

**Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022**
**[Japanese GAAP]**

Company name: Maruzen Showa Unyu Co., Ltd.

Listing: Tokyo Stock Exchange

Stock code: 9068

 URL: <https://www.maruzenshowa.co.jp/>

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Scheduled date of Annual General Meeting of Shareholders: June 29, 2022

Scheduled date of payment of dividend: June 30, 2022

Scheduled date of filing of Annual Securities Report: June 29, 2022

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

*(All amounts are rounded down to the nearest million yen)*
**1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)**

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2022	136,850	13.0	11,820	20.0	12,567	19.8	8,579	27.1
Fiscal year ended Mar. 31, 2021	121,136	(1.4)	9,851	11.0	10,490	10.7	6,748	(16.0)

Note: Comprehensive income (million yen)

Fiscal year ended Mar. 31, 2022: 9,410 (down 4.9%)

Fiscal year ended Mar. 31, 2021: 9,894 (up 68.6%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to operating revenue
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2022	423.02	-	8.3	7.6	8.6
Fiscal year ended Mar. 31, 2021	332.73	-	7.1	6.9	8.1

Reference: Equity in earnings of affiliates (million yen)

Fiscal year ended Mar. 31, 2022: 41

Fiscal year ended Mar. 31, 2021: 41

Note: Diluted net income per share is not presented since there is no dilutive share.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2022	170,919	108,514	62.4	5,259.39
As of Mar. 31, 2021	157,922	100,858	62.7	4,884.07

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2022: 106,660

As of Mar. 31, 2021:

99,054

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2022	12,239	(11,007)	2,672	30,250
Fiscal year ended Mar. 31, 2021	11,376	(11,324)	(39)	25,887

**2. Dividends**

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2021	Yen -	Yen 35.00	Yen -	Yen 40.00	Yen 75.00	Million yen 1,545	% 22.5	% 1.6
Fiscal year ended Mar. 31, 2022	Yen -	Yen 42.50	Yen -	Yen 42.50	Yen 85.00	Million yen 1,751	% 20.1	% 1.7
Fiscal year ending Mar. 31, 2023 (forecasts)	Yen -	Yen 42.50	Yen -	Yen 42.50	Yen 85.00		% 19.2	

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

Dividend per share of 42.50 yen for 2Q of the fiscal year ended Mar.31, 2022 includes a commemorative dividend of 5.00 yen to our shareholders for our 90th year of business.

**3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)**

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	71,000	8.0	6,700	24.7	7,000	22.0	4,400	18.3	216.96
Full year	144,000	5.2	13,800	16.7	14,500	15.4	9,000	4.9	443.77

**\* Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting policies and accounting-based estimates, and restatements

- |   |      |
|---|------|
| 1) Changes in accounting policies due to revisions in accounting standards, others: | Yes  |
| 2) Changes in accounting policies other than 1) above:                              | None |
| 3) Changes in accounting-based estimates:   | None |
| 4) Restatements:  | None |

Note: For more information, please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Changes in Accounting Policies” on page 14.

(3) Number of issued shares (common shares)

1) Number of shares issued at the end of the period (including treasury shares)

As of Mar. 31, 2022:	20,612,844 shares	As of Mar. 31, 2021:	20,612,844 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2022:	332,775 shares	As of Mar. 31, 2021:	331,612 shares
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3) Average number of shares during the period

Fiscal year ended Mar. 31, 2022:	20,280,660 shares	Fiscal year ended Mar. 31, 2021:	20,281,871 shares
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**Reference: Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)**

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2022	109,358	15.2	9,240	20.9	10,702	21.6	7,728	23.7
Fiscal year ended Mar. 31, 2021	94,910	(0.8)	7,645	7.2	8,804	1.5	6,249	3.8

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2022	375.06	-
Fiscal year ended Mar. 31, 2021	303.28	-

Note: Diluted net income per share is not presented since there is no dilutive share.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2022	137,203	93,362	68.0	4,531.23
As of Mar. 31, 2021	130,139	87,096	66.9	4,226.91

Reference: Shareholders' equity (million yen) As of Mar. 31, 2022: 93,362 As of Mar. 31, 2021: 87,096

**2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)**

(Percentages represent year-on-year changes)

	Operating revenue		Ordinary profit		Profit		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	57,500	8.9	6,000	9.5	4,250	9.6	206.26
Full year	116,000	6.1	12,000	12.1	8,500	10.0	412.53

\* The current financial report is not subject to audit by certified public accountants and auditing firms.

