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February 10, 2025

Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (Under Japanese GAAP)



Company name: NAIGAI TRANS LINE LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 9384
 URL: <https://www.ntl-naigai.co.jp/en/>
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 Scheduled date of annual general meeting of shareholders: March 25, 2025
 Scheduled date to commence dividend payments: March 26, 2025
 Scheduled date to file annual securities report: March 26, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(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	%
Fiscal year ended								
December 31, 2024	38,016	17.8	4,138	(1.5)	4,492	1.0	3,154	3.7
December 31, 2023	32,280	(31.8)	4,203	(37.1)	4,446	(35.3)	3,041	(34.6)

Note: Comprehensive income For the fiscal year ended December 31, 2024: ¥3,671 million [(4.7)%]
 For the fiscal year ended December 31, 2023: ¥3,853 million [(29.2)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2024	323.32	–	15.1	17.7	10.9
December 31, 2023	312.01	–	16.8	19.5	13.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended December 31, 2024: –
 For the fiscal year ended December 31, 2023: –

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	27,396	23,229	81.2	2,278.21
December 31, 2023	23,362	20,381	83.4	1,996.94

Reference: Equity
 As of December 31, 2024: ¥22,236 million
 As of December 31, 2023: ¥19,477 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	3,321	(1,109)	(991)	15,747
December 31, 2023	2,644	(2,460)	(1,164)	13,885

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2023	–	40.00	–	45.00	85.00	833	27.2	4.6
Fiscal year ended December 31, 2024	–	40.00	–	45.00	85.00	835	26.3	4.0
Fiscal year ending December 31, 2025 (Forecast)	–	40.00	–	45.00	85.00		–	

Notes: 1. Revisions to the most recently announced dividend forecasts: None

2. Total cash dividends include dividends on the Company's shares held by Custody Bank of Japan, Ltd.

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	18,900	9.8	1,800	(6.5)	1,800	(17.5)	1,300	(11.8)	133.19
Full year	38,700	1.8	3,900	(5.8)	3,900	(13.2)	2,700	(14.4)	276.62

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (FLYING FISH VIETNAM CO.,LTD.)

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

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

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of December 31, 2024	10,698,000 shares
As of December 31, 2023	10,698,000 shares

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

As of December 31, 2024	937,289 shares
As of December 31, 2023	944,480 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2024	9,758,059 shares
Fiscal year ended December 31, 2023	9,749,368 shares

Note: The Company's shares held by Custody Bank of Japan, Ltd. as trust assets of the Employee Stock Ownership Plan (J-ESOP) are included in the number of treasury shares to be deducted in calculating the number of treasury shares at the end of the period and the average number of shares outstanding during the period.

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	16,823	11.9	1,831	(11.9)	2,249	(11.5)	1,632	(10.2)
December 31, 2023	15,032	(41.3)	2,078	(45.1)	2,542	(41.8)	1,819	(41.8)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2024	167.35	—
December 31, 2023	186.59	—

<Reasons for differences in non-consolidated operating results from the previous fiscal year>

Passing on the increase in shipping freight rates to selling prices and higher selling, general and administrative expenses from active investment in human resources resulted in differences in the actual results of net sales, operating profit, ordinary profit, and profit between the previous fiscal year and the fiscal year under review.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	13,370	11,613	86.9	1,189.79
December 31, 2023	12,088	10,795	89.3	1,106.84

Reference: Equity

As of December 31, 2024: ¥11,613 million

As of December 31, 2023: ¥10,795 million

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

* Proper use of earnings forecasts and other special matters

The forward-looking statements, such as earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly depending on a variety of factors in the future. For the assumptions for earnings forecasts and other related matters, please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 4 of the Attachments.

The Company plans to hold a financial results briefing on February 25, 2025. The financial results briefing materials to be distributed at this briefing will be promptly posted on the Company’s website. (in Japanese only)

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the Japanese economy showed a modest recovery with increasing inbound demand and improvement in the employment and income environment. However, the outlook remains uncertain largely due to rising resource prices and fluctuations in the financial market.

