



Financial Results :

FY Ended March 2021

(April 1, 2020 – March 31, 2021)

May 12, 2021



A member of the KWE Group

kintetsu world express

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Financial Summary



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

	FY ended March 2020	FY ended March 2021	Differences (YoY)	YoY change (%)
Air freight exports (Weight)	556	556	—	0.0
Air freight imports (Shipments)	1,207	1,161	(46)	(3.8)
Sea freight exports (Volume)	644	640	(4)	(0.7)
Sea freight imports (Shipments)	272	264	(8)	(2.8)
Net sales	544,533	609,110	64,577	11.9
Operating gross profit	93,846	104,777	10,930	11.6
Operating income	19,714	34,177	14,462	73.4
Ordinary income	17,432	34,529	17,096	98.1
Income before income taxes	4,724	21,644	16,920	358.2

Conversion Rate	FY ended March 2020	FY ended March 2021
US-Dollar	¥108.74	¥106.06
Euro	¥120.82	¥123.70
HK-Dollar	¥13.91	¥13.68
Chinese yuan	¥15.60	¥15.67

Indicators	FY ended March 2020	FY ended March 2021
EPS	¥65.68	¥301.06
BPS	¥1,615.38	¥1,926.30
ROE	4.0%	17.0%

“Medium-Term Management Plan”
Final year target (FY ending March 2022)
Operating gross profit ratio: over 16.4%

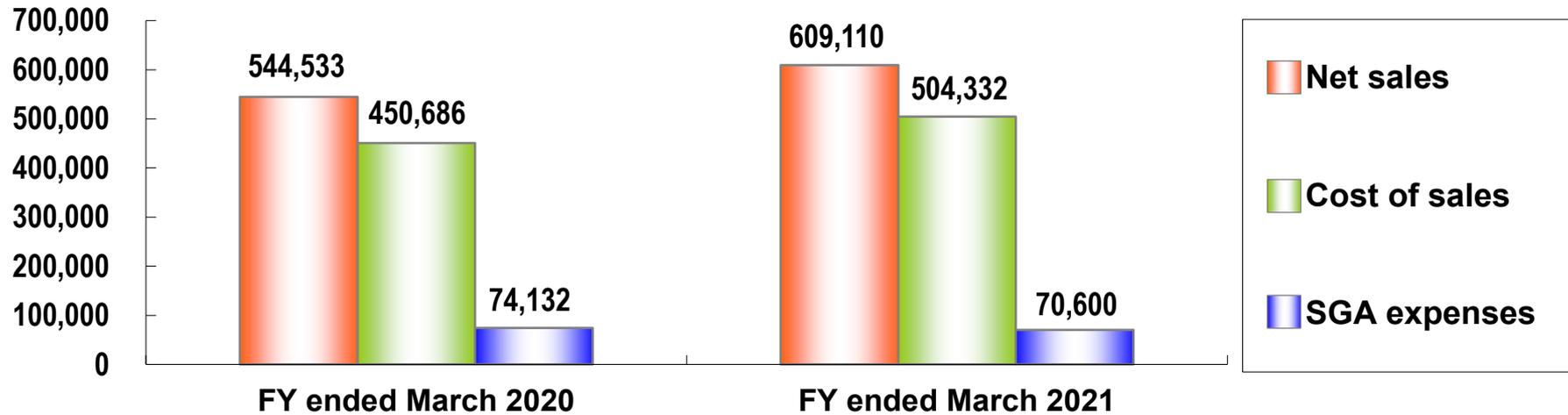
FOREX impacts (consolidated)
Net sales : ¥(6,342) million
Operating income : ¥(222) million

	FY ended March 2020	FY ended March 2021
Operating gross profit ratio	17.2%	17.2%

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



(Millions of yen)



(Millions of yen)