\* Cautionary statement with respect to forward-looking statements, and other special items

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ materially from the forecasts for a number of reasons. Please refer to “1. Overview of Results of Operations, (4) Outlook” on page 4 for forecast assumptions and notes of caution for usage.

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## 1. Overview of Results of Operations

### (1) Results of Operations

During the fiscal year ended March 31, 2022 (hereinafter, “the current fiscal year”), the Japanese economy began showing signs of recovery as economic activity gradually resumed with its conditions becoming less severe thanks to the progress of COVID-19 vaccination. However, uncertainty over the economic outlook lingered because of, among others, restrictions on movements imposed repeatedly in response to the spread of COVID-19 infections caused by a new variant of the virus, as well as the unstable international environment triggered by the Russian invasion of Ukraine.

Meanwhile, in the logistics industry, the gross volume of all kinds of domestic cargoes increased in the first half of the current fiscal year. And in the second half, the rate of increase decelerated as a whole due to a decrease in construction-related cargoes, while production- and consumer-related cargoes increased thanks to a steady growth in capital investment and industrial production. The volume of international cargo increased as a whole. While cargo volume of machinery and production parts remained solid backed by an increase in demand for consumer goods and overseas capital investment, reflecting an expansion in demand fueled by the global economic recovery, cargo movement of automobile parts became dull because of a larger reduction in production by automobile factories due to the global supply shortage of semiconductors. The performance of ship cargoes was dragged down by the tremendous impact of disruptions in ocean transportation, prolonged supply shortage of containers, and the resurgence of the COVID-19 infections in Japan and other countries. For air cargos, shipments of both consumer and producer goods remained on a growth trend thanks to an ongoing pickup in personal consumption and continued expansion of capital investment, and semiconductors increased further driven by the full scale spread of AI, IoT, and 5G as well as the development of DX.

Furthermore, as issues such as a shortage of drivers due to the ongoing declining birthrate and aging population as well as price competition among peers prevailed, coupled with soaring truck fuel prices due to the impact of the international affairs, the operating environments for logistic companies remained challenging.

Against this backdrop, the Group ended the current fiscal year, which marked the final year of the Seventh Medium term Management Plan starting with FY2019 and also the 90th anniversary of the Company’s establishment. For the Group to continue to evolve in the future, it has properly adapted to changes in environment and expanded lines of service and target industry sectors rather than sticking to the past business area. With these measures in place, all the officers and employees of the Group, as a team, have been striving to achieve the target of year on year increases in both sales and profits.

Consequently, the Group’s results of operations for the current fiscal year were as follows: operating revenue increased by 13.0% year on year to 136,850 million yen, operating profit increased by 20.0% year on year to 11,820 million yen, and ordinary profit increased by 19.8% year on year to 12,567 million yen. Profit attributable to owners of parent increased by 27.1% year on year to 8,579 million yen.

Business segment performance was as follows.

### Logistics Operations

In the Logistics Operations segment, the freight truck transportation business as a whole recorded an increase in operating revenue. By region, the handling volume of household products decreased, but that of construction machinery and housing materials increased in the Kanto region; the handling volume of stainless-steel products decreased, but that of housing materials increased in the Chubu region; and in the Kansai region, the handling volume of electric power equipment increased.

The harbor transportation business as a whole recorded an increase in operating revenue. Specifically, by region, the handling volume of cargo equipment decreased, but that of construction machinery imports/exports, vehicle exports and chemical products increased in the Kanto region. In the Kansai region, the handling volume of electric power equipment increased.

The warehousing operations business as a whole recorded an increase in operating revenue. By region, the handling volume of pharmaceuticals and household products increased in the Kanto region, and that of household products and electric power equipment increased in the Kansai region.

The railway logistics business recorded an increase in operating revenue due to an increase in the handling volume of housing materials.

Operations related to logistics as a whole recorded a significant increase in operating revenue. More specifically, ocean transportation revenue increased, because of a significant increase in the handling volume of chemical products and electrode-related products. Air transportation revenues increased due to an increase in the handling volume of agrochemical products and electric power equipment. Packaging revenues increased due to an increase in the handling volume of electric power equipment. Cargo handling work revenue increased, due to an increase in the handling volume of motor-related products.

Overall, operating revenue of the segment increased by 14.6% year-on-year to 119,167 million yen and segment profit (operating profit) increased by 21.3% year-on-year to 10,086 million yen.