In terms of the current situation of marine transport, freight rates, which had been rising mainly due to the impact of ship detours caused by the worsening situation in the Red Sea, have stabilized since the summer, but remain high compared to the previous year.

Under such circumstances, during the fiscal year under review, which marks the second year of the 5th Medium-term Management Plan (2023 to 2027), the Group has implemented various measures with the aim of transforming into a true comprehensive international freight forwarder.

As part of those measures, Flying Fish Inc., a wholly owned subsidiary of the Company, established FLYING FISH VIETNAM CO.,LTD. in Ho Chi Minh City, Vietnam, in October 2024 and started business operations in December of the same year.

The Group's consolidated financial results were higher in net sales due to higher freight rates, the favorable business performance at some overseas subsidiaries, and yen depreciation.

However, operating profit decreased year on year due to a decrease of non-consolidated gross profit from the previous year, and an increase in selling, general and administrative expenses for the whole Group largely stemming from active investment in human resources as a growth strategy in the Medium-term Management Plan, which could not be offset by higher net sales.

On the other hand, ordinary profit and profit attributable to owners of parent rose year on year due to an increase in foreign exchange gains stemming from a weaker yen.

Specifically, for the fiscal year under review, the Company posted net sales of ¥38,016 million (up 17.8% year on year), operating profit of ¥4,138 million (down 1.5% year on year), ordinary profit of ¥4,492 million (up 1.0% year on year), and profit attributable to owners of parent of ¥3,154 million (up 3.7% year on year), showing a year-on-year increase in net sales, decrease in operating profit, and increases in ordinary profit and profit attributable to owners of parent.

Operating results by segment are as follows.

1) Japan

Export cargo consolidation services are the mainstay of the international freight transportation business in Japan. On a non-consolidated basis, although net sales increased due to higher marine freight rates and a weak yen, profits decreased due to lower gross profit margins resulting from intensified competition with competitors and other factors, as well as higher selling, general and administrative expenses due to higher labor costs and other factors.

Among domestic subsidiaries, UCI Airfreight Japan Inc. posted a year-on-year increase in net sales and gross profit, largely because it won large projects in mainstay air transportation, and the volume handled through sales activities at each sales office increased. However, operating profit decreased year on year as selling, general and administrative expenses rose for the same reason as for the parent company. Furthermore, Flying Fish Inc. recorded higher net sales and profit due to introduction of new system and increased customer recognition from sales efforts which led to an increase in transactions.

Specifically, net sales of the Japan segment increased by ¥2,566 million (11.5%) year on year to ¥24,947 million, and segment profit (operating profit) decreased by ¥210 million (7.1%) year on year to ¥2,736 million.

2) Overseas

The Group has 12 consolidated subsidiaries in Asia and the United States. At these overseas subsidiaries, the majority of net sales come from the handling of freight from Japan; however, in recent years, they have been working to strengthen and advance services other than those to and from Japan. During the fiscal year under

review, both net sales and profit increased due to higher sales in countries such as South Korea, including NAIGAI BUSAN LOGISTICS CENTER CO., LTD. which increased its floor space through the acquisition of a logistics warehouse the previous fiscal year, the United States, where import transactions with major companies are expanding, as well as India, where our warehouse business is performing well.

Specifically, net sales of the Overseas segment increased by ¥3,169 million (32.0%) year on year to ¥13,068 million, and segment profit (operating profit) also increased by ¥145 million (11.5%) year on year to ¥1,405 million.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets amounted to ¥27,396 million, up ¥4,033 million from the end of the previous fiscal year. The main components of the increase are ¥1,861 million in cash and deposits, ¥867 million in accounts receivable - trade, ¥330 million in land, and ¥268 million in buildings and structures.

