

Summary of Consolidated Financial Results for the First Quarter Ending of the Fiscal Year June 30, 2024 [Based on IFRS]

November 9, 2023

Company name: ZERO CO., LTD.
 Stock code: 9028 URL: <http://www.zero-group.co.jp/>
 Representative: President & CEO
 Inquiries: Director and Manager of Group Strategies Headquarters
 Scheduled Date of Submission of Quarterly Report: November 10, 2023
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

Stock Exchange Listing: Tokyo
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(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the first quarter ending of the fiscal year June 30, 2024 (From July 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Sales revenue		Operating income		Profit before tax		Quarterly income		Profit attributable to equity shareholders of the company		Total comprehensive income of the quarter	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q FY2023/2024	31,669	△6.3	1,124	△6.0	1,138	△5.4	723	△9.9	709	△11.2	769	△14.0
1Q FY2022/2023	33,787	56.4	1,196	90.7	1,203	88.8	803	109.0	798	103.2	894	293.6

	Basic quarterly earnings per share		Diluted quarterly earnings per share	
	Yen		Yen	
1Q FY2023/2024	42.01		42.01	
1Q FY2022/2023	47.43		47.42	

(Note) The provisional accounting treatment for business combinations was finalized in the third quarter of the fiscal year ending June 2023. The figures for the first quarter of the fiscal year ending June 2023 reflect the finalization of provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Total capital	Equity attributable to equity shareholders of the company	Equity ratio attributable to equity shareholders of the company
	Millions of yen	Millions of yen	Millions of yen	%
1Q FY2023/2024	57,591	34,017	33,437	58.1
FY2022/2023	56,558	33,836	33,285	58.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen		Yen		Yen
FY2022/2023	---	15.00	---	36.00	51.00
FY2023/2024	---				
FY2023/2024 (forecast)		15.00		36.90	51.90

(Note) Amendment from the most recently announced dividend forecast: No

3. Forecast of consolidated financial results for the year ending June 30, 2024 (From July 1, 2023 to June 30, 2024)

(Percentages indicate year-on-year changes)

	Sales revenue		Operating income		Profit before tax		Profit attributable to equity shareholders of the company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	121,000	△8.9	5,200	2.5	5,200	2.4	3,500	1.8	207.64

(Note) Revisions from the most recently released business forecast: No

※(Note)

(1) Changes in significant subsidiary companies during the current quarter (Changes in the specific subsidiary companies following changes in the scope of consolidation): No

New — Co. (Company name),

Exclusions — Co. (Company name)

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

① Changes in the accounting policies required by IFRS : No

② Changes in the accounting policies due to other reasons : No

③ Changes in the accounting estimates : No

(3) Number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury shares)

1Q FY2023/2024	17,560,242 shares	FY2022/2023	17,560,242 shares
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② Number of treasury shares at the end of the period

1Q FY2023/2024	956,982 shares	FY2022/2023	956,982 shares
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③ Average number of shares during the period (total up to this quarter)

1Q FY2023/2024	16,877,260 shares	1Q FY2022/2023	16,837,260 shares
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※Earnings summary is not within the scope of the quarterly review by a certified public accountant or auditor

※Explanation of the proper use of financial results forecast and other notes

The earnings forecast, and other forward-looking statements herein are based on the information currently available to the Company and certain assumptions that the Company considers reasonable. The actual results may differ significantly from these forecasts due to a wide range of factors such as economic status of the major domestic and international markets or exchange rates fluctuation.

Attached Documents – Table of Contents

1. Qualitative information on the quarterly financial results	2
(1) Explanation regarding the operating results	2
(2) Explanation regarding financial position and cash flow.....	4
(3) Explanation on future forecast information, such as consolidated earnings forecast.....	5
2. Summary of the quarterly consolidated financial statements and major notes	6
(1) Summary of the quarterly consolidated financial position	6
(2) Summary of the quarterly consolidated profit and loss statement	8
(3) Summary of the quarterly consolidated comprehensive income statement	9
(4) Summary of the quarterly consolidated statement of changes in equity.....	10
(5) Summary of the quarterly consolidated statement of cash flows	11
(6) Notes regarding summary of the quarterly consolidated financial statements.....	13
(Notes on going concern assumption)	13
(Changes in Presentation)	13
(Segment information)	13

1. Qualitative information on the quarterly financial results

(1) Explanation regarding the operating results

Japan's economy during the consolidated cumulative period of the first quarter has been gradually picking up and even recovering, although affected by the slowdown in the pace of overseas economies and rising prices.