### **Yard Operations and Mechanical Cargo Handling**

The Yard Operations and Mechanical Cargo Handling segment as a whole recorded an increase in operating revenue as a result of increases in the handling volume of electric power equipment and chemical products, which was partly offset by a decrease in the handling volume of steel products.

As a result, operating revenue of the segment as a whole increased by 3.9% year-on-year to 15,397 million yen and segment profit (operating profit) increased by 19.5% year-on-year to 1,301 million yen.

### **Other Operations**

Operating revenue of the segment as a whole decreased by 0.2% year-on-year to 2,284 million yen and segment profit (operating profit) decreased by 3.4% year-on-year to 432 million yen.

## **(2) Financial Position**

### Assets

The balance of total assets at the end of the current fiscal year was 170,919 million yen, up 12,996 million yen from the end of the previous fiscal year. This was mainly due to increases of 5,300 million yen in securities under current assets, 1,818 million yen in notes, accounts receivable, and contract assets and 6,178 million yen in buildings and structures under property, plant and equipment.

### Liabilities

The balance of total liabilities at the end of the current fiscal year was 62,404 million yen, up 5,340 million yen from the end of the previous fiscal year. This was mainly due to an increase of 4,463 million yen in long-term borrowings under non-current liabilities.

### Net assets

The balance of net assets at the end of the current fiscal year was 108,514 million yen, up 7,655 million yen from the end of the previous fiscal year. This was mainly due to increases of 6,870 million yen in retained earnings and 553 million yen in foreign currency translation adjustment. The equity ratio was 62.4%, down 0.3 percentage points from the end of the previous fiscal year.

## **(3) Cash Flows**

Cash and cash equivalents (hereinafter, "net cash") at the end of the current fiscal year increased 4,363 million yen from the end of the previous fiscal year to 30,250 million yen.

Cash flows for the current fiscal year and the main factors for changes are described as below.

### Cash flows from operating activities

Net cash provided by operating activities increased 863 million yen year-on-year to 12,239 million yen.

This was mainly due to recording of profit before income taxes of 12,663 million yen, depreciation of 4,486 million yen, an increase in trade payables of 644 million yen, income taxes paid of 3,828 million yen and an

increase in trade receivables of 1,850 million yen.

#### Cash flows from investing activities

Net cash used in investing activities decreased 317 million yen year-on-year to 11,007 million yen.

This was mainly due to payments of 10,353 million yen for purchase of property, plant and equipment, and 499 million yen for purchase of intangible asset.

#### Cash flows from financing activities

Net cash provided by financing activities increased 2,711 million yen year-on-year to 2,672 million yen.

This was mainly due to repayments of long-term borrowings of 1,047 million yen and dividends paid of 1,699 million yen, which were partly offset by proceeds from long-term borrowings of 5,413 million yen.

#### Reference: Cash flow indicators

	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22
Equity ratio (%)	63.5	66.3	63.0	62.7	62.4
Equity ratio based on market value (%)	38.2	46.7	33.6	41.7	37.6
Interest-bearing debt to cash flow ratio (years)	2.7	2.3	2.5	2.5	2.7
Interest coverage ratio (times)	42.9	53.4	66.1	64.8	64.6

Notes: Equity ratio: Shareholders' equity / Total assets

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

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

- 1) All indicators are calculated based on consolidated figures.
- 2) Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.
- 3) Operating cash flows are the figures for operating cash flows in the consolidated statement of cash flows.  
Interest-bearing debt includes all debts on the consolidated balance sheet that incur interest. Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.

#### (4) Outlook

Going forward, the Japanese economy is expected to take more time to get back to the level before the spread of COVID-19 infection. Despite the increasing vaccination rates, it is still unpredictable when the spread of COVID-19 will end, and is projected that it will repeat a cycle of slowdown and resurgence. In addition, peoples' behavior and sense of values have been modified to live in the society coexisting with the novel coronavirus. Furthermore, there are concerns about rise in prices due to the soaring prices of crude oil and materials triggered by the unstable international environment, as well as the impact by the risk of the weakening of the yen on the domestic economic trend and corporate earnings.

Meanwhile, overseas economies expanded thanks to the gradual relaxation of restrictions on economic activities in each country as a result of the continuous increase in personal consumption and capital investment. However, there is growing concern over the economic slowdown due to the shortage of semiconductors, rising tensions over the Russian invasion of Ukraine, and soaring energy prices.

