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**TAN CHONG INTERNATIONAL LIMITED**

**陳唱國際有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 693)**

**OVERSEAS REGULATORY ANNOUNCEMENT**

*(This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)*

The announcement of unaudited financial results of Zero Co., Ltd. for the three-month period ended 30 September 2024 is originally prepared in Japanese ("Original Announcement"). The attached announcement on the next page is a translation of the Original Announcement solely for the purpose of providing information.

By the order of the Board  
**Tan Chong International Limited**  
**Teo Siok Ghee**  
**Liew Daphnie Pingyen**  
*Joint Company Secretaries*

Hong Kong, 7 November 2024

Website: <http://www.tanchong.com>

*As at the date of this announcement, the executive Directors are Mr. Tan Eng Soon, Mr. Glenn Tan Chun Hong, Mr. Tan Kheng Leong, Mdm. Sng Chiew Huat and Ms. Gillian Tan Tsui Lyn. The non-executive Director is Mr. Joseph Ong Yong Loke. The independent non-executive Directors are Mr. Ng Kim Tuck, Mr. Azman Bin Badrillah, Mr. Prechaya Ebrahim, Mr. Teo Ek Kee and Mr. Charles Tseng Chia Chun.*

## Summary of Consolidated Financial Results for the First Quarter Ending of the Fiscal Year June 30, 2025 [Based on IFRS]

November 7, 2024

Company name: ZERO CO., LTD.

Stock code: 9028

Representative: President & CEO

Inquiries: General Manager of Corporate Planning Department

Scheduled date to commence dividend payments: -

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results meeting: No

URL: <http://www.zero-group.co.jp/>

Toshihiro Takahashi

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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, 2025 (From July 1, 2024 to September 30, 2024)

#### (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 FY2024/2025	34,312	8.3	2,724	142.2	2,715	138.5	1,895	162.1	1,887	166.2	1,735	125.4
1Q FY2023/2024	31,669	△6.3	1,124	△6.0	1,138	△5.4	723	△9.9	709	△11.2	769	△14.0

	Basic quarterly earnings per share		Diluted quarterly earnings per share	
	Yen		Yen	
1Q FY2024/2025	111.55		111.55	
1Q FY2023/2024	42.01		42.01	

#### (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 FY2024/2025	70,770	38,849	38,222	54.0
FY2023/2024	70,733	37,873	37,209	52.6

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
FY2023/2024	---	15.00	---	46.40	61.40
FY2024/2025	---	43.00	---	64.40	107.40
FY2024/2025 (forecast)	---	43.00	---	64.40	107.40

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

### 3. Forecast of consolidated financial results for the year ending June 30, 2025 (From July 1, 2024 to June 30, 2025)

(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	135,000	△4.1	8,100	30.2	8,100	30.1	5,500	32.5	325.46

(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)
- ② Number of treasury shares at the end of the period
- ③ Average number of shares during the period (total up to this quarter)

1Q FY2024/2025	17,560,242 shares	FY2023/2024	17,560,242 shares
1Q FY2024/2025	901,782 shares	FY2023/2024	920,782 shares
1Q FY2024/2025	16,916,460 shares	1Q FY2023/2024	16,877,260 shares

※Review of the attached consolidated quarterly financial statements by a certified public accountant or audit firm : No

※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.

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## 1. Summary of operating results

### (1) Summary of operating results for this quarter of the consolidated cumulative period

During the first quarter of the consolidated cumulative period, while some regions of Japan's economy showed signs of weakness, the overall trend has been one of gradual recovery or improvement.

In the domestic automobile market, the total number of new vehicle sales increased to 101.3% (statistical data of the Japan Automobile Manufacturers Association) compared to the same quarter from the previous year (hereinafter referred to as the same quarter from the previous year). Although some finished vehicle manufacturers continued to be affected by shipment suspensions due to issues of misconduct, sales of new models were strong for certain manufacturers, resulting in an overall increase in domestic sales. As for used vehicle registrations and sales, export demand for used vehicles remained robust, and the increase in new vehicle sales led to a rise in trade-in vehicles, pushing the number of used vehicle sales to 101.2% compared to the same quarter from the previous year.

