

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 12, 2021

Company name: NIKKON Holdings Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 9072 URL <http://www.nikon-hd.co.jp>
 Representative: President & Representative Director Masakatsu Kuroiwa
 Director, Managing Executive Officer, and
 General Manager of Accounting Department Yasunori Matsuda TEL 03-3541-5330
 Inquiries: Yasunori Matsuda
 Scheduled date of ordinary general meeting of shareholders: June 29, 2021
 Scheduled date to file Securities Report: June 30, 2021
 Scheduled date to commence dividend payments: June 8, 2021
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No (A video of financial results briefings will be posted on the Company website.)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	182,536	(8.5)	18,191	(12.9)	20,572	(8.7)	14,544	(13.0)
Year ended March 31, 2020	199,512	0.9	20,890	4.3	22,525	2.3	16,721	13.2

Note: Comprehensive income Year ended March 31, 2021 ¥19,667 million [55.0%]
 Year ended March 31, 2020 ¥12,691 million [7.5%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	221.26	220.51	7.3	6.6	10.0
Year ended March 31, 2020	254.01	253.11	8.8	7.6	10.5

Reference: Investment profit (loss) on equity method Year ended March 31, 2021 ¥484 million
 Year ended March 31, 2020 ¥472 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	322,139	208,290	64.5	3,160.46
As of March 31, 2020	297,489	193,296	64.8	2,932.77

Reference: Equity As of March 31, 2021 ¥207,747 million
 As of March 31, 2020 ¥192,780 million

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	23,229	(25,402)	1,473	30,366
Year ended March 31, 2020	25,901	(19,867)	(584)	30,820

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	—	38.00	—	38.00	76.00	4,995	29.9	2.6
Year ended March 31, 2021	—	33.00	—	34.00	67.00	4,404	30.3	2.1
Year ending March 31, 2022 (Forecast)	—	34.00	—	35.00	69.00		30.2	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes									
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	96,000	12.1	9,800	39.3	10,500	32.8	7,100	36.7	108.01
Full year	200,000	9.6	21,000	15.4	22,400	8.9	15,000	3.1	228.19

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2021	68,239,892 shares	As of March 31, 2020	68,239,892 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2021	2,506,469 shares	As of March 31, 2020	2,506,382 shares
----------------------	------------------	----------------------	------------------

Average number of shares during the period

Year ended March 31, 2021	65,733,467 shares	Year ended March 31, 2020	65,830,837 shares
---------------------------	-------------------	---------------------------	-------------------

Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	12,197	10.8	10,601	9.8	10,864	9.1	10,693	3.6
Year ended March 31, 2020	11,010	5.7	9,655	6.9	9,958	5.4	10,323	13.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2021	162.69	162.14
Year ended March 31, 2020	156.81	156.26

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	209,301	120,947	57.6	1,835.10
As of March 31, 2020	192,340	111,625	57.9	1,693.28

Reference: Equity As of March 31, 2021 ¥120,627 million

As of March 31, 2020 ¥111,305 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution regarding forward-looking statements)

Forward-looking statements, including financial results forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Actual financial and other results may differ substantially from the statements herein due to various factors.

Index of attached documents

1.	Overview of operating results and others	5
	(1) Overview of operating results for the period	5
	(2) Overview of financial position for the period	5
	(3) Overview of cash flows for the period	6
	(4) Future outlook	6
	(5) Basic policy on distribution of profits, and dividends in period under review and subsequent period	6
2.	Basic philosophy for selecting accounting standards	7
3.	Consolidated financial statements and significant notes thereto	8
	(1) Consolidated balance sheets	8
	(2) Consolidated statements of income and consolidated statements of comprehensive income	10
	(Consolidated statements of income)	10
	(Consolidated statements of comprehensive income)	12
	(3) Consolidated statements of changes in equity	13
	(4) Consolidated statements of cash flows	15
	(5) Notes on consolidated financial statements	17
	(Notes on going concern assumption)	17
	(Segment information)	17
	(Per share information)	20
	(Subsequent events)	20

1. Overview of operating results and others

(1) Overview of operating results for the period

In the fiscal year under review, the Japanese economy was under severe economic condition due to the extended novel coronavirus disease (COVID-19) pandemic. As economic activities started to resume in phases with the help of government sponsored measures, the economy seemed to be in a path of moderate recovery. However, the outlook remained uncertain as the government declares another state of emergency.

