



Financial Results:

The 1st 6 Months of FY Ending March 2021
(April 1, 2020 –September 30, 2020)

November 11, 2020



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Financial Summary



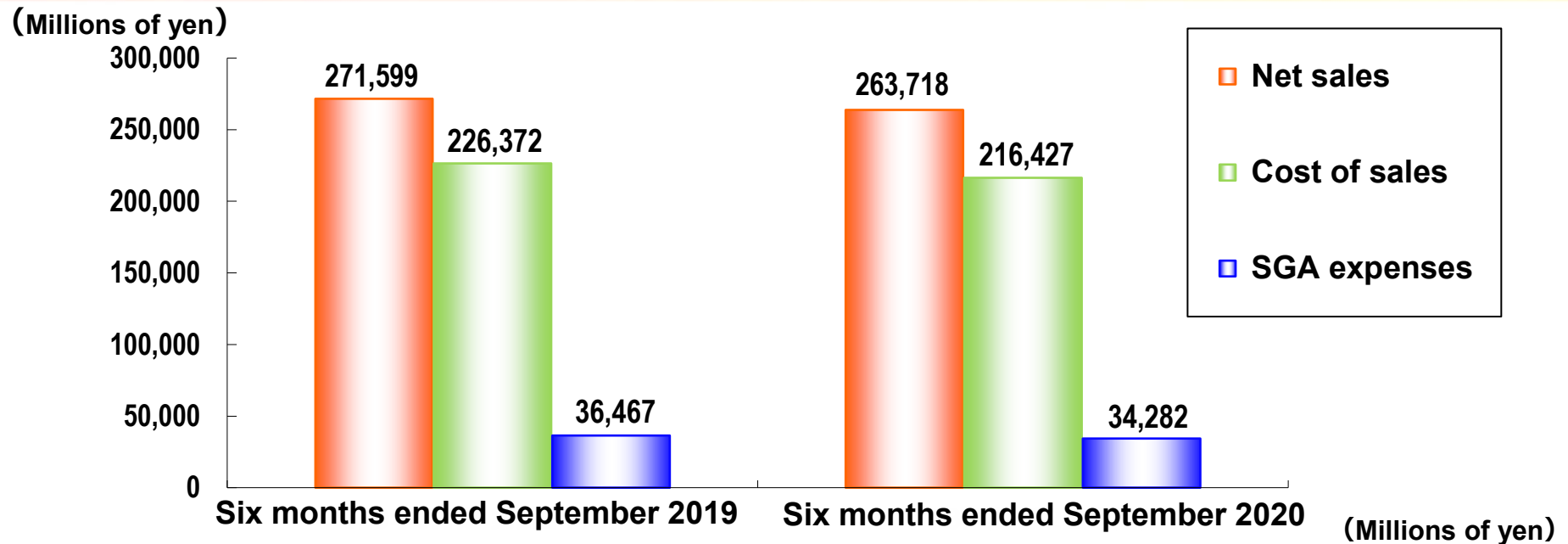
Shipments (thousands) Weight (1,000 tons) Volume (1,000 TEU) Amount (¥ million)

	Six months ended September 2019	Six months ended September 2020	Differences (YoY)	YoY change (%)
Air freight exports (Weight)	273	233	(40)	(14.6%)
Air freight imports (Shipments)	616	527	(89)	(14.4%)
Sea freight exports (Volume)	329	291	(38)	(11.5%)
Sea freight imports (Shipments)	140	130	(10)	(7.1%)
Net sales	271,599	263,718	(7,881)	(2.9%)
Operating gross profit	45,226	47,291	2,064	4.6%
Operating gross profit margin	16.7%	17.9%	—	—
Operating income	8,759	13,008	4,249	48.5%
Ordinary income	6,581	13,424	6,843	104.0%
Net income attributable to owners of the parent	2,225	8,158	5,933	266.6%

Conversion Rate	1st 6 months of FY ended March 2020	FY ended March 2020	1st 6 months of FY ending March 2021
US-Dollar	¥108.63	¥108.74	¥106.92
Euro	¥121.42	¥120.82	¥121.30
HK-Dollar	¥13.86	¥13.91	¥13.80
Chinese yuan	¥15.68	¥15.60	¥15.26

FOREX impacts (consolidated)
Net sales: ¥(4,400) million
Operating income: ¥(176) million

Year over Year Comparisons of Net Sales, Cost of Sales, and SGA Expenses



	Six months ended September 2019	Ratio to net sales	Six months ended September 2020	Ratio to net sales
Net sales	271,599	100.0%	263,718	100.0%
Cost of sales	226,372	83.3%	216,427	82.1%
Operating gross profit	45,226	16.7%	47,291	17.9%
SGA expenses	36,467	13.4%	34,282	13.0%
Operating income	8,759	3.2%	13,008	4.9%

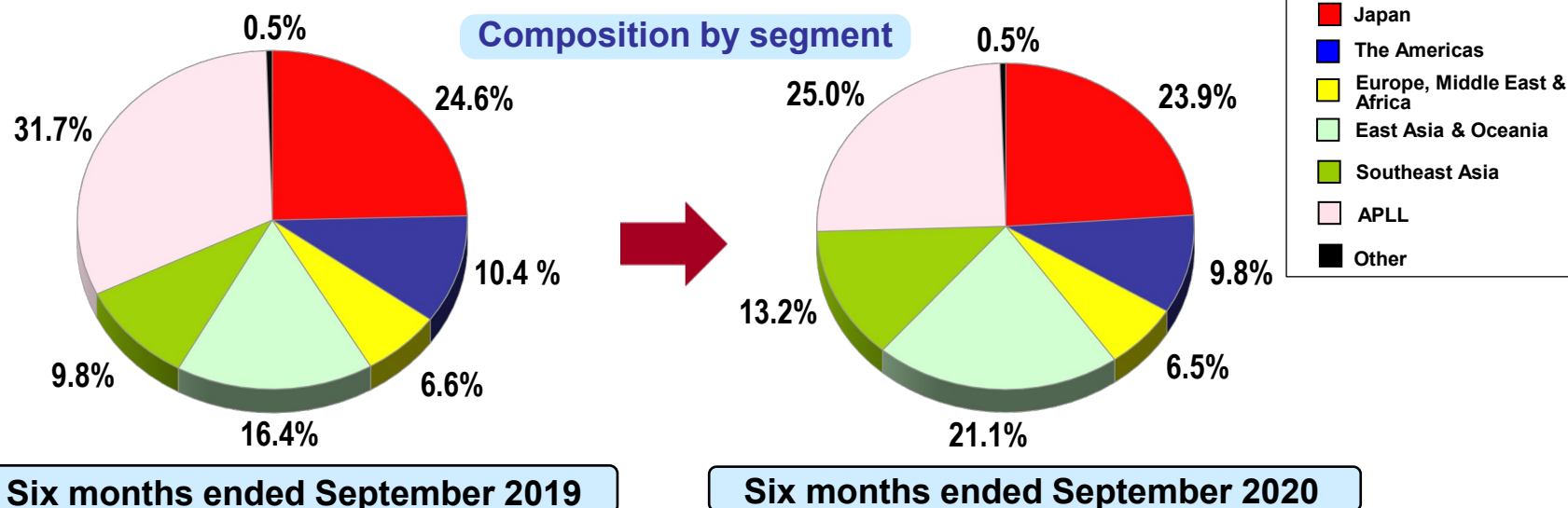
Balance Sheets



(Millions of yen)

	March 2020	September 2020	Differences
Assets			
Current assets	193,964	203,760	9,796
Non-current assets	191,449	186,102	(5,346)
Property, plant and equipment	68,145	67,193	(952)
Intangible assets	102,173	97,086	(5,087)
Total investments and other assets	21,129	21,822	692
Deferred assets	56	139	82
Total assets	385,470	390,002	4,531
Liabilities			
Current liabilities	127,957	122,671	(5,285)
Non-current liabilities	130,906	135,895	4,988
Total liabilities	258,864	258,566	(296)
Net assets			
Total net assets	126,606	131,435	4,828
Total liabilities and net assets	385,470	390,002	4,531

