

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 7, 2023

Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Under Japanese GAAP)

Company name: MITSUI-SOKO HOLDINGS Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 9302
 URL: <https://www.mitsui-soko.com/en/>
 Representative: Hirobumi Koga, Representative Director, President & Group CEO
 Inquiries: Hirobumi Matsui, Executive Officer of Finance and Accounting
 Telephone: +81-3-6400-8006
 Scheduled date to file quarterly securities report: February 8, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for securities analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------------|-------------------|------|------------------|------|-----------------|------|-----------------------------------------|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Nine months ended December 31, 2022 | 234,317 | 8.1 | 21,338 | 17.6 | 22,115 | 21.3 | 13,191 | 27.9 |
| December 31, 2021 | 216,769 | 16.0 | 18,137 | 34.4 | 18,227 | 35.1 | 10,309 | 30.1 |

Note: Comprehensive income For the nine months ended December 31, 2022: ¥17,073 million [25.4%]
 For the nine months ended December 31, 2021: ¥13,612 million [5.6%]

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine months ended | Yen | Yen |
| December 31, 2022 | 530.57 | – |
| December 31, 2021 | 415.12 | – |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------|-----------------|-----------------|--------------|
| As of | Millions of yen | Millions of yen | % |
| December 31, 2022 | 259,912 | 99,823 | 34.5 |
| March 31, 2022 | 258,297 | 88,631 | 30.8 |

Reference: Equity capital
 As of December 31, 2022: ¥89,743 million
 As of March 31, 2022: ¥79,458 million

2. Cash dividends

| | Annual dividends per share | | | | |
|----------------------------------------------------|----------------------------|--------------------|-------------------|-----------------|--------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2022 | – | 35.00 | – | 94.00 | 129.00 |
| Fiscal year ending March 31, 2023 | – | 72.00 | – | | |
| Fiscal year ending March 31, 2023 (Forecast) | | | | 115.00 | 187.00 |

Note: Revisions to the forecast of cash dividends most recently announced: Yes

As for the revision to the dividends forecast, please refer to “(3) Explanation of earnings forecasts and other forward-looking statements,” under “1. Qualitative information on quarterly financial results,” on page 4 of the attached materials.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|--------------------------------------|-------------------|-----|------------------|-----|-----------------|-----|-----------------------------------------|-----|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending March 31, 2023 | 305,500 | 1.5 | 26,000 | 0.2 | 26,400 | 3.3 | 15,500 | 6.9 | 623.36 |

Note: Revisions to the earnings forecasts most recently announced: Yes

*** Notes**

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

Newly included: –

Excluded: –

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

| | |
|-------------------------|-------------------|
| As of December 31, 2022 | 24,921,802 shares |
| As of March 31, 2022 | 24,883,002 shares |

(ii) Number of treasury shares at the end of the period

| | |
|-------------------------|---------------|
| As of December 31, 2022 | 46,770 shares |
| As of March 31, 2022 | 46,684 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|-------------------------------------|-------------------|
| Nine months ended December 31, 2022 | 24,862,167 shares |
| Nine months ended December 31, 2021 | 24,836,326 shares |

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Figures for the forecasts, outlooks, and targets described in this report that are not historical facts are calculated based on the currently available information and uncertain factors that may have an effect on future performance. The actual results may differ from the forecasts. Regarding earnings forecasts, please refer to “(3) Explanation of earnings forecasts and other forward-looking statements,” under “1. Qualitative information on quarterly financial results,” on page 4 of the attached materials.

Attached Materials**Index**

| | |
|----------------------------------------------------------------------------------------------------------------------|----|
| 1. Qualitative information on quarterly financial results | 2 |
| (1) Explanation of operating results | 2 |
| (2) Explanation of financial position..... | 3 |
| (3) Explanation of earnings forecasts and other forward-looking statements | 4 |
| 2. Quarterly consolidated financial statements and significant notes thereto | 7 |
| (1) Quarterly consolidated balance sheet | 7 |
| (2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income | 9 |
| Quarterly consolidated statement of income [For the first nine months]..... | 9 |
| Quarterly consolidated statement of comprehensive income [For the first nine months]..... | 10 |
| (3) Quarterly consolidated statement of cash flows | 11 |
| (4) Notes to quarterly consolidated financial statements | 12 |
| Notes on premise of going concern | 12 |
| Notes when there are significant changes in amounts of shareholders' equity..... | 12 |
| Segment information, etc. | 12 |
| 3. Supplemental information..... | 14 |

1. Qualitative information on quarterly financial results

(1) Explanation of operating results

The overview of the financial results for the nine months ended December 31, 2022 is as follows.

