

# Summary of Financial Results for the First Quarter of the Fiscal Year Ended March 31, 2024 [Japanese GAAP] (Consolidated)

August 9, 2023

Name of Company : Chilled and Frozen Logistics Holdings Co., Ltd.  
Exchanges on which the shares are listed : Prime Market of Tokyo Stock Exchange  
Security Code : 9099  
URL : <http://cflogi.co.jp/>  
Representative : Hiromasa Aya, President & Chief executive Officer  
Contact : Takaaki Yamamiya, Executive Officer,  
General Manager Corporate Planning Dept.  
(TEL) +81(0)3 5291 8100  
Scheduled date for filing of quarterly securities report : August 10, 2023  
Scheduled date for commencement of dividend payment : -  
Supplementary documents for financial results : Yes  
Results briefing : None

(Amounts are rounded down to the nearest million yen.)

## 1. Consolidated Operating Results for the first quarter of FY2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (Percentage figures indicate the year-on-year percentage increase/decrease.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
For the three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2023	28,771	2.2	1,421	18.6	1,471	8.3	967	13.2
June 30, 2022	28,158	1.0	1,198	(27.2)	1,358	(27.4)	854	(34.8)

(Note) Comprehensive income For the three months ended June 30, 2023 ¥1,284 million (50.9%)  
For the three months ended June 30, 2022 ¥851 million (-36.1%)

	Earnings per share	Diluted earnings per share
For the three months ended	Yen	Yen
June 30, 2023	39.52	—
June 30, 2022	34.56	—

(Note) Diluted earnings per share is not presented since there has been no potential dilution.

## (2) Consolidated financial status

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2023	95,934	48,582	49.8	1,950.13
March 31, 2023	91,351	47,647	51.3	1,912.73

(Reference) Equity capital As of June 30, 2023: ¥47,761 million As of March 2023: ¥46,845 million

## 2. Dividend Status

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2022	—	14.00	—	14.00	28.00
FY 2023	—	—	—	—	—
FY2023 (Forecast)	—	14.00	—	14.00	28.00

(Note) Revisions to the dividend forecasts most recently announced: None

### 3. Forecast of Consolidated Operating Results for FY2023 (April 1, 2023 to March 31, 2024)

(Percentage figures indicate the year-on-year percentage increase/decrease.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	58,200	1.8	2,100	(20.2)	2,100	(29.0)	1,500	(24.4)	60.96
Full year	115,300	1.7	3,400	(22.8)	3,500	(29.1)	2,500	(18.2)	101.60

(Note) Revisions to the forecasts most recently announced: None

#### \* Notes

(1) Significant changes in subsidiaries accompanied by a change in the scope of consolidation during the period: None  
New: — companies (Company names) — ; Removed: — companies (Company names) —

(2) Application of specific accounting procedures for preparing the quarterly consolidated financial statements : None

(3) Changes in the accounting principles and changes or restatement of accounting estimates

- a Changes in the accounting principles due to amendment of accounting standard, etc. : None
- b Changes in the accounting principles other than a : None
- c Changes in the accounting estimates : None
- d Restatement : None

(4) Number of shares outstanding (common shares)

a Number of shares outstanding (including treasury shares) at the end of the period	As of June 30, 2023	25,690,766 shares	As of March 31, 2023	25,690,766 shares
b Number of treasury shares at the end of the period	As of June 30, 2023	1,199,480 shares	As of March 31, 2023	1,199,436 shares
c Average number of shares during the period	For three months ended June 30, 2023	24,491,316 shares	For three months ended June 30, 2022	24,736,470 shares

(Note) The number of treasury shares at the end of the period includes Company's shares held by a stock benefit trust (As of June 30, 2023: 113,800 shares; as of March 31, 2023: 113,800 shares). The number of treasury shares excluded from the calculation of the average number of treasury shares during the period includes the Company's shares held by a stock benefit trust. (As of June 30, 2023: 113,800 shares; As of June 30, 2022: 118,800 shares)

\* Outline of Financial Statements is not subject to audits by a certified public accountant or audit corporation.

\* Explanation Regarding the Appropriate Use of Business Performance Forecasts, and Other Items to Note

The performance forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company that they will be achieved. In addition, actual results may differ significantly due to various factors. Please refer to "1. Outline of Operating Results, Etc. (3) Future Outlook" on page 4 of the accompanying materials for the assumptions used in forecasting business performance and precautions regarding the use of business performance forecasts.

