

# Summary of Financial Results for the First Quarter of the Fiscal Year Ended March 31, 2023 [Japanese GAAP] (Consolidated)

August 10, 2022

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  
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 Scheduled date for filing of quarterly securities report : August 12, 2022  
 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 FY2022 (April 1, 2022 to June 30, 2022)

### (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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the three months ended June 30, 2022	28,158	1.0	1,198	(27.2)	1,358	(27.4)	854	(34.8)
June 30, 2021	27,869	0.3	1,646	4.3	1,870	17.8	1,311	25.8

(Note) Comprehensive income For the three months ended June 30, 2022 ¥851 million (-36.1%)  
 For the three months ended June 30, 2021 ¥1,331 million (19.8%)

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
For the three months ended June 30, 2022	34.56	—	—	—
June 30, 2021	52.40	—	—	—

(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
	Million yen	Million yen	%	Yen
As of June 30, 2022	91,952	46,198	49.4	1,836.50
March 31, 2022	88,559	45,697	50.7	1,816.72

(Reference) Equity capital As of June 30, 2022: ¥45,428 million As of June 30, 2021: ¥44,939 million

## 2. Dividend Status

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
FY 2021	Yen —	Yen 11.00	Yen —	Yen 14.00	Yen 25.00
FY 2022	—	—	—	—	—
FY2022 (Forecast)	—	14.00	—	14.00	28.00

### 3. Forecast of Consolidated Operating Results for FY2022 (April 1, 2022 to March 31, 2023)

(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	57,300	1.8	3,280	8.2	3,320	0.1	2,250	1.8	90.52
Full year	112,800	1.7	5,060	12.9	5,260	3.0	3,480	4.9	140.01

(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, 2022	25,690,766 shares	As of March 31, 2022	25,690,766 shares
b Number of treasury shares at the end of the period	As of June 30, 2022	954,372 shares	As of March 31, 2022	954,284 shares
c Average number of shares during the period	For three months ended June 30, 2022	24,736,470 shares	For three months ended June 30, 2022	25,034,279 shares

(Note) The number of treasury shares at the end of the period includes Company shares held in a stock benefit trust (As of June 30, 2022: 118,800 shares; as of March 31, 2022: 118,800 shares). The number of treasury shares excluded from the calculation of the average number of treasury shares during the period includes the Company' shares held by a stock benefit trust. (As of June 30, 2022: 118,800 shares; As of June 30, 2021: 121,000 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 3 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 in economic activities and consumer behavior along with easing restrictions even though the impact of COVID-19 pandemic continues. On the other hand, outlooks remain uncertain due to increase in import prices with the weaker yen as well as rising energy costs and raw material prices mainly caused by the situation in Ukraine.

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 lifestyle changes, the extent of recovery from COVID-19 pandemic has differed depending on business types and therefore the demand has not been fully recovered. While cargo movements for commercial food products, which had declined due to a decrease in opportunities for dining out driven by the COVID-19 pandemic, returned to an upward trend, the demand from inbound tourism is still sluggish.

Amid these dramatic changes in demand for food products, the Group draw up and began its new Medium-Term Management Plan. Setting as basic policy "Achieving sustainable low temperature zone logistics, meeting the needs of new cold-chains", the Company strives to implement effective measures to sustain the food lifelines and realize the prosperous society. As a measure for expansion of operating revenue, the Company actively promotes to embark on E-commerce logistics, a growing business area. The Company also tries to further expand pharmaceutical logistics business which the Company has racked up achievements ever. However, in current circumstances, a surge in energy costs results in the rise of operating costs such as electricity and fuel, ending up a decrease in its profit.

As a result of the above, operating revenue was ¥28,158 million (up 1.0% year-on-year), operating profit was ¥1,198 million (down 27.2% year-on-year), and ordinary profit was ¥1,358 million (down 27.4% year-on-year). Profit attributable to owners of parent was ¥854 million (down 34.8% year-on-year).

The following describes performance by segment.

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

Demand from inbound tourism remains sluggish, and the handling volume of products for convenience stores in CBD is also sluggish as well due to the spread of telework. On the other hand, opportunities to go out are gradually increasing, and the Company acquires new businesses and customers by starting operation of new facilities. As a result, operating revenue amounted ¥18,099 million (up 0.4% year-on-year).

Segment profit was ¥976 million (down 17.8% year-on-year) due to increasing fuel costs resulting from higher crude oil prices and increasing fixed costs such as depreciation from starting operation of new facilities, despite efficiency gains from the promotion of more efficient delivery using in-house vehicles.

#### 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 along with an increase in opportunities to go out. As handling volume of household frozen foods performed well, and new customers and businesses were developed by starting operation of new facilities, operating revenue amounted ¥9,609 million (up 2.2% year-on-year).

Segment profit was ¥1,286 million (down 13.2% year-on-year), mainly due to increasing power and fuel costs resulting from higher crude oil prices and increasing fixed costs such as depreciation from starting operation of new facilities, despite reduced outsourcing costs resulting from a decrease in re-stocking inventory.

#### c Other

Other business segment includes the guarded transport, hospital-related distribution, temp service, and insurance agency businesses. Its operating revenue was ¥450 million (up 2.2% year-on-year) and segment profit was ¥46 million (up 19.1% year-on-year).

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

#### (Assets)

Assets amounted to ¥91,952 million, up ¥3,393 million from the end of the previous fiscal year.

The major increase was ¥4,165 million in cash and deposits, while the major decrease was ¥572 million in leased assets, net.