(Millions of yen)

| Consolidated total amount | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 | Year-on-year comparison | Changes |
|-----------------------------------------|-------------------------------------|-------------------------------------|-------------------------|---------|
| Operating revenue | 216,769 | 234,317 | 17,547 | 8.1% |
| Operating profit | 18,137 | 21,338 | 3,200 | 17.6% |
| Ordinary profit | 18,227 | 22,115 | 3,887 | 21.3% |
| Profit attributable to owners of parent | 10,309 | 13,191 | 2,881 | 27.9% |

- For operating revenue and all levels of profit, revenue and profit increased year on year.
- The resumption of economic and social activities continues amid the lingering effects of global supply chain disruptions. In this environment, the Group accurately grasped the rapidly changing needs of customers, and made proposals for alternate transportation routes and to increase efficiency in logistics. As a result, the Group acquired new customers, expanded the range of business contracts with existing customers and increased the handling volume in the freight forwarding business.

Operating results by segment are as follows.

(a) Logistics Business

(Millions of yen)

| Logistics Business | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 | Year-on-year comparison | Changes |
|--------------------|-------------------------------------|-------------------------------------|-------------------------|---------|
| Operating revenue | 210,243 | 227,785 | 17,542 | 8.3% |
| Operating profit | 16,381 | 19,622 | 3,240 | 19.8% |

Business environment: The business environment surrounding the Company is as follows.

- The prolonging of the situation in Ukraine, global labor market tightness, persistent high energy procurement costs, and rising prices amid the depreciation of the yen have led to constraints on businesses in the procurement of raw materials and components.
- However, in conjunction with the resumption of economic and social activities, the gradual recovery trend in production activities of businesses continues, albeit with some ups and downs.
- In addition, the shortage of marine containers and other disruptions in the marine shipping market, and constraints on available cargo space accompanying the decrease in the number of air passenger flights are beginning to ease. The shortages of sea and air transport space and the surge in freight costs continue at levels exceeding those prior to the COVID-19 pandemic, but are currently showing signs of abating.

Operating situation: The situation regarding the operating activities of the Company is as follows.

- Upon experiencing supply chain disruptions, the Group accurately grasped the rapidly changing needs of customers, flexibly secured transport space and increased the handling volume in the freight forwarding business.
- As a result of making the following proposals to customers, the Group acquired new customers, expanded the range of business contracts with existing customers and increased the handling volume in the overseas logistics business and the freight forwarding business.
 - Proposed alternate transportation routes that contribute to customers' business continuity plans (BCPs)
 - Proposed logistics solutions to reduce environmental impact

- Proposed methods for increasing efficiency through end-to-end integrated logistics from logistics overseas to international transport and transportation and delivery in Japan
- A new warehouse dedicated to healthcare logistics that began operations in the previous fiscal year and a new logistics center for mass merchandisers of home appliance and e-commerce, which also began operations in the previous fiscal year, made a positive contribution to full-year results and produced business expansion.

(b) Real Estate Business

(Millions of yen)

| Real Estate Business | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 | Year-on-year comparison | Changes |
|----------------------|-------------------------------------|-------------------------------------|-------------------------|---------|
| Operating revenue | 7,087 | 7,140 | 52 | 0.7% |
| Operating profit | 4,295 | 4,393 | 97 | 2.3% |

Business environment: The business environment surrounding the Company is as follows.

- The average vacancy rates and the average rents for office properties in the business districts of Tokyo were roughly unchanged.

Operating situation: The situation regarding the operating activities of the Company is as follows.

- There were no significant changes in the vacancy rate and rent levels for office properties owned by the Company, and both operating revenue and operating profit were nearly unchanged.