In the logistics industry, the severe business situation has continued due to chronic labor shortage and intensified competition, as well as the spread of COVID-19 in general.

As a result, consolidated sales were 182,536 million yen, down by 8.5% from the previous fiscal year due to decrease in the volume of cargo handled, impacted both inside Japan and overseas by COVID-19 pandemic.

Operating profit was 18,191 million yen, down by 12.9% from the previous fiscal year, despite the efforts to reduce costs and improve operational efficiencies.

Ordinary profit was 20,572 million yen, down by 8.7% from the previous fiscal year, as a result of a decrease of operating profit.

Profit attributable to owners of parent was 14,544 million yen, down by 13.0% from the previous fiscal year. This is mainly due to decreases of gain on sales of non-current assets and gain on sales of investment securities, in addition to a decrease of ordinary profit.

Business results by segment are as follows.

Transportation business

Sales were 84,553 million yen, down by 9.7% from the previous fiscal year, due to a decrease in the volume of cargo handled, impacted by COVID-19. Operating profit was 4,686 million yen down by 9.9% from the previous fiscal year, due to a decrease of sales, despite decreases of personnel, fuel and subcontract expenses.

Warehousing business

Despite some impacts by COVID-19, sales were 32,083 million yen, up 3.3% from the previous fiscal year. The increase is due to an increase in the volume of cargo stored, as a result of ongoing additions and expansions of the existing warehouses. Operating profit was 7,549 million yen, down by 2.6% from the previous year, mainly due to an increase of depreciation expense.

Packaging business

Sales were 40,136 million yen, down by 14.4% from the previous fiscal year, as a result of significant decrease in business volume impacted by COVID-19. Operating profit was 2,365 million yen, down by 36.2% from the previous fiscal year, due to a decrease of sales, despite decreases of personnel and subcontract expenses.

Testing business

Sales were 20,463 million yen, down by 7.9% from the previous fiscal year, as the business volume decreased due to COVID-19. Operating profit was 2,809 million yen, down by 29.8% from the previous fiscal year, as sales decreased, as well as depreciation expense increased because of the new research and development facility opened in April 2020.

(2) Overview of financial position for the period

(Assets)

Current assets at the end of the fiscal year under review totaled 74,542 million yen, an increase of 1,077 million yen from the end of the previous fiscal year. The increase mainly came as notes and accounts receivable – trade rose 917 million yen. Non-current assets totaled 247,596 million yen, an increase of 23,572 million yen from the end of the previous fiscal year. The increase mainly came as property, plant and equipment rose 18,214 million yen (warehouse expansions in Ebetsu City, Hokkaido Prefecture, Osaki City, Miyagi Prefecture, Isezaki City, Gunma Prefecture, Nagahama City and Hino Town, Shiga Prefecture, and Setouchi City, Okayama Prefecture, an income property acquisition in Chuo Ward, Tokyo, and business site acquisitions in Utsunomiya City, Tochigi Prefecture, Isezaki City and Ota City in Gunma, Takaoka City in Toyama, and Ibaraki City Osaka), and investment securities rose 4,707 million yen due to an increase of the cross-shareholdings' market value.

As a result, total assets were 322,139 million yen, an increase of 24,650 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year under review totaled 46,269 million yen, a decrease of 8,205 million yen from the end of the previous fiscal year. This mainly came as the current portion of bonds payable fell 10,000 million yen due to redemption of bonds, as well as notes payable – facilities and notes and accounts payable – trade fell 2,630 million yen and 1,466 million yen respectively as some of the subsidiary companies started to make payments through electronic notes. On the other hand, electronically recorded obligations – operating and electronically recorded obligations – non-operating rose 1,298 million yen and 5,427 million yen respectively. Non-current liabilities totaled 67,579 million yen, an increase of 17,860 million yen from the end of the previous fiscal year. This mainly came as the Company financed 20,000 million yen through issuing bonds to fund redemption of bonds and facilities.