Against this backdrop, the Group formulated the Eighth Medium-term Management Plan, a three-year plan starting in the fiscal year ending March 31, 2023, and has implemented the plan since April 2022. Under this management plan, we have set the Group's vision as "a logistics partner for creating the future of our customers by leveraging our technologies, as well as skills and motivation in on-site activities," focusing on the following measures: "growth target," under which we aim to expand our business through further sophistication of the third-party logistics (3PL) services and the provision of new logistics services targeting industry and business sectors with potential for future growth; "enhancement of business competitiveness," under which we aim to promote the Company's own LLP service (MALoS [Maruzen Advanced Logistics Solution]) by expansion and sophistication of the 3PL business, as well as to establish a logistics platform; and "reinforcement of our corporate foundation" through promotion of DX and efforts on the SDGs. The Company has created a new brand

slogan: “Logistics is Love.” to commemorate the 90th anniversary of its establishment. Under the slogan, all the Group’s officers and employees will work together as a team to implement the Eighth Medium-term Management Plan.

We forecast to achieve operating revenue of 144,000 million yen, operating profit of 13,800 million yen, ordinary profit of 14,500 million yen, and profit attributable to owners of parent of 9,000 million yen on a consolidated basis for the fiscal year ending March 31, 2023.

#### **(5) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years**

Distributing earnings to shareholders is one of our highest priorities. The basic policy is to pay a dividend that is stable over the long term while taking into consideration results of operations, the dividend payout ratio, the return on equity and all other applicable items.

Retained earnings are used for investments aimed at building an even stronger operating foundation in order to maintain the long-term stability of performance. Major investments include new warehouses and other facilities, vehicles and machinery needed to increase transportation capacity and to meet environmental regulations, and IT systems to keep pace with advances in technology. Based on this policy, in consideration of results of operations, financial position and other factors, we paid an interim dividend of 42.50 yen per share, including a commemorative dividend of 5.00 yen per share for the Company’s 90th anniversary of its establishment, and also plan to pay a year-end dividend of 42.50 yen per share for the fiscal year ended on March 31, 2022.

For the fiscal year ending on March 31, 2023, we plan to pay a dividend of 85 yen per share, the sum of a 42.50 yen interim dividend and a 42.50 yen year-end dividend.

#### **2. Basic Approach to the Selection of Accounting Standards**

We plan to continue using Japanese accounting standards for preparing consolidated financial statements for the time being. One reason is that shareholders, lenders and customers in Japan account for most of the stakeholders of the Group. In addition, using Japanese accounting standards allows comparing financial information with prior years and with the financial information of other companies in Japan.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

(Millions of yen)

	FY3/21 (As of Mar. 31, 2021)	FY3/22 (As of Mar. 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	14,787	14,150
Trade notes and accounts receivable	28,125	-
Notes, accounts receivable, and contract assets	-	29,944
Securities	7,099	12,399
Supplies	262	262
Prepaid expenses	748	780
Other	5,303	5,488
Allowance for doubtful accounts	(1)	(12)
Total current assets	56,325	63,012
Non-current assets		
Property, plant and equipment		
Buildings and structures	87,167	95,206
Accumulated depreciation	(58,927)	(60,787)
Buildings and structures, net	28,240	34,418
Machinery and equipment	23,097	23,713
Accumulated depreciation	(19,388)	(19,231)
Machinery and equipment, net	3,709	4,482
Vessels	2	2
Accumulated depreciation	(0)	(1)
Vessels, net	2	1
Vehicles	10,086	10,201
Accumulated depreciation	(9,029)	(8,973)
Vehicles, net	1,056	1,227
Tools, furniture and fixtures	1,139	1,206
Accumulated depreciation	(926)	(971)
Tools, furniture and fixtures, net	213	234
Land	29,587	30,031
Leased assets	2,224	2,453
Accumulated depreciation	(1,053)	(1,074)
Leased assets, net	1,170	1,379
Construction in progress	7,188	5,422
Total property, plant and equipment	71,168	77,197
Intangible assets		
Goodwill	1,894	1,313
Other	1,348	1,339
Total intangible assets	3,242	2,653
Investments and other assets		
Investment securities	19,677	20,059
Long-term loans receivable	274	271
Deferred tax assets	730	727
Retirement benefit asset	362	456
Other	6,182	6,556
Allowance for doubtful accounts	(42)	(16)
Total investments and other assets	27,185	28,055
Total non-current assets	101,596	107,906
Total assets	157,922	170,919