In the domestic automobile market, the total number of new vehicles sales increased to 111.8% (statistical data of the Japan Automobile Manufacturers Association) as compared to the consolidated cumulative period of the same quarter from the previous year (hereinafter referred to as the same quarter from the previous year). The recovery trend became clearer in the first quarter of the consolidated accounting period as some finished vehicle manufacturers expanded shipments to the domestic market in line with the resolution of the semiconductor shortage. The number of used vehicle registrations and sales increased to 102.4% compared to the same period of the previous year, as the used vehicle market was revitalized along with the recovery of the supply of new vehicles, and the used vehicle market, which had been on an upward trend, began to stabilize.

Sales revenue decreased mainly in the overseas-related business due to limited capacity of car carrier ship resulting from the brisk exports of new cars from Japan against the depreciation of the yen, causing a cutback in the number of used vehicles exported to Malaysia. Operating profit decreased mainly due to the impact of higher labour costs in the domestic automotive-related and Human Resource businesses.

As a result, the business results of our group are as follows: sales of 31,669 million yen (93.7% compared to the same quarter from the previous year) and operating profit of 1,124 million yen (94.0% compared to the same quarter from the previous year). Also, the profit before taxes was 1,138 million yen (94.6% compared to the same quarter from the previous year), and the profit of the quarter attributable to the equity shareholders of the company was 709 million yen (88.8% compared to the same quarter from the previous year).

Number of units related to domestic distribution of automobiles

Units: vehicles

Domestic		July of 2022 to September of 2022	July of 2023 to September of 2023	Compared to the previous year
Number of new vehicles sold				
Domestic manufacturer	*1	975,680	1,094,881	112.2%
(out of this, Nissan Motor)	*1	(116,463)	(121,425)	(104.3%)
Foreign manufacturer	*2	58,860	62,005	105.3%
Total of new vehicle sales		1,034,540	1,156,886	111.8%
Number of registered used vehicles and sales				
Registered vehicles	*3	841,488	866,403	103.0%
Light vehicles	*4	647,247	658,332	101.7%
Total number of registered used vehicles and sales		1,488,735	1,524,735	102.4%

Export		July of 2022 to September of 2022	July of 2023 to September of 2023	Compared to the previous year
New vehicles of domestic manufacturers	*1	1,019,817	1,163,235	114.1%
Used vehicles (registered vehicles)	*5	317,301	373,566	117.7%

*1 Calculated from Japan Automobile Industry Association Statistics *2 Calculated from Japan Automobile Importers' Association statistics

*3 Calculated from Japan Automobile Dealers Association statistics

*4 Calculated from Japan Mini Vehicles Association statistics *5 Trial calculated from the number of export deleted registered vehicles in the Japan Automobile Dealers Association statistics

The segment business results are as follows.

① Domestic automotive related businesses

For vehicle transportation, which is the core business, the number of units for transportation contracts for used vehicles increased in line with the recovery in used vehicle registrations and sales, despite the turmoil in the used vehicle industry, resulting in an overall increase in revenues in the domestic automobile-related business.

Segment profit decreased due to an increase in the number of effective job offers for drivers following the end of the COVID-19 pandemic, and also due to increased labour costs as a result of promoting the recruitment of new drivers and increasing unit labour costs to address the 2024 problem in a situation where the consumer price index and minimum wages are rising. In addition, vehicle costs have increased as a result of investment in transport equipment in anticipation of EVs.

As a result, the overall sales in the domestic automotive related businesses was 14,137 million yen (102.1% compared to the same quarter from the previous year), and the segment profit was 1,000 million yen (90.8% compared to the same quarter from the previous year).

In the vehicle transportation business, the Group continued to implement the "Digitalization", "Greening", and "New normal" policies outlined in our mid-term management plan through June 30, 2024.

In the area of "Digitalization", we have set up the Transportation Digitalization Promotion Office and are promoting the construction of a system to realize systematic allocation of vehicles. We have also launched and are promoting a new digitalization project in which crew members record the condition of vehicles entrusted by customers using tablets.

In the area of "Greening", we have completed the development of transportation equipment with an increased maximum loading capacity to cope with the increased weight of automobiles as they become more electrically powered, and we will sequentially introduce the equipment. In addition, with the rapid adoption of EVs, we are promoting the establishment of an infrastructure that includes the implementation of ancillary services in EV vehicle transportation.