Total liabilities amounted to ¥4,167 million, up ¥1,186 million from the end of the previous fiscal year. The main components of the increase are ¥396 million in income taxes payable, ¥230 million in accounts payable - trade, and ¥144 million in lease liabilities of non-current liabilities.

In addition, net assets amounted to ¥23,229 million, up ¥2,847 million from the end of the previous fiscal year. The main components of the increase are ¥2,319 million in retained earnings and ¥417 million in foreign currency translation adjustment.

As a result, equity-to-asset ratio amounted to 81.2% (83.4% at the end of the previous fiscal year).

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥15,747 million, up ¥1,861 million from the end of the previous fiscal year. The overview of cash flows is as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities was ¥3,321 million (¥2,644 million was provided in the previous fiscal year). The main cash inflows include ¥4,492 million in profit before income taxes. The main cash outflows include ¥866 million in income taxes paid.

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥1,109 million (¥2,460 million was used in the previous fiscal year). The main cash outflows include ¥1,053 million in purchase of property, plant and equipment and ¥89 million in payments of guarantee deposits.

(Cash Flows from Financing Activities)

Net cash used in financing activities was ¥991 million (¥1,164 million was used in the previous fiscal year). The main cash outflows include ¥834 million in dividends paid and ¥149 million in repayments of lease liabilities.

(Reference) Cash Flow Indicators

	FY2020	FY2021	FY2022	FY2023	FY2024
Equity-to-asset ratio	72.0	71.6	75.2	83.4	81.2
Equity-to-asset ratio based on market capitalization	92.8	121.7	92.9	99.1	95.8
Interest-bearing debt to cash flow ratio	15.5	9.1	4.2	5.3	10.8
Interest coverage ratio	325.6	430.4	1,030.7	567.7	350.1

Equity-to-asset ratio: Equity / Total assets

Equity-to-asset ratio based on market capitalization: Market capitalization / Total assets

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

Interest coverage ratio: Cash flow / Interest expenses

(4) Future Outlook

Regarding the future outlook, the external environment is expected to remain uncertain due to the slowdown of the Chinese economy, the unstable global situation caused by policies of the new Trump administration and other factors, rising prices, and other impacts, in addition to geopolitical risks such as the situation in Ukraine and the conflict in the Middle East.

In light of these projections, the financial results forecasts for the fiscal year ending December 31, 2025 assume that the handling volume of the Group's mainstay single consolidation cargo will be flat or slightly decrease. The Group anticipates that consolidated net sales will increase only slightly, as the slump in the parent company's export consolidation has a large impact on the performance of most of the overseas bases, even if the Group expands the business scope of domestic subsidiaries and the performance of the forwarding business other than consolidation. Profits are expected to decrease, taking into account the likely continued drop in the gross profit margin mainly due to intensifying competition with competitors, as well as an increase in selling, general and administrative expenses largely due to aggressive investment in human resources and system investment for future growth.

The Group will further streamline the sales system through the ongoing personnel system reforms and formation of organizational structure in line with the Medium-term Management Plan, striving to improve its corporate value.

Based on the above, the Group projects its full-year earnings for the next fiscal year (the fiscal year ending December 31, 2025) as follows: net sales of ¥38,700 million (up 1.8% year on year), operating profit of ¥3,900 million (down 5.8% year on year), ordinary profit of ¥3,900 million (down 13.2% year on year), and profit attributable to owners of parent of ¥2,700 million (down 14.4% year on year).

In addition, the Group regards the return of profits to shareholders as one of its management priorities, and hopes to maintain a continuous and stable dividend payout into the future while comprehensively taking into account its business performance and financial conditions.

Based on the above policy, the Group plans to pay an interim dividend of ¥40 and a year-end dividend of ¥45 for the fiscal year under review, resulting in an annual dividend of ¥85. The Group intends to maintain the annual dividend of ¥85 for the next fiscal year.

2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP for the time being, taking into consideration comparability of consolidated financial statements between periods and between companies.

