

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

[Japanese GAAP]

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Scheduled date of Annual General Meeting of Shareholders: June 29, 2023
 Scheduled date of payment of dividend: June 30, 2023
 Scheduled date of filing of Annual Securities Report: June 29, 2023
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(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, 2023	140,861	2.9	12,692	7.4	13,781	9.7	8,931	4.1
Fiscal year ended Mar. 31, 2022	136,850	13.0	11,820	20.0	12,567	19.8	8,579	27.1

Note: Comprehensive income (million yen)

Fiscal year ended Mar. 31, 2023: 9,467 (up 0.6%)

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

	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, 2023	440.37	-	8.1	7.9	9.0
Fiscal year ended Mar. 31, 2022	423.02	-	8.3	7.6	8.6

Reference: Equity in earnings of affiliates (million yen)

Fiscal year ended Mar. 31, 2023: 41

Fiscal year ended Mar. 31, 2022: 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, 2023	177,443	116,085	64.3	5,628.39
As of Mar. 31, 2022	170,919	108,514	62.4	5,259.39

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2023: 114,164

As of Mar. 31, 2022: 106,660

(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, 2023	16,501	(6,093)	(3,605)	37,237
Fiscal year ended Mar. 31, 2022	12,239	(11,007)	2,672	30,250

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2022	-	42.50	-	42.50	85.00	1,751	20.1	1.7
Fiscal year ended Mar. 31, 2023	-	47.50	-	52.50	100.00	2,060	22.7	1.8
Fiscal year ending Mar. 31, 2024 (forecasts)	-	50.00	-	50.00	100.00		20.3	

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, 2024 (April 1, 2023 – March 31, 2024)

(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	74,000	5.8	7,000	11.7	7,400	8.7	4,900	7.0	241.59
Full year	154,000	9.3	14,500	14.2	15,500	12.5	10,000	12.0	493.03

*** 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, 2023:	20,612,844 shares	As of Mar. 31, 2022:	20,612,844 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2023:	329,162 shares	As of Mar. 31, 2022:	332,775 shares
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3) Average number of shares during the period

Fiscal year ended Mar. 31, 2023:	20,282,590 shares	Fiscal year ended Mar. 31, 2022:	20,280,660 shares
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Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(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, 2023	111,089	1.6	9,740	5.4	11,554	8.0	8,229	6.5
Fiscal year ended Mar. 31, 2022	109,358	15.2	9,240	20.9	10,702	21.6	7,728	23.7

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2023	399.37	-
Fiscal year ended Mar. 31, 2022	375.06	-

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, 2023	143,304	99,982	69.8	4,851.69
As of Mar. 31, 2022	137,203	93,362	68.0	4,531.23

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 99,982 As of Mar. 31, 2022: 93,362

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages represent year-on-year changes)

	Operating revenue		Ordinary profit		Profit		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	60,000	8.4	6,500	8.6	4,500	3.1	218.38
Full year	125,000	12.5	13,000	12.5	9,000	9.4	436.75

* 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

Cautionary statement with respect to forward-looking statements

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 of the attachments for forecast assumptions and notes of caution for usage.

How to obtain financial results meeting materials

We plan to hold an online presentation for institutional investors and analysts on Thursday, June 1, 2023. The materials to be used in this meeting will be posted on our website.

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year ended March 31, 2023, the Japanese economy started to recover due to measures such as the easing of restrictions on activities and the entry of foreign visitors for returning to normal social and economic activity even as the effects of the pandemic continue. However, the outlook for the economy remains uncertain because of the high cost of resources and raw materials caused by the prolonged Ukraine crisis and rapid depreciation of the yen and other reasons.

In the logistics industry, the volume of cargo shipments in Japan decreased in the first half of the fiscal year. This is the result of a small increase in production-related cargo and a downturn in consumer- and construction-related cargoes. In the fiscal year's second half, there was a small increase in construction-related cargo but a sharp decline in the volume of consumer-related cargo as inflation held down consumer spending. The result was a decrease in the volume of cargo shipments in Japan during the entire fiscal year.