In response to the "New Normal", the direction of the Ministry of Health, Labour and Welfare's revision of the Improvement Standards Notice has been set, we will reduce indirect time other than operation hours by promoting a system of division of labor in cargo handling while maintaining the operation hours of crew members toward the "Year 2024 Problems", and at the same time, we will promote new hiring of crew members and efficient operation of transportation equipment. However, in the midst of the chronic shortage of crew members, combined with rising consumer price indexes, minimum wages, and unit labor costs, it is necessary to maintain and improve compensation while reducing the total working hours of crew members, and to introduce new crew members and transportation equipment to compensate for the decrease in transportation capacity due to reduced total working hours.

② Human resource businesses

In the pickup service business, revenue increased due to the acquisition of new contracts and an increase in MaaS (Mobility as a Service) services for J:COM (JCOM Co., Ltd.). In the temporary staffing business, revenue increased due to an increase in the number of dispatched drivers in east Japan area, and in the airport-related business, revenue increased due to an increase in the number of dispatched personnel in line with the recovery in the number of flights to and from Japan. Segment profit decreased due to the start-up costs of the driver recruitment portal site "wnten.com" and the rise in recruitment and labor costs due to increases in the consumer price index and minimum wage.

As a result, the sales revenue of the overall human resource business was 5,311 million yen (104.2% compared to the same quarter from the previous year), and the segment profit was 182 million yen (84.4% compared to the same quarter from the previous year).

③ General cargo business

In the port cargo handling business, revenue from fuel cargo handling for biomass power plants increased due to acquisition of cargo handling for new power plants, but revenues in the transport / warehousing business decreased due to the withdrawal of unprofitable customers, and revenue in the overall general cargo business decreased as well. Segment profit increased with the increased revenue in the port cargo business, and there was also an increase in the overall general cargo business.

As a result, the sales revenue of the overall general cargo business was 1,612 million yen (94.5% compared to the same quarter from the previous year), and the segment profit was 309 million yen (117.3% compared to the same quarter from the previous year).

④ Overseas Related Businesses

In the used vehicle export business, revenue decreased due to restrictions on the number of used cars exported to Malaysia as the capacity of car carrier ship was limited as a result of brisk exports of new vehicles from Japan against the depreciation of the yen.

In the CKD business, revenue increased due to an increase in the number of units packed, however in the vehicle transportation business in China, revenue decreased due to the impact of the struggle of Japanese manufacturers in the Chinese automobile market.

Segment profit decreased in the used vehicle export business due to a decrease in revenue, but increased in the CKD business due to an increase in revenue, and in the vehicle transport business in China, segment profit increased due to the successful acquisition of new customers.

As a result of the above, the sales revenue of the overall overseas business was 10,607 million yen (80.7% compared to the same quarter from the previous year), and segment profit was 168 million yen (128.3% compared to the same quarter from the previous year).

Furthermore, the company expenses not included in the abovementioned report segment (expenses affiliated with our company's management division), etc. are allocated as an item in the "adjustment amount" as indicated in "2. (Segment information) in the summary of the quarterly consolidated financial statements and major notes", and totalled 537 million yen.

(2) Explanation regarding financial position and cash flow

① Status of assets, liabilities, and equity

(Assets)

Current assets increased by 1,630 million yen (6.3%) compared to the end of the previous consolidated fiscal year to 27,663 million yen.

This was mainly due to an increase in cash and cash equivalents of 2,158 million yen.

Non-current assets decreased by 598 million yen (2.0%) compared to the end of the previous consolidated fiscal year to 29,927 million yen.

This was mainly due to a decrease of tangible fixed assets of 952 million yen resulting from amortization of assets of right to use, etc.

As a result, total assets increased by 1,032 million yen (1.8%) compared to the previous consolidated fiscal year to 57,591 million yen.

(Liabilities)

Current liabilities increased by 671 million yen (3.7%) compared to the end of the previous consolidated fiscal year to 18,871 million yen.

This was mainly due to an increase of 2,500 million yen in borrowings, despite a decrease of 828 million yen in income taxes payable.

Non-current liabilities increased by 180 million yen (4.0%) compared to the end of the previous consolidated fiscal year to 4,702 million yen.

This was mainly due to an increase of 347 million yen in net defined benefit liability, despite a decrease of 190 million yen in lease liabilities.