## 1. Outline of Operating Results, Etc.

### (1) Outline of Operating Results for the Fiscal Year Under Review

During the fiscal year under review, the Japanese economy showed signs of recovery toward a normalization of social activities in wake of reclassification of COVID-19 to Class 5 under the Infectious Diseases Control Law, accordingly relaxing movement restrictions. On the other hand, outlooks remain uncertain as the economy is expected to fall into a recession due to a continuing worldwide inflation on the background of unstable international circumstances, and the credit crunch in foreign countries such as Europe and United States.

In the cold chain logistics for food products industry, which is the Group's principal focus, while the demand for chilled and frozen foods continues to grow supported by revitalizing the flow of people along with the relaxation of movement restrictions, the recovery of consumption activities has remained slow because consumers show a strong tendency to cut down on their spending from the last year on the background of a series of price hikes. In addition, costs necessary to provide qualified logistics services continue to increase due to persistently high energy costs and promotion to improving treatment for employees in preparation for "2024 issues" in logistics, and therefore logistics providers are forced to address the price pass-through.

Amid these dramatic changes in social and economic environments, the Group revised the 3<sup>rd</sup> Mid-term Management Plan (from FY2022 to FY2024) as a 3-years plan from FY2023 to FY2025, as announced on June 16, 2023. Setting as basic policy "Achieving sustainable low temperature zone logistics, meeting the needs of new cold-chains", the Company continues promoting to the implementation of effective measures to sustain the food lifelines and realize the prosperous society with its function for chilled and frozen logistics. In reviewing plans, the Company added the following items as important measures in light of the diversification of distribution channels for low-temperature products and planed an additional investment of 10 billion yen for to achieve them:

- ① Investing in the development and introduction of new technologies in order to raise the productivity in respect of manpower-saving and address the environmental issues as sustainability initiatives.
- ② Accelerating the growth speed by promoting the investment in businesses such as overseas business, e-commerce related logistics and pharmaceutical logistics and by business alliance with other companies.
- ③ Enhancing profitability and expanding business volumes by both organic and inorganic growth including through the M&A that contributes to strengthening the existing business.

As a result of the above, operating revenue was ¥28,771 million (up 2.2% year-on-year), operating profit was ¥1,421 million (up 18.6% year-on-year), and ordinary profit was ¥1,471 million (up 8.3% year-on-year). Profit attributable to owners of parent was ¥967 million (up 13.2% year-on-year).

The following describes performance by segment.

#### a TC Business (Transfer Center Business)

In logistics business for convenience store and mass retailer, while the sales are recovering along with revitalization of the flow of people, the recovery of handling volume is slow due to the negative impact of a series of price hikes. The Company secured revenue by negotiating price revision in accordance with cost-ups, acquiring new businesses and expanding e-commerce related logistics business. As a result, operating revenue amounted ¥18,433 million (up 1.8% year-on-year).

As for Segment profit, operating costs decreased mainly because a surge in fuel prices stopped once and replacements of operating vehicles delayed due to the supply system of vehicle manufacturers. In addition, promoting to expanding profitable businesses, including new business, contributed to the increase in profits. As a result, segment profit amounted ¥1,154 million (up 18.2% year-on-year)

#### b DC Business (Distribution Center Business)

While the reorganization of logistical networks by certain customers brought negative impact on revenue to some extent, the handling volume of commercial frozen foods recovers due to an increase in opportunities to go out along with the relaxation of movement restrictions. As the handling volume of household frozen foods also performed well, operating revenue amounted ¥9,848 million (up 2.5% year-on-year).

Segment profit was ¥1,287 million (up 0.0% year-on-year), mainly due to increasing labor cost for the promotion to improving treatment for employees, despite reduced power costs resulting from a change of electricity contracts.

#### c Other

Other business segment includes the guarded transport, hospital-related distribution, temp service, and insurance agency businesses. Its operating revenue was ¥489 million (up 8.6% year-on-year) and segment profit was ¥66 million (up 44.1% year-on-year).

## (2) Outline of Financial Position for the Fiscal Year Under Review

### (Assets)

Assets amounted to ¥95,934 million, up ¥4,583 million from the end of the previous fiscal year.

The major increase was ¥4,151 million in cash and deposits, and ¥415 million in investment securities.

### (Liabilities)

Liabilities amounted to ¥47,352 million, up ¥3,649 million from the end of the previous fiscal year.

Major increases were ¥4,137 million in long-term borrowings, while the major decrease was ¥1,020 million in provision for bonuses.

### (Net assets)

Net assets amounted to ¥48,582 million, up ¥934 million from the end of the previous fiscal year.

The major increase was ¥623 million in retained earnings and ¥281 million in valuation difference on available-for-sale securities.

