mainstay Logistics business and proactively respond to growing e-commerce logistics demand by, for example, developing a one-stop EC Platform service called "EC Logistics Omakase Kun." As such, the entire group has demonstrated its sales capabilities and proactively responded to the situation.

In the current fiscal year results, sales decreased 23,569 million yen (-5.2%) year on year to 431,911 million yen, operating income decreased 2,124 million yen (-9.7%) year on year to 19,719 million yen, ordinary income decreased 1,656 million yen (-7.7%) year on year to 19,747 million yen, and net income attributable to owners of parent decreased 1,675 million yen (-14.3%) year on year to 10,056 million yen, as the decline in logistics volume and increased costs, which is due to the factors mentioned above, hindered growth in our revenues.

#### Summary of Segments

##### (Logistics business)

In the mainstay Logistics business, in addition to expanding business with existing customers, we focused on acquiring new customers that seek high logistics functions, capturing demand for e-commerce logistics services, etc. However, due to factors such as a decline in freight rates and a decrease in the volume of goods in overseas business in inter-company logistics and consumer electronics and semiconductors, net sales in the Logistics business in the current fiscal year decreased by 24,610 million yen (-5.7%) year on year to 408,684 million yen and operating income decreased by 3,922 million yen (-25.4%) year on year to 11,501 million yen.

##### (Property Management business)

The Property Management business consists of the Development and Leasing businesses. In the Development business, to promote the Group's 3PL and 4PL businesses, we are comprehensively developing large-scale warehouses that meet customers' logistics requirements, from land acquisitions to construction. In the Leasing business, rental revenues are derived from warehouses, office buildings, residential properties, and other properties owned by the Group. We have liquidated our real estate properties and recovered funds for future investments. The revenues recorded as a result of the liquidation are included in the Property Management business.

In the current fiscal year, net sales in the Property Management business increased by 475 million yen (+3.5%) year on year to 13,899 million yen, and operating income increased by 1,679 million yen (+26.7%) year on year to 7,962 million yen. This was mainly due to the partial transfer of trust beneficiary rights of Yokohama Kanazawa Logistics Center (Yokohama City) and the transfer of Higashi Ogijima Warehouse (Kawasaki City, Kanagawa) in the first quarter of the current fiscal year.

##### (Other business)

The main operation of the Other business is the Temporary Staffing business, the Marketing business, the Solar Power Generation business, and the Environmental business. In the current fiscal year, net sales in the Other business increased by 566 million yen (+6.5%) year on year to 9,328 million yen, and operating income decreased by 42 million yen (-10.7%) year on year to 359 million yen.

### (2) Summary of Financial Results for the Current Fiscal Year

Total assets at the end of the current fiscal year amounted to 301,317 million yen, an increase of 4,419 million yen from the end of the previous fiscal year. This was mainly due to an increase in current assets such as inventories etc.

Liabilities were 198,724 million yen, an decrease of 6,001 million yen from the end of the previous fiscal year. This was mainly due to decreases in accounts payable-trade and short-term borrowing etc.

Net assets increased by 10,420 million yen to 102,592 million yen. This was mainly due to an increase in retained earnings due to the recording of profit attributable to owners of parent.

### (3) Summary of Cash Flow in the Current Fiscal Year

At the end of the fiscal year under review, cash and cash equivalents ("cash") decreased by 3,007 million yen to 29,660 million yen. Major breakdown in each cash flow are as follows:

#### (Cash flows from operating activities)

Net cash provided by operating activities was 14,113 million yen. Income decreased by 8,294 million yen compared to 22,407 million yen in the previous fiscal year, mainly due to decreased income.

(Cash flows from investing activities)

Net cash used in investing activities was 10,184 million yen. Expenditures decreased by 5,711 million yen, mainly due to a decrease in acquisition of property, plant and equipment, compared with expenditures of 15,895 million yen in the previous fiscal year.