Net Sales by Segment



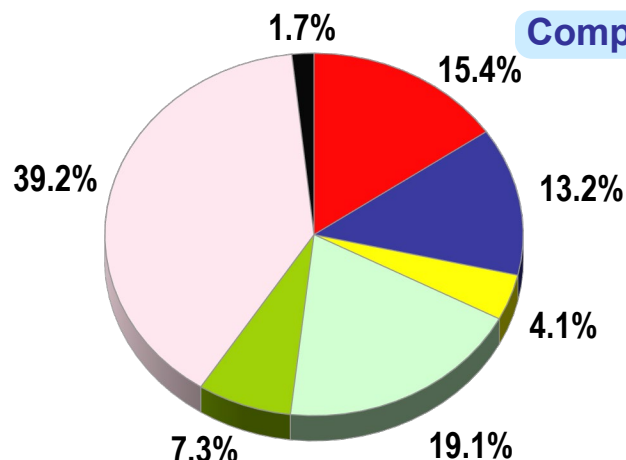
(Millions of yen)

Net Sales by Segment	Six months ended September 2019	Six months ended September 2020	YoY change (%)
Japan	68,815	64,795	(5.8%)
The Americas	28,967	26,606	(8.1%)
Europe, Middle East & Africa	18,362	17,484	(4.8%)
East Asia & Oceania	45,828	57,076	24.5%
Southeast Asia	27,393	35,820	30.8%
APLL	88,647	67,781	(23.5%)
Other	1,488	1,254	(15.7%)
Adjustment	(7,903)	(7,101)	—
Total	271,599	263,718	(2.9%)

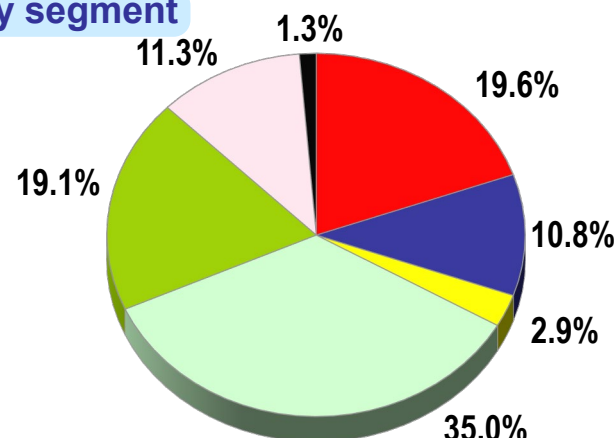
Operating Income by Segment



Composition by segment



Six months ended September 2019

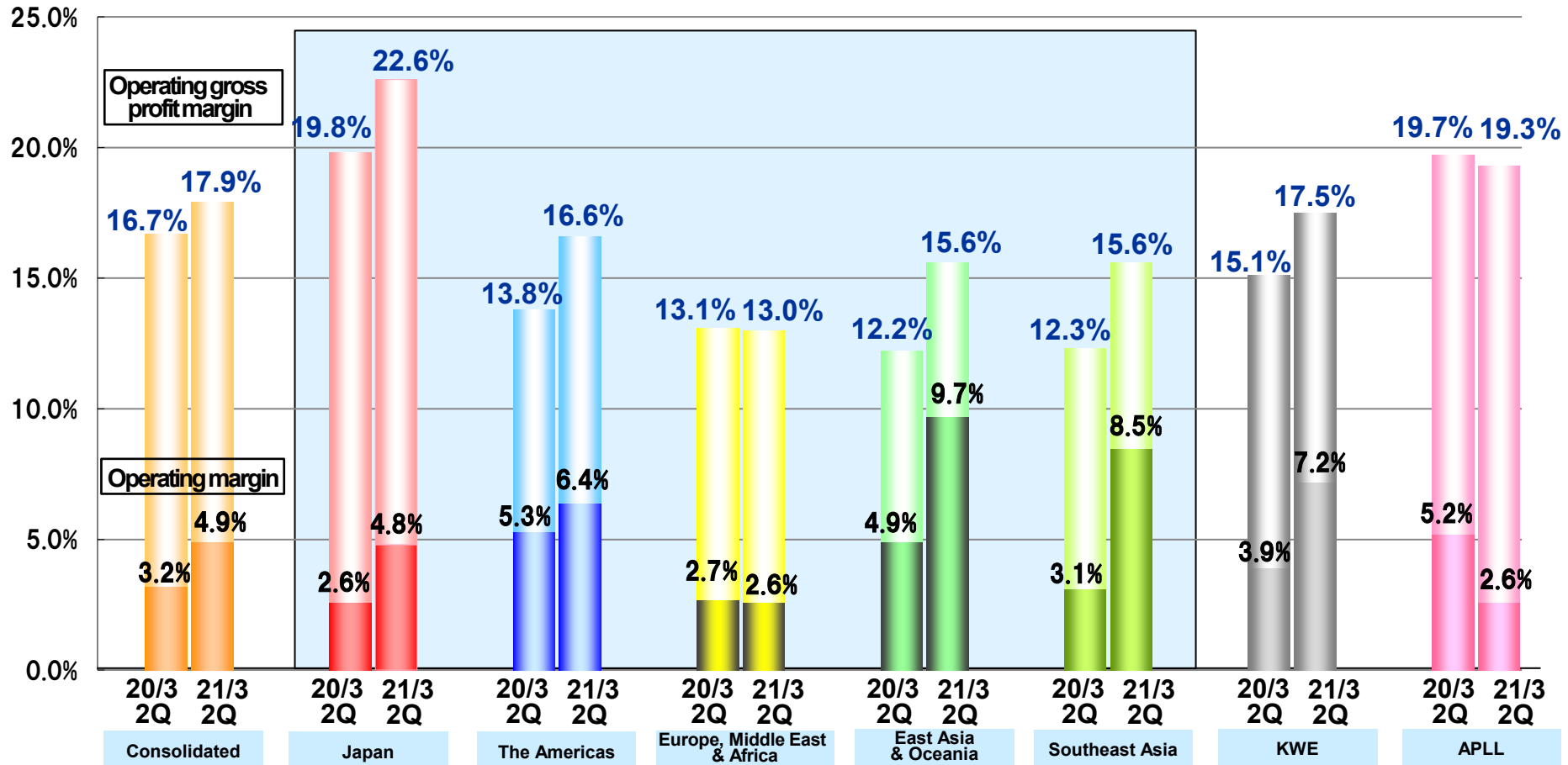


Six months ended September 2020

(Millions of yen)

Operating Income by Segment	Six months ended September 2019	Six months ended September 2020	YoY change (%)
Japan	1,811	3,104	71.4%
The Americas	1,548	1,715	10.7%
Europe, Middle East & Africa	486	461	(5.2%)
East Asia & Oceania	2,239	5,557	148.1%
Southeast Asia	853	3,040	256.1%
APLL	4,590	1,793	(60.9%)
Amortization of goodwill	(2,976)	(2,886)	—
Other	195	206	5.8%
Adjustment	9	15	—
Total	8,759	13,008	48.5%

Operating Gross Profit Margins/ Operating Margins by Segment



* APLL's operating margin is calculated based on the amount before amortization of goodwill.