	(Millions of yen)	
	FY3/21 (As of Mar. 31, 2021)	FY3/22 (As of Mar. 31, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	12,733	13,318
Short-term borrowings	9,854	10,507
Current portion of bonds payable	400	-
Accounts payable-other	1,813	1,227
Income taxes payable	2,187	2,330
Accrued consumption taxes	766	619
Accrued expenses	1,915	2,017
Contract liabilities	-	100
Provision for bonuses	1,649	1,761
Provision for bonuses for directors (and other officers)	3	4
Provision for loss on liquidation of subsidiaries and associates	-	12
Provision for loss on disaster	91	14
Provision for loss on compensation	22	-
Other	577	601
<b>Total current liabilities</b>	<b>32,013</b>	<b>32,515</b>
<b>Non-current liabilities</b>		
Long-term borrowings	17,987	22,451
Deferred tax liabilities	4,413	4,525
Provision for retirement benefits for directors (and other officers)	97	78
Retirement benefit liability	442	430
Asset retirement obligations	799	826
Other	1,309	1,576
<b>Total non-current liabilities</b>	<b>25,049</b>	<b>29,889</b>
<b>Total liabilities</b>	<b>57,063</b>	<b>62,404</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,117	10,117
Capital surplus	9,948	9,948
Retained earnings	73,509	80,380
Treasury shares	(606)	(610)
<b>Total shareholders' equity</b>	<b>92,969</b>	<b>99,835</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,332	6,585
Foreign currency translation adjustment	(352)	200
Remeasurements of defined benefit plans	105	39
<b>Total accumulated other comprehensive income</b>	<b>6,085</b>	<b>6,825</b>
<b>Non-controlling interests</b>	<b>1,804</b>	<b>1,853</b>
<b>Total net assets</b>	<b>100,858</b>	<b>108,514</b>
<b>Total liabilities and net assets</b>	<b>157,922</b>	<b>170,919</b>

**(2) Consolidated Statements of Income and Comprehensive Income****Consolidated Statement of Income**

(Millions of yen)

	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)
Operating revenue	121,136	136,850
Operating costs	106,578	120,261
Operating gross profit	14,558	16,588
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	542	471
Executive officers' compensations	105	131
Salaries and allowances	1,486	1,491
Bonuses	307	318
Provision for bonuses for directors (and other officers)	5	6
Retirement benefit expenses	46	34
Provision for retirement benefits for directors (and other officers)	16	11
Taxes and dues	387	445
Depreciation	98	115
Provision of allowance for doubtful accounts	0	12
Other	1,710	1,728
Total selling, general and administrative expenses	4,707	4,767
Operating profit	9,851	11,820
Non-operating income		
Interest income	24	24
Dividend income	477	593
Share of profit of entities accounted for using equity method	41	41
Miscellaneous income	342	415
Total non-operating income	886	1,075
Non-operating expenses		
Interest expenses	175	188
Litigation settlement	35	60
Miscellaneous expenses	37	79
Total non-operating expenses	247	328
Ordinary profit	10,490	12,567
Extraordinary income		
Gain on sale of non-current assets	77	66
Gain on sale of investment securities	26	313
Subsidy income	129	261
Insurance claim income	116	60
Total extraordinary income	350	702
Extraordinary losses		
Loss on sale and retirement of non-current assets	310	237
Impairment losses	-	0
Loss on disaster	18	1
Loss on tax purpose reduction entry of non-current assets	122	261
Project cost of 90th anniversary	-	101
Compensation for damage	144	5
Total extraordinary losses	596	606
Profit before income taxes	10,244	12,663
Income taxes-current	3,442	3,939
Income taxes-deferred	(47)	55
Total income taxes	3,394	3,994
Profit	6,849	8,669
Profit attributable to non-controlling interests	101	90
Profit attributable to owners of parent	6,748	8,579

**Consolidated Statement of Comprehensive Income**

	(Millions of yen)	
	FY3/21	FY3/22
	(Apr. 1, 2020 – Mar. 31, 2021)	(Apr. 1, 2021 – Mar. 31, 2022)
Profit	6,849	8,669
Other comprehensive income		
Valuation difference on available-for-sale securities	2,887	228
Foreign currency translation adjustment	(100)	553
Remeasurements of defined benefit plans, net of tax	252	(66)
Share of other comprehensive income of entities accounted for using equity method	5	25
Total other comprehensive income	3,044	741
Comprehensive income	9,894	9,410
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,787	9,318
Comprehensive income attributable to non-controlling interests	106	91