Number of units related to domestic distribution of automobiles			Units: vehicles	
Domestic		July of 2023 to September of 2023	July of 2024 to September of 2024	Compared to the previous year
Number of new vehicles sold				
Domestic manufacturer	*1	1,094,881	1,116,768	102.0%
(out of this, Nissan Motor)	*1	(121,425)	(124,435)	(102.5%)
Foreign manufacturer	*2	62,005	55,611	89.7%
Total of new vehicle sales		1,156,886	1,172,379	101.3%
Number of registered used vehicles and sales				
Registered vehicles	*3	866,403	880,431	101.6%
Light vehicles	*4	658,332	663,335	100.8%
Total number of registered used vehicles and sales		1,524,735	1,543,766	101.2%

Export		July of 2023 to September of 2023	July of 2024 to September of 2024	Compared to the previous year
New vehicles of domestic manufacturers	*1	1,163,235	1,043,094	89.7%
Used vehicles (registered vehicles)	*5	373,566	405,016	108.4%

\*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

Based on these market conditions, the performance of our group for this quarter was as follows: revenue was 34,312 million yen (108.3% compared to the same quarter from the previous year) and operating profit was 2,724 million yen (242.2% compared to the same quarter from the previous year). Also, profit before tax was 2,715 million yen (238.5% compared to the same quarter from the previous year), and the quarterly profit attributable to shareholders of the parent company was 1,887 million yen (266.2% compared to the same quarter from the previous year).

The segment business results are as follows.

① Domestic automotive related businesses

Revenue and segment profit increased in the domestic automobile-related business as a whole. In the core business of vehicle transportation, we managed to increase the number of contracts by maintaining our transportation capability despite the enforcement of driver working hour regulations in accordance with the 2024 logistics problem, by promoting the division of labor among drivers, strengthening driver hiring, and increasing unit price paid to subcontractors. On the other hand, we have been affected by the cost coping with 2024 logistics problem and rising cost of hiring and unit labor costs against the backdrop of higher consumer price indexes and minimum wages, as well as increased vehicle and maintenance costs for carrier cars. In such an environment, (1) We have been implementing sales activities focusing on gross profit, such as promoting the acquisition of return cargo to maximize daily revenue per carrier car by preventing the occurrence of empty routes, (2) We have successfully completed the post-merger integration of ZERO-PLUS IKEDA CO., LTD which became a consolidated subsidiary in May 2022 and had acquired So-ing CO., LTD. as a consolidated subsidiary from November 2023, (3) We had raised transportation rates for new and used cars sequentially since January 2024.

As a result, the domestic automobile-related business reported revenue of 16,696 million yen (118.1% compared to the same quarter from the previous year) and segment profit of 2,485 million yen (248.4% compared to the same quarter from the previous year).

In the vehicle transportation business, under the medium-term management plan through the fiscal year ending June 2027, we are focusing on the theme of "Returning to the Basics of Quality" We are advancing initiatives such as "Further Responses to the '2024 Logistics Problem'—Reviewing the Role and Operations of Logistics Centers, Securing Transport Capacity," "Reducing and Addressing Accidents and Complaints," and "Promoting Digitalization."

Regarding "Further Responses to the '2024 Logistics Problem'—Reviewing the Role and Operations of Logistics Centers, Securing Transport Capacity," we will continue to maintain driver driving hours per person and control overall working hours by further promoting the division of labor in loading/unloading vehicles and locating vehicles for auction at logistics centers and auto auction sites.

Additionally, as a result of the reduction in daily driving distances due to the shortened working hours of drivers, we will review the locations of logistics centers and optimize the number of drivers and the type and number of car carriers at each logistics center. As for reviewing transportation methods, we will clarify the division of roles between our company and subcontractors, and we will consider revising marine transportation routes.

Regarding "Reducing and Addressing Accidents and Complaints," we are enhancing safety and quality from both hardware and software aspects. This includes installing rearview monitors on car carriers, expanding the number of safety instructors, and fostering safety awareness through the introduction of a driver group system (small group activities) for drivers. Additionally, to improve quality and hospitality in last-mile transportation, where we directly collect or deliver vehicles to individual customers, we have launched and are promoting the Self-Driving Reform Project.

In terms of "Promoting Digitalization," we continue to reduce paperwork and ease the burden on crew members by using smartphone and tablet devices equipped with our specially developed vehicle transportation application "mo@a". Furthermore, we are working on projects aimed at improving customer convenience, such as the digitization of vehicle transportation orders and system integration for order processing.

② Human resource businesses

In the pick-up service business, revenue increased due to fee revisions at low-profit sites, along with the acquisition of new contracts and an increase in vehicles for the MaaS (Mobility as a Service) business through revising its driver recruitment methods. The staffing services business saw an increase in revenue

due to the rise in the number of dispatched drivers, while the airport-related staffing business also experienced revenue growth thanks to the recruitment of foreign workers, which increased the number of dispatches. As a result of the increased revenue in each business, segment profit also increased.

