

Summary of Consolidated Financial Results [IFRS] for the Fiscal Year Ended March 31, 2024

June 28, 2024

Company: **LOGISTEED, Ltd.**

URL: <https://www.logisteed.com/en/>

Representative: Yasuo Nakatani, Representative Director, Executive Chairman, President and CEO

Person in Charge: Tetsuro Taga, General Manager of Public Relations Department, Corporate Strategy Office

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Creates Supplementary Materials for Summaries: Yes

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Highlights for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Financial Results (Cumulative)

(% indicates the percentage change over year)

	Revenues		Adjusted operating income*1		EBIT *2		Income before income taxes		Net income		Net income attributable to stockholders of the parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	800,243	212.1	38,903	244.5	19,117	158.4	8,797	80.9	59,991	—	58,251	—
March 31, 2023	256,438	—	11,291	—	7,398	—	4,862	—	2,531	—	2,177	—

	Adjusted operating income ratio	EBIT ratio
March 31, 2024	4.9%	2.4%
March 31, 2023	4.4%	2.9%

(Reference) Share of profits of investments accounted for using the equity method

April 1, 2023 to March 31, 2024: 635million yen April 21, 2022 to March 31, 2023: 186 million yen

*1. In lieu of operating income, the Company uses adjusted operating income as an indicator of consolidated financial results, which is calculated as follows from the fiscal year ended March 31, 2024: [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)]

Figures for the fiscal year ended March 31, 2023 reflect this change.

*2. EBIT (Earnings Before Interest and Taxes) = [Income before income taxes] - [Interest income] + [Interest expenses]

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to stockholders of the parent company
	Million yen	Million yen	Million yen
March 31, 2024	1,559,976	557,700	547,474
March 31, 2023	1,439,289	498,671	430,715

(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 year
	Million yen	Million yen	Million yen	Million yen
March 31, 2024	14,600	(62,414)	(62,120)	43,495
March 31, 2023	77,210	(312,567)	385,705	151,063

(Note) As the Company was established on April 21, 2022, the fiscal year ended March 31, 2023 is from April 21, 2022 to March 31, 2023. Also, through a tender offer for common stock of LOGISTEED, Ltd. (L-management after the corporate name change effective March 1, 2024 ("L-management")) on December 6, 2022, the company became our consolidated subsidiary.

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1. Summary of Operating Results, etc.

(1) Summary of Operating Results for the Fiscal Year Ended March 31, 2024

For the Fiscal Year Ended March 31, 2024, consolidated financial results of the LOGISTEED Group (herein called “the Group”) are as follows.

(Million yen)

	(Reference) Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2024
Revenues	814,310	256,438	800,243
Adjusted operating income	47,996	11,291	38,903
EBIT	45,292	7,398	19,117
Net income attributable to stockholders of the parent company	25,516	2,177	58,251

Revenues, adjusted operating income, EBIT, and net income attributable to stockholders of the parent company were ¥800,243 million, ¥38,903 million, ¥19,117 million, and ¥58,251 million, respectively. Please note that the year-on-year comparison is not provided as the Company was established on April 21, 2022, and the previous fiscal year was from April 21, 2022 to March 31, 2023, making the accurate comparison difficult.

In addition, through a tender offer for L-management’s common stock on December 6, 2022, we made the company our consolidated subsidiary (herein called “the Consolidation of L-management”). For the purpose of comparing the business performance with the previous fiscal year excluding the effect of the Consolidation of L-management, the consolidated financial results of L-management for the fiscal year ended March 31, 2023 (herein called “the Previous FY (Reference)”) are shown.

Results by business segment during the fiscal year are as follows:

【Domestic logistics business】

(Million yen)

	(Reference) Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2024
Revenues	423,972	138,712	427,533
Segment profit (Adjusted operating income)	23,998	6,446	19,969

Revenues of domestic logistics business was ¥427,533 million, remaining flat compared to the Previous FY (Reference).

Segment profit was ¥19,969 million, a decrease compared to the Previous FY (Reference) mainly due to increases in costs including temporary costs associated with various measures and in the allocated amount of company-wide expenses as a result of a change in the allocation rate (it would be an increase without the effect of the change in the company-wide expense allocation rate.).