Review of Operations



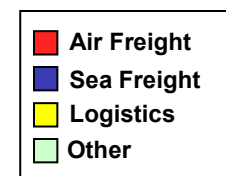
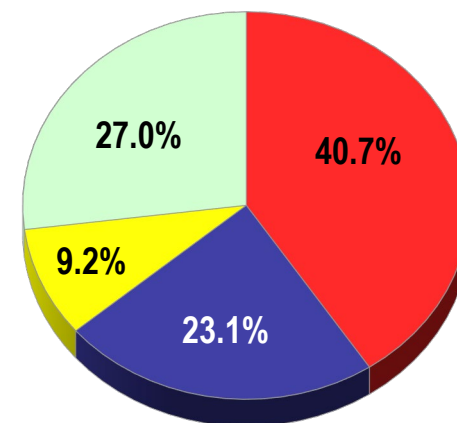
Japan

(Millions of yen)

	Six months ended September 2019	Six months ended September 2020	YoY change	
			Amount	%
Net sales	68,815	64,795	(4,019)	(5.8%)
Operating income	1,811	3,104	1,293	71.4%

Freight volume	Six months ended September 2019	Six months ended September 2020	YoY change
Air freight exports (tons)	68,892	55,114	(20.0%)
Air freight imports (shipments)	173,285	151,379	(12.6%)
Sea freight exports (TEUs)	67,595	66,750	(1.3%)
Sea freight imports (Shipments)	55,719	53,983	(3.1%)

Net Sales by Business*



- Profit increased significantly due to an improvement in operating gross profit margin, etc. amid a drastic decline in air freight volume
- Domestic subsidiaries struggled with sluggish domestic air freight demand

Review of Operations



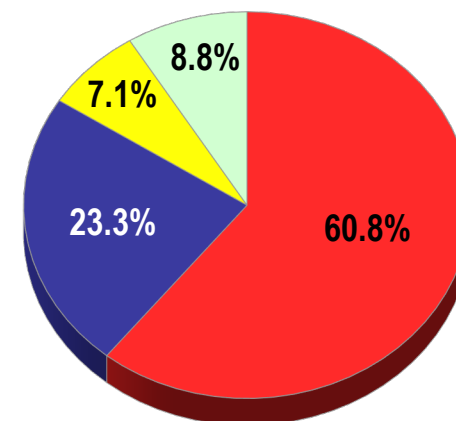
The Americas

(Millions of yen)

	Six months ended September 2019	Six months ended September 2020	YoY change	
			Amount	%
Net sales	28,967	26,606	(2,360)	(8.1%)
Operating income	1,548	1,715	166	10.7%

Freight volume	Six months ended September 2019	Six months ended September 2020	YoY change
Air freight exports (tons)	52,081	45,652	(12.3%)
Air freight imports (shipments)	60,022	43,041	(28.3%)
Sea freight exports (TEUs)	24,495	19,155	(21.8%)
Sea freight imports (shipments)	19,595	15,955	(18.6%)

Net Sales by Business



- Profit growth due to an improvement in operating gross profit margin amid a drastic decline in freight volume
- FOREX impact Net sales: ¥(731) million Operating income: ¥(41) million

Review of Operations



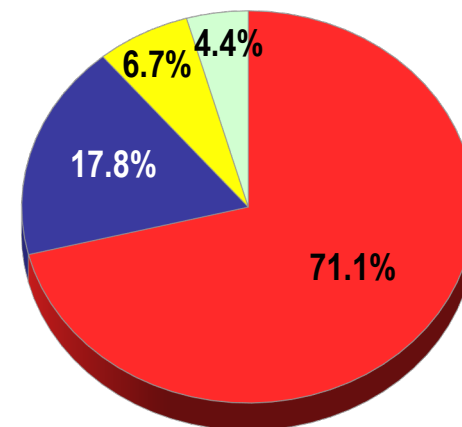
Europe, Middle East & Africa

(Millions of yen)

	Six months ended September 2019	Six months ended September 2020	YoY change	
			Amount	%
Net sales	18,362	17,484	(877)	(4.8%)
Operating income	486	461	(25)	(5.2%)

Freight volume	Six months ended September 2019	Six months ended September 2020	YoY change
Air freight exports (tons)	31,764	19,338	(39.1%)
Air freight imports (shipments)	56,172	32,865	(41.5%)
Sea freight exports (TEUs)	9,128	8,466	(7.3%)
Sea freight imports (shipments)	8,949	7,579	(15.3%)

Net Sales by Business



- Profit decreased due to a weak performance in South Africa, etc. amid a drastic decline in freight volume
- FOREX impact Net sales: ¥(554) million Operating income: ¥(8) million

Review of Operations



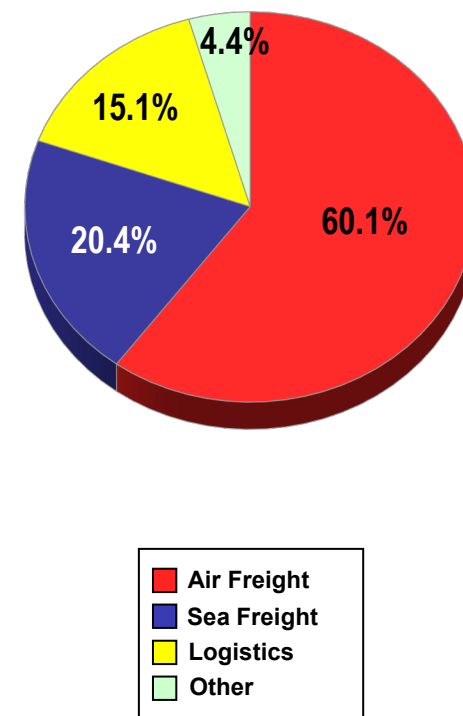
East Asia & Oceania

(Millions of yen)

	Six months ended September 2019	Six months ended September 2020	YoY change	
			Amount	%
Net sales	45,828	57,076	11,248	24.5%
Operating income	2,239	5,557	3,317	148.1%

Freight volume	Six months ended September 2019	Six months ended September 2020	YoY change
Air freight exports (tons)	69,530	69,760	0.3%
Air freight imports (shipments)	226,161	222,263	(1.7%)
Sea freight exports (TEUs)	116,617	111,313	(4.5%)
Sea freight imports (shipments)	30,131	30,134	0.0%

Net Sales by Business



- Profit increased significantly with solid shipments in electronics, PPE, etc. and improved operating gross profit margin
- FOREX impact Net sales: ¥(840) million Operating income: ¥(44) million

Review of Operations



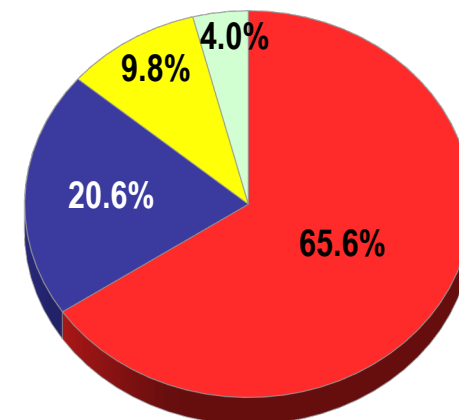
Southeast Asia

(Millions of yen)

	Six months ended September 2019	Six months ended September 2020	YoY change	
			Amount	%
Net sales	27,393	35,820	8,427	30.8%
Operating income	853	3,040	2,187	256.1%

Freight volume	Six months ended September 2019	Six months ended September 2020	YoY change
Air freight exports (tons)	51,118	43,690	(14.5%)
Air freight imports (shipments)	100,717	78,176	(22.4%)
Sea freight exports (TEUs)	80,599	67,328	(16.5%)
Sea freight imports (shipments)	26,122	22,878	(22.4%)

Net Sales by Business



- Profit increased significantly due to an improvement in operating gross profit margin amid a drastic decline in freight volume
- FOREX impact Net sales: ¥(817) million Operating income: ¥(6) million

Review of Operations



APLL

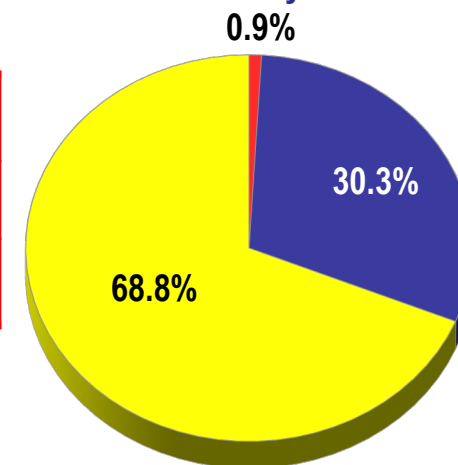
(Millions of yen)