(2) Explanation of financial position

(i) Status of changes in financial position

(Millions of yen)

| Consolidated total amount | As of March 31, 2022 | As of December 31, 2022 | Comparison from March 31, 2022 | Changes |
|---------------------------|----------------------|-------------------------|--------------------------------|---------|
| Equity capital | 79,458 | 89,743 | 10,284 | 12.9% |
| Total assets | 258,297 | 259,912 | 1,615 | 0.6% |
| Equity ratio | 30.8% | 34.5% | +3.8 pt | 12.2% |
| Interest-bearing debt | 99,394 | 94,714 | (4,680) | (4.7)% |
| D/E ratio | 1.25 | 1.06 | (0.20) | (15.6)% |

- The increase in equity capital was due to the recording of profit attributable to owners of parent.
- The increase in total assets was due mainly to an increase in cash and deposits.
- The decrease in interest-bearing debt was due to the repayments of borrowings.
- The Company will continue its operations policy that aims for a D/E ratio of approximately 1.0.

(ii) Status of cash flows

(Millions of yen)

| Consolidated total amount | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 | Year-on-year comparison |
|-----------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------|
| Cash and cash equivalents at beginning of period | 22,718 | 22,822 | – |
| Net cash provided by (used in) operating activities | 13,649 | 26,088 | 12,438 |
| Net cash provided by (used in) investing activities | (5,929) | (3,993) | 1,935 |
| Net cash provided by (used in) financing activities | (5,516) | (13,771) | (8,254) |
| Cash and cash equivalents at end of period | 24,987 | 31,393 | – |

The status of cash flows for the nine months ended December 31, 2022 is as follows.

- The main items in cash flows from operating activities are profit before income taxes, cash reserves due to recording of depreciation, and decrease in trade receivables.
- The main items in cash flows from investing activities are software investment based on DX strategy and investment to maintain and update logistics facilities.
- The main items in cash flows from financing activities are repayments of borrowings and payments of dividends.

(iii) Changes in cash flow-related indicators

| | Fiscal year ended March 31, 2021 | Nine months ended December 31, 2021 | Fiscal year ended March 31, 2022 | Nine months ended December 31, 2022 |
|------------------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| Equity ratio (%) | 26.3 | 28.8 | 30.8 | 34.5 |
| Equity ratio based on market value (%) | 22.6 | 24.5 | 24.1 | 34.4 |
| Interest-bearing debt to cash flow ratio | 5.2 | 5.9 | 4.3 | 2.7 |
| Interest coverage ratio | 21.2 | 24.1 | 27.1 | 43.6 |

Notes: Equity ratio: Equity capital/Total assets

Equity ratio based on market value: Market capitalization/Total assets

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

Interest coverage ratio: Cash flow/Interest payments

1. Each of the above indicators are calculated based on consolidated financial figures.
2. Market capitalization is calculated as follows: Final stock price at the end of the period x Total number of issued shares at the end of the period (excluding treasury shares).
3. The figure used for cash flow is “Net cash provided by (used in) operating activities” on the consolidated statement of cash flows. Interest-bearing debt includes all liabilities recorded on the consolidated balance sheet on which interest is paid. Furthermore, regarding the interest payments, the figure for “Interest paid” on the consolidated statement of cash flows is used.
4. The ratio of interest-bearing debt to cash flow is calculated at 4/3 times for the period under review, since cash flow is converted to an annual amount.

(3) Explanation of earnings forecasts and other forward-looking statements

a. Regarding the revision to the full-year earnings forecast for the fiscal year ending March 31, 2023

We are approaching the end of the shift from sea transportation to air transportation due to disruptions in the marine shipping market and the impact of air and sea freight rates remaining high (hereinafter, “special factors”). However, because the special factors are fading more slowly than anticipated at the time of the previous forecast, and as a result of accurately grasping the rapidly changing transport needs of customers and flexibly securing transport space and controlling procurement costs, the handling

volume and profit due to the special factors are expected to increase more than anticipated. Furthermore, despite the impact of rising costs, including fuel costs, electricity costs, and labor costs, adjusted profit excluding the special factors is also expected to exceed the previous forecast due to the impact of the depreciation of the yen, optimization of collection fees, and expansion of handling volume and range of business contracts through logistics solution sales. Therefore, the Company has revised the full-year consolidated earnings forecast.