As a result, the Human Resources business recorded revenue of 5,705 million yen (107.4% compared to the same quarter from the previous year) and segment profit of 231 million yen (126.6% compared to the same quarter from the previous year).

### ③ General cargo businesses

In the port cargo handling business, revenue decreased due to disruptions in the ship schedules caused by unfavorable weather, which impacted cargo handling operations. The transportation / warehousing business also saw a decline in revenue due to a decrease in cargo handling volume from key customers and in the number of chartered vehicles in accordance with the 2024 logistics problem. As a result, the overall general cargo business experienced a decline in revenue.

In terms of segment profit, the port cargo handling business saw a decline in profit due to reduced revenue. However, in the transportation / warehousing business, the launch of new projects and the acquisition of new customers, which filled vacant floor space in warehouses, led to an increase in profit, resulting in an increase in profits for the overall general cargo business.

As a result, the general cargo business reported revenue of 1,554 million yen (96.4% compared to the same quarter from the previous year) and segment profit of 315 million yen (101.7% compared to the same quarter of the previous year).

### ④ Overseas Related Businesses

In the used vehicle export business, despite maintained top market share as a result of customer satisfaction improvement activities and continued strong demand in Malaysia, delays in shipments at the end of September 2024 led to a decrease in revenue. On the other hand, the vehicle transportation business in China saw an increase in revenue due to the acquisition of new contracts with Chinese car manufacturers while Japanese car manufacturers are struggling.

Regarding segment profit, the used vehicle export business saw an increase in profit due to the choice of inexpensive marine transportation as a result of securing more shipping slots. In contrast, the vehicle transportation business in China experienced a decline in profit due to a decline in the volume of return cargo from Japanese car manufacturers. However, the overall overseas-related business saw an increase in profit.

As a result, the overseas-related business recorded revenue of 10,356 million yen (97.6% compared to the same quarter from the previous year) and segment profit of 260 million yen (154.1% compared to the same quarter of the previous year).

Additionally, corporate expenses not included in the above-reported segments (expenses related to the company's administrative departments), are recorded under "adjustment amount" as stated in "2. Summary of Quarterly Consolidated Financial Statements and Major Notes (Segment Information)," totaling 568 million yen.

## (2) Summary of financial position for this quarter of the consolidated cumulative period

Assets, Liabilities, and Equity

(Assets)

Current assets increased by 628 million yen (1.9%) compared to the end of the previous consolidated fiscal year, reaching 33,623 million yen.

This was mainly due to a decrease in trade and other receivables of 1,407 million yen, while cash and cash equivalents increased by 467 million yen, and inventories increased by 1,805 million yen.

Non-current assets decreased by 591 million yen (1.6%) compared to the end of the previous consolidated fiscal year, totaling 37,147 million yen.

This was primarily due to a decrease of 755 million yen in tangible fixed assets from depreciation of right-of-use assets, although goodwill and intangible assets increased by 193 million yen due to the acquisition of new software.

As a result, total assets increased by 37 million yen (0.1%) compared to the end of the previous consolidated fiscal year, reaching 70,770 million yen.

(Liabilities)

Current liabilities decreased by 280 million yen (1.2%) compared to the end of the previous consolidated fiscal year, amounting to 23,865 million yen.

This was mainly due to decreases in trade and other payables by 855 million yen and unpaid corporate income taxes by 988 million yen, although borrowings increased by 1,700 million yen.

Non-current liabilities decreased by 658 million yen (7.6%) compared to the end of the previous consolidated fiscal year, totaling 8,055 million yen.

This was mainly due to a decrease in lease liabilities by 684 million yen.

As a result, total liabilities decreased by 938 million yen (2.9%) compared to the end of the previous consolidated fiscal year, amounting to 31,921 million yen.

(Equity)

Total equity increased by 976 million yen (2.6%) compared to the end of the previous consolidated fiscal year, reaching 38,849 million yen.

This was mainly due to an increase in retained earnings by 1,055 million yen.

(3) Summary of cash flow for this quarter of the consolidated cumulative period

Cash and cash equivalents (hereafter referred to as "funds") at the end of the first quarter of the consolidated fiscal period increased by 467 million yen compared to the end of the previous consolidated fiscal year, amounting to 11,784 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 provided by operating activities was 1,280 million yen (1,772 million yen in the same period of the previous year).

The main cause of the increase in funds were quarterly profit of 1,895 million yen, a decrease in trade receivables of 1,743 million yen, and depreciation and amortization expenses of 1,255 million yen which are non-operating expenses; the main cause of the decrease in funds were an increase in inventories of 1,806 million yen and corporate income tax payments of 1,780 million yen.