As a result, total liabilities were 113,848 million yen, an increase of 9,655 million yen from the end of the previous fiscal year.

(Net assets)

Net assets at the end of the fiscal year under review were 208,290 million yen, an increase of 14,994 million yen from the end of the previous fiscal year. This mainly came as retained earnings and valuation difference on available-for-sale securities rose 9,877 million yen, and 3,347 million yen respectively.

As a result, the equity ratio at the end of the fiscal year under review was 64.5% (64.8% at the end of the previous fiscal year).

(3) Overview of cash flows for the period

Cash and cash equivalents (hereafter referred to as “cash”) at the end of the fiscal year under review were 30,366 million yen, a decrease of 453 million yen from the end of the previous fiscal year.

The following is the status and factors of each of the cash flow categories during the fiscal year under review.

(Cash flows from operating activities)

Net cash inflow from operating activities was 23,229 million yen, a decrease of 2,671 million yen from the previous fiscal year.

As main factors of decrease, profit before income taxes and cash flow from decrease and increase in trade receivables fell 3,004 million yen, and 1,834 million yen, respectively. As main factors of increase, income taxes paid fell 1,064 million yen, as well as cash flow from increase and decrease in other liabilities and cash flow from increase and decrease in provision for bonuses increased 493 million yen, and 448 million yen, respectively.

(Cash flows from investing activities)

Net cash used in investing activities totaled 25,402 million yen, an increase of 5,535 million yen from the previous fiscal year. As main factors of increase, purchase of property, plant and equipment rose 3,544 million yen, proceeds from sale of investment securities and proceeds from sale of property, plant and equipment fell 755 million yen, and 469 million yen, respectively.

(Cash flows from financing activities)

Net cash inflow from financing activities totaled 1,473 million yen, an increase of 2,057 million yen from the previous fiscal year.

As main factors of increase, purchase of treasury shares and dividends paid fell 1,474 million yen, and 151 million yen respectively, as well as proceeds from long-term borrowing increased 130 million yen.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Equity ratio (%)	63.7	63.3	64.8	64.5
Market value equity ratio (%)	65.6	59.0	46.8	45.4
Interest-bearing debt to cash flow ratio (%)	210.5	188.0	205.5	256.5
Interest coverage ratio (times)	124.3	149.6	136.7	112.9

* Equity ratio: Equity / Total assets

Market value equity ratio: Market capitalization / Total assets

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

Interest coverage ratio: Cash flow / Interest payments

1. All indicators are based on consolidated financial statements.
2. Market capitalization is calculated by multiplying the closing stock price at fiscal year-end by the number of shares issued at fiscal year-end (minus treasury shares).
3. Cash flow from operating activities is used for cash flow.
4. Interest-bearing debts include all those on the consolidated balance sheet on which interest is being paid. Interest payments are taken from the consolidated statements of cash flows.

(4) Future outlook

For future outlook, both domestic and international economies are expected to recover as business activities reopen. However, the severe business situation surrounding the Company is expected to continue, due to potential rebound of COVID-19 infection, chronic labor shortage and intensified competition.

Under these circumstances, the group launched “The 12th Medium-term Business Plan (Challenge 12)” for three years from April 1, 2020. For the second year of the Challenge12, the year ending March 31, 2022, the Company forecasts consolidated sales at 200,000 million yen, operating profit at 21,000 million yen, ordinary profit at 22,400 million yen, and profit attributable to owners of parent at 15,000 million yen.

The financial outlook above is based on the data that are available to the Company and certain assumptions that the Company believes rational. Actual results may vary significantly due to various factors.

(5) Basic policy on distribution of profits, and dividends in period under review and subsequent period

The Company has a basic policy for dividend payments of aiming for a consolidated payout ratio of 30%.