The volume of international cargo remained low because of a further decline in capital expenditures in other countries, a slowdown in shipments of machinery, and the impact on shipments of automobile parts of the prolonged decrease in automobile production caused by the in-vehicle semiconductor shortage. The volume of sea cargo was down but the decline was smaller than before because of progress with reducing disruptions of ocean shipping and port disruptions. However, another wave of the pandemic held down the recovery of the volume of shipments by sea. Air cargo volume remained low in all categories. The main reasons are lower shipments of consumer goods due to the impact of inflation and the yen's depreciation and of parts, materials and machinery used by manufacturers.

Logistics companies in Japan must deal with a shortage of drivers that has continued for many years as the Japan's population ages and with price-based competition within the logistics sector. Furthermore, logistics companies need to prepare for the restriction on driver overtime that will begin in 2024 (known as the "2024 problem"). In addition, soaring truck fuel prices also continued to rise due to the impact of higher crude oil prices.

Under these circumstances, the Group has formulated the Eighth Medium-term Management Plan, a three-year plan that will end with the fiscal year ending in March 2025 and has been implemented since April 2022. Under the plan, we are committed to making all-out efforts to achieve the following three priority measures: (1) Defining the industry sectors and business domains with potential for future growth as "Growth target" by developing MALoS (Maruzen Advanced Logistics Solution), which is our own lead logistics provider (LLP) services, to aim for further sophistication of the third-party logistics (3PL) services; (2) "Enhancement of business competitiveness" by expanding business through providing new logistics services using a logistics platform; and (3) "Reinforcement of our corporate foundation" through promotion of DX and efforts on the SDGs. With these measures in place, all the Group's officers and employees will work together as a team to implement the Eighth Medium-term Management Plan under the brand slogan: "Logistics is Love." created to commemorate the 90th anniversary of its establishment.

Consequently, the Group's results of operations for the fiscal year were as follows: operating revenue increased by 2.9% year-on-year to 140,861 million yen, operating profit increased by 7.4% year-on-year to 12,692 million yen, and ordinary profit increased by 9.7% year-on-year to 13,781 million yen. Profit attributable to owners of parent increased by 4.1% year-on-year to 8,931 million yen.

Business segment performance was as follows.

Logistic Operations

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

The harbor transportation business as a whole recorded an increase in operating revenue. By region, the handling volume of fresh fruits decreased, but that of import/export of construction machinery and iron and steel materials, and that of power generation materials and grains increased in the Kanto region. For the Chubu region, the handling volume of automobile parts increased.

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

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

Operating related to logistics as a whole recorded an increase in operating revenue. More specifically, ocean transportation revenue increased significantly because of an increase in the handling volume of chemical products and electrode-related products. Cargo handling work revenue increased due to an increase in the handling volume of automobile parts. Air transportation revenues decreased due to a decline in the handling volume of chemical products.

Overall, operating revenue of the Logistic Operations segment increased by 3.0% year-on-year to 122,753 million yen and segment profit (operating profit) increased by 7.7% year-on-year to 10,863 million yen.

Yard Operations and Mechanical Cargo Handling

The Yard Operations Handling work recorded a decrease in the handling volume of stainless steel products, but showed an increase in the handling volume of electric power equipment. The Mechanical Cargo Handling recorded a decrease in the handling volume of crane operation. Overall, the Yard Operations and Mechanical Cargo Handling segment as a whole recorded an increase in operating revenue.

As a result, operating revenue of the Yard Operations and Mechanical Cargo Handling segment increased by 1.9% year-on-year to 15,698 million yen and segment profit (operating profit) increased by 5.2% year-on-year to 1,369 million yen.

Other Operations

Operating revenue of the Other Operations segment increased by 5.5% year-on-year to 2,409 million yen and segment profit (operating profit) increased by 6.2% year-on-year to 459 million yen.