The Group intends to respond appropriately to the adoption of the International Financial Reporting Standards (IFRS) considering circumstances in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	13,885,846	15,747,555
Accounts receivable - trade	2,180,121	3,047,746
Supplies	6,187	5,591
Other	1,046,172	1,231,801
Allowance for doubtful accounts	(12,692)	(28,620)
Total current assets	17,105,635	20,004,075
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,512,122	5,965,936
Accumulated depreciation	(926,389)	(1,111,336)
Buildings and structures, net	4,585,732	4,854,600
Machinery, equipment and vehicles	246,263	309,206
Accumulated depreciation	(161,423)	(179,667)
Machinery, equipment and vehicles, net	84,839	129,539
Land	373,709	704,587
Leased assets	6,241	6,241
Accumulated depreciation	(1,795)	(2,936)
Leased assets, net	4,446	3,304
Right of use assets	536,274	490,727
Accumulated depreciation	(407,836)	(145,340)
Right of use asset, net	128,437	345,386
Construction in progress	321,721	523,758
Other	502,554	545,110
Accumulated depreciation	(374,714)	(419,535)
Other, net	127,839	125,575
Total property, plant and equipment	5,626,726	6,686,752
Intangible assets		
Goodwill	1,638	–
Software	51,131	60,116
Other	6,581	7,514
Total intangible assets	59,351	67,630
Investments and other assets		
Investment securities	69,465	72,706
Guarantee deposits	325,359	365,132
Long-term accounts receivable - other	106,905	98,380
Long-term deposits	5,751	8,819
Deferred tax assets	105,250	128,850
Other	65,367	65,431
Allowance for doubtful accounts	(106,905)	(100,932)
Total investments and other assets	571,194	638,389
Total non-current assets	6,257,272	7,392,772
Total assets	23,362,907	27,396,847

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	1,247,166	1,477,719
Lease liabilities	86,695	160,291
Accrued expenses	263,157	359,440
Income taxes payable	231,363	627,661
Provision for bonuses	16,069	13,973
Other	296,979	461,230
Total current liabilities	2,141,432	3,100,317
Non-current liabilities		
Lease liabilities	53,992	198,461
Deferred tax liabilities	255,417	296,391
Provision for retirement benefits for directors (and other officers)	6,124	6,124
Provision for share awards	85,078	108,709
Retirement benefit liability	375,141	383,130
Other	63,861	74,159
Total non-current liabilities	839,617	1,066,977
Total liabilities	2,981,049	4,167,295
Net assets		
Shareholders' equity		
Share capital	243,937	243,937
Capital surplus	372,887	380,532
Retained earnings	18,329,004	20,648,746
Treasury shares	(1,046,534)	(1,036,558)
Total shareholders' equity	17,899,295	20,236,658
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,818	19,067
Foreign currency translation adjustment	1,546,467	1,964,118
Remeasurements of defined benefit plans	14,657	17,118
Total accumulated other comprehensive income	1,577,943	2,000,304
Non-controlling interests	904,618	992,589
Total net assets	20,381,858	23,229,551
Total liabilities and net assets	23,362,907	27,396,847

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

(Thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net sales	32,280,678	38,016,456
Cost of sales	21,987,641	27,335,687
Gross profit	10,293,037	10,680,768
Selling, general and administrative expenses	6,089,628	6,542,342
Operating profit	4,203,409	4,138,426
Non-operating income		
Interest income	132,813	156,661
Dividend income	2,303	2,513
Foreign exchange gains	53,641	160,833
Rental income from real estate	32,160	32,160
Recoveries of written off receivables	16,047	2,578
Other	34,670	24,195
Total non-operating income	271,636	378,943
Non-operating expenses		
Interest expenses	4,657	9,487
Share issuance costs	14,337	–
Commission expenses	7,455	7,660
Loss on sale and retirement of non-current assets	321	3,748
Other	1,334	3,648
Total non-operating expenses	28,106	24,545
Ordinary profit	4,446,939	4,492,824
Extraordinary income		
Gain on sale of investment securities	7,080	–
Total extraordinary income	7,080	–
Profit before income taxes	4,454,020	4,492,824
Income taxes - current	1,232,200	1,252,156
Income taxes - deferred	112,894	17,826
Total income taxes	1,345,095	1,269,982
Profit	3,108,925	3,222,841
Profit attributable to non-controlling interests	67,018	67,875
Profit attributable to owners of parent	3,041,906	3,154,965

