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MEMBERSHIP

January 28, 2022

## Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Under Japanese GAAP)

Company name: ALPS LOGISTICS CO., LTD.  
 Listing: Tokyo Stock Exchange  
 Securities code: 9055  
 URL: <https://www.alps-logistics.com/en/ir/>  
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 Scheduled date to file quarterly securities report: February 8, 2022  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: None  
 Holding of quarterly financial results briefing: None

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

### 1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	85,375	17.9	4,734	46.6	4,572	41.8	2,660	39.6
December 31, 2020	72,443	(5.8)	3,229	(2.1)	3,225	(2.1)	1,905	(8.0)

Note: Comprehensive income For the nine months ended December 31, 2021: ¥3,944 million [50.6%]  
 For the nine months ended December 31, 2020: ¥2,619 million [35.2%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	75.16	74.99
December 31, 2020	53.88	53.75

#### (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, 2021	86,088	57,741	59.9	1,456.76
March 31, 2021	84,699	55,224	58.2	1,394.23

Reference: Equity  
 As of December 31, 2021: ¥51,571 million  
 As of March 31, 2021: ¥49,329 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	10.00	—	15.00	25.00
Fiscal year ending March 31, 2022	—	13.00	—		
Fiscal year ending March 31, 2022 (Forecast)				17.00	30.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Breakdown of year-end dividend for the fiscal year ended March 31, 2021:

Ordinary dividend: ¥10.00

Memorial dividend: ¥5.00

## 3. Consolidated earnings forecasts for the fiscal 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		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2022	112,000	11.4	5,650	19.6	5,450	10.6	3,150	8.6	89.00

Note: Revisions to the earnings forecasts most recently announced: Yes

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

Note: For more details, please refer to the section of “(3) Notes to the quarterly consolidated financial statements, Change in accounting policies” of “2. Quarterly consolidated financial statements and significant notes thereto” on page 8 of the attached material.

(4) Number of issued shares (common stock)

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

As of December 31, 2021	35,474,400 shares
As of March 31, 2021	35,474,400 shares

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

As of December 31, 2021	72,956 shares
As of March 31, 2021	93,256 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	35,393,550 shares
Nine months ended December 31, 2020	35,371,966 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

**\* Proper use of earnings forecasts, and other special matters**

The forward-looking statements, including the earnings forecasts shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially due to various factors.

**Attached Material****Index**

1. Qualitative information on quarterly financial statements .....	2
(1) Explanation of operating results .....	2
(2) Explanation of financial position .....	3
(3) Explanation of consolidated earnings forecasts and other forward-looking statements .....	4
2. Quarterly consolidated financial statements and significant notes thereto.....	5
(1) Quarterly consolidated balance sheet.....	5
(2) Quarterly consolidated statement of income and comprehensive income .....	7
For the nine months ended December 31, 2020 and 2021 .....	7
(3) Notes to the quarterly consolidated financial statements.....	8
Notes on premise of going concern .....	8
Notes on significant changes in the amount of shareholders' equity .....	8
Change in accounting policies .....	8
Segment information.....	9

## 1. Qualitative information on quarterly financial statements

### (1) Explanation of operating results

During the nine months ended December 31, 2021 (April-December, 2021), the global economy continued to experience a significant impact from the novel coronavirus (COVID-19), and each country continued to keep a close eye on the economy and the state of infections. In the United States, the economy remained solid, supported by personal consumption and investment, and in Europe, recovery faltered due to the spread of infections and rising prices. In China, the recovery of consumption has slowed due to strict behavioral restrictions associated with the “Zero-COVID” policy, and in the ASEAN region, factory operation restrictions occurred due to the spread of infections. In Japan, the service industry stagnated as the impact of COVID-19 continued despite a temporary decrease in the infections since fall, but the manufacturing industry performed solidly, primarily in exports.

In the electronic components and automotive electrical components industries, which are the main customers of the Company, despite a strong demand, disruptions in logistics and supply chains and semiconductor shortages forced production adjustments, constraining the recovery. In the logistics industry, issues such as container shortages, strained ocean and air transportation due to labor shortages, and soaring freight rates continued to be a challenge.