	FY ended March 2020	Ratio to net sales	FY ended March 2021	Ratio to net sales
Net sales	544,533	100.0%	609,110	100.0%
Cost of sales	450,686	82.8%	504,332	82.8%
Operating gross profit	74,132	13.6%	70,600	11.6%
SGA expenses	19,714	3.6%	34,177	5.6%

Balance Sheets (1)



(Millions of yen)

	March 2020	March 2021	Differences
Assets			
Current assets	193,964	237,402	43,438
Non-current assets	191,449	181,294	(10,154)
Property, plant and equipment	68,145	68,548	402
Intangible assets	102,173	90,045	(12,128)
Total investments and other assets	21,129	22,700	1,571
Deferred assets	56	130	73
Total assets	385,470	418,827	33,357
Liabilities			
Current liabilities	127,957	137,261	9,303
Non-current liabilities	130,906	132,826	1,919
Total liabilities	258,864	270,087	11,223
Net assets			
Total net assets	126,606	148,739	22,133
Total liabilities and net assets	385,470	418,827	33,357

Balance Sheets (2)



■ Interest-bearing debt

(Millions of yen)

FY ended March 2020	FY ended March 2021	Differences
145,544	131,104	(14,440)

■ Capital investments

(Millions of yen)

FY ended March 2020	FY ended March 2021	Differences
5,962	4,794	(1,168)

◆ Main capital investments (FY ended March 2021)

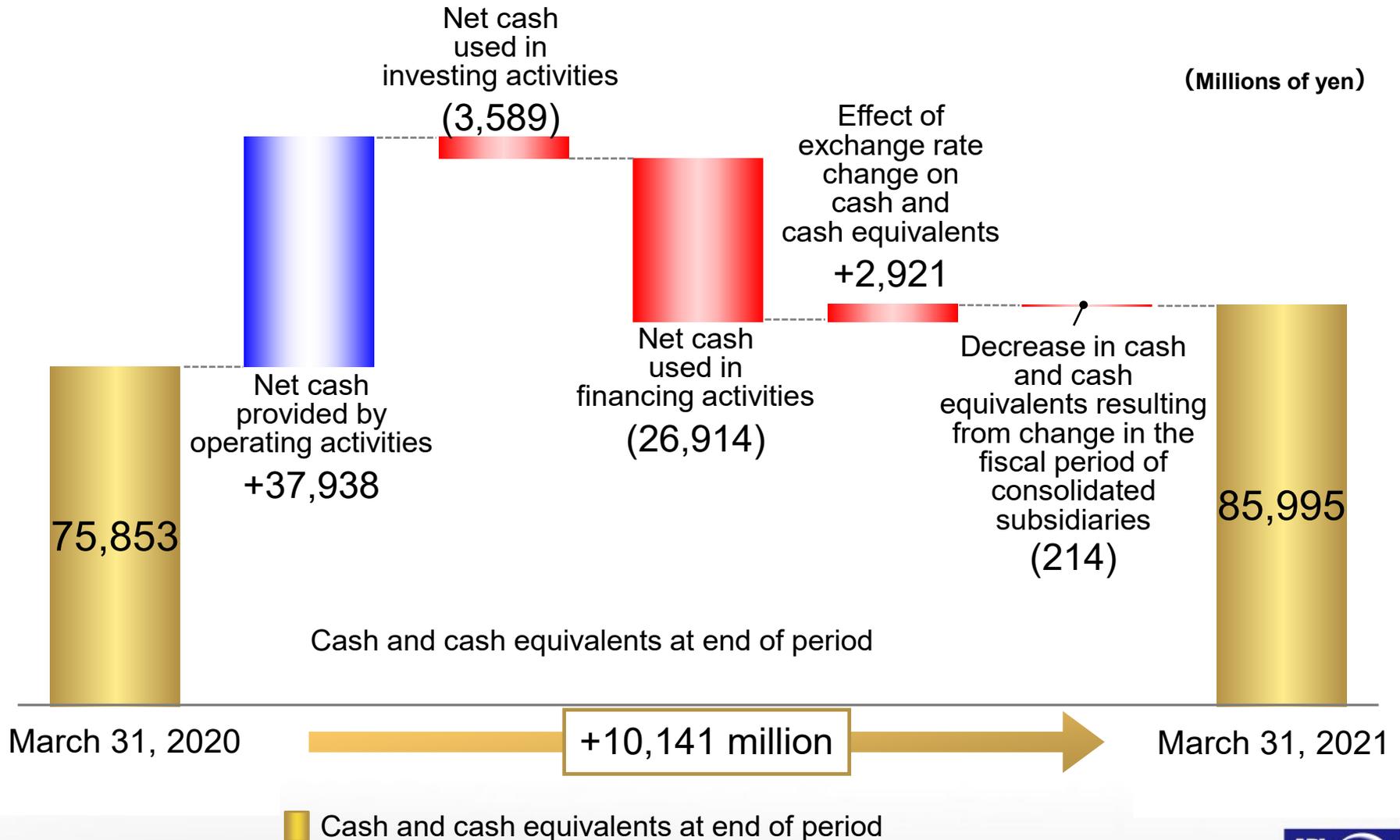
IT/software, logistics facilities, office