(Cash Flows from Financing Activities)

Net cash used in financing activities was 7,647 million yen. Expenditures increased by 8,137 million yen, mainly due to repayments of short-term borrowings, compared with 489 million yen in the previous fiscal year.

#### (4) Future Outlook

In the mainstay Logistics business, we are forced to assume the possibility of continued declines in marine container freight rates and the volume of household electrical appliances, semiconductors, and other products handled. In this environment, we have further refined our sales capabilities by creating synergies among Group companies, and are actively responding to such needs as capturing the strong demand for network sales.

In February 2024, we completed the construction of the Noda Seto Distribution Center (Noda City, Chiba), which is the largest of our group's distribution facilities. In addition, we plan to begin construction of a new distribution center in Tomisato City, Chiba Prefecture, during the same year.

At the Noda Seto Distribution Center, we have set up a dedicated e-commerce logistics area with approximately 10,000 tsubo (33,000 m<sup>2</sup>), which is one floor of the four floors, and we have fully introduced LT (Logistics Technology), which has repeated demonstration tests at LT Lab, an advanced robotics solution verification facility (Koshigaya, Saitama).

As a result, we have established a system that can respond to customers' needs for e-commerce logistics at high quality and low cost. In the medium term, we intend to make e-commerce logistics the second pillar of our business after 3PL with a view to achieving sales of more than 100 billion yen in the same field.

The forecasts for the fiscal year ending December 2024 are based on the forecast of consolidated business results for the fiscal year ending December 2024 in the summary, taking into account the above situation. In order to achieve these forecasts, the entire Group will work together to promote business activities and growth strategies. In particular, we will promote the various measures outlined in "SBS Next Stage 2025," which is our medium-term management plan up to fiscal 2025.

## 2. Basic Policies regarding the Selection of Accounting Standards

Our Group prepares the consolidated financial statements based on the Japanese standard, while taking into consideration the comparability of various financial statement terms as well as those of various companies.

Our policy is to consider the application of International Financial Reporting Standards (IFRS) in an appropriate manner, taking into account various domestic and international circumstances.

### 3. Quarterly Consolidated Financial Statements and Major Notes

#### (1) Consolidated Balance Sheet

(Million yen)

	Previous fiscal year (December 31, 2022)	Current fiscal year (December 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	32,673	29,668
Notes and accounts receivable - trade, and contract assets	67,075	63,334
Lease receivables and investment assets	1,130	932
Inventories	31,207	38,056
Other	14,021	18,513
Allowance for doubtful accounts	-84	-130
Total current assets	146,023	150,375
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	69,581	71,741
Accumulated depreciation and impairment loss	-49,199	-51,783
Buildings and structures, net	20,381	19,958
Machinery, equipment and vehicles	34,623	37,090
Accumulated depreciation and impairment loss	-22,699	-24,416
Machinery, equipment and vehicles, net	11,924	12,674
Land	53,264	52,310
Leased asset	9,792	10,235
Accumulated depreciation and impairment loss	-6,166	-6,157
Leased assets, net	3,626	4,077
Construction in progress	1,575	1,382
Other	9,281	9,887
Accumulated depreciation and impairment loss	-7,020	-7,409
Other, net	2,261	2,478
Total property, plant and equipment	93,034	92,881
Intangible fixed assets		
Goodwill	8,392	7,658
Custom-related assets	20,141	19,379
Other	5,821	5,927
Total intangible fixed assets	34,355	32,965
Investments and other assets		
Investment securities	11,952	13,310
Guarantee deposits	9,659	10,147
Other	1,934	1,771
Allowance for doubtful accounts	-62	-134
Total investments and other assets	23,484	25,095
Total fixed assets	150,874	150,942
Total assets	296,898	301,317

(Million yen)