[Consolidated earnings forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)]

| | Operating revenue | Operating profit | Ordinary profit | Profit attributable to owners of parent | Basic earnings per share |
|-------------------------------------------------------------------------------------------------------|-------------------|------------------|-----------------|-----------------------------------------|--------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| (i) Previously announced forecast | 305,000 | 24,500 | 24,900 | 15,000 | 603.25 |
| (ii) Revised forecast | 305,500 | 26,000 | 26,400 | 15,500 | 623.36 |
| (iii) Changes (ii) – (i) | 500 | 1,500 | 1,500 | 500 | – |
| (iv) Percentage changes (iii)/(i) | 0.2% | 6.1% | 6.0% | 3.3% | – |
| Reference: Results for the same period of the previous fiscal year (Fiscal year ended March 31, 2022) | 301,022 | 25,939 | 25,553 | 14,503 | 583.98 |

Overview of difference between full-year earnings forecast and current revision for consolidated operating profit (Billions of yen)

| | Adjusted profit | Special factors | Total |
|--------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-------|
| Full-year earnings forecast announced on November 4, 2022 | 21.2 | 3.3 | 24.5 |
| Special factors (impact of shift from sea to air transportation and airfares and sea freight rates remaining high) | – | +1.2 | +1.2 |
| Impact of exchange rates | +0.1 | – | +0.1 |
| Others | +0.2 | – | +0.2 |
| Revised forecast amount | 21.5 | 4.5 | 26.0 |
| Reference: Results for the previous fiscal year | 17.0 | 8.9 | 25.9 |

b. Regarding the revision to the year-end dividend forecast for the fiscal year ending March 31, 2023

Under the Medium-term Management Plan 2022 (from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2027), the Group decided on a policy of implementing flexible dividends linked to performance, with a consolidated dividend payout ratio of 30% as our standard.

Together with the revision to the earnings forecast for the fiscal year ending March 31, 2023 described in a. above, the Company has revised the dividend forecast of the dividend per share for a full-year consolidated dividend payout ratio of around 30% in accordance with the dividend policy.

[Consolidated year-end dividend forecast for the fiscal year ending March 31, 2023 (April 1, 2022 to March 31, 2023)]

| | Annual dividends per share | | |
|----------------------------------------------------------------------------|----------------------------|-----------------|------------------|
| | Second quarter-end | Fiscal year-end | Annual dividends |
| Previously announced forecast (Announced on November 4, 2022) | Yen – | Yen 109.00 | Yen 181.00 |
| Revised forecast | – | 115.00 | 187.00 |
| Results for the fiscal year under review | 72.00 | – | – |
| Results for the previous fiscal year (Fiscal year ended March 31, 2022) | 35.00 | 94.00 | 129.00 |

Note: The forecast figures mentioned above are based on the information currently available to the Company. The actual results may differ from the forecasts due to various factors.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|----------------------------------------------------------|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 23,109 | 31,674 |
| Trade notes and accounts receivable, and contract assets | 41,155 | 35,521 |
| Inventories | 2,045 | 2,409 |
| Other | 11,112 | 9,431 |
| Allowance for doubtful accounts | (67) | (60) |
| Total current assets | 77,354 | 78,976 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 73,609 | 71,674 |
| Land | 56,496 | 56,591 |
| Other, net | 9,387 | 11,041 |
| Total property, plant and equipment | 139,493 | 139,307 |
| Intangible assets | | |
| Goodwill | 1,917 | 1,690 |
| Other | 6,783 | 8,273 |
| Total intangible assets | 8,700 | 9,964 |
| Investments and other assets | | |
| Investment securities | 9,883 | 10,758 |
| Other | 23,468 | 21,501 |
| Allowance for doubtful accounts | (603) | (596) |
| Total investments and other assets | 32,748 | 31,664 |
| Total non-current assets | 180,942 | 180,935 |
| Total assets | 258,297 | 259,912 |

(Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 |
|-------------------------------------------------------|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Trade notes and accounts payable | 22,604 | 19,389 |
| Short-term borrowings | 2,049 | 951 |
| Current portion of long-term borrowings | 9,630 | 7,714 |
| Income taxes payable | 4,631 | 1,690 |
| Provision for bonuses | 3,863 | 2,047 |
| Other | 22,663 | 25,447 |
| Total current liabilities | 65,441 | 57,241 |
| Non-current liabilities | | |
| Bonds payable | 25,000 | 25,000 |
| Long-term borrowings | 57,317 | 53,311 |
| Retirement benefit liability | 6,562 | 6,555 |
| Other | 15,343 | 17,981 |
| Total non-current liabilities | 104,224 | 102,847 |
| Total liabilities | 169,666 | 160,089 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 11,100 | 11,156 |
| Capital surplus | 5,548 | 5,603 |
| Retained earnings | 52,752 | 61,818 |
| Treasury shares | (103) | (103) |
| Total shareholders' equity | 69,298 | 78,474 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,568 | 4,142 |
| Deferred gains or losses on hedges | 2 | (1) |
| Foreign currency translation adjustment | 4,665 | 5,712 |
| Remeasurements of defined benefit plans | 1,924 | 1,415 |
| Total accumulated other comprehensive income | 10,159 | 11,268 |
| Non-controlling interests | 9,172 | 10,079 |
| Total net assets | 88,631 | 99,823 |
| Total liabilities and net assets | 258,297 | 259,912 |