For the fiscal year ended March 31, 2021, the Company plans to pay term-end dividends of ¥34 per share and annual dividends of ¥67 per share, including interim dividend.

For the fiscal year ending March 31, 2022, the Company plans to pay annual dividends of ¥69 per share (¥34 in interim dividends and ¥35 in term-end dividends).

2. Basic philosophy for selecting accounting standards

The Group currently prepares the consolidated financial statements according to the generally accepted accounting standards in Japan (Japanese GAAP), as it makes it possible to compare the consolidated financial statements against previous fiscal year and against other companies.

With regard to future adoption of IFRS, the Group will give due consideration to domestic and international circumstances and take actions accordingly.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	31,502	31,399
Notes and accounts receivable - trade	32,463	33,380
Electronically recorded monetary claims - operating	3,619	3,704
Securities	896	951
Merchandise and finished goods	3	—
Raw materials and supplies	452	408
Other	4,542	4,713
Allowance for doubtful accounts	(15)	(15)
Total current assets	73,464	74,542
Non-current assets		
Property, plant and equipment		
Buildings and structures	186,986	197,057
Accumulated depreciation	(100,156)	(104,943)
Buildings and structures, net	86,829	92,114
Machinery, equipment and vehicles	48,897	51,357
Accumulated depreciation	(40,774)	(43,059)
Machinery, equipment and vehicles, net	8,122	8,298
Tools, furniture and fixtures	8,216	8,622
Accumulated depreciation	(6,846)	(7,401)
Tools, furniture and fixtures, net	1,370	1,220
Land	94,000	103,966
Leased assets	647	551
Accumulated depreciation	(460)	(458)
Leased assets, net	187	92
Construction in progress	5,203	8,236
Total property, plant and equipment	195,714	213,928
Intangible assets	2,007	2,073
Investments and other assets		
Investment securities	17,483	22,191
Long-term loans receivable	803	668
Deferred tax assets	3,508	3,409
Other	4,575	5,399
Allowance for doubtful accounts	(67)	(73)
Total investments and other assets	26,303	31,595
Total non-current assets	224,024	247,596
Total assets	297,489	322,139

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,265	9,799
Electronically recorded obligations - operating	4,222	5,521
Short-term borrowings	3,869	3,843
Current portion of bonds payable	10,000	—
Lease obligations	104	67
Income taxes payable	4,217	4,186
Provision for bonuses	3,609	3,785
Provision for bonuses for directors (and other officers)	213	183
Notes payable - facilities	2,872	242
Electronically recorded obligations - non-operating	1,043	6,470
Other	13,055	12,168
Total current liabilities	54,474	46,269
Non-current liabilities		
Bonds payable	20,000	40,000
Long-term borrowings	18,746	15,033
Lease obligations	99	34
Deferred tax liabilities	3,967	5,570
Retirement benefit liability	5,218	5,088
Provision for retirement benefits for directors (and other officers)	384	395
Other	1,302	1,457
Total non-current liabilities	49,718	67,579
Total liabilities	104,193	113,848
Net assets		
Shareholders' equity		
Share capital	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	170,254	180,131
Treasury shares	(6,186)	(6,187)
Total shareholders' equity	187,716	197,593
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,948	10,295
Foreign currency translation adjustment	(1,520)	(187)
Remeasurements of defined benefit plans	(363)	46
Total accumulated other comprehensive income	5,064	10,154
Share acquisition rights	320	320
Non-controlling interests	194	222
Total net assets	193,296	208,290
Total liabilities and net assets	297,489	322,139