(2) Financial Position

Assets

The balance of total assets at the end of the current fiscal year was 177,443 million yen, up 6,524 million yen from the end of the previous fiscal year. This was mainly due to increases of 5,800 million yen in securities under current assets and 3,902 million yen in machinery and equipment under property, plant and equipment and a decrease of 4,191 million yen in construction in progress.

Liabilities

The balance of total liabilities at the end of the current fiscal year was 61,358 million yen, down 1,046 million yen from the end of the previous fiscal year. This was mainly due to an increase of 4,753 million yen in short-term borrowings under current liabilities and a decrease of 6,181 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 116,085 million yen, up 7,570 million yen from the end of the previous fiscal year. This was mainly due to increases of 7,077 million yen in retained earnings and 339 million yen in foreign currency translation adjustment. The equity ratio was 64.3%, up 1.9 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 6,987 million yen from the end of the previous fiscal year to 37,237 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 4,262 million yen year-on-year to 16,501 million yen.

This was mainly due to the recording of profit before income taxes of 13,538 million yen, depreciation of 4,868 million yen, a decrease in trade receivables of 1,891 million yen, which were partially offset by income taxes paid of 4,135 million yen.

Cash flows from investing activities

Net cash used in investing activities decreased 4,913 million yen year-on-year to 6,093 million yen.

This was mainly due to payments of 6,024 million yen for purchase of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities was 3,605 million yen as compared to 2,672 million yen provided in the previous fiscal year.

This was mainly due to repayments of long-term borrowings of 3,345 million yen.

Reference: Cash flow indicators

	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23
Equity ratio (%)	66.3	63.0	62.7	62.4	64.3
Equity ratio based on market value (%)	46.7	33.6	41.7	37.6	36.8
Interest-bearing debt to cash flow ratio (years)	2.3	2.5	2.5	2.7	1.9
Interest coverage ratio (times)	53.4	66.1	64.8	64.6	85.1

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

Japan is slowly transitioning back to normal activities following the pandemic now that the Japanese government has downgraded the legal classification of COVID-19. The economy is benefiting from a return of foreign tourists, an increase in capital expenditures and other factors. With the support of government measures, the Japanese economy is expected to continue to recover slowly with the upturn centered on domestic demand.

The economies of other countries will probably continue to recover at a moderate pace despite the negative effects of slowing consumer spending due to worldwide inflation and of monetary tightening. The recovery of the Chinese economy following the end of its zero-COVID policy and the strength of the U.S. economy are expected to support this recovery. Nevertheless, the outlook for the global economy is still unclear.

The fiscal year ending in March 2024 is the second year of the three-year Eighth Medium-term Management Plan that will end with the fiscal year ending in March 2025. Goals for the plan's second year include the growth of the third-party logistics (3PL) business and revenue growth in the agriculture category, which is one of our growth targets. For enhancement of business competitiveness, we plan to provide a CO2 emission visualization service and build a new industry-specific platforms as part of our distinctive LLP service (MALoS [Maruzen Advanced

Logistics Solution]). Many activities are planned for the reinforcement of our corporate foundation. We are implementing the digital transformation, reexamining training programs to develop the skills of employees, disclosing more non-financial information, such as information involving ESG and TCFD, and taking other actions. All the Group's officers and employees have a firm commitment to accomplishing the plan's goals for sales and earnings.

Based on this outlook, we forecast operating revenue of 154,000 million yen, operating profit of 14,500 million yen, ordinary profit of 15,500 million yen, and profit attributable to owners of parent of 10,000 million yen on a consolidated basis for the fiscal year ending March 31, 2024.

(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 47.50 yen per share, and also plan to pay a year-end dividend of 52.50 yen per share for the fiscal year ended on March 31, 2023.