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**Quarterly consolidated statement of income
[For the first nine months]**

(Millions of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|---------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Operating revenue | | |
| Warehousing fee income | 26,431 | 28,589 |
| Stevedoring income | 23,642 | 25,501 |
| Port terminal fee income | 12,839 | 13,503 |
| Transportation income | 114,656 | 124,460 |
| Real estate income | 6,525 | 6,531 |
| Other | 32,673 | 35,731 |
| Total operating revenue | 216,769 | 234,317 |
| Operating costs | | |
| Direct operation expenses | 110,977 | 118,415 |
| Rent expenses | 14,718 | 15,216 |
| Depreciation | 5,427 | 6,001 |
| Salaries and allowances | 27,369 | 28,490 |
| Other | 27,001 | 31,168 |
| Total operating costs | 185,494 | 199,291 |
| Operating gross profit | 31,274 | 35,025 |
| Selling, general and administrative expenses | | |
| Depreciation | 939 | 1,080 |
| Remuneration, salaries and allowances | 6,280 | 6,405 |
| Amortization of goodwill | 538 | 265 |
| Other | 5,378 | 5,936 |
| Total selling, general and administrative expenses | 13,137 | 13,687 |
| Operating profit | 18,137 | 21,338 |
| Non-operating income | | |
| Interest income | 89 | 190 |
| Dividend income | 305 | 348 |
| Foreign exchange gains | 7 | 395 |
| Share of profit of entities accounted for using equity method | 242 | 340 |
| Other | 477 | 531 |
| Total non-operating income | 1,123 | 1,807 |
| Non-operating expenses | | |
| Interest expenses | 653 | 667 |
| Commission expenses | 50 | 55 |
| Loss on retirement of non-current assets | 96 | 41 |
| Other | 232 | 265 |
| Total non-operating expenses | 1,032 | 1,030 |
| Ordinary profit | 18,227 | 22,115 |
| Extraordinary income | | |
| Gain on return of assets from retirement benefit trust | - | 496 |
| Total extraordinary income | - | 496 |
| Profit before income taxes | 18,227 | 22,611 |
| Income taxes | 5,758 | 6,893 |
| Profit | 12,469 | 15,718 |
| Profit attributable to non-controlling interests | 2,159 | 2,526 |
| Profit attributable to owners of parent | 10,309 | 13,191 |

Quarterly consolidated statement of comprehensive income
[For the first nine months]

(Millions of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|--------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Profit | 12,469 | 15,718 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (343) | 574 |
| Deferred gains or losses on hedges | 0 | (3) |
| Foreign currency translation adjustment | 1,045 | 1,327 |
| Remeasurements of defined benefit plans, net of tax | 115 | (498) |
| Share of other comprehensive income of entities accounted for using equity method | 324 | (43) |
| Total other comprehensive income | 1,142 | 1,355 |
| Comprehensive income | 13,612 | 17,073 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 11,429 | 14,299 |
| Comprehensive income attributable to non-controlling interests | 2,182 | 2,773 |