	Six months ended September 2019	Six months ended September 2020	YoY change	%
Net sales	88,647	67,781	(20,866)	(23.5%)
Operating income	1,613	(1,092)	(2,706)	—

• For automotive-related services, land transport volume decreased in North America and India due to factory shutdowns under COVID-19. For retail-related services, the handling volume of major customers decreased also due to shutdowns of stores around the world. The volume in consumer and other industrial fields was below a year earlier

- Operating income of ¥1,793 million before amortization of goodwill (¥4,590 million a year earlier)
- FOREX impact Net sales: ¥(1,433) million Operating income: ¥(74)million

Net Sales by Business



Earnings Forecasts for FY Ending March 2021



(Millions of yen)

Item	FY ended March 2020 (Results)		FY ending March 31, 2021 (Forecasts) (Revised on November 11, 2020)	
		YoY change		YoY change
Net sales	544,533	(8.0%)	524,000	(3.8%)
Operating gross profit	93,846	(3.2%)	94,000	0.2%
Operating gross profit margin	17.2%	—	18.0%	—
Operating income	19,714	(5.2%)	24,000	21.7%
Ordinary income	17,432	(12.6%)	24,000	37.7%
Net income attributable to owners of the parent	4,724	(52.1%)	14,000	196.3%

Earnings Forecasts for FY Ending March 2021



(Revised on
November 11, 2020)

(Millions of yen)

Business	Net sales			
	Forecast (Nov. 11)	YoY change	Forecast (Aug. 6)	Differences
Air Freight	213,000	114.3%	197,000	16,000
Sea Freight	132,000	86.0%	133,000	(1,000)
Logistics	141,000	86.2%	147,000	(6,000)
Other	38,000	92.3%	39,000	(1,000)
Total	524,000	96.2%	516,000	8,000

(Millions of yen)

Segment	Net sales				Operating income			
	Forecast (Nov. 11)	YoY change	Forecast (Aug. 6)	Differences	Forecast (Nov. 11)	YoY change	Forecast (Aug. 6)	Differences
Japan	131,000	(4.2%)	129,000	2,000	6,100	30.7%	5,000	1,100
The Americas	53,000	(9.9%)	55,000	(2,000)	3,900	3.9%	3,200	700
Europe, Middle East & Africa	36,000	1.7%	36,000	0	800	149.2%	800	0
East Asia & Oceania	103,000	9.6%	100,000	3,000	8,100	58.0%	7,700	400
Southeast Asia	69,000	26.0%	62,000	7,000	4,800	108.5%	3,500	1,300
APLL	143,000	(19.3%)	145,000	(2,000)	0	—	(1,500)	1,500
Other	2,000	(26.7%)	2,000	0	300	(1.0%)	300	0
Adjustment	(13,000)	—	(13,000)	0	0	—	0	0
Total	524,000	(3.8%)	516,000	8,000	24,000	21.7%	19,000	5,000

* APLL's operating income is calculated based on the amount after amortization of goodwill, etc.

Business Environment and Future Prospect

Assumptions for Earnings Forecasts for FY Ending March 2021



Outlook for 2nd Half

Air

▪ Demand for electronics and automotive-related transport is on an upward trend. On the other hand, passenger flights' belly capacity will not resume soon. Therefore it is expected that the business environment during the first six months such as shortage of capacity, the rise in freight cost and sales price will remain to a certain extent. Resurgence of COVID-19 around the world is making it difficult for us to forecast the business trend reasonably.

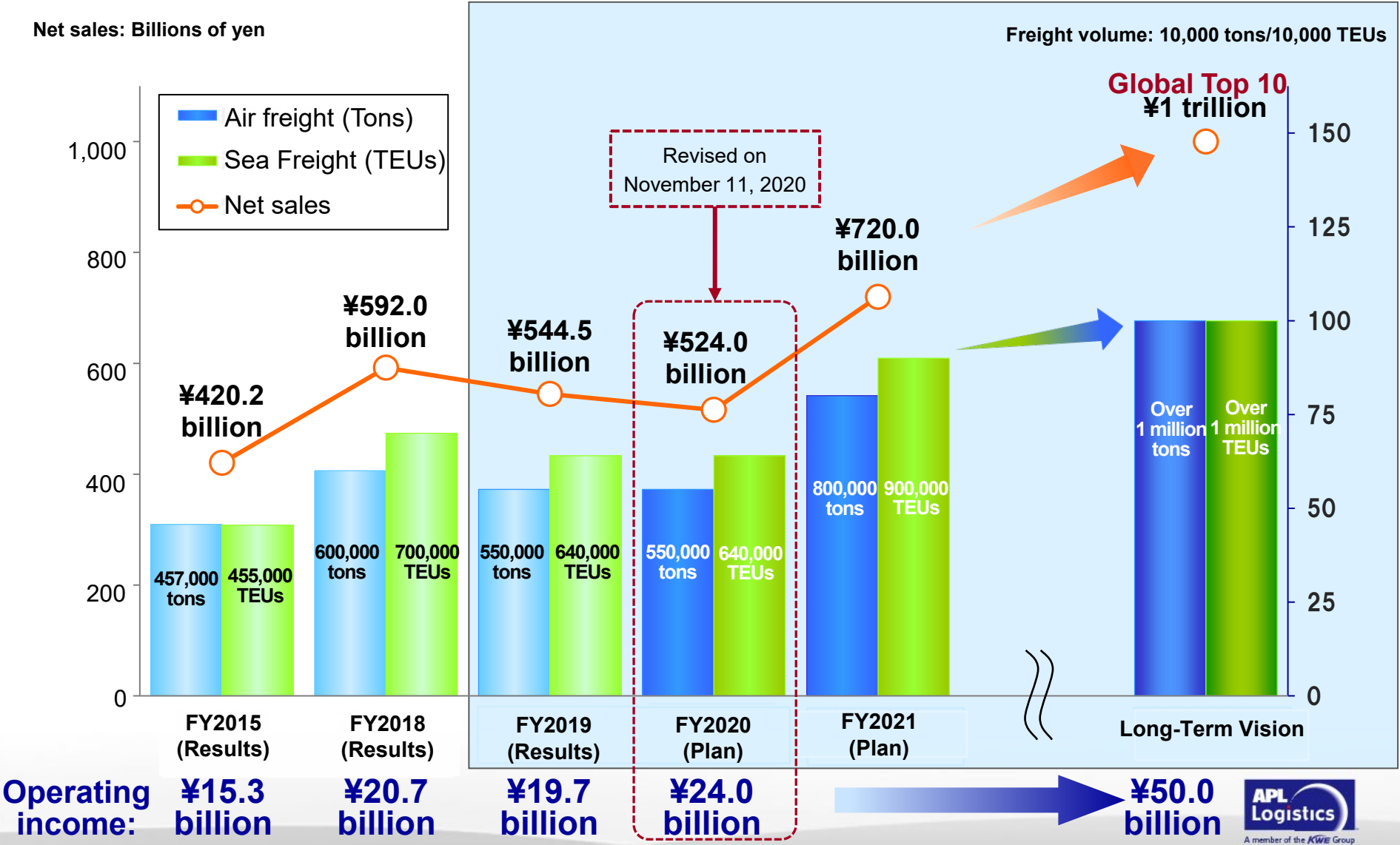
Source: IATA (International freight, YoY comparison)

	April 2020	May 2020	June 2020	July 2020	August 2020	September 2020
Transportation	(29.5%)	(21.5%)	(19.9%)	(15.5%)	(14.0%)	(9.9%)
Supply	(40.9%)	(32.2%)	(33.9%)	(32.9%)	(31.6%)	(28.0%)