For the fiscal year ending on March 31, 2024, we plan to pay a dividend of 100 yen per share, the sum of a 50 yen interim dividend and a 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)

	FY3/22 (As of Mar. 31, 2022)	FY3/23 (As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	14,150	15,337
Notes and accounts receivable - trade, and contract assets	29,944	28,144
Securities	12,399	18,199
Supplies	262	315
Prepaid expenses	780	747
Other	5,488	5,651
Allowance for doubtful accounts	(12)	(9)
Total current assets	63,012	68,386
Non-current assets		
Property, plant and equipment		
Buildings and structures	95,206	99,162
Accumulated depreciation	(60,787)	(63,218)
Buildings and structures, net	34,418	35,943
Machinery and equipment	23,713	28,474
Accumulated depreciation	(19,231)	(20,090)
Machinery and equipment, net	4,482	8,384
Vessels	2	2
Accumulated depreciation	(1)	(2)
Vessels, net	1	0
Vehicles	10,201	10,259
Accumulated depreciation	(8,973)	(9,306)
Vehicles, net	1,227	952
Tools, furniture and fixtures	1,206	1,294
Accumulated depreciation	(971)	(1,004)
Tools, furniture and fixtures, net	234	289
Land	30,031	30,032
Leased assets	2,453	2,948
Accumulated depreciation	(1,074)	(808)
Leased assets, net	1,379	2,139
Construction in progress	5,422	1,230
Total property, plant and equipment	77,197	78,973
Intangible assets		
Goodwill	1,313	734
Other	1,339	1,219
Total intangible assets	2,653	1,953
Investments and other assets		
Investment securities	20,059	20,273
Long-term loans receivable	271	142
Deferred tax assets	727	766
Retirement benefit asset	456	350
Other	6,556	6,613
Allowance for doubtful accounts	(16)	(16)
Total investments and other assets	28,055	28,129
Total non-current assets	107,906	109,056
Total assets	170,919	177,443

	(Millions of yen)	
	FY3/22	FY3/23
	(As of Mar. 31, 2022)	(As of Mar. 31, 2023)
Liabilities		
Current liabilities		
Trade notes and accounts payable	13,318	12,835
Short-term borrowings	10,507	15,260
Accounts payable-other	1,227	1,052
Income taxes payable	2,330	2,520
Accrued consumption taxes	619	656
Accrued expenses	2,017	2,016
Contract liabilities	100	87
Provision for bonuses	1,761	1,786
Provision for bonuses for directors (and other officers)	4	5
Provision for loss on liquidation of subsidiaries and associates	12	-
Provision for loss on disaster	14	-
Other	601	681
Total current liabilities	32,515	36,903
Non-current liabilities		
Long-term borrowings	22,451	16,269
Deferred tax liabilities	4,525	4,681
Provision for retirement benefits for directors (and other officers)	78	80
Retirement benefit liability	430	405
Asset retirement obligations	826	862
Other	1,576	2,155
Total non-current liabilities	29,889	24,454
Total liabilities	62,404	61,358
Net assets		
Shareholders' equity		
Share capital	10,117	10,117
Capital surplus	9,948	9,949
Retained earnings	80,380	87,457
Treasury shares	(610)	(600)
Total shareholders' equity	99,835	106,924
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,585	6,854
Foreign currency translation adjustment	200	539
Remeasurements of defined benefit plans	39	(154)
Total accumulated other comprehensive income	6,825	7,239
Non-controlling interests	1,853	1,920
Total net assets	108,514	116,085
Total liabilities and net assets	170,919	177,443

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

(Millions of yen)