	Previous fiscal year (December 31, 2022)	Current fiscal year (December 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	35,823	28,226
Electronically recorded obligations	6,512	6,254
Current portion of bonds	10	10
Short-term borrowings	28,395	23,339
Current portion of long-term loans payable	15,230	12,141
Accounts payable	7,891	7,408
Accrued expenses	7,207	7,976
Lease obligation	1,535	1,808
Income taxes payable	1,859	5,449
Accrued consumption taxes	3,046	3,263
Provision for bonuses	2,969	2,494
Other	4,149	4,883
Total current liabilities	114,632	103,257
Noncurrent liabilities		
Bonds payable	120	110
Long-term loan payable	56,079	61,338
Long-term guarantee deposits	2,235	4,633
Lease obligation	2,725	2,847
Retirement benefit liability	11,563	10,093
Deferred tax liabilities	12,625	11,746
Asset retirement obligations	2,943	2,932
Other	1,801	1,765
Total noncurrent liabilities	90,093	95,467
Total liabilities	204,726	198,724
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,920	3,920
Capital surplus	2,651	2,651
Retained earnings	62,787	70,420
Treasury stock	-0	-1
Total shareholders' equity	69,358	76,991
Other accumulated comprehensive income		
Valuation difference on securities	399	795
Foreign currency translation adjustment	799	1,200
Remeasurements of defined benefit plans	-176	590
Total other accumulated comprehensive income	1,022	2,587
Non-controlling shareholders' equity	21,791	23,013
Total net assets	92,172	102,592
Total liabilities and net assets	296,898	301,317



## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

(Million yen)

	Previous fiscal year (January 1, 2022 - December 31, 2022)	Current fiscal year (January 1, 2023 - December 31, 2023)
Net sales	455,481	431,911
Cost of sales	404,945	381,770
Gross profit	50,536	50,141
Selling, general and administrative expenses	28,692	30,422
Operating income	21,844	19,719
Non-operating income		
Interest income	36	53
Dividends income	79	106
Foreign exchange gains	159	253
Equity in income of affiliates	639	719
Other	452	408
Total non-operating income	1,368	1,542
Non-operating expenses		
Interest expenses	928	870
Loss on investments in investment partnerships	9	161
System transition-related expenses	433	-
Other	436	481
Total non-operating expenses	1,808	1,513
Ordinary income	21,404	19,747
Extraordinary income		
Income on sales of fixed assets	2,286	298
Insurance proceeds from disaster	4,579	-
Gain on sale of investment securities	3	74
Other	70	13
Total extraordinary income	6,940	386
Extraordinary loss		
Loss on sales of fixed assets	10	19
Loss on retirement of fixed assets	275	94
Impairment loss	902	1,355
Loss on fire	4,578	-
Loss on valuation of shares of subsidiaries and associates	744	-
Other	95	167
Total extraordinary loss	6,606	1,636
Income before income taxes	21,737	18,497
Income taxes	7,423	8,758
Income taxes-deferred	66	-1,494
Total income tax	7,490	7,264
Net income	14,247	11,233
Net income attributable to owners of non-controlling shareholders	2,515	1,177
Net income attributable to owners of parent	11,732	10,056

Consolidated Statements of Comprehensive Income

(Million yen)

	Previous fiscal year (January 1, 2022 - December 31, 2022)	Current fiscal year (January 1, 2023 - December 31, 2023)
Net income	14,247	11,233
Other comprehensive income		
Valuation difference on securities	-220	444
Foreign currency translation adjustment	737	599
Adjustments for retirement benefits	-640	1,104
Share of other comprehensive income of companies accounted for by the equity-method	65	56
Total other comprehensive income	-57	2,205
Comprehensive income	14,189	13,439
Breakdown		
Comprehensive income attributable to owners of parent	11,776	11,620
Comprehensive income attributable to owners of non- controlling interests	2,413	1,818

### (3) Consolidated Statements of Changes in Shareholders' Equity

Current fiscal year (January 1, 2022-December 31, 2022)

(Million yen)