【Global logistics business】

(Million yen)

	(Reference) Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2024
Revenues	375,894	112,319	357,372
Segment profit (Adjusted operating income)	22,259	4,152	16,746

Revenues of global logistics business were ¥357,372 million, a decrease compared to the Previous FY (Reference) mainly due to a decrease in revenues of freight forwarding business despite contributions from new projects and the effect of exchange rate fluctuations.

Segment profit was ¥16,746 million, a decrease compared to the Previous FY (Reference) mainly due to an increase in costs including temporary costs associated with various measures and a decrease in revenues despite factors such as the effect of exchange rate fluctuations and a decrease in the allocated amount of company-wide expenses as a result of a change in the allocation rate (it would be a decrease even without the effect of the change in the company-wide expense allocation rate.).

【Other services (logistics related businesses)】

(Million yen)

	(Reference) Year Ended March 31, 2023	Year Ended March 31, 2023	Year Ended March 31, 2024
Revenues	14,444	5,407	15,338
Segment profit (Adjusted operating income)	1,739	693	2,188

Revenues of other services was ¥15,338 million, an increase compared to the Previous FY (Reference).

Segment profit was ¥2,188 million, an increase compared to the Previous FY (Reference) mainly due to an increase in revenues.

*From the fiscal year ended March 31, 2024, adjusted operating income is calculated as follows:
 [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)]
 Figures for the fiscal year ended March 31, 2023 reflect this change.

(2) Summary of Financial Position as of March 31, 2024

Total assets as of March 31, 2024 amounted to ¥1,559,976 million, an increase of ¥120,687 million compared with the end of the previous fiscal year. Current assets decreased by ¥41,858 million due to a decrease of ¥107,568 million in cash and cash equivalents despite an increase of ¥44,880 million in other financial assets. Non-current assets increased by ¥162,545 million due to increases of ¥154,232 million in right-of-use assets and ¥150,795 million in long-term loans receivable despite a decrease of ¥164,752 million in property, plant and equipment.

Total liabilities as of March 31, 2024 amounted to ¥1,002,276 million, an increase of ¥61,658 million compared with the end of the previous fiscal year. Current liabilities decreased by ¥72,071 million due to decreases of ¥68,593 million in other financial liabilities and ¥43,775 million in deposits received. Non-current liabilities increased by ¥133,729 million due to an increase of ¥147,214 million in lease liabilities.

Total equity as of March 31, 2024 amounted to ¥557,700 million, an increase of ¥59,029 million compared with the end of the previous fiscal year due to increases of ¥58,700 million in retained earnings and ¥42,864 million in capital surplus despite a decrease of ¥57,730 million in non-controlling interests.

(3) Summary of Cash Flows for the Fiscal Year Ended March 31, 2024

Cash and cash equivalents (herein called “cash”) as of March 31, 2024 was ¥43,495 million, a decrease of ¥107,568 million from March 31, 2023.

Cash flows from each activity for the fiscal year ended March 31, 2024 and their significant components are as follows. Please note that the year-on-year comparison is not provided as the Company was established on April 21, 2022, and the previous fiscal year was from April 21, 2022 to March 31, 2023, making the accurate comparison difficult.

Net cash provided by operating activities was ¥14,600 million. This is mainly due to increases in cash from depreciation and amortization of ¥70,876 million and recording net income of ¥59,991 million despite decreases in cash from income taxes expense of ¥51,194 million and a decrease in deposits received of ¥43,775 million.

Net cash used in investing activities was ¥62,414 million. This is mainly due to decreases in cash from payments for loans to the parent company of ¥150,800 million and purchase of investments in subsidiaries of ¥73,967 million despite an increase in cash from proceeds from sale of property, plant and equipment and intangible assets of ¥202,961 million.

Net cash used in financing activities was ¥62,120 million. This is mainly due to decreases in cash from repayments of long-term debt of ¥73,019 million and repayments of lease liabilities of ¥39,976 million despite increases in cash from net increase in short-term debt of ¥23,000 million and proceeds from long-term debt of ¥19,538 million.

2. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2023	As of March 31, 2024
(Assets)		
Current assets		
Cash and cash equivalents	151,063	43,495
Trade receivables and contract assets	132,036	140,483
Inventories	1,329	1,593
Other financial assets	15,099	59,979
Other current assets	11,976	16,979
Subtotal	311,503	262,529
Assets held for sale	—	7,116
Total current assets	311,503	269,645
Non-current assets		
Investments accounted for using the equity method	7,319	7,208
Property, plant and equipment	348,809	184,057
Right-of-use assets	285,958	440,190
Goodwill	296,951	298,985
Intangible assets	149,388	152,049
Long-term loans receivable	76	150,871
Deferred tax assets	13,796	26,915
Other financial assets	17,712	21,209
Other non-current assets	7,777	8,847
Total non-current assets	1,127,786	1,290,331
Total assets	1,439,289	1,559,976

(Million yen)

	As of March 31, 2023	As of March 31, 2024
(Liabilities)		
Current liabilities		
Trade payables	52,188	54,840
Short-term debt	36	23,037
Current portion of long-term debt	830	9,875
Lease liabilities	33,811	42,957
Income tax payable	6,991	2,866
Deposits received	46,803	3,028
Other financial liabilities	107,606	39,013
Other current liabilities	41,142	41,720
Total current liabilities	289,407	217,336
Non-current liabilities		
Long-term debt	246,467	233,808
Lease liabilities	249,724	396,938
Retirement and severance benefits	35,964	33,437
Deferred tax liabilities	98,944	52,994
Other financial liabilities	11,590	54,108
Other non-current liabilities	8,522	13,655
Total non-current liabilities	651,211	784,940
Total liabilities	940,618	1,002,276
(Equity)		
Equity attributable to stockholders of the parent company		
Common stock	0	100
Capital surplus	424,764	467,628
Retained earnings	2,137	60,837
Accumulated other comprehensive income	3,814	18,909
Total equity attributable to stockholders of the parent company	430,715	547,474
Non-controlling interests	67,956	10,226
Total equity	498,671	557,700
Total liabilities and equity	1,439,289	1,559,976

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

Consolidated Statement of Profit or Loss

(Million yen)

	Year Ended March 31, 2023 (April 21, 2022 to March 31, 2023)	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Revenues	256,438	800,243
Cost of sales	(223,543)	(700,118)
Gross profit	32,895	100,125
Selling, general and administrative expenses	(23,172)	(66,206)
Other income	9,138	6,670
Other expenses	(9,581)	(19,751)
Operating income	9,280	20,838
Financial income	174	118
Financial expenses	(2,242)	(2,474)
Share of profits of investments accounted for using the equity method	186	635
Earnings before interest and taxes	7,398	19,117
Interest income	371	2,216
Interest expenses	(2,907)	(12,536)
Income before income taxes	4,862	8,797
Income taxes	(2,331)	51,194
Net income	2,531	59,991
Attributable to:		
Stockholders of the parent company	2,177	58,251
Non-controlling interests	354	1,740

	Year Ended March 31, 2023 (April 21, 2022 to March 31, 2023)	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Earnings per share attributable to stockholders of the parent company		
Basic	\138.58	\1,190.37
Diluted	—	—

Consolidated Statement of Comprehensive Income

(Million yen)

	Year Ended March 31, 2023 (April 21, 2022 to March 31, 2023)	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net income	2,531	59,991
Other comprehensive income (OCI)		
Items not to be reclassified into net income		
Net changes in financial assets measured at fair value through OCI	12	196
Remeasurements of defined benefit plans	1,274	1,076
Share of OCI of investments accounted for using the equity method	(1)	5
Total items not to be reclassified into net income	1,285	1,277
Items that can be reclassified into net income		
Foreign currency translation adjustments	3,273	13,970
Share of OCI of investments accounted for using the equity method	(68)	53
Total items that can be reclassified into net income	3,205	14,023
Total other comprehensive income	4,490	15,300
Comprehensive income	7,021	75,291
Attributable to:		
Stockholders of the parent company	6,348	71,551
Non-controlling interests	673	3,740

(3) Consolidated Statement of Changes in Equity

(Million yen)