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Profit	3,108,925	3,222,841
Other comprehensive income		
Valuation difference on available-for-sale securities	210	2,249
Foreign currency translation adjustment	734,577	444,070
Remeasurements of defined benefit plans, net of tax	9,810	2,590
Total other comprehensive income	744,598	448,910
Comprehensive income	3,853,523	3,671,751
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,738,097	3,577,326
Comprehensive income attributable to non-controlling interests	115,426	94,424

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	243,937	304,327	16,216,106	(1,002,198)	15,762,173
Changes during period					
Dividends of surplus			(929,008)		(929,008)
Profit attributable to owners of parent			3,041,906		3,041,906
Purchase of treasury shares				(98,324)	(98,324)
Disposal of treasury shares		66,327		53,988	120,316
Change in ownership interest of parent due to transactions with non-controlling interests		2,232			2,232
Net changes in items other than shareholders' equity					
Total changes during period	–	68,560	2,112,898	(44,335)	2,137,122
Balance at end of period	243,937	372,887	18,329,004	(1,046,534)	17,899,295

	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	16,607	859,807	5,337	881,752	866,237	17,510,163
Changes during period						
Dividends of surplus						(929,008)
Profit attributable to owners of parent						3,041,906
Purchase of treasury shares						(98,324)
Disposal of treasury shares						120,316
Change in ownership interest of parent due to transactions with non-controlling interests						2,232
Net changes in items other than shareholders' equity	210	686,660	9,320	696,191	38,381	734,572
Total changes during period	210	686,660	9,320	696,191	38,381	2,871,694
Balance at end of period	16,818	1,546,467	14,657	1,577,943	904,618	20,381,858

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	243,937	372,887	18,329,004	(1,046,534)	17,899,295
Changes during period					
Dividends of surplus			(835,224)		(835,224)
Profit attributable to owners of parent			3,154,965		3,154,965
Purchase of treasury shares				(311)	(311)
Disposal of treasury shares		7,644		10,287	17,932
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity					
Total changes during period	–	7,644	2,319,741	9,975	2,337,362
Balance at end of period	243,937	380,532	20,648,746	(1,036,558)	20,236,658

	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	16,818	1,546,467	14,657	1,577,943	904,618	20,381,858
Changes during period						
Dividends of surplus						(835,224)
Profit attributable to owners of parent						3,154,965
Purchase of treasury shares						(311)
Disposal of treasury shares						17,932
Change in ownership interest of parent due to transactions with non-controlling interests						–
Net changes in items other than shareholders' equity	2,249	417,650	2,460	422,360	87,971	510,331
Total changes during period	2,249	417,650	2,460	422,360	87,971	2,847,693
Balance at end of period	19,067	1,964,118	17,118	2,000,304	992,589	23,229,551