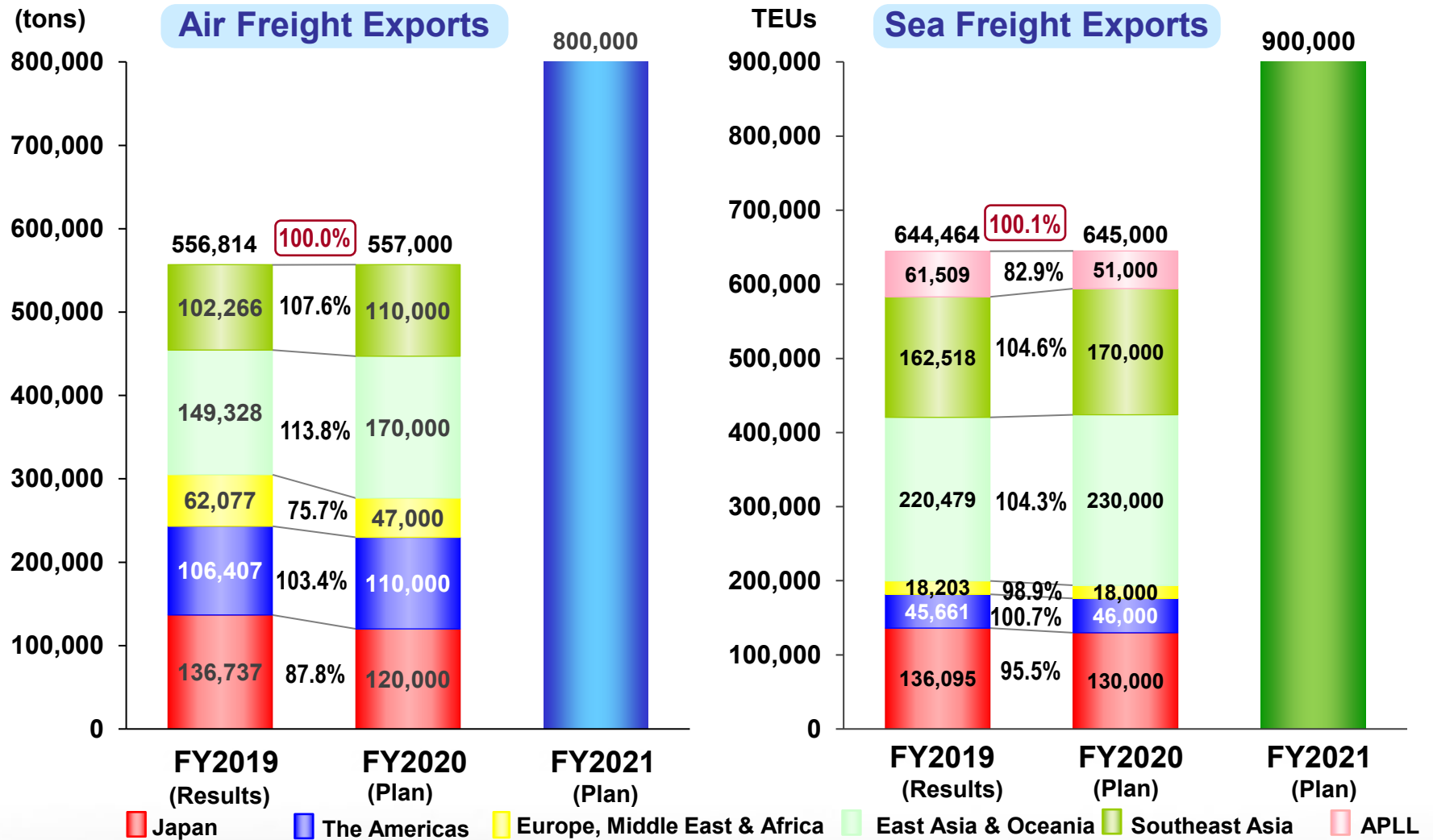
Sea

▪ Ex-Asia freight have picked up, and the supply and demand situation for transport will get tight and freight cost will continue to be on the rise.

Long-Term Vision and Medium-Term Management Plan



Medium-Term Management Plan Volume Targets



- **Timely response to changing market and customers' needs**
- **Reinforce relation with carriers and optimize centralized procurement**
- **Continuous initiatives for items related to technological innovation (IoT, AI, 5G, EV, etc.)**
- **Continuous approaches to non-Japanese customers mainly to Corporate Accounts (CA)**
- **Promote paperless, etc. to improve operational efficiency, and prepare a medium- to long-term working environment**

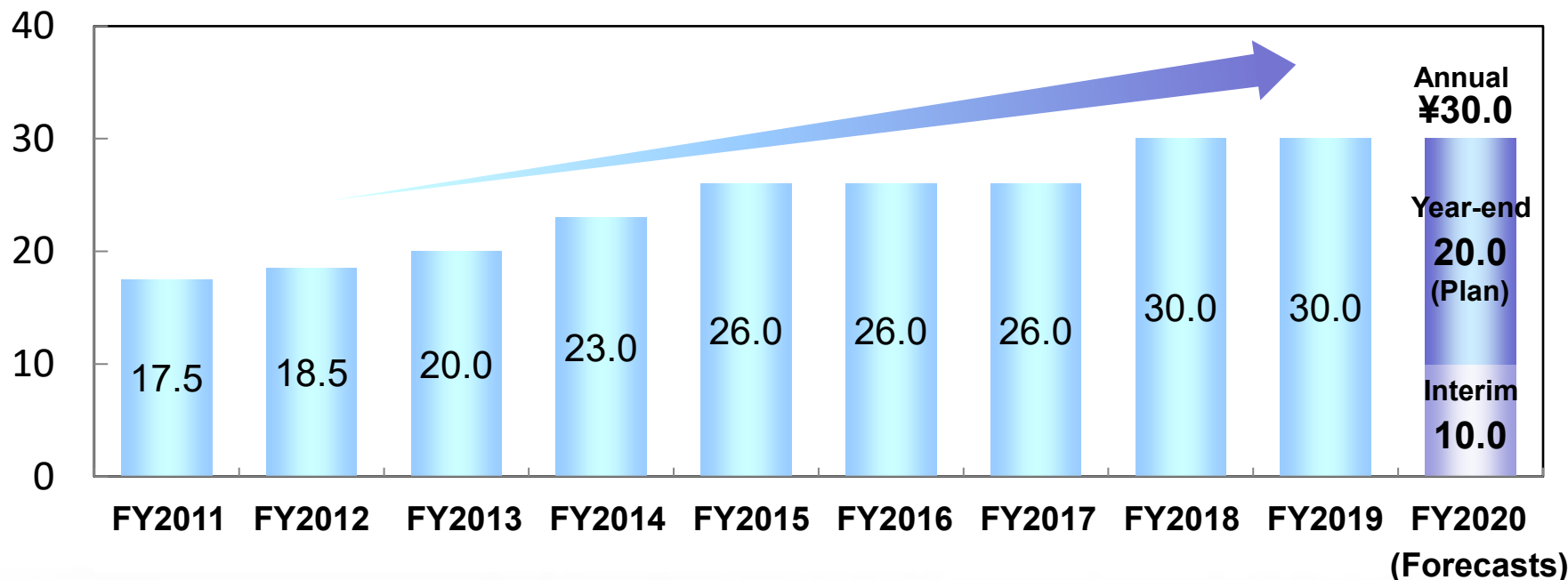
Dividends



While enriching its internal reserves in view of strengthening its financial standing (reduction of interest-bearing debt, etc.) and future business expansion, the Company holds as a basic policy to aim to **maintain stable dividends** with comprehensive consideration of factors such as strengthening its business platform.