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

| | Nine months ended December 31, 2021 | Nine months ended December 31, 2022 |
|----------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 18,227 | 22,611 |
| Depreciation | 6,366 | 7,082 |
| Amortization of goodwill | 538 | 265 |
| Gain on return of assets from retirement benefit trust | – | (496) |
| Increase (decrease) in allowance for doubtful accounts | 22 | (23) |
| Increase (decrease) in provision for bonuses | (1,685) | (1,828) |
| Increase (decrease) in retirement benefit liability | (81) | (17) |
| Interest and dividend income | (394) | (539) |
| Interest expenses | 653 | 667 |
| Share of loss (profit) of entities accounted for using equity method | (242) | (340) |
| Loss (gain) on sale of property, plant and equipment | (15) | (54) |
| Loss on retirement of non-current assets | 96 | 41 |
| Loss (gain) on sale of investment securities | (32) | – |
| Decrease (increase) in trade receivables and contract assets | (4,090) | 6,303 |
| Increase (decrease) in trade payables | 2,056 | (3,500) |
| Other, net | 1,792 | 2,948 |
| Subtotal | 23,209 | 33,120 |
| Interest and dividends received | 582 | 810 |
| Interest paid | (565) | (598) |
| Income taxes paid | (9,577) | (7,245) |
| Net cash provided by (used in) operating activities | 13,649 | 26,088 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (4,722) | (2,073) |
| Proceeds from sale of property, plant and equipment | 54 | 81 |
| Purchase of intangible assets | (1,402) | (2,009) |
| Proceeds from sale of intangible assets | 2 | 2 |
| Purchase of investment securities | (117) | (18) |
| Proceeds from sale of investment securities | 47 | – |
| Loan advances | (5) | (14) |
| Proceeds from collection of loans receivable | 8 | 37 |
| Payments into time deposits | (0) | (0) |
| Proceeds from withdrawal of time deposits | 206 | 1 |
| Net cash provided by (used in) investing activities | (5,929) | (3,993) |
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 99,023 | 73,857 |
| Repayments of short-term borrowings | (94,500) | (75,172) |
| Proceeds from long-term borrowings | 3,000 | 1 |
| Repayments of long-term borrowings | (10,399) | (5,990) |
| Dividends paid | (1,614) | (4,125) |
| Dividends paid to non-controlling interests | (767) | (2,111) |
| Other, net | (259) | (231) |
| Net cash provided by (used in) financing activities | (5,516) | (13,771) |
| Effect of exchange rate change on cash and cash equivalents | 66 | 248 |
| Net increase (decrease) in cash and cash equivalents | 2,269 | 8,571 |
| Cash and cash equivalents at beginning of period | 22,718 | 22,822 |
| Cash and cash equivalents at end of period | 24,987 | 31,393 |

(4) Notes to quarterly consolidated financial statements**Notes on premise of going concern**

Not applicable.

Notes when there are significant changes in amounts of shareholders' equity

Not applicable.

Segment information, etc.

[Segment information]

I Nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

1. Information on amounts of operating revenue and profit (loss) by reportable segment

| | Reportable segment | | Total | Adjustment (Note 1) | Amount recorded in the quarterly consolidated statement of income (Note 2) |
|--------------------------------------------------|-----------------------|-------------------------|---------|------------------------|----------------------------------------------------------------------------------------------|
| | Logistics Business | Real Estate Business | | | |
| Operating revenue | | | | | |
| (1) Operating revenue from external customers | 210,243 | 6,525 | 216,769 | – | 216,769 |
| (2) Intersegment revenue or transfers | – | 561 | 561 | (561) | – |
| Total | 210,243 | 7,087 | 217,331 | (561) | 216,769 |
| Segment operating profit | 16,381 | 4,295 | 20,676 | (2,539) | 18,137 |

Notes: 1. Segment profit adjustment of ¥(2,539) million is expenses associated with the administrative department of the Company.

2. Segment operating profit is adjusted to operating profit in the quarterly consolidated statement of income.

2. Information about impairment losses of non-current assets or goodwill for each reportable segment

Not applicable.

II Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

1. Information on amounts of operating revenue and profit (loss) by reportable segment

(Millions of yen)

| | Reportable segment | | Total | Adjustment (Note 1) | Amount recorded in the quarterly consolidated statement of income (Note 2) |
|--------------------------------------------------|-----------------------|-------------------------|---------|------------------------|----------------------------------------------------------------------------------------------|
| | Logistics Business | Real Estate Business | | | |
| Operating revenue | | | | | |
| (1) Operating revenue from external customers | 227,785 | 6,531 | 234,317 | – | 234,317 |
| (2) Intersegment revenue or transfers | – | 608 | 608 | (608) | – |
| Total | 227,785 | 7,140 | 234,925 | (608) | 234,317 |
| Segment operating profit | 19,622 | 4,393 | 24,015 | (2,677) | 21,338 |

Notes: 1. Segment profit adjustment of ¥(2,677) million is expenses associated with the administrative department of the Company.