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,454,020	4,492,824
Depreciation	377,707	440,927
Amortization of goodwill	6,400	1,652
Increase (decrease) in allowance for doubtful accounts	85,657	(2,677)
Increase (decrease) in retirement benefit liability	(66,242)	6,223
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2,100	–
Increase (decrease) in provision for share awards	29,754	23,631
Interest and dividend income	(135,116)	(159,175)
Interest expenses	4,657	9,487
Foreign exchange losses (gains)	(71,317)	(160,083)
Recoveries of written off receivables	(16,047)	(2,578)
Loss (gain) on sale and retirement of non-current assets	(3,262)	1,396
Loss (gain) on sale of investment securities	(7,080)	–
Decrease (increase) in trade receivables	878,561	(790,388)
Decrease (increase) in inventories	335	1,035
Increase (decrease) in trade payables	(324,610)	187,885
Share issuance costs	14,337	–
Increase (decrease) in accrued expenses	(47,319)	104,894
Decrease (increase) in long term accounts receivable other	(87,003)	19,891
Decrease (increase) in other assets	(71,443)	(139,636)
Increase (decrease) in other liabilities	(128,598)	3,020
Subtotal	4,895,487	4,038,328
Interest and dividends received	135,116	159,175
Interest paid	(4,657)	(9,487)
Income taxes paid	(2,381,707)	(866,289)
Net cash provided by (used in) operating activities	2,644,239	3,321,727
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,461,799)	(1,053,714)
Proceeds from sale of property, plant and equipment	3,961	2,755
Purchase of intangible assets	(30,896)	(26,151)
Proceeds from sale of investment securities	59,700	–
Proceeds from recoveries of written off receivables	16,047	2,578
Payments of guarantee deposits	(19,905)	(89,016)
Proceeds from refund of guarantee deposits	7,381	53,886
Other, net	(35,331)	(271)
Net cash provided by (used in) investing activities	(2,460,841)	(1,109,933)
Cash flows from financing activities		
Repayments of lease liabilities	(147,190)	(149,357)
Proceeds from disposal of treasury shares	98,745	–
Purchase of treasury shares	(98,324)	(311)
Payments for issuance of shares	(14,337)	–
Dividends paid	(928,860)	(834,914)
Dividends paid to non-controlling interests	(9,694)	(6,453)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(65,117)	–
Net cash provided by (used in) financing activities	(1,164,779)	(991,037)
Effect of exchange rate change on cash and cash equivalents	572,534	640,952
Net increase (decrease) in cash and cash equivalents	(408,847)	1,861,709
Cash and cash equivalents at beginning of period	14,294,693	13,885,846
Cash and cash equivalents at end of period	13,885,846	15,747,555

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

(1) Method of determining reportable segments

The Group's reportable segments consist of organizational units of the Company for which separate financial statements are available and which are regularly reviewed by top managerial decision-making body to determine the allocation of management resources and assess business performance.

The Group is engaged in international freight transportation business and ancillary services. The Japanese business is operated by the Company, UCI Airfreight Japan, Inc., and Flying Fish Inc., and the overseas business is operated by local subsidiaries in China, South Korea, Hong Kong, Singapore, Thailand, Indonesia, Vietnam, India, and the United States.

Each local subsidiary is an independent business unit that formulates strategies and conducts business activities in each region, while the Company oversees all overarching management policies for the Group and gives instructions to each local subsidiary.

Therefore, the Group is composed of regional segments based on overarching strategies for each region, and has two reportable segments, Japan and Overseas.

(2) Description of each reportable segment

Japan: NAIGAI TRANS LINE LTD., UCI Airfreight Japan, Inc., and Flying Fish Inc. (3 companies in total)

Overseas: 2 local subsidiaries in China, 3 local subsidiaries in South Korea, 1 local subsidiary each in Hong Kong, Singapore, Thailand, Indonesia, Vietnam, India, and the United States (12 companies in total)

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

The accounting method for reported operating segments is substantially the same as that used for the preparation of consolidated financial statements.

Reportable segment profit is based on operating profit. In addition, inter-segment net sales or transfers are inter-company transactions and based on quoted market prices and other data.