In this business environment, the Company developed adequate countermeasures to prevent the spread of COVID-19, and worked to improve services in order to respond to changes in customers’ supply chains while complying with different regulations in each country around the world.

The fiscal year ending March 2022 is the third and final year of the Fourth Medium-Term Business Plan. This year, the Company has been steadily promoting the following strategies and measures, aiming to “return to a growth trajectory.”

- (i) GTB (Get The Business / Expansion of markets and products):  
Enhance hub functions and network. Expand business for components of automobile and industrial machinery. Strengthen service competitiveness aligned to target markets and regions.
- (ii) GTP (Get The Profit / Improvement of direct and indirect productivity):  
Upgrade IT/automation/TIE system and expand their adoption. Make strategic investments focusing on capital efficiency. Upgrade improvement activities.
- (iii) GTC (Get The Confidence / The company of choice):  
Improve levels of employee skill and satisfaction. Improve QC mindset and establish a quality assurance system. Strengthen ESG initiatives.

Financial results for the nine months ended December 31, 2021 showed ¥85,375 million in net sales (up 17.9% year on year), ¥4,734 million in operating profit (up 46.6%), ¥4,572 million in ordinary profit (up 41.8%) and ¥2,660 million in profit attributable to owners of parent (up 39.6%).

#### Overview of segments

##### (i) Electronic components logistics business

In the electronic components industry, which is the main customer of this business, there is increasing demand for telecommunication and IT devices, amid trends in IoT, 5G, and DX. In the automobile related business also, a trend towards adopting electronic systems and electric vehicles (EVs) is driving an increase in demand for electronic components. Meanwhile, it is currently difficult to project the impact on freight handling volume, partly due to production adjustments by manufacturers in conjunction with the present shortage of semiconductors, etc.

The Company continued from the previous fiscal year to expand its business by focusing on the two aspects of region (area) and market/customer. The area strategy is to set up satellite hubs in existing areas of operations such as Japan and China, while setting up hubs and a network in India, Eastern Europe, and so forth. The market/customer strategy is to focus on expanding customers among the mainstay electronic components manufacturers and trading companies, as well as customers in the automotive and industrial machinery-related industries.

Looking at the financial results for the nine months ended December 31, 2021, net sales increased across all businesses: warehousing, transportation, and forwarding, both in Japan and overseas. Furthermore, the Company implemented initiatives to increase productivity, such as reorganizing the main line network in

Japan, promoting the use of IT in warehousing business, and streamlining its loading and unloading operations, resulting in growth in sales and profits.

Financial results for this segment showed ¥47,510 million in net sales (up 27.1% year on year) and ¥3,065 million in operating profit (up 60.9%).

(ii) Material sales business

In the material sales business, the Company sells electronic component-related packaging materials, molding materials, and electronic devices. The Company specializes in sales proposals for electronic devices with integrated procurement and logistics, as well as proposal of packing materials aimed at improving logistics.

During the nine months ended December 31, 2021, sales and profits both increased, due to an increase in demand for relation to telecommunication and IT equipment and automotive components mainly in Japan and China, reflecting a rebound in demand, which had fallen in the same period of the previous fiscal year, despite a slight slowdown due to semiconductor shortages, and stagnant production of electronic components in the ASEAN region since fall.

Financial results for this segment showed ¥17,290 million in net sales (up 16.6% year on year) and ¥577 million in operating profit (up 75.0%).

(iii) Consumer products logistics business

In the consumer products logistics field, demand is expanding in conjunction with growth in delivery services and mail order businesses provided by retail companies, while the industry overall faces challenges in securing and developing human resources, such as drivers.

In this business environment, Ryutsu Service Co., Ltd., which handles the Group's consumer logistics, is working to incorporate intercompany logistics, which corresponds to the upstream area of the consumer logistics sector, and to expand the product center operations, such as medical and cosmetics, as well as expand the consumer cooperative delivery business.

In the nine months ended December 31, 2021, there was the contribution of the newly started medical-related services, and the demand for mail-order sales and delivery services has remained at a high level due to the establishment of a home-based lifestyle associated with the prolongation of the COVID-19 situation. Also, notwithstanding the increasing costs, such as depreciation and fuel expenses, efforts to increase efficiency through automation and to reduce various expenses resulted in an increase in both sales and profit.