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Operating revenue	136,850	140,861
Operating costs	120,261	122,987
Operating gross profit	16,588	17,874
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	471	509
Executive officers' compensations	131	133
Salaries and allowances	1,491	1,524
Bonuses	318	340
Provision for bonuses for directors (and other officers)	6	8
Retirement benefit expenses	34	33
Provision for retirement benefits for directors (and other officers)	11	13
Taxes and dues	445	452
Depreciation	115	190
Provision of allowance for doubtful accounts	12	0
Amortization of goodwill	576	576
Other	1,152	1,398
Total selling, general and administrative expenses	4,767	5,182
Operating profit	11,820	12,692
Non-operating income		
Interest income	24	19
Dividend income	593	834
Share of profit of entities accounted for using equity method	41	41
Miscellaneous income	415	424
Total non-operating income	1,075	1,320
Non-operating expenses		
Interest expenses	188	194
Litigation settlement	60	-
Miscellaneous expenses	79	36
Total non-operating expenses	328	230
Ordinary profit	12,567	13,781
Extraordinary income		
Gain on sale of non-current assets	66	62
Gain on sale of investment securities	313	169
Subsidy income	261	57
Insurance claim income	60	2
Total extraordinary income	702	291
Extraordinary losses		
Loss on sale and retirement of non-current assets	237	209
Impairment losses	0	-
Loss on disaster	1	-
Loss on tax purpose reduction entry of non-current assets	261	56
Loss on valuation of investment securities	-	260
Project cost of 90th anniversary	101	-
Compensation for damage	5	7
Total extraordinary losses	606	534
Profit before income taxes	12,663	13,538
Income taxes-current	3,939	4,385
Income taxes-deferred	55	101
Total income taxes	3,994	4,487
Profit	8,669	9,051
Profit attributable to non-controlling interests	90	119
Profit attributable to owners of parent	8,579	8,931

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	FY3/22	FY3/23
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Profit	8,669	9,051
Other comprehensive income		
Valuation difference on available-for-sale securities	228	241
Foreign currency translation adjustment	553	339
Remeasurements of defined benefit plans, net of tax	(66)	(193)
Share of other comprehensive income of entities accounted for using equity method	25	28
Total other comprehensive income	741	415
Comprehensive income	9,410	9,467
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,318	9,346
Comprehensive income attributable to non-controlling interests	91	120

(3) Consolidated Statement of Changes in Equity

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(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	80,380	(610)	99,835
Changes during period					
Dividends of surplus			(1,854)		(1,854)
Profit attributable to owners of parent			8,931		8,931
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		1		13	14
Net changes in items other than shareholders' equity					-
Total changes during period	-	1	7,077	10	7,088
Balance at end of period	10,117	9,949	87,457	(600)	106,924

	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	6,585	200	39	6,825	1,853	108,514
Changes during period						
Dividends of surplus				-		(1,854)
Profit attributable to owners of parent				-		8,931
Purchase of treasury shares				-		(2)
Disposal of treasury shares				-		14
Net changes in items other than shareholders' equity	268	339	(193)	414	67	481
Total changes during period	268	339	(193)	414	67	7,570
Balance at end of period	6,854	539	(154)	7,239	1,920	116,085