(2) Consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

	(Millions of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales		
Transportation income	93,647	84,553
Warehouse income	31,056	32,083
Packaging income	46,882	40,136
Other revenue	27,926	25,763
Total net sales	199,512	182,536
Cost of sales		
Transportation cost	83,711	75,767
Warehouse cost	21,943	22,851
Packaging cost	40,638	35,464
Other costs	22,311	20,883
Total cost of sales	168,605	154,966
Gross profit	30,906	27,569
Selling, general and administrative expenses		
Personnel expenses	6,123	5,782
Provision for bonuses	343	394
Provision for bonuses for directors (and other officers)	213	183
Retirement benefit expenses	140	124
Provision for retirement benefits for directors (and other officers)	110	63
Depreciation	502	552
Taxes and dues	1,209	1,276
Travel and transportation expenses	319	165
Provision of allowance for doubtful accounts	(33)	(1)
Other	1,895	1,601
Total selling, general and administrative expenses	10,015	9,378
Operating profit	20,890	18,191
Non-operating income		
Interest income	107	77
Dividend income	644	488
Rental income	89	76
Share of profit of entities accounted for using equity method	472	484
Foreign exchange gains	—	164
Subsidy income	325	320
Compensation income	15	781
Miscellaneous income	669	386
Total non-operating income	2,324	2,780
Non-operating expenses		
Interest expenses	190	205
Foreign exchange losses	270	—
Bond issuance costs	55	97
Non	97	60
Miscellaneous expenses	76	34
Total non-operating expenses	690	398
Ordinary profit	22,525	20,572

	(Millions of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Extraordinary income		
Gain on sale of non-current assets	894	416
Gain on sale of investment securities	1,036	372
Gain on revision of retirement benefit plan	—	167
Total extraordinary income	1,931	956
Extraordinary losses		
Loss on sale of non-current assets	31	33
Loss on retirement of non-current assets	9	77
Loss on valuation of investment securities	0	—
Loss on sale of investment securities	3	—
Impairment losses	9	—
Loss on disaster	—	21
Total extraordinary losses	54	131
Profit before income taxes	24,401	21,397
Income taxes - current	7,633	6,771
Income taxes - deferred	39	64
Total income taxes	7,673	6,836
Profit	16,728	14,560
Profit attributable to non-controlling interests	6	16
Profit attributable to owners of parent	16,721	14,544

(Consolidated statements of comprehensive income)

	(Millions of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	16,728	14,560
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,343)	3,347
Foreign currency translation adjustment	(1,143)	1,332
Remeasurements of defined benefit plans, net of tax	468	409
Share of other comprehensive income of entities accounted for using equity method	(17)	17
Total other comprehensive income	(4,037)	5,106
Comprehensive income	12,691	19,667
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,702	19,633
Comprehensive income attributable to non-controlling interests	(10)	33

(3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,316	12,332	158,372	(4,767)	177,253
Changes of items during period					
Dividends of surplus			(4,818)		(4,818)
Profit attributable to owners of parent			16,721		16,721
Purchase of treasury shares				(1,475)	(1,475)
Disposal of treasury shares			(21)	55	33
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	—	11,881	(1,419)	10,462
Balance at end of current period	11,316	12,332	170,254	(6,186)	187,716

	Accumulated other comprehensive income				Share acquisition rights	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 current period	10,291	(375)	(831)	9,084	354	208	186,900
Changes of items during period							
Dividends of surplus							(4,818)
Profit attributable to owners of parent							16,721
Purchase of treasury shares							(1,475)
Disposal of treasury shares							33
Net changes of items other than shareholders' equity	(3,343)	(1,144)	468	(4,019)	(33)	(13)	(4,067)
Total changes of items during period	(3,343)	(1,144)	468	(4,019)	(33)	(13)	6,395
Balance at end of current period	6,948	(1,520)	(363)	5,064	320	194	193,296

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,316	12,332	170,254	(6,186)	187,716
Changes of items during period					
Dividends of surplus			(4,667)		(4,667)
Profit attributable to owners of parent			14,544		14,544
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	—	9,877	(0)	9,876
Balance at end of current period	11,316	12,332	180,131	(6,187)	197,593

	Accumulated other comprehensive income				Share acquisition rights	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 current period	6,948	(1,520)	(363)	5,064	320	194	193,296
Changes of items during period							
Dividends of surplus							(4,667)
Profit attributable to owners of parent							14,544
Purchase of treasury shares							(0)
Net changes of items other than shareholders' equity	3,347	1,332	409	5,089		27	5,117
Total changes of items during period	3,347	1,332	409	5,089	—	27	14,994
Balance at end of current period	10,295	(187)	46	10,154	320	222	208,290