Annual dividend
per share (yen)

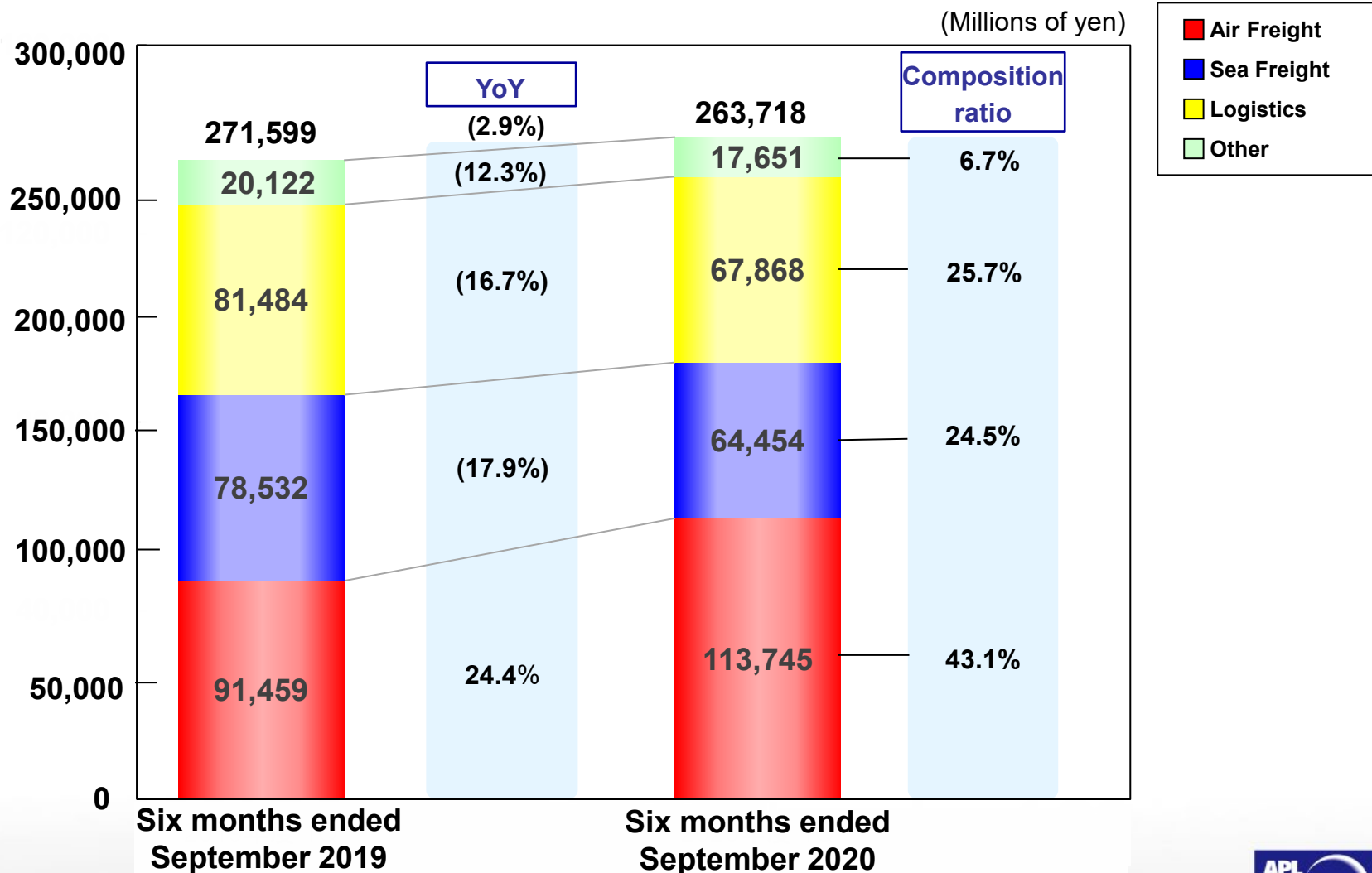
Annual dividend per share



*The company conducted a stock split at a ratio of 1:2 of common stock on October 1, 2015. Cash dividends per share is calculated based on the assumption that the stock split was conducted on April 1, 2011.

Supplemental Materials

Net Sales by Business



Gross Margin by Transportation Mode



* Gross profit=Net sales—Direct cost

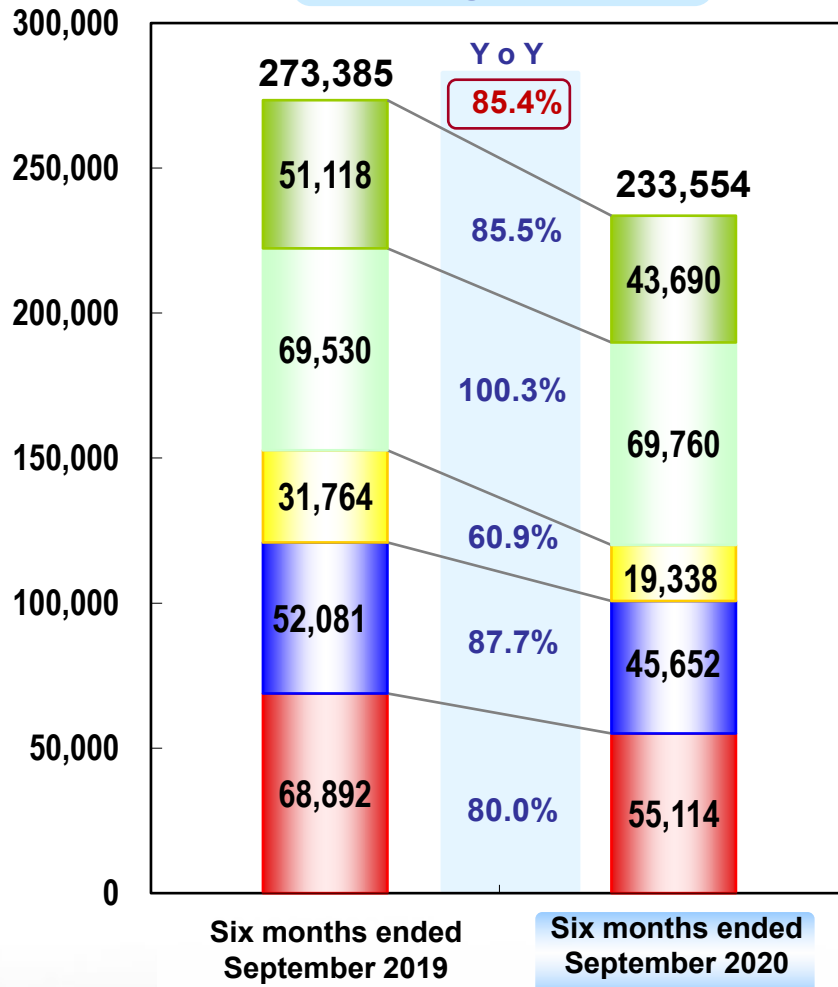
	FY ended March 2019				FY ended March 2020				FY ending March 2021	
	First 3 months	First 6 months	First 9 months	Full year	First 3 months	First 6 months	First 9 months	Full year	First 3 months	First 6 months
Air	25.1%	25.0%	24.7%	25.1%	26.0%	26.5%	26.6%	27.3%	28.1%	28.1%
Sea	27.4%	27.3%	27.7%	27.6%	27.9%	27.9%	28.0%	27.9%	27.2%	26.7%

Freight Volume by Segment (Air Freight)