As a result, total liabilities increased by 851 million yen (3.7%) compared to the end of the previous consolidated fiscal year to 23,573 million yen.

(Equity)

Total equity increased by 181 million yen (0.5%) compared to the end of the previous consolidated fiscal year to 34,017 million yen.

This was mainly because retained earnings increased by 87 million yen.

② Cash flow status

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the consolidated accounting period of the first quarter increased by 2,158 million yen compared to the end of the previous consolidated fiscal year to 7,633 million yen.

Each cash flow status category during the consolidated cumulative period of the first quarter and their causes are as follows.

(Cash flow from operating activities)

Funds obtained as a result of operating activities were 1,772 million yen (there was an income of 71 million yen during the same period of the previous year).

The main cause of the increase in funds were 1,280 million yen for depreciation and amortization expenses which are non-

fund expenses and quarterly profit of 723 million yen; the main cause of the decrease in funds was 1,212 million yen for payment of corporate income taxes.

(Cash flow from investment activities)

Net cash used in investment activities was 798 million yen (expenditures of 732 million yen during the same period of the previous year).

The main itemization breakdown for expenditures was 728 million yen for acquisition of tangible fixed assets and investment property.

(Cash flow from financing activities)

Net cash obtained from financing activities was 1,158 million yen (expenditures of 169 million yen during the same period of the previous year).

The main itemization breakdown for expenditures were 743 million yen lease liabilities payments and 597 million yen for dividends, while the main itemization breakdown for income was 2,500 million yen net increase for short-term borrowings.

(3) Explanation on future forecast information, such as consolidated earnings

We have not made any amendments to the consolidated earnings forecast announced on August 10, 2023.

2. Summary of the consolidated financial statements and major notes

(1) Summary of quarterly consolidated statement of financial position

(Units: Million yen)

	End of the previous consolidated accounting year (June 30, 2023)	Consolidated cumulative period of this first quarter (from September 30, 2023)
Assets		
Current assets		
Cash and cash equivalents	5,475	7,633
Trade and other receivables	14,843	14,599
Inventories	4,730	4,420
Other financial assets	469	435
Other current assets	514	574
Total current assets	26,032	27,663
Non-current assets		
Tangible fixed assets	20,743	19,790
Goodwill and intangible assets	3,378	3,416
Investment properties	3,020	2,975
Investment accounting processed with equity method	533	558
Other financial assets	1,939	1,962
Other non-current assets	433	745
Deferred tax assets	478	478
Total non-current assets	30,526	29,927
Total assets	56,558	57,591

(Units: Million yen)

	End of the previous consolidated accounting year (June 30, 2023)	Consolidated cumulative period of this first quarter (from September 30, 2023)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payable	9,077	8,640
Loans	1,600	4,100
Lease liabilities	3,132	2,564
Income taxes payable, etc.	1,283	454
Other current liabilities	3,106	3,112
Total current liabilities	18,200	18,871
Non-current liabilities		
Lease liabilities	2,563	2,373
Other financial liabilities	89	89
Retirement benefits liabilities	655	1,003
Other non-current liabilities	313	341
Deferred tax liabilities	899	893
Total non-current liabilities	4,522	4,702
Total liabilities	22,722	23,573
Equity		
Capital	3,390	3,390
Capital surplus	3,461	3,470
Treasury stock	△638	△638
Other components of funds	644	700
Retained earnings	26,426	26,514
Total equity attributing to the equity shareholders of the company	33,285	33,437
Non-controlling interest	550	579
Total Equity	33,836	34,017
Total liabilities and equity	56,558	57,591

(2) Summary of quarterly consolidated profit and loss statement

(Units: Million yen)

	Consolidated cumulative period for the previous first quarter (From July 1, 2022 to September 30, 2022)	Consolidated cumulative period of this first quarter (From July 1, 2023 to September 30, 2023)
Sales	33,787	31,669
Cost of sales	△30,179	△28,026
Gross profit	3,608	3,642
Selling, general and administrative expenses	△2,470	△2,575
Other income	81	66
Other expenses	△21	△9
Operating profit	1,196	1,124
Financial profit	23	23
Financial expenses	△14	△9
Investment gain / loss through equity method	△2	△0
Profit before tax	1,203	1,138
Corporate income tax expenses	△400	△415
Profits of the quarter	803	723
Attribution of the profits of the quarter:		
Equity shareholders of the company	798	709
Non-controlling interest	4	14
Profits of the quarter	803	723
Quarterly earnings per share		
Basic quarterly earnings per share (yen)	47.43	42.01
Diluted quarterly earnings per share (yen)	47.42	42.01