As a result of the above, the capital adequacy ratio was 49.8%.

## (3) Future Outlook

The Company does not revise the consolidated performance forecast in FY2023 (from Apr. 1, 2023 to Mar. 31, 2024) announced at May 9, 2023 as the Company's performance is in line with our expectations.

### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated Balance Sheet

(Million yen)

	FY2022 (As of Mar. 31, 2023)	FY2023 1Q (As of Jun. 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	8,168	12,319
Trade accounts receivable	11,477	11,804
Raw materials and supplies	280	281
Other	1,264	1,835
Allowance for doubtful accounts	(1)	(1)
Total current assets	21,888	26,239
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,923	23,516
Machinery, equipment and vehicles, net	5,184	4,975
Land	21,052	21,054
Leased assets, net	6,658	6,716
Construction in progress	2,588	2,705
Other, net	246	254
Total property, plant and equipment	59,654	59,223
Intangible assets	704	766
Investments and other assets		
Investment securities	3,880	4,295
Long-term loans receivable	114	115
Deferred tax assets	3,243	2,803
Other	2,580	2,506
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	9,803	9,705
Total non-current assets	70,162	69,695
Total assets	91,351	95,934

(Million yen)

	FY2022 (As of Mar. 31, 2023)	FY2023 1Q (As of Jun. 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Trade accounts payable	4,535	4,431
Short-term borrowings	-	144
Current portion of long-term borrowings	2,501	2,587
Lease liabilities	1,647	1,625
Income taxes payable	725	248
Provision for bonuses	2,234	1,214
Provision for bonuses for directors (and other officers)	59	23
Other	5,289	6,366
Total current liabilities	16,994	16,642
Non-current liabilities		
Long-term borrowings	11,164	15,302
Lease liabilities	5,494	5,650
Deferred tax liabilities	209	207
Deferred tax liabilities for land revaluation	404	404
Retirement benefit liability	5,873	6,004
Provision for share awards	111	126
Asset retirement obligations	2,101	2,106
Other	1,348	907
Total non-current liabilities	26,709	30,709
Total liabilities	43,703	47,352
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,000	4,000
Capital surplus	5,646	5,646
Retained earnings	38,350	38,973
Treasury shares	(1,757)	(1,757)
Total shareholders' equity	46,239	46,862
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	446	727
Revaluation reserve for land	35	35
Foreign currency translation adjustment	77	91
Remeasurements of defined benefit plans	45	43
Total accumulated other comprehensive income	605	898
Non-controlling interests	802	821
Total net assets	47,647	48,582
Total liabilities and net assets	91,351	95,934

## (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

## Consolidated statement of income

(Million yen)

	FY2022 (Apr. 1, 2022 to Jun. 30, 2022)	FY2023 (Apr. 1, 2023 to Jun. 30, 2023)
Operating revenue	28,158	28,771
Operating costs	25,893	26,295
Operating gross profit	2,264	2,476
Selling, general and administrative expenses	1,066	1,054
Operating profit	1,198	1,421
Non-operating income		
Interest income	4	3
Dividend income	42	42
Rental income	15	20
Share of profit of entities accounted for using equity method	13	13
Foreign exchange gains	90	14
Subsidy income	6	9
Other	45	37
Total non-operating income	219	141
Non-operating expenses		
Interest expenses	58	60
Arrangement fees in syndicated loan	-	27
Other	1	4
Total non-operating expenses	59	91
Ordinary profit	1,358	1,471
Extraordinary income		
Gain on sales of non-current assets	0	9
Total extraordinary income	0	9
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	0
Impairment loss	89	-
Total extraordinary losses	91	0
Profit before income taxes	1,268	1,480
Income taxes - current	132	171
Income taxes - deferred	268	320
Total income taxes	401	492
Profit	866	988
Profit attributable to non-controlling interests	12	20
Profit attributable to owners of parent	854	967

## Consolidated statement of comprehensive income

(Million yen)

	FY2022 (Apr. 1, 2022 to Jun. 30, 2022)	FY2023 (Apr. 1, 2023 to Jun. 30, 2023)
Profit	866	988
Other comprehensive income		
Valuation difference on available-for-sale securities	(36)	279
Foreign currency translation adjustment	57	17
Remeasurements of defined benefit plans, net of tax	(31)	(3)
Share of other comprehensive income of entities accounted for using equity method	(5)	2
Total other comprehensive income	(15)	296
Comprehensive income	851	1,284
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	837	1,260
Comprehensive income attributable to non-controlling interests	14	24