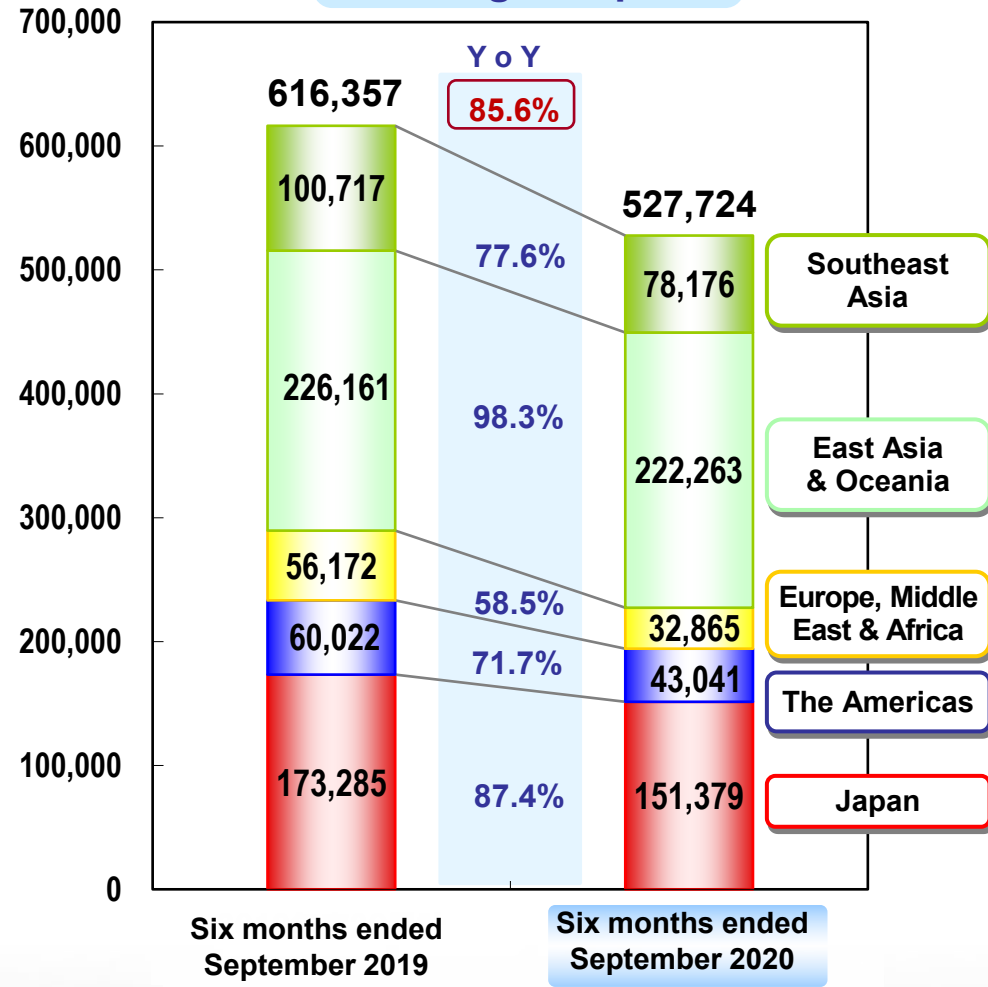
(Weight: tons)

Air Freight Exports



(Shipments)

Air Freight Imports

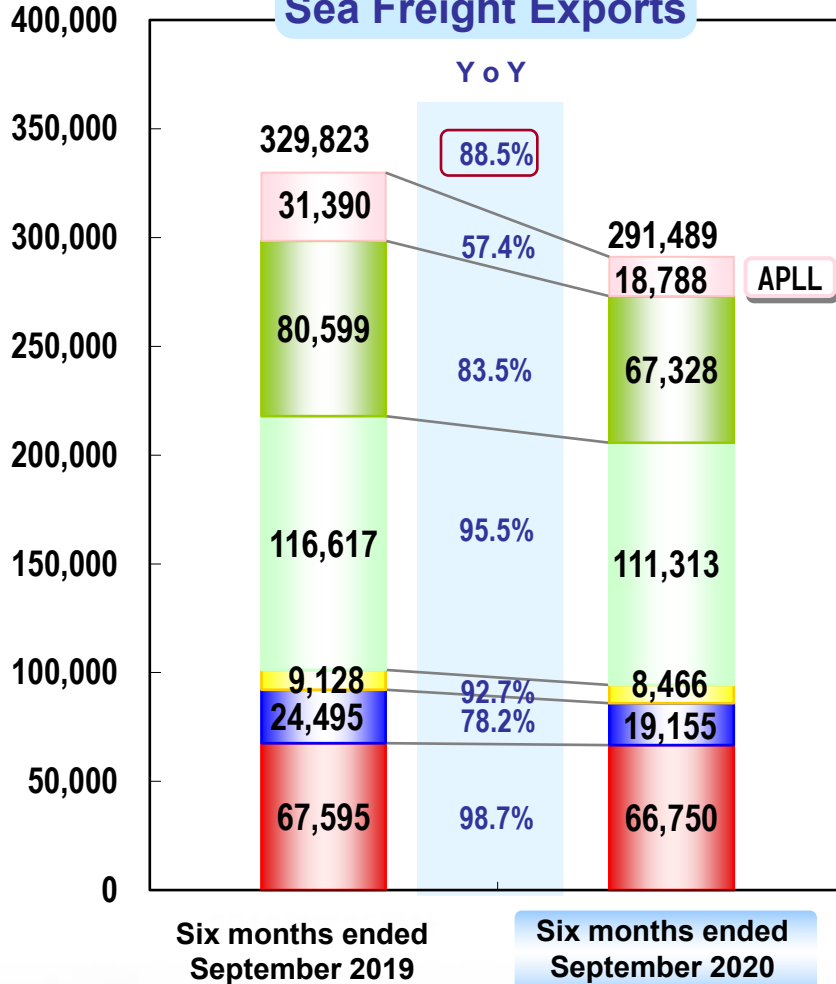


Freight Volume by Segment (Sea Freight)



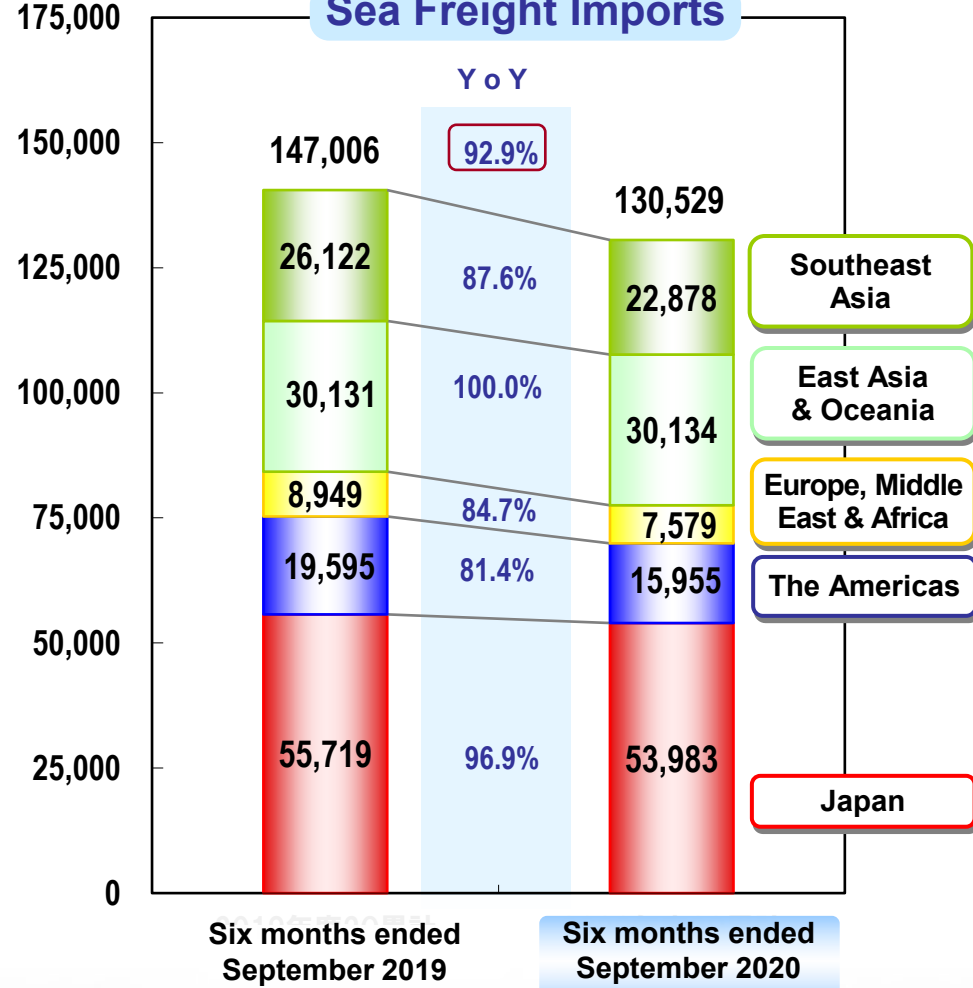
(Volume: TEUs)