3. Information on net sales, profit or loss, assets, liabilities and other items, and information on disaggregation of revenue, by reportable segment

For the fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Japan	Overseas	Total		
Net sales					
Revenue from contracts with customers	22,381,733	9,898,945	32,280,678	–	32,280,678
Net sales to outside customers	22,381,733	9,898,945	32,280,678	–	32,280,678
Inter-segment net sales or transfers	794,332	1,869,579	2,663,911	(2,663,911)	–
Total	23,176,065	11,768,524	34,944,590	(2,663,911)	32,280,678
Segment profit	2,946,595	1,259,901	4,206,496	(3,086)	4,203,409
Segment assets	9,849,324	14,581,937	24,431,261	(1,068,353)	23,362,907
Other items					
Depreciation	56,916	317,115	374,032	3,674	377,707
Amortization of goodwill	–	6,400	6,400	–	6,400
Increase in property, plant and equipment and intangible assets	40,877	2,484,639	2,525,517	–	2,525,517

Notes: 1. The ¥(3,086) thousand adjustment to segment profit represents company-wide expenses not allocated to each reportable segment. Company-wide expenses are mainly selling, general and administrative expenses not attributable to reportable segments.

The ¥(1,068,353) thousand adjustment to segment assets mainly represents the elimination of inter-segment transactions.

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

For the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Japan	Overseas	Total		
Net sales					
Revenue from contracts with customers	24,947,887	13,068,568	38,016,456	–	38,016,456
Net sales to outside customers	24,947,887	13,068,568	38,016,456	–	38,016,456
Inter-segment net sales or transfers	891,266	2,016,780	2,908,047	(2,908,047)	–
Total	25,839,154	15,085,349	40,924,503	(2,908,047)	38,016,456
Segment profit	2,736,370	1,405,243	4,141,613	(3,187)	4,138,426
Segment assets	11,849,120	16,250,623	28,099,743	(702,896)	27,396,847
Other items					
Depreciation	51,416	386,752	438,168	2,759	440,927
Amortization of goodwill	–	1,652	1,652	–	1,652
Increase in property, plant and equipment and intangible assets	421,404	1,185,569	1,606,973	–	1,606,973

Notes: 1. The ¥(3,187) thousand adjustment to segment profit represents company-wide expenses not allocated to each reportable segment. Company-wide expenses are mainly selling, general and administrative expenses not attributable to reportable segments.

The ¥(702,896) thousand adjustment to segment assets mainly represents the elimination of inter-segment transactions.

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

(Revenue recognition)

Information on the disaggregation of revenue from contracts with customers is as presented in “Notes (Segment information, etc.)”

(Per share information)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net assets per share	¥1,996.94	¥2,278.21
Basic earnings per share	¥312.01	¥323.32
Diluted earnings per share	—	—

Notes: 1. Diluted earnings per share for the previous fiscal year and the fiscal year under review is not presented as there were no dilutive securities.

2. The number of common shares at the end of the period used in calculating net assets per share and the average number of common shares outstanding during the period used in calculating basic earnings per share are calculated by including the Company's shares held by Custody Bank of Japan, Ltd. as trust assets of the Employee Stock Ownership Plan (J-ESOP) in the number of treasury shares to be deducted. The number of said treasury shares at the end of the period that was deducted when calculating net assets per share is 70,360 shares for the previous fiscal year and 67,960 shares for the fiscal year under review. The average number of said treasury shares during the period that was deducted when calculating basic earnings per share is 37,260 shares for the previous fiscal year and 68,790 shares for the fiscal year under review.

3. The basis of calculation for basic earnings per share is as follows:

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Thousands of yen)	3,041,906	3,154,965
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent relating to common shares (Thousands of yen)	3,041,906	3,154,965
Average number of common shares outstanding during the period (Shares)	9,749,368	9,758,059

4. The basis of calculation for net assets per share is as follows:

	As of December 31, 2023	As of December 31, 2024
Total net assets (Thousands of yen)	20,381,858	23,229,551
Amount deducted from total net assets (Thousands of yen)	904,618	992,589
[Of the above, non-controlling interests (Thousands of yen)]	[904,618]	[992,589]
Net assets relating to common shares at the end of period (Thousands of yen)	19,477,239	22,236,962
Number of common shares at the end of period used for calculation of net assets per share (Shares)	9,753,520	9,760,711

(Significant subsequent events)

Not applicable.

4. Other

Not applicable.