**(3) Consolidated Statement of Changes in Equity**

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,117	9,948	68,255	(602)	87,718
Changes during period					
Dividends of surplus			(1,493)		(1,493)
Profit attributable to owners of parent			6,748		6,748
Purchase of treasury shares				(4)	(4)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	5,254	(4)	5,250
Balance at end of period	10,117	9,948	73,509	(606)	92,969

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,445	(251)	(147)	3,046	1,731	92,497
Changes during period						
Dividends of surplus				-		(1,493)
Profit attributable to owners of parent				-		6,748
Purchase of treasury shares				-		(4)
Net changes in items other than shareholders' equity	2,887	(100)	252	3,039	72	3,111
Total changes during period	2,887	(100)	252	3,039	72	8,361
Balance at end of period	6,332	(352)	105	6,085	1,804	100,858

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,117	9,948	73,509	(606)	92,969
Cumulative effects of changes in accounting policies			(8)		(8)
Restated balance	10,117	9,948	73,500	(606)	92,960
Changes during period					
Dividends of surplus			(1,699)		(1,699)
Profit attributable to owners of parent			8,579		8,579
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					-
Total changes during period	-	0	6,879	(3)	6,875
Balance at end of period	10,117	9,948	80,380	(610)	99,835

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,332	(352)	105	6,085	1,804	100,858
Cumulative effects of changes in accounting policies				-		(8)
Restated balance	6,332	(352)	105	6,085	1,804	100,850
Changes during period						
Dividends of surplus				-		(1,699)
Profit attributable to owners of parent				-		8,579
Purchase of treasury shares				-		(4)
Disposal of treasury shares				-		0
Net changes in items other than shareholders' equity	252	553	(66)	739	49	788
Total changes during period	252	553	(66)	739	49	7,664
Balance at end of period	6,585	200	39	6,825	1,853	108,514

**(4) Consolidated Statement of Cash Flows**

(Millions of yen)

	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)
Cash flows from operating activities		
Profit before income taxes	10,244	12,663
Depreciation	4,157	4,486
Amortization of goodwill	581	581
Increase (decrease) in provision for retirement benefits for directors (and other officers)	6	(18)
Increase (decrease) in provision for bonuses	35	112
Increase (decrease) in provision for bonuses for directors (and other officers)	(1)	1
Increase (decrease) in allowance for doubtful accounts	(1)	(14)
Decrease (increase) in retirement benefit asset	(359)	(94)
Increase (decrease) in retirement benefit liability	(78)	(11)
Interest and dividend income	(502)	(617)
Insurance claim income	(116)	(60)
Interest expenses	175	188
Share of loss (profit) of entities accounted for using equity method	(41)	(41)
Loss (gain) on sale and retirement of non-current assets	232	170
Loss (gain) on sale of investment securities	(26)	(313)
Decrease (increase) in trade receivables	(1,702)	(1,850)
Decrease (increase) in inventories	(72)	(0)
Increase (decrease) in trade payables	1,002	644
Increase (decrease) in accrued consumption taxes	(23)	(94)
Loss on tax purpose reduction entry of non-current assets	122	261
Loss on disaster	18	-
Subsidy income	(129)	(261)
Loss on compensation for damage	144	5
Project cost of 90th anniversary	-	101
Other, net	184	(319)
Subtotal	13,849	15,519
Interest and dividends received	505	619
Interest paid	(175)	(189)
Income taxes paid	(2,923)	(3,828)
Proceeds from insurance income	319	60
Subsidies received	129	261
Payments associated with disaster loss	(230)	(76)
Compensation for damage paid	(98)	(5)
Payments associated with 90th anniversary project cost	-	(101)
Payments associated compensation loss	-	(19)
Net cash provided by (used in) operating activities	11,376	12,239
Cash flows from investing activities		
Purchase of securities	(200)	(200)
Proceeds from redemption of securities	200	200
Purchase of property, plant and equipment	(10,489)	(10,353)
Proceeds from sale of property, plant and equipment	84	73
Purchase of investment securities	(608)	(180)
Proceeds from sale of investment securities	97	510
Purchase of intangible assets	(187)	(499)
Proceeds from collection of short-term loans receivable	19	35
Proceeds from collection of long-term loans receivable	130	0
Acquisition of other investments	(148)	(228)
Proceeds on sale of other investments	150	182
Loan advances	(16)	(18)
Other, net	(357)	(530)
Net cash provided by (used in) investing activities	(11,324)	(11,007)