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	24,401	21,397
Depreciation	10,413	10,630
Increase (decrease) in provision for bonuses	(281)	167
Increase (decrease) in provision for bonuses for directors (and other officers)	11	(29)
Increase (decrease) in allowance for doubtful accounts	(31)	5
Increase (decrease) in retirement benefit liability	216	452
Increase (decrease) in provision for retirement benefits for directors (and other officers)	65	11
Interest and dividend income	(751)	(566)
Interest expenses	189	205
Share of loss (profit) of entities accounted for using equity method	(472)	(484)
Loss (gain) on sale of non-current assets	(862)	(382)
Loss (gain) on sale of investment securities	(1,033)	(372)
Decrease (increase) in trade receivables	1,091	(742)
Decrease (increase) in other assets	397	759
Increase (decrease) in trade payables	(37)	(167)
Increase (decrease) in other liabilities	(1,461)	(968)
Other, net	704	(467)
Subtotal	32,559	29,447
Interest and dividends received	1,372	764
Interest paid	(189)	(205)
Income taxes paid	(7,841)	(6,776)
Net cash provided by (used in) operating activities	25,901	23,229
Cash flows from investing activities		
Payments into time deposits	(778)	(49,505)
Proceeds from withdrawal of time deposits	771	49,215
Purchase of securities	(5,444)	(701)
Proceeds from sale and redemption of securities	5,856	877
Purchase of property, plant and equipment	(22,440)	(25,985)
Proceeds from sale of property, plant and equipment	1,231	762
Purchase of intangible assets	(368)	(394)
Purchase of investment securities	(89)	(438)
Proceeds from sale of investment securities	1,617	861
Loan advances	(520)	(207)
Proceeds from collection of loans receivable	118	343
Purchase of shares of subsidiaries and associates	—	(115)
Other, net	177	(116)
Net cash provided by (used in) investing activities	(19,867)	(25,402)

	(Millions of yen)	
	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Proceeds from short-term borrowings	177	—
Repayments of short-term borrowings	(197)	—
Proceeds from long-term borrowings	—	130
Repayments of long-term borrowings	(3,885)	(3,869)
Proceeds from issuance of commercial papers	5,000	—
Redemption of commercial papers	(5,000)	—
Purchase of treasury shares	(1,475)	(0)
Proceeds from issuance of bonds	10,000	20,000
Redemption of bonds	—	(10,000)
Dividends paid	(4,818)	(4,667)
Dividends paid to non-controlling interests	(5)	(5)
Other, net	(379)	(113)
Net cash provided by (used in) financing activities	(584)	1,473
Effect of exchange rate change on cash and cash equivalents	(102)	246
Net increase (decrease) in cash and cash equivalents	5,347	(453)
Cash and cash equivalents at beginning of period	25,231	30,820
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	241	—
Cash and cash equivalents at end of period	30,820	30,366

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

No such events occurred.

(Segment information)

1. Overview of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available that is evaluated regularly by the Board of Directors to determine allocation of management resources and assess performance.

Depending on the type of service to provide, the Company has four reporting segments, Transportation, Warehousing, Packaging and Testing.

The Transportation segment engages in the transportation of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. The Warehousing segment engages in the storage of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others. The Packaging segment engages in processing for distribution, delivery agency of automotive parts and others, export packing and other operations. The Testing segment engages in testing finished four-wheeled vehicles and motorcycles, automotive parts, agricultural machinery and others.

2. Methods of calculating amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment

Methods of accounting procedures for the reportable segments are generally identical to those adopted for the consolidated financial statements. Profits in the reportable segments are operating profits. Transactions between the reportable segments are based on market prices.