Financial results for this segment showed ¥20,574 million in net sales (up 1.7% year on year) and ¥1,091 million in operating profit (up 9.8%).

## (2) Explanation of financial position

Compared with the end of the previous fiscal year, assets, liabilities and net assets at the end of the third quarter of the fiscal year ending March 31, 2022 are as follows.

For assets, current assets increased by ¥865 million, mainly due to increases of cash and deposits, trade notes and accounts receivable, and merchandise. Non-current assets increased by ¥524 million, mainly due to an increase of property, plant and equipment. As a result, total assets were ¥86,088 million, an increase of ¥1,389 million compared with the end of the previous fiscal year.

For liabilities, current liabilities decreased by ¥1,916 million, mainly due to decreases of trade accounts payable, income taxes payable, and provision for bonuses. Non-current liabilities increased by ¥790 million, due to increases of retirement benefit liability and other, despite a decrease of long-term borrowings. As a result, total liabilities were ¥28,347 million, a decrease of ¥1,126 million compared with the end of the previous fiscal year.

Net assets increased by ¥2,516 million from the end of the previous fiscal year to ¥57,741 million, mainly reflecting an increase due to securing profits, partially offset by the payment of dividends and other factors.

Equity-to-asset ratio was 59.9%, an increase of 1.7 percentage points compared with the end of the previous fiscal year.

**(3) Explanation of consolidated earnings forecasts and other forward-looking statements**

The global economy is expected to continue on a recovery trend, centered mainly on the manufacturing industry. However, there are many causes for uncertainty, such as concerns over inflation in the United States, a slowdown in growth in China, and the impact of COVID-19. The pace of recovery seems likely to be varied by area and industry. Furthermore, in the electronic components industry, which is the Company's main customer, growth is expected mainly in telecommunications and IT equipment, as well as electronics for automobiles. On the other hand, such factors as production adjustments due to the shortage of semiconductors may affect the Company's cargo handling volume.

The consolidated earnings forecasts for the fiscal year ending March 31, 2022 have been revised as disclosed in the "Announcement on Revisions to Financial Forecasts and Dividend Forecasts for the Fiscal Year Ending March 31, 2022" issued on January 28, 2022, due to the strong performance up to the nine months ended December 31, 2021 compared to the initial forecasts.

**2. Quarterly consolidated financial statements and significant notes thereto****(1) Quarterly consolidated balance sheet**

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	20,562	20,732
Trade notes and accounts receivable	17,970	18,072
Merchandise	1,607	1,938
Other	2,459	2,725
Allowance for doubtful accounts	(14)	(18)
Total current assets	42,586	43,451
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,062	11,696
Land	16,781	16,763
Other, net	7,032	7,941
Total property, plant and equipment	35,875	36,400
Intangible assets		
Other	3,769	3,827
Total intangible assets	3,769	3,827
Investments and other assets		
Investment securities	102	122
Other	2,365	2,287
Allowance for doubtful accounts	(0)	(1)
Total investments and other assets	2,466	2,408
Total non-current assets	42,112	42,637
Total assets	84,699	86,088
<b>Liabilities</b>		
Current liabilities		
Trade accounts payable	12,082	11,314
Short-term borrowings	2,050	2,052
Income taxes payable	1,006	359
Provision for bonuses	1,812	1,004
Provision for bonuses for directors	—	33
Other	5,133	5,402
Total current liabilities	22,084	20,167
Non-current liabilities		
Long-term borrowings	1,121	1,021
Provision for retirement benefits for directors	27	31
Retirement benefit liability	1,517	1,605
Other	4,722	5,520
Total non-current liabilities	7,389	8,179
Total liabilities	29,474	28,347



	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	2,349	2,349
Capital surplus	1,993	1,999
Retained earnings	44,484	46,154
Treasury shares	(65)	(50)
Total shareholders' equity	48,762	50,451
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(6)	7
Foreign currency translation adjustment	672	1,192
Remeasurements of defined benefit plans	(98)	(79)
Total accumulated other comprehensive income	567	1,119
Share acquisition rights	53	53
Non-controlling interests	5,842	6,116
Total net assets	55,224	57,741
Total liabilities and net assets	84,699	86,088

