

August 7, 2020  
Kintetsu World Express, Inc.

**Q1 FY2021 Financial Results**  
**Conference Call Q&A Session (Summary)**

**Q 1 : Is the gross operating profit margin for air freight transportation declining due to intensifying competition?**

A 1 : It is true that competition is intensifying, as evidenced by the trend of rising spot rate quotes.

**Q 2 : What is the market environment for air freight transportation? Please elaborate on the factors that contribute to intense competition.**

A 2 : Compared to the previous months of April and May, market supply and demand has diminished. Although demand remains sluggish, the competitive environment is gradually returning to pre-COVID-19 levels.

**Q 3 : Would the recovery of demand in Europe and the Americas result in greater profitability, by virtue of the increased transportation distance?**

A 3 : Although freight transportation rates increase proportional to distance traveled, fierce regional competition may also present challenges to profitability moving forward.

**Q 4 : Is the full-year earnings forecast for the fiscal year ending March 2021 based on detailed information, or is the outlook uncertain? Was it created with the intention of securing the same level of profits as the previous year?**

A 4 : The full-year forecast was based on our available information and a desire to sustain our previous year's performance. However, our business outlook remains uncertain, and with that, a possibility of fluctuation.

**Q 5 : If the US-China relationship deteriorates further, how will other regions be impacted?**

A 5 : There are concerns that to varying degrees, trade movement may become increasingly restrictive in many parts of the world, which will cause a global stagnation in the logistics industry.