	Shareholders' equity Capital stock				
	Capital stock	Capital stock	Capital stock	Capital stock	Capital stock
Balance at beginning of period	3,920	2,651	53,122	-0	59,693
Changes during period					
Dividends of surplus			-2,184		-2,184
Net income attributable to owners of parent			11,732		11,732
Purchase of treasury shares				-0	-0
Change in scope of consolidation			165		165
Changes due to merger with unconsolidated subsidiaries			-48		-48
Net changes in items other than shareholders' equity					
Total changes during period	-	-	9,665	-0	9,664
Balance at end of period	3,920	2,651	62,787	-0	69,358

	Other accumulated comprehensive income				Non-controlling shareholders' equity	Total net assets
	Valuation difference on securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total other accumulated comprehensive income		
Balance at beginning of period	546	256	175	978	20,035	80,707
Changes during period						
Dividends of surplus						-2,184
Net income attributable to owners of parent						11,732
Purchase of treasury shares						-0
Change in scope of consolidation						165
Changes due to merger with unconsolidated subsidiaries						-48
Net changes in items other than shareholders' equity	-146	542	-352	44	1,755	1,799
Total changes during period	-146	542	-352	44	1,755	11,464
Balance at end of period	399	799	-176	1,022	21,791	92,172

Current fiscal year (January 1, 2023-December 31, 2023)

(Million yen)

	Shareholders' equity Capital stock				
	Capital stock	Capital stock	Capital stock	Capital stock	Capital stock
Balance at beginning of period	3,920	2,651	62,787	-0	69,358
Changes during period					
Dividends of surplus			-2,422		-2,422
Net income attributable to owners of parent			10,056		10,056
Purchase of treasury shares				-0	-0
Changes due to merger with unconsolidated subsidiaries		0			0
Net changes in items other than shareholders' equity					
Total changes during period	-	0	7,633	-0	7,633
Balance at end of period	3,920	2,651	70,420	-1	76,991

	Other accumulated comprehensive income				Non-controlling shareholders' equity	Total net assets
	Valuation difference on securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Valuation difference on securities		
Balance at beginning of period	399	799	-176	1,022	21,791	92,172
Changes during period						
Dividends of surplus						-2,422
Net income attributable to owners of parent						10,056
Purchase of treasury shares						-0
Changes due to merger with unconsolidated subsidiaries						0
Net changes in items other than shareholders' equity	395	400	767	1,564	1,222	2,787
Total changes during period	395	400	767	1,564	1,222	10,420
Balance at end of period	795	1,200	590	2,587	23,013	102,592

## (4) Consolidated Statement of Cash Flows

	(Million yen)	
	Previous fiscal year (January 1, 2022 - December 31, 2022)	Current fiscal year (January 1, 2023 - December 31, 2023)
Cash flows from operating activities		
Income before income taxes	21,737	18,497
Depreciation and amortization	10,129	10,221
Impairment loss	902	1,355
Amortization of goodwill	945	734
Increase (decrease) in allowance for doubtful accounts	-14	117
Increase (decrease) in provision for bonuses	225	-498
Increase (decrease) in liabilities relating to retirement benefits	-122	68
Interest and dividends income	-115	-160
Interest expenses	928	870
Loss (gain) on investments in investment partnerships	9	161
Equity in losses (gains) of affiliates	-639	-719
Loss on fire	4,578	-
Insurance proceeds from disaster	-4,579	-
Loss (gain) on sales of current and fixed assets	-2,276	-279
Loss on retirement of current and fixed assets	275	94
Loss (gain) on sale of investment securities	-1	-74
Loss on valuation of shares of subsidiaries and associates	744	-
Decrease (increase) in notes and accounts receivable- trade	-3,017	4,168
Decrease (increase) in inventories	-2,922	-6,172
Decrease (increase) in notes and accounts payable-trade	913	-8,091
Increase (decrease) in accrued consumption taxes	666	413
Other	-1,908	1,205
Sub-total	26,458	21,911
Interest and dividend received	250	342
Interest expenses paid	-921	-880
Payment due to fire	-68	-
Insurance proceeds from disaster	5,236	-
Income taxes paid	-8,548	-7,260
Cash flows from operating activities	22,407	14,113
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	-17,082	-9,813
Proceeds from sales of property, plant and equipment and intangible assets	3,417	490
Proceeds from sales of investment securities	31	199
Purchase of shares of subsidiaries and associates	-1,209	-440
Insurance proceeds from disaster	287	-
Payments for guarantee deposits	-1,389	-862
Proceeds from collection of guarantee deposits	471	185
Other	-422	56
Cash flow from investing activities	-15,895	-10,184