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/22	FY3/23
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	12,663	13,538
Depreciation	4,486	4,868
Amortization of goodwill	581	578
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(18)	1
Increase (decrease) in provision for bonuses	112	24
Increase (decrease) in provision for bonuses for directors (and other officers)	1	0
Increase (decrease) in allowance for doubtful accounts	(14)	(3)
Decrease (increase) in retirement benefit asset	(94)	106
Increase (decrease) in retirement benefit liability	(11)	(24)
Interest and dividend income	(617)	(853)
Insurance claim income	(60)	(2)
Interest expenses	188	194
Share of loss (profit) of entities accounted for using equity method	(41)	(41)
Loss (gain) on sale and retirement of non-current assets	170	147
Loss (gain) on sale of investment securities	(313)	(169)
Loss (gain) on valuation of investment securities	-	260
Decrease (increase) in trade receivables	(1,850)	1,891
Decrease (increase) in inventories	(0)	(52)
Increase (decrease) in trade payables	644	(434)
Increase (decrease) in accrued consumption taxes	(94)	75
Loss on tax purpose reduction entry of non-current assets	261	56
Subsidy income	(261)	(57)
Loss on compensation for damage	5	7
Project cost of 90th anniversary	101	-
Other, net	(319)	(174)
Subtotal	15,519	19,939
Interest and dividends received	619	855
Interest paid	(189)	(193)
Income taxes paid	(3,828)	(4,135)
Proceeds from insurance income	60	2
Subsidies received	261	57
Payments associated with disaster loss	(76)	(16)
Compensation for damage paid	(5)	(7)
Payments associated with 90th anniversary project cost	(101)	-
Payments associated with compensation loss	(19)	-
Net cash provided by (used in) operating activities	12,239	16,501
Cash flows from investing activities		
Purchase of securities	(200)	-
Proceeds from redemption of securities	200	-
Purchase of property, plant and equipment	(10,353)	(6,024)
Proceeds from sale of property, plant and equipment	73	68
Purchase of investment securities	(180)	(212)
Proceeds from sale of investment securities	510	313
Purchase of intangible assets	(499)	(80)
Proceeds from collection of short-term loans receivable	35	27
Proceeds from collection of long-term loans receivable	0	0
Acquisition of other investments	(228)	(532)
Proceeds on sale of other investments	182	465
Loan advances	(18)	(28)
Other, net	(530)	(91)
Net cash provided by (used in) investing activities	(11,007)	(6,093)

	(Millions of yen)	
	FY3/22	FY3/23
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	750	(800)
Proceeds from long-term borrowings	5,413	2,717
Repayments of long-term borrowings	(1,047)	(3,345)
Dividends paid	(1,699)	(1,854)
Dividends paid to non-controlling interests	(42)	(53)
Redemption of bonds	(400)	-
Other, net	(301)	(269)
Net cash provided by (used in) financing activities	2,672	(3,605)
Effect of exchange rate change on cash and cash equivalents	458	184
Net increase (decrease) in cash and cash equivalents	4,363	6,987
Cash and cash equivalents at beginning of period	25,887	30,250
Cash and cash equivalents at end of period	30,250	37,237

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Changes in Accounting Policies**Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement**

Maruzen Showa Unyu has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the fiscal year ended March 31, 2023, and has applied the new accounting standard set forth by the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment prescribed in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no effect of the application of this guidance 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

FY3/22 (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.

FY3/23 (Apr. 1, 2022– Mar. 31, 2023)

(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	122,753	15,698	138,451	2,409	140,861	-	140,861
Revenue from contracts with customers	122,753	15,698	138,451	2,378	140,830	-	140,830
Other revenue	-	-	-	31	31	-	31
(1) External sales	122,753	15,698	138,451	2,409	140,861	-	140,861
(2) Inter-segment sales and transfers	-	-	-	546	546	(546)	-
Total	122,753	15,698	138,451	2,956	141,408	(546)	140,861
Segment profit	10,863	1,369	12,232	459	12,692	-	12,692
Segment assets	107,484	7,369	114,853	1,985	116,839	60,604	177,443
Other items:							
Depreciation	4,404	225	4,630	237	4,868	-	4,868
Increase in property, plant and equipment and intangible assets	6,717	418	7,135	102	7,237	-	7,237

- 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 (546) million yen is elimination of inter-segment transactions.
The adjustment to segment assets of 60,604 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.

Related information

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.

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

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

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

This information is omitted due to its immateriality.

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

Not applicable.

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

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other businesses	Elimination or corporate	Total
Amortization for the period	568	10	0	-	578
Balance at the end of period	715	18	-	-	734

Information related to gain on bargain purchase for each reportable segment

Not applicable.

Per-share Information

(Yen)

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Net assets per share	5,259.39	5,628.39
Net income per share	423.02	440.37

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.

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	8,579	8,931
Profit not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent applicable to common shareholders (Millions of yen)	8,579	8,931
Average number of common shares outstanding during period (Thousand shares)	20,280	20,282

Material Subsequent Events

Not applicable.

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.