(Cash flow from investment activities)

Funds used in investing activities was 983 million yen (expenditures of 798 million yen used in the same period of the previous year).

The main itemization breakdown for expenditures were 840 million yen for the acquisition of tangible fixed assets and investment properties, and 144 million yen for the acquisition of intangible assets.

(Cash flow from financing activities)

Funds provided by financing activities was 239 million yen (1,158 million yen in the same period of the previous year).

The main itemization breakdown for expenditures were 688 million yen for lease liability repayments and 772 million yen for dividend payments, while the main itemization breakdown for income was a net increase of 1.700 million yen from short-term borrowings.

(4) Future outlook

There have been no revisions to the consolidated earnings forecast published on August 8, 2024.



## 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 fiscal year (June 30, 2024)	End of first quarter of current consolidated fiscal period (September 30, 2024)
Assets		
Current assets		
Cash and cash equivalents	11,316	11,784
Trade and other receivables	17,326	15,918
Inventories	2,979	4,784
Other financial assets	877	680
Other current assets	494	455
Total current assets	32,994	33,623
Non-current assets		
Tangible fixed assets	24,845	24,090
Goodwill and intangible assets	5,328	5,522
Investment properties	2,949	2,947
Investment accounting processed with equity method	516	541
Other financial assets	2,106	2,124
Other non-current assets	1,426	1,354
Deferred tax assets	565	566
Total non-current assets	37,739	37,147
Total assets	70,733	70,770

(Units: Million yen)

	End of the previous consolidated fiscal year (June 30, 2024)	End of first quarter of current consolidated fiscal period (September 30, 2024)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payable	9,892	9,037
Bonds and borrowings	5,100	6,800
Lease liabilities	2,872	2,819
Income taxes payable, etc.	1,867	878
Other financial liabilities	2	—
Other current liabilities	4,410	4,329
Total current liabilities	24,145	23,865
Non-current liabilities		
Lease liabilities	6,276	5,591
Other financial liabilities	93	103
Retirement benefits liabilities	1,008	1,015
Other non-current liabilities	356	392
Deferred tax liabilities	979	951
Total non-current liabilities	8,714	8,055
Total liabilities	32,860	31,921
Equity		
Capital	3,390	3,390
Capital surplus	3,484	3,485
Treasury stock	△614	△602
Other components of funds	841	787
Retained earnings	30,106	31,161
Total equity attributable to the equity shareholders of the company	37,209	38,222
Non-controlling interest	663	626
Total Equity	37,873	38,849
Total liabilities and equity	70,733	70,770

## (2) Summary of quarterly consolidated profit and loss statement

(Units: Million yen)

	Previous first quarter consolidated cumulative period (From July 1, 2023, to September 30, 2023)	Current first quarter consolidated cumulative period (From July 1, 2024, to September 30, 2024)
Sales revenue	31,669	34,312
Cost of sales	Δ28,026	Δ29,098
Gross Profit	3,642	5,214
Selling, general and administrative expenses	Δ2,575	Δ2,637
Other income	66	169
Other expenses	Δ9	Δ22
Operating profit	1,124	2,724
Financial profit	23	11
Financial expenses	Δ9	Δ19
Investment gain / loss through equity method (Δ is loss)	Δ0	Δ1
Profit before tax	1,138	2,715
Corporate income tax expenses	Δ415	Δ819
Profits of the quarter	723	1,895
Attribution of the profits of the quarter:		
Equity shareholders of the company	709	1,887
Non-controlling interest	14	8
Profits of the quarter	723	1,895
Quarterly earnings per share		
Basic quarterly earnings per share (yen)	42.01	111.55
Diluted quarterly earnings per share (yen)	42.01	111.55

## (3) Summary of the quarterly consolidated comprehensive income statement

(Units: Million yen)

	Previous first quarter consolidated cumulative period (From July 1, 2023, to September 30, 2023)	Current first quarter consolidated cumulative period (From July 1, 2024, to September 30, 2024)
Profits of the quarter	723	1,895
Other comprehensive income		
Items not transferring over to profit or loss:		
Remeasurement of defined benefit system	Δ23	Δ62
Financial assets measured by fair value through other comprehensive income	4	7
Total of the items not transferring over to profit or loss	Δ19	Δ55
Items which may be transferred over to profit or loss		
Conversion difference of business activities overseas	40	Δ131
Other comprehensive income equity of affiliated company accounted for by the equity method	25	26
Total of the items which may be transferred over to profit or loss	65	Δ104
Other comprehensive income after tax deduction	46	Δ160
Comprehensive income of the quarter	769	1,735
Attribution of the comprehensive income for the quarter:		
Equity shareholders of the company	741	1,772
Non-controlling interest	28	Δ37
Comprehensive income of the quarter	769	1,735