3. Information regarding net sales, profit or loss, liabilities, assets and other items by reportable segment

Fiscal year ended March 31, 2020

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Consolidated financial statements amount
	Transportation business	Warehousing business	Packaging business	Testing business	Total				
Net sales									
Sales to external customers	93,647	31,056	46,882	22,209	193,795	5,716	199,512	–	199,512
Intersegment sales or transfers	284	343	434	8	1,070	2,103	3,174	(3,174)	–
Total	93,931	31,400	47,316	22,217	194,866	7,820	202,686	(3,174)	199,512
Segment profit	5,200	7,751	3,705	4,001	20,657	351	21,009	(119)	20,890
Segment assets	95,246	96,359	51,251	16,555	259,413	37,297	296,710	778	297,489
Others									
Depreciation (Note 3)	3,163	4,601	1,195	900	9,861	552	10,413	–	10,413
Investment in equity method affiliates	1,115	–	216	–	1,331	997	2,329	–	2,329
Increase in property, plant and equipment and intangible assets (Note 3)	4,422	7,314	1,035	1,246	14,019	2,529	16,548	–	16,548

- (Notes)
1. The “Others” category consists of business that is not included in reportable segments. It includes customs clearance business and automobile repair business, etc.
 2. Adjustment of segment profit of ¥(119) million is the difference resulting from the elimination of operating and nonoperating transactions.
Adjustment of segment assets of ¥778 million primarily includes surplus operating assets (time deposits, etc.) and long-term investment assets (investment securities).
 3. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Consolidated financial statements amount
	Transportation business	Warehousing business	Packaging business	Testing business	Total				
Net sales									
Sales to external customers	84,553	32,083	40,136	20,463	177,236	5,300	182,536	–	182,536
Intersegment sales or transfers	254	342	512	14	1,123	2,176	3,299	(3,299)	–
Total	84,807	32,426	40,648	20,477	178,359	7,476	185,836	(3,299)	182,536
Segment profit	4,686	7,549	2,365	2,809	17,411	921	18,332	(141)	18,191
Segment assets	99,985	106,183	53,773	17,534	277,476	43,349	320,825	1,314	322,139
Others									
Depreciation (Note 3)	2,986	4,796	1,077	1,130	9,991	639	10,630	–	10,630
Investment in equity method affiliates	1,417	–	174	–	1,592	1,054	2,646	–	2,646
Increase in property, plant and equipment and intangible assets (Note 3)	6,651	10,574	2,182	1,951	21,361	6,983	28,344	–	28,344

- (Notes)
1. The “Others” category consists of business that is not included in reportable segments. It includes customs clearance business and automobile repair business, etc.
 2. Adjustment of segment profit of ¥(141) million is the difference resulting from the elimination of operating and nonoperating transactions.
Adjustment of segment assets of ¥1,314 million primarily includes surplus operating assets (time deposits, etc.) and long-term investment assets (investment securities).
 3. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

(Per share information)

Previous fiscal year (April 1, 2019 to March 31, 2020)		Current fiscal year (April 1, 2020 to March 31, 2021)	
Net assets per share	2,932.77 yen	Net assets per share	3,160.46 yen
Earnings per share	254.01 yen	Earnings per share	221.26 yen
Earnings per share after adjustment for the effects of dilutive potential shares	253.11 yen	Earnings per share after adjustment for the effects of dilutive potential shares	220.51 yen

(Note) The basis for calculating earnings per share and earnings per share after adjustment for the effects of dilutive potential shares during the period is as follows.

Items	Previous fiscal year (April 1, 2019 to March 31, 2020)	Current fiscal year (April 1, 2020 to March 31, 2021)
(1) Earnings per share		
Profit attributable to owners of parent (millions of yen)	16,721	14,544
Amount not belonging to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent on common stock (millions of yen)	16,721	14,544
Average common shares during the period (thousand shares)	65,830	65,733
(2) Earnings per share after adjustment for the effects of dilutive potential shares		
Adjustment of profit attributable to owners of parent (million yen)	–	–
Increase in the number of common shares (thousand shares)	234	222
(Subscription rights to shares (thousand shares))	(234)	(222)
Overview of potential shares not included in the calculation of Earnings per share after adjustment for the effects of dilutive potential shares because of having no dilutive effect	–	–

(Subsequent events)

No such events occurred.