#### (Liabilities)

Liabilities amounted to ¥45,753 million, up ¥2,892 million from the end of the previous fiscal year.

Major increases were ¥3,628 million in long-term borrowings, while the major decrease was ¥1,146 million in provision for bonuses and ¥1,554 million in retirement benefit liability.

#### (Net assets)

Net assets amounted to ¥46,198 million, up ¥501 million from the end of the previous fiscal year.

The major increase was ¥506 million in retained earnings.

As a result of the above, the capital adequacy ratio was 49.4%.

### (3) Future Outlook

The Company does not revise the consolidated performance forecast in FY2023 (from Apr. 1, 2022 to Mar. 31, 2023) announced at May 10, 2022 as the Company is unable to predict the impact on the business performance by the surging energy costs at this moment.

3. Consolidated Financial Statements and Key Notes  
(1) Consolidated Balance Sheet

(Million yen)

	FY2021 (As of Mar. 31, 202)	FY2022 1Q (As of Jun. 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	5,755	9,921
Trade accounts receivable	11,265	11,480
Raw materials and supplies	283	278
Other	1,649	1,990
Allowance for doubtful accounts	(1)	(3)
Total current assets	18,952	23,666
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,438	23,023
Machinery, equipment and vehicles, net	5,754	5,451
Land	20,748	20,889
Leased assets, net	7,673	7,100
Construction in progress	930	965
Other, net	246	257
Total property, plant and equipment	58,792	57,687
Intangible assets	706	709
Investments and other assets		
Investment securities	4,194	4,153
Long-term loans receivable	124	119
Deferred tax assets	3,353	3,112
Other	2,452	2,515
Allowance for doubtful accounts	(16)	(14)
Total investments and other assets	10,107	9,887
Total non-current assets	69,606	68,285
Total assets	88,559	91,952

(Million yen)

	FY2021 (As of Mar. 31, 202)	FY2022 1Q (As of Jun. 30, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade accounts payable	4,562	4,356
Current portion of long-term borrowings	2,738	3,193
Lease liabilities	1,753	1,612
Income taxes payable	1,002	200
Provision for bonuses	2,228	1,081
Provision for bonuses for directors (and other officers)	77	21
Other	4,133	6,382
<b>Total current liabilities</b>	<b>16,497</b>	<b>16,848</b>
<b>Non-current liabilities</b>		
Long-term borrowings	9,261	12,889
Lease liabilities	6,418	6,031
Deferred tax liabilities	218	216
Deferred tax liabilities for land revaluation	404	404
Retirement benefit liability	7,289	5,734
Provision for share awards	89	98
Asset retirement obligations	2,157	2,118
Other	524	1,410
<b>Total non-current liabilities</b>	<b>26,363</b>	<b>28,905</b>
<b>Total liabilities</b>	<b>42,861</b>	<b>45,753</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,000	4,000
Capital surplus	5,646	5,646
Retained earnings	35,985	36,492
Treasury shares	(1,466)	(1,466)
<b>Total shareholders' equity</b>	<b>44,165</b>	<b>44,672</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	705	663
Revaluation reserve for land	35	35
Foreign currency translation adjustment	(11)	44
Remeasurements of defined benefit plans	43	12
<b>Total accumulated other comprehensive income</b>	<b>773</b>	<b>755</b>
<b>Non-controlling interests</b>	<b>758</b>	<b>770</b>
<b>Total net assets</b>	<b>45,697</b>	<b>46,198</b>
<b>Total liabilities and net assets</b>	<b>88,559</b>	<b>91,952</b>

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

## Consolidated statement of income

(Million yen)

	FY2021 (Apr. 1, 2021 to Jun. 30, 2021)	FY2022 (Apr. 1, 2022 to Jun. 30, 2022)
Operating revenue	27,869	28,158
Operating costs	25,195	25,893
Operating gross profit	2,674	2,264
Selling, general and administrative expenses	1,027	1,066
Operating profit	1,646	1,198
Non-operating income		
Interest income	5	4
Dividend income	38	42
Rental income	17	15
Share of profit of entities accounted for using equity method	24	13
Foreign exchange gains	120	90
Other	81	52
Total non-operating income	287	219
Non-operating expenses		
Interest expenses	56	58
Other	6	1
Total non-operating expenses	63	59
Ordinary profit	1,870	1,358
Extraordinary income		
Gain on sales of non-current assets	10	0
Total extraordinary income	10	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	1
Impairment loss	-	89
Loss on sales of investment securities	0	-
Total extraordinary losses	0	91
Profit before income taxes	1,881	1,268
Income taxes - current	231	132
Income taxes - deferred	323	268
Total income taxes	554	401
Profit	1,326	866
Profit attributable to non-controlling interests	14	12
Profit attributable to owners of parent	1,311	854

Consolidated statement of comprehensive income

(Million yen)

	FY2021 (Apr. 1, 2021 to Jun. 30, 2021)	FY2022 (Apr. 1, 2022 to Jun. 30, 2022)
Profit	1,326	866
Other comprehensive income		
Valuation difference on available-for-sale securities	(45)	(36)
Foreign currency translation adjustment	39	57
Remeasurements of defined benefit plans, net of tax	1	(31)
Share of other comprehensive income of entities accounted for using equity method	9	(5)
Total other comprehensive income	5	(15)
Comprehensive income	1,331	851
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,315	837
Comprehensive income attributable to non-controlling interests	16	14