	(Million yen)	
	Previous fiscal year (January 1, 2022 - December 31, 2022)	Current fiscal year (January 1, 2023 - December 31, 2023)
Cash flow from financing activities		
Net increase (decrease) in short-term borrowings	5,519	-5,059
Repayments of lease obligations	-1,762	-1,729
Proceeds from long-term debt	15,000	17,500
Repayment of long-term loans payable	-15,294	-15,330
Redemption of bonds	-10	-10
Cash dividends paid	-2,184	-2,422
Dividends paid to non-controlling shareholders	-778	-595
Other	-0	-0
Cash flow from financing activities	489	-7,647
Effect of exchange rate change on cash and cash equivalents	940	672
Net increase (decrease) in cash and cash equivalents	7,942	-3,046
Balance of cash and cash equivalents at beginning of period	23,795	32,668
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	930	38
Balance of cash and cash equivalents at year-end	32,668	29,660

## (5) Notes on the Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment Information)

[Segment information]

### 1. Outline of Reportable Segment

The reportable segments of the Group are components of the Group for which separate financial information is available, and which the Board of Directors regularly reviews to determine the allocation of management resources and assess performance.

Under the umbrella of the Company, which is the holding company of the Group, each operating company formulates strategies and develops business activities as an independent management unit, but the Company comprehensively and cross-sectionally controls and manages the core businesses of the Group.

For this reason, our group has three reportable segments: Logistics, Property Management, and Other.

The Logistics segment consists of businesses such as trucking, rail-based transportation, low-temperature logistics, international logistics, logistics center operations, distribution processing, immediate delivery to companies, personal delivery, and other businesses, as well as 3PL business, 4PL business, logistics consulting business, and ancillary businesses that collectively outsource these businesses.

The Property Management segment consists of the leasing of owned facilities for use as offices, residences, warehouses, etc., and the development and sales of logistics facilities.

The main operation of the Other business segment are the Temporary Staffing business, the Marketing business, and the Solar Power Generation business.

### 2. Calculation method for net sales, income (loss), assets, liabilities and other items by reportable segment

The accounting methods of the reported business segments are generally the same as those described in "Basis of preparation of the consolidated financial statements."

Profits of reportable segments are figures based on operating income. Inter-segment sales and transfers are based on prevailing market prices.

## 3. Information on net sales, income (loss), assets, liabilities and other items by reportable segment

Previous fiscal year (January 1, 2022 to December 31, 2022)

(Million yen)

	Reportable Segments				Adjusted amount (Note1)	Amount recorded in the consolidated financial statements (Note 2)
	Logistics	Property management	Other	Total		
Net sales						
Revenue from contracts with customers	428,139	-	8,435	436,575	-	436,575
Other revenue	5,155	13,423	326	18,906	-	18,906
Net sales	433,295	13,423	8,762	455,481	-	455,481
Intersegment sales or transfers between segments	680	102	792	1,575	-1,575	-
Total	433,975	13,526	9,554	457,057	-1,575	455,481
Segment income	15,423	6,282	402	22,108	-264	21,844
Segment assets	216,422	51,277	4,539	272,239	24,658	296,898
Other						
Depreciation and amortization	9,060	261	257	9,580	549	10,129
Amortization of goodwill	945	-	-	945	-	945
Impairment loss	892	9	-	902	-	902
Increase in property, plant and equipment and intangible assets	15,183	913	53	16,150	1,709	17,859

(NOTE)1. Adjustments are as follows.