	(Millions of yen)	
	FY3/21	FY3/22
	(Apr. 1, 2020 – Mar. 31, 2021)	(Apr. 1, 2021 – Mar. 31, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,280)	750
Proceeds from long-term borrowings	6,339	5,413
Repayments of long-term borrowings	(3,324)	(1,047)
Dividends paid	(1,493)	(1,699)
Dividends paid to non-controlling interests	(34)	(42)
Redemption of bonds	-	(400)
Other, net	(245)	(301)
Net cash provided by (used in) financing activities	(39)	2,672
Effect of exchange rate change on cash and cash equivalents	(100)	458
Net increase (decrease) in cash and cash equivalents	(88)	4,363
Cash and cash equivalents at beginning of period	25,975	25,887
Cash and cash equivalents at end of period	25,887	30,250

## **(5) Notes to Consolidated Financial Statements**

### **Going Concern Assumption**

Not applicable.

### **Changes in Accounting Policies**

#### **Application of the Accounting Standard for Revenue Recognition**

Maruzen Showa Unyu has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) at the beginning of the current fiscal year. Based on this standard, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the goods and services is transferred to customers.

For the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional treatment prescribed in Paragraph 84 of this standard, the cumulative effect of the retrospective application of the new accounting standard, if it is applied prior to the current fiscal year, is added to or subtracted from retained earnings at the beginning of the current fiscal year. The new standard is then applied beginning with this amount of retained earnings. However, the Company has applied the method prescribed in Paragraph 86 of this standard and has not retrospectively applied the new accounting standard to contracts in which almost all revenue were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year. In addition, the Company has applied the method prescribed in Paragraph 86, Article 1 of the Accounting Standard for Revenue Recognition, and accounted for contract changes made prior to the beginning of the current fiscal year based on the contract terms after reflecting all contract changes, and added or subtracted the cumulative effect of such changes to retained earnings at the beginning of the current fiscal year.

This change had a minimal impact on operating revenue, operating profit, ordinary profit and profit before income taxes for the current financial year. The effect on the balance of retained earnings at the beginning of the period was also minor.

Due to the application of the Accounting Standard for Revenue Recognition, "Notes and operating accounts receivable-trade" that were presented under the "Current assets" in the consolidated balance sheets in the previous fiscal year is included in "Notes, operating accounts receivable-trade and contract assets" from the current fiscal year. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the prior year's consolidated financial statements to conform to the new presentation. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), the Company has not presented the disaggregation of revenue from contracts with customers for the previous fiscal year.

#### **Application of the Accounting Standard for Fair Value Measurement**

Maruzen Showa Unyu has applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) from the beginning of the current fiscal year, and has applied the new accounting standard set forth by the Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect of the application of these standards on the consolidated financial statements.



## Segment and Other Information

### Segment information

#### 1. Overview of reportable segment

Segments used for financial reporting are the Company's constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Company's operations are divided into the logistics operations business, the yard operations and mechanical cargo handling business, and other businesses. Each consolidated subsidiary is an independent business unit that undergoes periodic reviews by the Board of Directors of the Company. Each subsidiary establishes its own comprehensive strategy and conducts its own business activities.

Consequently, the Group's operations consist of business segments for different services based on the three categories in the preceding paragraph and the activities of consolidated subsidiaries. To provide suitable information about business activities and the operating environment, operations that are generally similar regarding economic characteristics, services and other items are combined into two reportable segments: Logistics Operations, and Yard Operations and Mechanical Cargo Handling.

Services by reportable segment are as follows.

Reportable segment	Services
Logistics Operations	Freight truck transportation, freight forwarding (truck, rail, ocean transportation and coastal transportation, air), harbor transportation (general harbor transportation, loading and unloading (in ships and on shore), barges), warehousing operations, customs brokerage, packaging, marine cargo transportation, air cargo agency
Yard Operations and Mechanical Cargo Handling	On-site moving, assembly, filling and warehouse storage of raw materials, finished products, heavy loads, precision machinery and other items, handling of incoming and outgoing shipments, provision of services associated with these activities, and rental of machinery

#### 2. Calculation method for operating revenue, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting methods for reportable operating segments are largely the same as those described in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable business segments are operating profit figures.

Inter-segment sales and transfers are based on prevailing market prices.