Year ended March 31, 2023 (April 21, 2022 to March 31, 2023)							
					Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income			
Balance at beginning of year	—	—	—	—	—	—	—
Changes in equity							
Issuance of new shares	0	0			0		0
Net income			2,177		2,177	354	2,531
Other comprehensive income				4,171	4,171	319	4,490
Dividends		(47,760)			(47,760)	(30)	(47,790)
Transfer to retained earnings			33	(33)	—		—
Changes due to business combination		(10,432)	(3)	(425)	(10,860)	67,475	56,615
Acquisition and sales of treasury stock		489,350			489,350		489,350
Share-based remuneration transactions			(70)		(70)		(70)
Changes in liabilities for written put options over non-controlling interests		(6,394)		101	(6,293)	(162)	(6,455)
Total changes in equity	0	424,764	2,137	3,814	430,715	67,956	498,671
Balance at end of period	0	424,764	2,137	3,814	430,715	67,956	498,671

(Million yen)

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)							
					Total equity attributable to stockholders of the parent company	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive income			
Balance at beginning of year	0	424,764	2,137	3,814	430,715	67,956	498,671
Changes in equity							
Net income			58,251		58,251	1,740	59,991
Other comprehensive income				13,300	13,300	2,000	15,300
Dividends		(10,460)			(10,460)	(302)	(10,762)
Transfer from capital surplus to common stock	100	(100)			—		—
Transfer to retained earnings			23	(23)	—		—
Changes due to business combination		11,250		1,478	12,728	(60,382)	(47,654)
Acquisition and sales of treasury stock		47,760			47,760		47,760
Share-based remuneration transactions		196			196		196
Changes in liabilities for written put options over non-controlling interests		(5,782)	426	340	(5,016)	(786)	(5,802)
Total changes in equity	100	42,864	58,700	15,095	116,759	(57,730)	59,029
Balance at end of period	100	467,628	60,837	18,909	547,474	10,226	557,700

(4) Consolidated Statement of Cash Flows

(Million yen)

	Year Ended March 31, 2023 (April 21, 2022 to March 31, 2023)	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Net income	2,531	59,991
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	16,933	70,876
Impairment losses	701	148
Income taxes	2,343	(51,194)
Share of profits of investments accounted for using the equity method	(102)	(635)
Loss by fire	6,901	3,811
Reversal of provision for loss by fire	—	(2,306)
Insurance proceeds	(594)	(1,756)
Settlement expense	—	1,868
Gain on sale of property, plant and equipment	(8,241)	(133)
Interest and dividends income	(316)	(2,311)
Interest expenses	2,486	12,536
Decrease (increase) in trade receivables and contract assets	7,470	(1,152)
Decrease (increase) in inventories	325	(177)
Increase (decrease) in trade payables	3,068	(140)
Increase (decrease) in deposits received	46,803	(43,775)
Decrease in retirement and severance benefits	(1,615)	(2,648)
Changes in other assets and liabilities	(1,008)	(1,367)
Other	2,891	(1,113)
Subtotal	80,576	40,523
Interest and dividends received	336	2,710
Interest paid	(1,693)	(11,777)
Fire-related payments	(1,578)	(1,933)
Insurance proceeds received	594	1,756
Income taxes paid	(1,025)	(16,679)
Net cash provided by operating activities	77,210	14,600
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(6,697)	(42,141)
Proceeds from sale of property, plant and equipment and intangible sets	10,618	202,961
Payments for loans to the parent company	—	(150,800)
Proceeds from acquisition of subsidiaries' shares	—	338
Purchase of investments in subsidiaries	(317,924)	(73,967)
Decrease in time deposits	1,676	1,961
Other	(240)	(766)
Net cash used in investing activities	(312,567)	(62,414)

(Million yen)

	Year Ended March 31, 2023 (April 21, 2022 to March 31, 2023)	Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Cash flows from financing activities		
(Decrease) increase in short-term debt, net	(43)	23,000
Proceeds from long-term debt	198,783	19,538
Repayments of long-term debt	(70,034)	(73,019)
Repayments of lease liabilities	(9,595)	(39,976)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(48)
Dividends paid	—	(10,460)
Dividends paid to non-controlling interests	(30)	(302)
Payments for acquisition of treasury stock by subsidiaries	(221,989)	—
Proceeds from sale of treasury stock	479,350	—
Other	9,263	19,147
Net cash Provided by (used in) financing activities	385,705	(62,120)
Effect of exchange rate changes on cash and cash equivalents	715	2,366
Net increase (decrease) in cash and cash equivalents	151,063	(107,568)
Cash and cash equivalents at beginning of period	—	151,063
Cash and cash equivalents at end of period	151,063	43,495