- (1) Adjustments to segment income include 13 million yen in eliminations of inter-segment transactions and -278 million yen in income (loss) related to the Company that is not allocated to each reportable segment.
- (2) Adjustments to segment assets include -42,199 million yen in eliminations of inter-segment transactions and 66,858 million yen in corporate assets that are not allocated to each reportable segment. Corporate assets consist mainly of the Company's surplus operating funds (cash and deposits) and assets related to the Group's internal finance and administrative divisions.
- (3) Adjustments to depreciation and amortization include elimination of intersegment transactions of 0 million yen and depreciation and amortization of the Company of 549 million yen that does not belong to any reportable segment.
- (4) Adjustment of increase in property, plant and equipment and intangible assets is 1,709 million yen of corporate assets that are not allocated to each reportable segment.

2. Segment income is adjusted with operating income in the consolidated financial statements.



Current fiscal year (January 1, 2023 to December 31, 2023)

(Million yen)

	Reportable Segments				Adjusted amount (Note1)	Amount recorded in the consolidated financial statements (Note 2)
	Logistics	Property management	Other	Total		
Net sales						
Revenue from contracts with customers	403,400	4,038	9,328	416,767	-	416,767
Other revenue	5,283	9,861	-	15,144	-	15,144
Net sales	408,684	13,899	9,328	431,911	-	431,911
Intersegment sales or transfers between segments	770	636	970	2,377	-2,377	-
Total	409,455	14,535	10,299	434,289	-2,377	431,911
Segment income	11,501	7,962	359	19,823	-104	19,719
Segment assets	213,936	58,605	4,683	277,225	24,091	301,317
Other						
Depreciation and amortization	8,735	499	271	9,506	715	10,221
Amortization of goodwill	734	-	-	734	-	734
Impairment loss	1,355	-	-	1,355	-	1,355
Increase in property, plant and equipment and intangible assets	9,394	50	516	9,961	991	10,952

(NOTE)1. Adjustments are as follows.

- (1) Adjustments to segment income include -50 million yen in eliminations of inter-segment transactions and -53 million yen in income (loss) related to the Company that is not allocated to each reportable segment.
  - (2) Adjustments to segment assets include -52,897 million yen in eliminations of inter-segment transactions and 76,989 million yen in corporate assets that are not allocated to each reportable segment. Corporate assets consist mainly of the Company's surplus operating funds (cash and deposits) and assets related to the Group's internal finance and administrative divisions.
  - (3) Adjustments to depreciation and amortization include elimination of intersegment transactions of -0 million yen and depreciation and amortization of the Company of 715 million yen that does not belong to any reportable segment.
  - (4) Adjustment of increase in property, plant and equipment and intangible assets is 991 million yen of corporate assets that are not allocated to each reportable segment.
2. Segment income is adjusted with operating income in the consolidated financial statements.

(Per-stock Information)

	Previous fiscal year (January 1, 2022 - December 31, 2022)	Current fiscal year (January 1, 2023 - December 31, 2023)
Net assets per share	1,772.04 yen	2,003.63 yen
Net income per share	295.39 yen	253.20 yen

(Note1) Diluted net income per share is omitted as there are no dilutive shares.

(Note 2) The basis for calculating net income per share is as follows:

	Previous fiscal year (January 1, 2022 - December 31, 2022)	Current fiscal year (January 1, 2023 - December 31, 2023)
Net income attributable to owners of parent (million yen)	11,732	10,056
Amount not attributable to common shareholders (million yen)	-	-
Net income attributable to owners of parent related to common stock (million yen)	11,732	10,056
Average number of shares of common stock outstanding during the period (shares)	39,717,505	39,717,429

(Significant subsequent events)

Not applicable.