2. Segment operating profit is adjusted to operating profit in the quarterly consolidated statement of income.

2. Information about impairment losses of non-current assets or goodwill for each reportable segment

Not applicable.

3. Supplemental information

Reference materials on the financial results for the nine months ended December 31, 2022

1. Overview of operating results (Consolidated) (Millions of yen)

| | Nine-month period (from April 1 to December 31) | | | | Full year (from April 1 to March 31) | | | |
|--------------------------------------------|----------------------------------------------------|-----------------------------------------|--------------------|----------------|-----------------------------------------------------------|-----------------------------------------------------------------|--------------------|----------------|
| | Fiscal year ended March 31, 2022 | Fiscal year ending March 31, 2023 | Changes | | Results for the fiscal year ended March 31, 2022 | Forecasts for the fiscal year ending March 31, 2023 | Changes | |
| | | | Monetary amount | Percentage (%) | | | Monetary amount | Percentage (%) |
| Operating revenue | 216,769 | 234,317 | 17,547 | 8.1 | 301,022 | 305,500 | 4,477 | 1.5 |
| Operating profit | 18,137 | 21,338 | 3,200 | 17.6 | 25,939 | 26,000 | 60 | 0.2 |
| Ordinary profit | 18,227 | 22,115 | 3,887 | 21.3 | 25,553 | 26,400 | 846 | 3.3 |
| Profit attributable to owners of parent | 10,309 | 13,191 | 2,881 | 27.9 | 14,503 | 15,500 | 996 | 6.9 |

2. Financial position (Consolidated) (Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 | Changes | |
|----------------|-------------------------|----------------------------|-------------------------------|----------------|
| | | | Monetary amount and others | Percentage (%) |
| Equity capital | 79,458 | 89,743 | 10,284 | 12.9 |
| Total assets | 258,297 | 259,912 | 1,615 | 0.6 |
| Equity ratio | 30.8% | 34.5% | +3.8 pt | 12.2 |
| D/E ratio | 1.25 | 1.06 | (0.20) | (15.6) |

3. Status of depreciation (Consolidated) (Millions of yen)

| | Same period of the previous fiscal year | Nine months ended December 31, 2022 | Changes | Fiscal year ended March 31, 2022 |
|--------------|--------------------------------------------|----------------------------------------|---------|-------------------------------------|
| Depreciation | 6,366 | 7,082 | 715 | 8,721 |

4. Balance of interest-bearing debt (Consolidated) (Millions of yen)

| | As of March 31, 2022 | As of December 31, 2022 | Changes |
|-------------------|-------------------------|----------------------------|---------|
| Bonds payable | 25,000 | 25,000 | – |
| Borrowings | 68,996 | 61,977 | (7,019) |
| Lease liabilities | 5,397 | 7,736 | 2,338 |
| Total | 99,394 | 94,714 | (4,680) |

5. Segment information (Consolidated)

<Operating revenue> (Millions of yen)

| | Results for the same period of the previous fiscal year | Results for the nine months ended December 31, 2022 | Forecasts for the fiscal year ending March 31, 2023 | Results for the fiscal year ended March 31, 2022 |
|---------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------|
| Logistics Business | 210,243 | 227,785 | 296,600 | 292,213 |
| Real Estate Business | 7,087 | 7,140 | 9,600 | 9,574 |
| Total | 217,331 | 234,925 | 306,200 | 301,788 |
| Adjustment | (561) | (608) | (700) | (765) |
| Amount recorded in the consolidated statement of income | 216,769 | 234,317 | 305,500 | 301,022 |

<Operating profit>

(Millions of yen)

| | Results for the same period of the previous fiscal year | Results for the nine months ended December 31, 2022 | Forecasts for the fiscal year ending March 31, 2023 | Results for the fiscal year ended March 31, 2022 |
|---------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|--------------------------------------------------|
| Logistics Business | 16,381 | 19,622 | 24,100 | 23,734 |
| Real Estate Business | 4,295 | 4,393 | 5,800 | 5,798 |
| Total | 20,676 | 24,015 | 29,900 | 29,532 |
| Adjustment | (2,539) | (2,677) | (3,900) | (3,593) |
| Amount recorded in the consolidated statement of income | 18,137 | 21,338 | 26,000 | 25,939 |