Summary of Consolidated Financial Results [IFRS] for the Second Quarter Ended September 30, 2024

1. Condensed Interim Consolidated Financial Statements

(1) Condensed Interim Consolidated Statement of Financial Position

	1	(Million y
	As of March 31, 2024	As of September 30, 2024
(Assets)		
Current assets		
Cash and cash equivalents	43,495	42,247
Trade receivables and contract assets	140,483	135,225
Inventories	1,593	1,751
Other financial assets	59,979	52,723
Other current assets	16,979	16,190
Subtotal	262,529	248,136
Assets held for sale	7,116	_
Total current assets	269,645	248,136
Non-current assets		
Investments accounted for using the equity method	7,208	7,391
Property, plant and equipment	184,057	182,580
Right-of-use assets	440,190	445,869
Goodwill	298,985	298,938
Intangible assets	152,049	150,550
Long-term loans receivable	150,871	152,434
Deferred tax assets	26,915	44,154
Other financial assets	21,209	20,812
Other non-current assets	8,847	9,122
Total non-current assets	1,290,331	1,311,850
Fotal assets	1,559,976	1,559,986

(Million yen) As of March 31, 2024 As of September 30, 2024 (Liabilities) Current liabilities 54,840 Trade payables 51,464 Short-term debt 23,037 13,127 Current portion of long-term debt 9,875 19,789 Lease liabilities 42,957 42,964 2,866 4,705 Income tax payable Deposits received 3,028 2,442 Other financial liabilities 39,013 24,429 Other current liabilities 41,720 38,936 Total current liabilities 217,336 197,856 Non-current liabilities Long-term debt 233,808 218,663 Lease liabilities 396,938 404,857 Retirement and severance benefits 33,437 34,116 Deferred tax liabilities 52,994 52,428 Other financial liabilities 55,541 54,108 Other non-current liabilities 13,655 13,700 Total non-current liabilities 784,940 779,305 Total liabilities 1,002,276 977,161 (Equity) Equity attributable to stockholders of the parent company Common stock 100 100 Capital surplus 467,628 468,380 Retained earnings 60,837 89,319 Accumulated other comprehensive income 18,909 14,259 Total equity attributable to stockholders of the parent 547,474 572,058 company Non-controlling interests 10,226 10,767 557,700 Total equity 582,825 1,559,986 Total liabilities and equity 1,559,976

(2) Condensed Interim Consolidated Statements of Profit or Loss and Comprehensive Income

Condensed Interim Consolidated Statement of Profit or Loss

		(Million yen)
	Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)
Revenues	390,945	425,192
Cost of sales	(340,657)	(374,202)
Gross profit	50,288	50,990
Selling, general and administrative expenses	(33,064)	(32,049)
Other income	1,209	5,595
Other expenses	(1,841)	(2,625)
Operating income	16,592	21,911
Financial income	136	360
Financial expenses	(538)	(1,267)
Share of profits of investments accounted for using the equity method	300	276
Earnings before interest and taxes	16,490	21,280
Interest income	1,221	2,841
Interest expenses	(5,934)	(7,901)
Income before income taxes	11,777	16,220
Income taxes	(5,865)	12,625
Net income	5,912	28,845
Attributable to:		
Stockholders of the parent company	4,682	28,165
Non-controlling interests	1,230	680

	Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)	(Yen) Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)
Earnings per share attributable to stockholders of the parent company		
Basic	95.68	575.56
Diluted	-	-

Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated Statement of Comprehensive Ii	leone	(Million yen
	Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)
Net income	5,912	28,845
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	82	(371)
Share of OCI of investments accounted for using the equity method	5	(1)
Total items not to be reclassified into net income	87	(372)
Items that can be reclassified into net income		
Foreign currency translation adjustments	10,713	(4,007)
Share of OCI of investments accounted for using the equity method	44	101
Total items that can be reclassified into net income	10,757	(3,906)
Total other comprehensive income	10,844	(4,278)
Comprehensive income	16,756	24,567
Attributable to:		
Stockholders of the parent company	13,809	23,628
Non-controlling interests	2,947	939

(3) Condensed Interim Consolidated Statement of Changes in Equity

		e	1 5				(Million yen)
Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)							
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
Balance at beginning of year	0	424,764	2,137	3,814	430,715	67,956	498,671
Changes in equity							
Net income			4,682		4,682	1,230	5,912
Other comprehensive income				9,127	9,127	1,717	10,844
Dividends		(10,460)			(10,460)	(198)	(10,658)
Transfer to retained earnings			(1)	1	_		_
Changes due to business combination		11,076		1,464	12,540	(60,146)	(47,606)
Sale of treasury stock		47,760			47,760		47,760
Changes in liabilities for written put options over non-controlling interests		(6,693)	225	226	(6,242)	(462)	(6,704)
Total changes in equity	-	41,683	4,906	10,818	57,407	(57,859)	(452)
Balance at end of period	0	466,447	7,043	14,632	488,122	10,097	498,219

Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)							
						Non-controlling	
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income	stockholders of the parent company	interests	Total equity
Balance at beginning of year	100	467,628	60,837	18,909	547,474	10,226	557,700
Changes in equity							
Net income			28,165		28,165	680	28,845
Other comprehensive income				(4,537)	(4,537)	259	(4,278)
Dividends					_	(194)	(194)
Share-based remuneration transactions		277			277		277
Changes in liabilities for written put options over non-controlling interests		475	317	(113)	679	(204)	475
Total changes in equity	-	752	28,482	(4,650)	24,584	541	25,125
Balance at end of period	100	468,380	89,319	14,259	572,058	10,767	582,825

(Million yen)

(4) Condensed Interim Consolidated Statement of Cash Flows

(Million yen)

Г		(Million ye
	Six Months	Six Months
	Ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Ended September 30, 2024 (April 1, 2024 to September 30, 2024)
Cash flows from operating activities	(i thil i, 2025 & 50ptember 50, 2025)	(riphi 1,202 1 to September 50,202 1)
Net income	5,912	28,845
Adjustments to reconcile net income to net cash provided by operating activities	- ,	- ,
Depreciation and amortization	34,136	38,486
Impairment losses	_	80
Income taxes	5,865	(12,625)
Share of profits of investments accounted for using the equity method	(300)	(276)
Loss by fire	6	735
Insurance proceeds	(183)	(2,521)
Loss (gain) on sale of property, plant and equipment	47	(228)
Interest and dividends income	(1,286)	(2,899)
Interest expenses	5,934	7,901
Decrease in trade receivables and contract assets	3,125	3,154
Increase in inventories	(303)	(195)
Decrease in trade payables	(5,772)	(2,573)
Decrease in deposits received	(43,964)	(586)
Increase in retirement and severance benefits	495	677
Changes in other assets and liabilities	(3,761)	(11,436)
Other	929	1,262
Subtotal	880	47,801
Interest and dividends received	1,519	1,522
Interest paid	(5,217)	(7,592)
Fire-related payments	(329)	(6,011)
Insurance proceeds received	183	2,521
Income taxes paid	(7,408)	(831)
Net cash (used in) provided by operating activities	(10,372)	37,410
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(28,741)	(15,558)
Proceeds from sale of property, plant and equipment and intangible assets	865	10,195
Proceeds from sale of subsidiaries' shares	-	1,490
Proceeds from acquisition of subsidiaries' shares	338	-
Purchase of investments in subsidiaries	(73,967)	-
Decrease in time deposits	832	5,779
Other	(530)	(194)
Net cash (used in) provided by investing activities	(101,203)	1,712

(Million yen)

	Six Months	Six Months
	Ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Ended September 30, 2024 (April 1, 2024 to September 30, 2024)
Cash flows from financing activities		
Increase (decrease) in short-term debt, net	17,005	(9,893)
Proceeds from long-term debt	19,499	315
Repayments of long-term debt	(60)	(5,146)
Repayments of lease liabilities	(19,279)	(23,485)
Dividends paid	(10,460)	-
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	(159)
Dividends paid to non-controlling interests	(198)	(194)
Other	(633)	(992)
Net cash provided by (used in) financing activities	5,874	(39,554)
Effect of exchange rate changes on cash and cash equivalents	2,161	(816)
Net decrease in cash and cash equivalents	(103,540)	(1,248)
Cash and cash equivalents at beginning of period	151,063	43,495
Cash and cash equivalents at end of period	47,523	42,247

(5) Notes to the Condensed Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

None

(Segment Information)

Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

Six Months Ended Septem		(11)111,20				1	(Million yen)
	Re	portable segm	ent	Other	Total	Adjustments and	Amount recorded in consolidated
	Domestic logistics	Global logistics	Subtotal	services1	Total	eliminations ²	financial statements
Revenues							
Revenues from outside customers	211,339	172,343	383,682	7,263	390,945	_	390,945
Revenues from intersegment transactions or transfers	-	-	-	11,273	11,273	(11,273)	-
Total	211,339	172,343	383,682	18,536	402,218	(11,273)	390,945
Segment profit Adjusted operating income ³	8,705	9,756	18,461	1,115	19,576	_	19,576
(Adjustments)							
Amortization of intangible assets identified in business combination Share-based remuneration expense (excluding those related to performance-based							(2,352)
stock remuneration plan)							1 200
Other income							1,209
Other expenses							(1,841)
Operating income							16,592
Financial income							136
Financial expenses							(538)
Share of profits of investments accounted for using the equity method							300
Interest income							1,221
Interest expenses							(5,934)
Income before income taxes							11,777

Notes: 1. "Other services" includes information system development and sale and maintenance of motor vehicles which are excluded from reportable segments.