## 3. Information related to operating revenue, profit or loss, assets, liabilities, and other items for each reportable segment and on breakdown of revenues

FY3/21 (Apr. 1, 2020– Mar. 31, 2021)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Total (Note 3)
	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Total				
Operating revenue							
(1) External sales	104,027	14,819	118,847	2,288	121,136	-	121,136
(2) Inter-segment sales and transfers	-	-	-	539	539	(539)	-
Total	104,027	14,819	118,847	2,828	121,676	(539)	121,136
Segment profit	8,314	1,089	9,403	447	9,851	-	9,851
Segment assets	99,116	7,834	106,950	2,062	109,012	48,910	157,922
Other items:							
Depreciation	3,695	233	3,929	228	4,157	-	4,157
Increase in property, plant and equipment and intangible assets	11,004	758	11,762	348	12,110	-	12,110

- Notes: 1. "Other" is a business segment not included in reportable segments and provides construction, security, real estate, insurance agency, vehicle maintenance and other services.
2. The adjustment of (539) million yen is elimination of inter-segment transactions.  
The adjustment to segment assets of 48,910 million yen is company-wide assets that are not allocated to reportable segments.
3. Total of segment profit is equal to operating profit as shown on the consolidated financial statements.

FY3/22 (Apr. 1, 2021– Mar. 31, 2022)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Total (Note 3)
	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Total				
Operating revenue							
Goods or services that are transferred over a certain period of time	119,167	15,397	134,565	2,284	136,850	-	136,850
Revenue from contracts with customers	119,167	15,397	134,565	2,253	136,819	-	136,819
Other revenue	-	-	-	31	31	-	31
(1) External sales	119,167	15,397	134,565	2,284	136,850	-	136,850
(2) Inter-segment sales and transfers	-	-	-	530	530	(530)	-
Total	119,167	15,397	134,565	2,814	137,380	(530)	136,850
Segment profit	10,086	1,301	11,388	432	11,820	-	11,820
Segment assets	108,004	7,752	115,756	2,093	117,849	53,069	170,919
Other items:							
Depreciation	4,012	248	4,260	225	4,486	-	4,486
Increase in property, plant and equipment and intangible assets	10,201	402	10,603	75	10,679	-	10,679

- Notes: 1. "Other" is a business segment not included in reportable segments and provides construction, security, real estate, insurance agency, vehicle maintenance and other services.
2. The adjustment of (530) million yen is elimination of inter-segment transactions.  
The adjustment to segment assets of 53,069 million yen is company-wide assets that are not allocated to reportable segments.
3. Total of segment profit is equal to operating profit as shown on the consolidated financial statements.

## 4. Matters regarding reportable segment, etc.

As described in Changes in Accounting Policies, Maruzen Showa Unyu has applied the Accounting Standard for Revenue Recognition from the beginning of the current fiscal year and changed the accounting method for revenue recognition, the calculation for segment information has also been changed accordingly. This change had a minimal impact on segment profit.

## Related information

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

## 1. Information by product and service

This information is omitted since the same information is presented in segment information.

## 2. Information by region

## (1) Operating revenue

This information is omitted since sales to external customers in Japan exceeded 90% of operating revenue on the consolidated statement of income.

## (2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

## 3. Information by major client

This information is omitted since no external client accounts for more than 10% of operating revenue on the consolidated statement of income.

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

## 1. Information by product and service

This information is omitted since the same information is presented in segment information.

## 2. Information by region

## (1) Operating revenue

This information is omitted since sales to external customers in Japan exceeded 90% of operating revenue on the consolidated statement of income.

## (2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

## 3. Information by major client

This information is omitted since no external client accounts for more than 10% of operating revenue on the consolidated statement of income.

Information related to impairment of non-current assets for each reportable segment

This information is omitted due to its immateriality.

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other businesses	Elimination or corporate	Total
Amortization for the period	573	7	0	-	581
Balance at the end of period	1,867	26	0	-	1,894

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other businesses	Elimination or corporate	Total
Amortization for the period	573	7	0	-	581
Balance at the end of period	1,292	20	0	-	1,313

Information related to gain on bargain purchase for each reportable segment

Not applicable.

**Per-share Information**

(Yen)

	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)
Net assets per share	4,884.07	5,259.39
Net income per share	332.73	423.02

Notes: 1. Diluted net income per share is not presented because there are no potentially dilutive shares.

2. The basis for calculating net income per share is as follows.

	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	6,748	8,579
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent applicable to common shareholders (Millions of yen)	6,748	8,579
Average number of common shares outstanding during period (Thousand shares)	20,281	20,280

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*