Sea Freight Exports



(Shipments)

Sea Freight Imports



Freight Volume by Segment (Air/Sea Freight)

Air Freight Exports	FY2019								FY2020			
From	1Q (Apr.-Jun.)		2Q (Jul.-Sep.)		3Q (Oct.-Dec.)		4Q (Jan.-Mar.)		1Q (Apr.-Jun.)		2Q (Jul.-Sep.)	
	Weight (tons)	Y o Y	Weight (tons)	Y o Y	Weight (tons)	Y o Y	Weight (tons)	Y o Y	Weight (tons)	Y o Y	Weight (tons)	Y o Y
Japan	34,225	80.2%	34,667	87.0%	34,521	83.3%	33,324	90.5%	26,264	76.7%	28,850	83.2%
The Americas	26,031	90.7%	26,050	93.4%	28,895	103.6%	25,430	94.5%	22,885	87.9%	22,767	87.4%
Europe, Middle East & Africa	15,869	98.3%	15,895	95.5%	16,179	86.6%	14,134	86.7%	9,469	59.7%	9,869	62.1%
East Asia & Oceania	33,178	89.7%	36,352	96.2%	41,206	99.7%	38,592	112.3%	34,619	104.3%	35,141	96.7%
Southeast Asia	26,414	90.5%	24,704	92.3%	27,979	99.0%	23,168	88.2%	20,315	76.9%	23,375	94.6%
Total	135,717	88.3%	137,668	92.5%	114,259	94.4%	134,648	95.7%	113,552	83.7%	120,002	87.2%

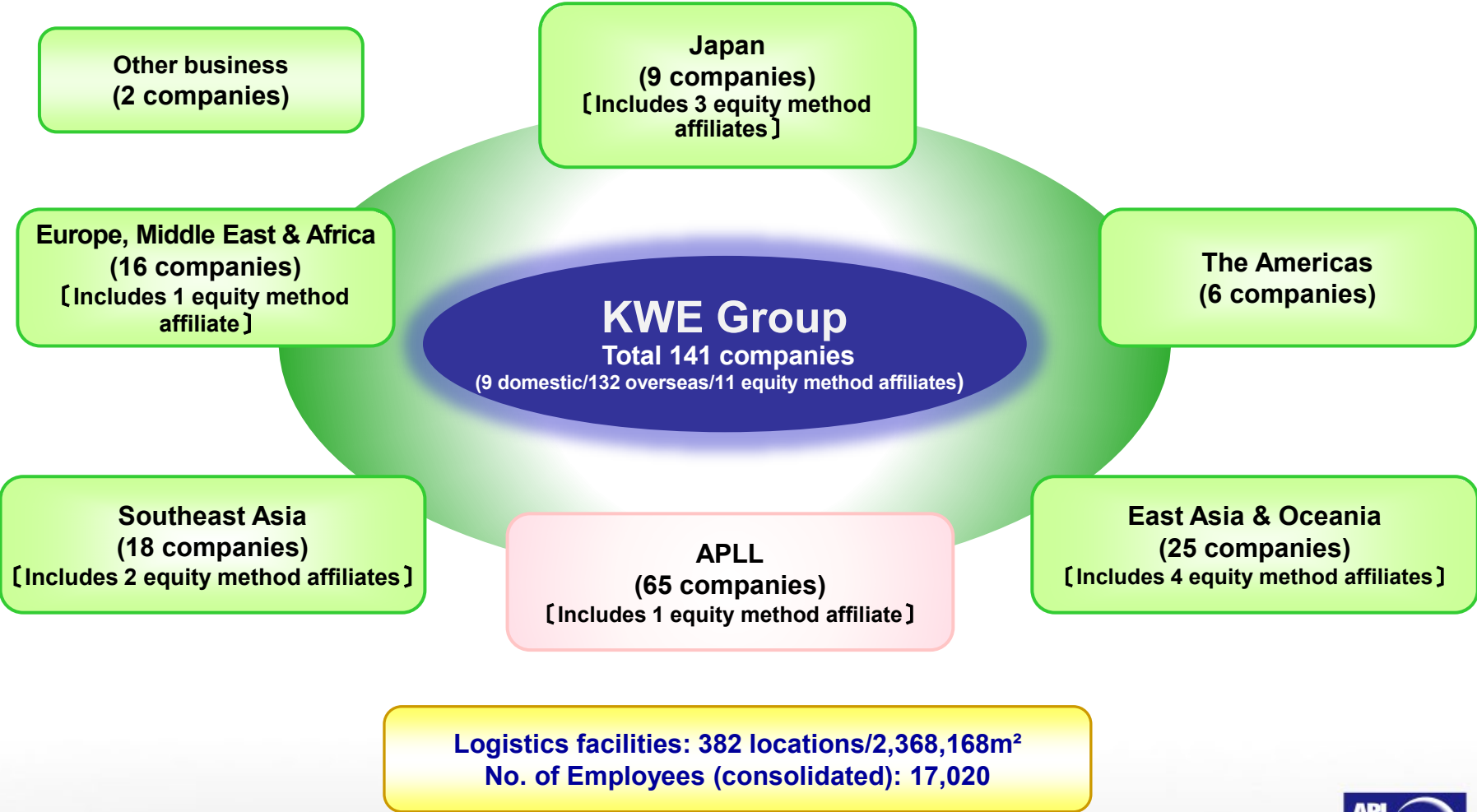
Sea Freight Exports	FY2019								FY2020			
From	1Q (Apr.-Jun.)		2Q (Jul.-Sep.)		3Q (Oct.-Dec.)		4Q (Jan.-Mar.)		1Q (Apr.-Jun.)		2Q (Jul.-Sep.)	
	Volume (TEUs)	Y o Y	Volume (TEUs)	Y o Y	Volume (TEUs)	Y o Y	Volume (TEUs)	Y o Y	Volume (TEUs)	Y o Y	Volume (TEUs)	Y o Y
Japan	34,095	88.7%	33,501	89.3%	35,630	89.2%	32,870	97.8%	32,160	94.3%	34,590	103.3%
The Americas	12,752	97.2%	11,743	92.8%	10,035	90.2%	11,131	93.6%	10,692	83.8%	8,463	72.1%
Europe, Middle East & Africa	4,624	99.3%	4,504	94.3%	4,404	91.0%	4,672	104.5%	3,774	81.6%	4,692	104.2%
East Asia & Oceania	56,088	100.1%	60,528	102.2%	57,451	97.7%	46,412	88.6%	52,624	93.8%	58,689	97.0%
Southeast Asia	38,042	94.9%	42,557	101.9%	43,585	99.6%	38,334	93.2%	30,327	79.7%	37,001	86.9%
APLL*	16,852	71.6%	14,538	76.0%	16,709	74.5%	13,410	56.9%	10,621	63.0%	8,167	56.3%
Total	162,453	92.6%	167,371	95.6%	167,814	92.8%	146,829	87.3%	140,198	86.3%	151,602	90.1%

*For APLL whose year-end is December, the above results are for 1Q (Jan. to Mar.), 2Q (Apr. to Jun.), 3Q (Jul. to Sept.), and 4Q (Oct. to Dec.).

Our Global Network



46 countries, 332 cities, 823 locations (as of September 30, 2020)





Global Logistics Partner

Kintetsu World Express, Inc.

Website: <https://www.kwe.co.jp/en/ir>

* The information contained herein does not constitute an offer to solicit investment which can only be made by formal prospectus. The forward-looking statements contained herein are not intended to assure or guarantee future performance. Actual results may vary from that projected herein.