(3) Summary of the quarterly consolidated comprehensive income statement

(Units: Million yen)

	Consolidated cumulative period for the previous first quarter (From July 1, 2022 to September 30, 2022)	Consolidated cumulative period of this first quarter (From July 1, 2023 to September 30, 2023)
Profits of the quarter	803	723
Other comprehensive income		
Items not transferring over to profit or loss:		
Remeasurement of defined benefit system	△26	△23
Financial assets measured by fair value through other comprehensive profits	87	4
Total of the items not transferring over to profit or loss	61	△19
Items which may be transferred over to profit or loss		
Conversion difference of business activities overseas	△1	40
Other comprehensive income equity of affiliated company accounted for by the equity method	31	25
Total of the items which may be transferred over to profit or loss	30	65
Other comprehensive income after tax deduction	91	46
Comprehensive income of the quarter	894	769
Attribution of the comprehensive income for the quarter:		
Equity shareholders of the company	890	741
Non-controlling interest	4	28
Comprehensive income of the quarter	894	769

(4) Summary of the quarterly consolidated statement of changes in equity

Consolidated cumulative period of the previous first quarter (from July 1, 2022 to September 30, 2022)

(Units: Million yen)

	Equity attributable to equity shareholders of the company									Non-controlling interest	Total Equity
	Capital	Capital surplus	Treasury stock	Other components of funds				Retained earnings	Total equity attributing to the equity shareholders of the company		
				Conversion difference of business activities overseas	Financial assets measured by fair value through other comprehensive profits	Remeasurement of defined benefit system	Total other components of funds				
Balance on July 1, 2022	3,390	3,458	△667	155	288	—	444	23,440	30,067	546	30,614
Profits of the quarter							—	798	798	4	803
Other comprehensive income				30	87	△26	92		92	△0	91
Comprehensive income of the quarter	—	—	—	30	87	△26	92	798	890	4	894
Dividends of the surplus							—	△376	△376		△376
Share-based payment transactions, etc.		1					—		1		1
Transfer from other capital component to Retained earnings					△0	26	25	△25	—		—
Total transactions, etc. with the owners	—	1	—	—	△0	26	25	△401	△374	—	△374
Balance on September 30, 2022	3,390	3,460	△667	186	375	—	561	23,838	30,583	550	31,134

Consolidated cumulative period of the first quarter (from July 1, 2023 to September 30, 2023)

(Units: Million yen)

	Equity attributable to equity shareholders of the company									Non-controlling interest	Total Equity
	Capital	Capital surplus	Treasury stock	Other components of funds				Retained earnings	Total equity attributing to the equity shareholders of the company		
				Conversion difference of business activities overseas	Financial assets measured by fair value through other comprehensive profits	Remeasurement of defined benefit system	Total other components of funds				
Balance on July 1, 2023	3,390	3,461	△638	172	472	—	644	26,426	33,285	550	33,836
Profits of the quarter							—	709	709	14	723
Other comprehensive income				51	4	△23	32		32	14	46
Comprehensive income of the quarter	—	—	—	51	4	△23	32	709	741	28	769
Dividends of the surplus							—	△597	△597		△597
Share-based payment transactions, etc.		9					—		9		9
Transfer from other capital component to Retained earnings						23	23	△23	—		—
Total transactions, etc. with the owners	—	9	—	—	—	23	23	△621	△588	—	△588
Balance on September 30, 2023	3,390	3,470	△638	224	476	—	700	26,514	33,437	579	34,017

(5) Summary of the quarterly consolidated statement of cash flows

(Units: Million yen)

	Consolidated cumulative period for the previous first quarter (From July 1, 2022 to September 30, 2022)	Consolidated cumulative period of this first quarter (From July 1, 2023 to September 30, 2023)
Cash flow from operating activities		
Profits of the quarter	803	723
Depreciation and amortization costs	1,225	1,280
Interest income and dividend	△23	△21
Interest expense	9	9
Investment gain / loss through equity method	2	0
Corporate income tax expenses	400	415
Increase / decrease of trade receivables (△ is an increase)	△1,154	367
Increase / decrease of inventories (△ is an increase)	△241	309
Increase / decrease of trade payables (△ is a decrease)	234	109
Increase / decrease in net defined benefit asset and liability	△13	△9
Other	△317	△212
Subtotal	926	2,972
Interest and dividend received	23	21
Interest paid	△9	△9
Corporate income tax paid	△867	△1,212
Cash flow from operating activities	71	1,772
Cashflow from investment activities		
Payment for acquisition of tangible fixed assets and investment properties	△700	△728
Proceed from sales of tangible fixed assets and investment properties	2	22
Payment for intangible assets	△17	△55
Other	△16	△38
Cashflow from investment activities	△732	△798