**(2) Quarterly consolidated statement of income and comprehensive income**  
**For the nine months ended December 31, 2020 and 2021**

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	72,443	85,375
Cost of sales	64,005	75,127
Gross profit	8,438	10,248
Selling, general and administrative expenses	5,209	5,513
Operating profit	3,229	4,734
Non-operating income		
Interest income	47	47
Dividend income	3	4
Subsidy income	222	35
Other	93	88
Total non-operating income	366	176
Non-operating expenses		
Interest expenses	206	174
Foreign exchange losses	124	97
Other	39	66
Total non-operating expenses	370	338
Ordinary profit	3,225	4,572
Extraordinary income		
Gain on sale of non-current assets	4	8
Other	0	—
Total extraordinary income	5	8
Extraordinary losses		
Loss on sale and retirement of non-current assets	8	45
Total extraordinary losses	8	45
Profit before income taxes	3,222	4,534
Income taxes - current	672	1,083
Income taxes - deferred	283	275
Total income taxes	955	1,358
Profit	2,266	3,176
Profit attributable to		
Profit attributable to owners of parent	1,905	2,660
Profit attributable to non-controlling interests	360	515
Other comprehensive income		
Valuation difference on available-for-sale securities	11	13
Foreign currency translation adjustment	317	731
Remeasurements of defined benefit plans, net of tax	24	22
Total other comprehensive income	353	767
Comprehensive income	2,619	3,944
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,161	3,212
Comprehensive income attributable to non-controlling interests	458	731

**(3) Notes to the quarterly consolidated financial statements****Notes on premise of going concern**

Not applicable.

**Notes on significant changes in the amount of shareholders' equity**

Not applicable.

**Change in accounting policies**

*Application of accounting standard for revenue recognition, etc.*

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations effective from the beginning of the first quarter of the fiscal year ending March 31, 2022, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

As a result, in subcontract processing with supply of materials for value, the revenue related to transfer of supplied goods is not recognized, and in cases where the Company has a performance obligation to arrange the supply of a promised good or service to the customer by another provider as an agent, revenue is recognized in the net amount.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the fiscal year ending March 31, 2022, was added to or deducted from the opening balance of retained earnings of the first quarter of the fiscal year ending March 31, 2022, and thus the new accounting policy was applied from such opening balance. There is no effect on the opening balance of retained earnings.

For the nine months ended December 31, 2021, as a result of this change, and compared with the figures obtained by the previous accounting treatment, net sales and cost of sales each decreased by ¥161 million.

*Application of accounting standard for fair value measurement, etc.*

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2022, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional treatments provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement, and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). There is no effect on the quarterly consolidated financial statements.

**Segment information****I. For the nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)**

The amounts of net sales and profits or losses by reportable segment

(Millions of yen)

	Reportable segment				Adjustment	Per quarterly consolidated financial statements (Note)
	Electronic components logistics business	Material sales business	Consumer products logistics business	Total		
Net sales						
Net sales from external customers	37,376	14,830	20,236	72,443	—	72,443
Transactions with other segments	—	—	—	—	—	—
Total	37,376	14,830	20,236	72,443	—	72,443
Segment profit	1,904	330	994	3,229	—	3,229

(Note) Segment profit is the same as operating profit in the quarterly consolidated financial statements.

**II. For the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)**

The amounts of net sales and profits or losses by reportable segment

(Millions of yen)

	Reportable segment				Adjustment	Per quarterly consolidated financial statements (Note)
	Electronic components logistics business	Material sales business	Consumer products logistics business	Total		
Net sales						
Net sales from external customers	47,510	17,290	20,574	85,375	—	85,375
Transactions with other segments	—	—	—	—	—	—
Total	47,510	17,290	20,574	85,375	—	85,375
Segment profit	3,065	577	1,091	4,734	—	4,734

(Notes) 1. Segment profit is the same as operating profit in the quarterly consolidated financial statements.

2. As described in “Change in accounting policies,” the Company has applied the Accounting Standard for Revenue Recognition and relevant ASBJ regulations from the beginning of the first quarter of the fiscal year ending March 31, 2022, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of operating segments. For the first nine months ended December 31, 2021, as a result of this change, and compared with the figures obtained by the previous method, net sales of the material sales business decreased by ¥161 million.