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

Previous first quarter consolidated cumulative period (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 attributable 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

Current first quarter consolidated cumulative period (From July 1, 2024, to September 30, 2024)

(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 attributable 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, 2024	3,390	3,484	△614	320	521	—	841	30,106	37,209	663	37,873
Profits of the quarter							—	1,887	1,887	8	1,895
Other comprehensive income				△59	7	△62	△114		△114	△45	△160
Comprehensive income of the quarter	—	—	—	△59	7	△62	△114	1,887	1,772	△37	1,735
Dividends of the surplus							—	△772	△772		△772
Share-based payment transactions, etc.		0	12				—		13		13
Transfer from other capital component to Retained earnings					△3	62	59	△59	—		—
Total transactions, etc. with the owners	—	0	12	—	△3	62	59	△831	△758	—	△758
Balance on September 30, 2024	3,390	3,485	△602	261	525	—	787	31,161	38,222	626	38,849

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

(Units: Million yen)

	Previous first quarter consolidated cumulative period (From July 1, 2023, to September 30, 2023)	Current first quarter consolidated cumulative period (From July 1, 2024, to September 30, 2024)
Cash flow from operating activities		
Profits of the quarter	723	1,895
Depreciation and amortization costs	1,280	1,255
Interest income and dividend	Δ21	Δ7
Interest expense	9	15
Investment gain / loss through equity method (Δ is profit)	0	1
Corporate income tax expenses	415	819
Increase / decrease of trade receivables (Δ is an increase)	367	1,743
Increase / decrease of inventories (Δ is an increase)	309	Δ1,806
Increase / decrease of trade payables (Δ is a decrease)	109	85
Increase / decrease in net defined benefit asset and liability	Δ9	Δ19
Other	Δ212	Δ914
Subtotal	2,972	3,068
Interest and dividend received	21	7
Interest paid	Δ9	Δ15
Corporate income tax paid	Δ1,212	Δ1,780
Cash flow from operating activities	1,772	1,280
Cashflow from investment activities		
Payment for acquisition of tangible fixed assets and investment properties	Δ728	Δ840
Proceed from sales of tangible fixed assets and investment properties	22	7
Payment for intangible assets	Δ55	Δ144
Other	Δ38	Δ6
Cashflow from investment activities	Δ798	Δ983

(Units: Million yen)

	Previous first quarter consolidated cumulative period (From July 1, 2023, to September 30, 2023)	Current first quarter consolidated cumulative period (From July 1, 2024, to September 30, 2024)
Cash flow from financing activities		
Net increase or decrease of short-term loans ( $\Delta$ is a decrease)	2,500	1,700
Repayment of lease debts	$\Delta$ 743	$\Delta$ 688
Dividend paid	$\Delta$ 597	$\Delta$ 772
Cash flow from financing activities	1,158	239
Effect of exchange rate changes on cash and cash equivalents	26	$\Delta$ 69
Increase / decrease in of cash and cash equivalents ( $\Delta$ is a decrease)	2,158	467
Cash and cash equivalents at the beginning of the year	5,475	11,316
Balance of cash and cash equivalents at the end of the quarter	7,633	11,784

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

(Notes on going concern assumption)

There are no applicable matters.

(Segment information)

The segment information of our group is as follows.

Previous first quarter consolidated cumulative period (From July 1, 2023, to September 30, 2023)

(Units: Million yen)

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

(Note). The adjustment amount of △537 million yen for segment profit is due to corporate expenses of △537 million yen. The total company cost is an expense related to the management divisions of our company not belonging to the reporting segment.

Current first quarter consolidated cumulative period (From July 1, 2024, to September 30, 2024)

(Units: Million yen)

	Domestic automotive related businesses	Human resource businesses	General cargo businesses	Overseas related businesses	Total	Adjustment amount (note)	Total amount on the quarterly consolidated financial statements
Sales revenue							
Sales revenue from external customers	16,696	5,705	1,554	10,356	34,312	—	34,312
Sales revenue between segments	30	413	27	—	470	△470	—
Total	16,726	6,118	1,582	10,356	34,783	△470	34,312
Segment profit (operating profit)	2,485	231	315	260	3,292	△568	2,724

(Note). The adjustment amount of △568 million yen for segment profit is due to corporate expenses of △568 million yen. The total company cost is an expense related to the management divisions of our company not belonging to the reporting segment.