

**Teleconference Q&A Session Summary**  
**FY Ended March 2020**

**Q1: In the fourth quarter of the fiscal year ended March 2020, the volume of East Asia/Oceania region's air exports increased year-over-year after a stagnant period. What factors can be attributed to this change?**

A1: The main contribution was from favorable semiconductor-related shipments.

**Q2: Cargo space has decreased due to a reduction in passenger flights, resulting in an overall increase in freight costs. Is it possible to pass these increases on to customers?**

A2: We have explained the supply and demand situation in the market to customers, and they are generally understanding of this.

**Q3: As shipping volumes have decreased, which commodities continue to be handled?**

A3: Although demand has been weak overall, shipments of electronic components, such as 5G-related semiconductors, computers, telecommunication devices, medical products, and game consoles have remained firm due to increases in remote work and social distancing.

**Q4: Moving forward, what do you anticipate with regard to current business conditions?**

A4: Assuming we are not facing another Great Depression, we believe that the situation will settle down from September onward. Despite the impact of trade tensions between the US and China, we expect cargo activity related to technological innovations such as the Internet-of-Things (IoT), Artificial Intelligence (AI), 5G Cellular Technology, and Electric Vehicles (EVs) to continue. We expect the capacity deficit to persist for some time, so we will keep an eye on conditions and strategically secure space, such as with charter flight arrangements.

**Q5: Although the gross profit margin for air freight from Japan has improved**

**recently, the volume of freight has decreased. In what direction is profit moving as a result?**

A5 Going forward, we expect further reductions in freight volumes, and we are unable to fully alleviate concerns that profits will decline.

**Q6: In the fiscal year ending March 31, 2020, APLL had a decrease in sales but had an increase in profits until the third quarter due to the effects of cost reduction. Do you have any plans to further reduce costs against the recent decrease in sales trends?**

A6: We feel that we have already implemented sufficient cost reductions, and we have no plans to implement further cost reductions at this time.

**Q7: Is it possible to review and revise the Medium-Term Management Plan?**

A7: Future performance trends could be either positive or negative according to the specifics of the industry. We will monitor the situation and respond accordingly.