(Units: Million yen)

	Consolidated cumulative period for the previous first quarter (From July 1, 2022 to September 30, 2022)	Consolidated cumulative period of this first quarter (From July 1, 2023 to September 30, 2023)
Cash flow from financing activities		
Net increase or decrease of short-term loans (Δ is a decrease)	951	2,500
Repayment of long-term loans	$\Delta 7$	—
Repayment of lease debts	$\Delta 739$	$\Delta 743$
Dividend paid	$\Delta 375$	$\Delta 597$
Cash flow from financing activities	$\Delta 169$	1,158
Effect of exchange rate changes on cash and cash equivalents	$\Delta 1$	26
Increase / decrease in of cash and cash equivalents (Δ is a decrease)	$\Delta 831$	2,158
Cash and cash equivalents at the beginning of the year	5,180	5,475
Balance of cash and cash equivalents at the end of the quarter	4,349	7,633

(6) Notes regarding summary of the quarterly consolidated financial statements

(Notes on going concern assumption)

There are no applicable matters.

(Changes in Presentation)

(Summary of quarterly consolidated cash flow statements)

From the consolidated cumulative period of this first quarter, "Increase / decrease in retirement benefits liabilities", which was included in "Other" under "Cash flow from operating activities" in the first quarter of the previous fiscal year, has been combined with the previous "Increase / decrease in retirement benefits liabilities" and presented as "Increase / decrease net defined benefit asset and liability" to improve the clarity of the presentation. To reflect this change in presentation, the condensed quarterly consolidated financial statements for the first quarter of the previous fiscal year have been reclassified.

As a result, $\Delta 0$ million yen presented in "Other" under "Cash flow from operating activities" in the condensed quarterly consolidated statements of cash flows for the first quarter of the previous fiscal year has been reclassified as "Increase / decrease in net defined benefit asset and liability" under "Cash flows from operating activities".

(Segment information)

The segment information of our group is as follows.

Consolidated cumulative period of the previous first quarter (from July 1, 2022 to September 30, 2022)

(Units: Million yen)

	Domestic automotive related businesses	Human resource businesses	General cargo businesses	Overseas Related Business	Total	Adjustment amount (note) 1	Total amount on the quarterly consolidated financial statements
Sales							
Sales from external customers	13,840	5,099	1,706	13,142	33,787	—	33,787
Sales between segments	32	253	25	—	311	$\Delta 311$	—
Total	13,872	5,352	1,731	13,142	34,098	$\Delta 311$	33,787
Segment profit (operating profit)	1,102	216	264	131	1,714	$\Delta 517$	1,196

(Note).1 The $\Delta 517$ million yen adjustment amount in the segment profits includes the total company cost $\Delta 517$ million yen. The total company cost is an expense related to the management divisions of our company not belonging to the reporting segment.

2 The provisional accounting treatment for business combinations was finalized in the previous fiscal year. The figures for the first quarter of the fiscal year ending June 2023 are after the provisional accounting treatment has been finalized.

Consolidated cumulative period of the first quarter (from July 1, 2023 to September 30, 2023)

(Units: Million yen)

	Domestic automotive related businesses	Human resource businesses	General cargo businesses	Overseas Related Business	Total	Adjustment amount (note)	Total amount on the quarterly consolidated financial statements
Sales							
Sales from external customers	14,137	5,311	1,612	10,607	31,669	—	31,669
Sales between segments	30	301	25	—	357	$\Delta 357$	—
Total	14,167	5,613	1,637	10,607	32,026	$\Delta 357$	31,669
Segment profit (operating profit)	1,000	182	309	168	1,661	$\Delta 537$	1,124

(Note). The $\Delta 537$ million yen adjustment amount in the segment profits includes the total company cost $\Delta 537$ million yen. The

total company cost is an expense related to the management divisions of our company not belonging to the reporting segment.