2. Company-wide expenses which do not belong to any business segment such as corporate general administration expenses incurred in the parent company are allocated to each business segment in accordance with a rational basis.

3. Adjusted operating income = Operating income - Other income + Other expenses + Amortization of intangible assets identified in business combination + Share-based remuneration expense (excluding those related to performance-based stock remuneration plan)

[1	(Million yen) Amount
	Re	portable segme	ent	Other	Total	Adjustments and	recorded in consolidated
	Domestic logistics	Global logistics	Subtotal	services ¹	Total	eliminations ²	financial statements
Revenues							
Revenues from outside customers	218,273	198,544	416,817	8,375	425,192	-	425,192
Revenues from intersegment transactions or transfers	_	-	-	14,039	14,039	(14,039)	_
Total	218,273	198,544	416,817	22,414	439,231	(14,039)	425,192
Segment profit Adjusted operating income ³	10,337	10,342	20,679	966	21,645	-	21,645
(Adjustments)							
Amortization of intangible assets identified in business combination Share-based remuneration expense (excluding those related to performance-based							(2,427)
stock remuneration plan)							
Other income							5,595
Other expenses							(2,625)
Operating income							21,911
Financial income							360
Financial expenses							(1,267)
Share of profits of investments accounted for using the equity method							276
Interest income							2,841
Interest expenses							(7,901)
Income before income taxes							16,220
			•	•			

Notes: 1. "Other services" includes information system development and sale and maintenance of motor vehicles which are excluded from reportable segments.

2. Company-wide expenses which do not belong to any business segment such as corporate general administration expenses incurred in the parent company are allocated to each business segment in accordance with a rational basis.

3. Adjusted operating income = Operating income - Other income + Other expenses + Amortization of intangible assets identified in business combination + Share-based remuneration expense (excluding those related to performance-based stock remuneration plan)

(Significant Subsequent Events)

(Tender offer for ALPS LOGISTICS CO., LTD.)

The Company resolved at its Board of Directors' meeting on May 9, 2024 that its consolidated subsidiary LDEC, Ltd. would acquire the share certificates, etc. of ALPS LOGISTICS CO., LTD. through a tender offer pursuant to the Financial Instruments and Exchange Act ("Tender Offer"). Based on the resolution, the Tender Offer was conducted from August 22, 2024 to October 4, 2024 and successfully completed as the total number of tendered shares as of the last day of the Tender Offer exceeded the minimum number of shares to be purchased.

In light of the fact that the Company indirectly owns 45.87% of the voting rights of ALPS LOGISTICS CO., LTD. as of October 11, 2024, the settlement commencement date, and based on the terms of the "Transaction Master Agreement" entered into between the Company, LDEC, Ltd. and ALPS LOGISTICS CO., LTD. on May 9, 2024, the Company determined that it substantially controls ALPS LOGISTICS CO., LTD. in light of IFRS 10 and therefore made the company its consolidated subsidiary on October 11, 2024.

1. Outline of the business combination

(1) Outline of the acquiree

Name of the acquiree: ALPS LOGISTICS CO., LTD.

Business description: General logistics service business, and sales business of molded materials and packaging materials and electronic devices

(2) Main purpose of the business combination

The purpose of the business combination is to provide comprehensive high-added-value and efficient logistics services from procurement logistics to complete logistics, expand the customer base, enjoy the economies of scale through increase in logistics volume, and improve system development by combining the Group's logistics network, know-how in the semiconductor and distribution fields, domestic and overseas forwarding network, and operational excellence as a pioneer in domestic 3 PL.

(3) Date of acquisition

October 11, 2024

(4) Method of acquiring control over the acquiree

Acquisition of shares for cash consideration

2. Acquisition costs of the acquiree and details of consideration by type

Consideration of acquisition:	Cash	¥94,278 million
Acquisition costs:		¥94,278 million

As the initial accounting of the business combination has not been completed as of the date of approval of the condensed interim consolidated financial statements, detailed information including fair value and major components of assets acquired and liabilities assumed on the date of acquisition, goodwill and the effect on the Group is not disclosed.

(Borrowings)

To raise necessary funds to invest in and extend loans to its consolidated subsidiary LDEC, Ltd., the Company resolved at its Board of Directors' meeting on September 19, 2024 to enter into an amendment to the syndicated loan agreement with the additional borrowing limit of ¥130,000 million with Mizuho Bank, Ltd., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, SBI Shinsei Bank, Limited, and The Bank of Yokohama, Ltd. ("Agreement") and concluded the Agreement on October 7, 2024.

On October 10, 2024, the Company borrowed a term loan of ¥95,700 million under the Agreement. Of the additional borrowing limit, ¥10,000 million will be borrowed under a commitment line agreement.

The agreement is subject to financial covenants concerning maintaining profit, net assets, etc. and in case of a violation of any of the covenants, the Company may forfeit the benefit of time, which may affect the Company's funding.