■ Depreciation

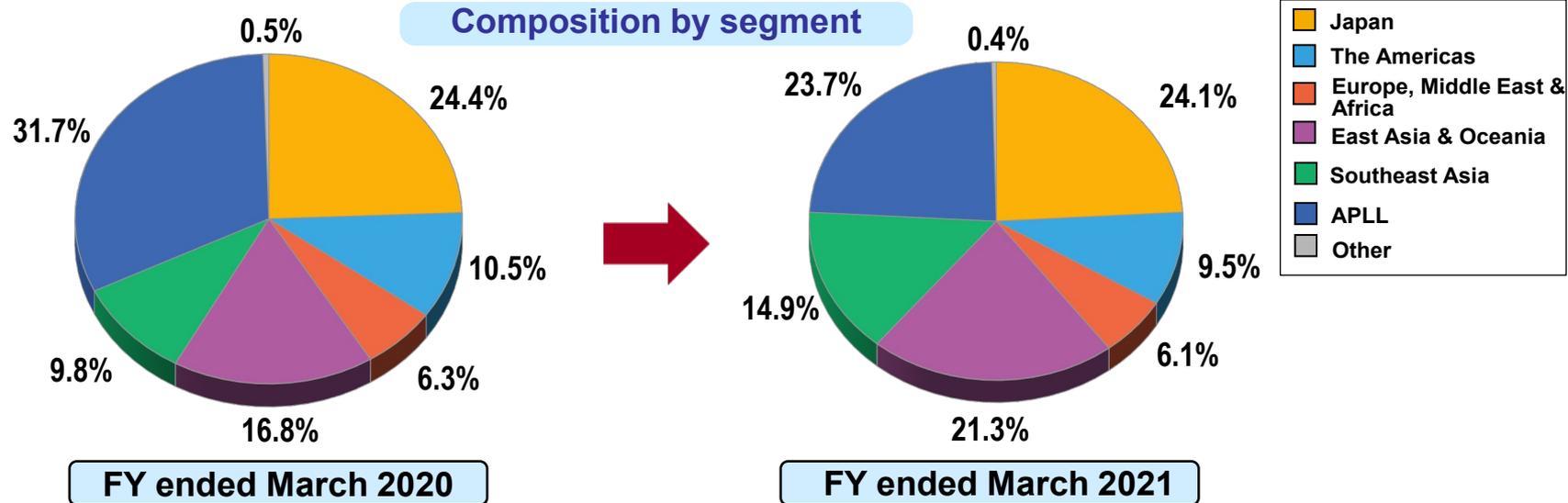
(Millions of yen)

FY ended March 2020	FY ended March 2021	Differences
17,145	17,520	+375

Cash Flow Statements



Net Sales by Segment



(Millions of yen)

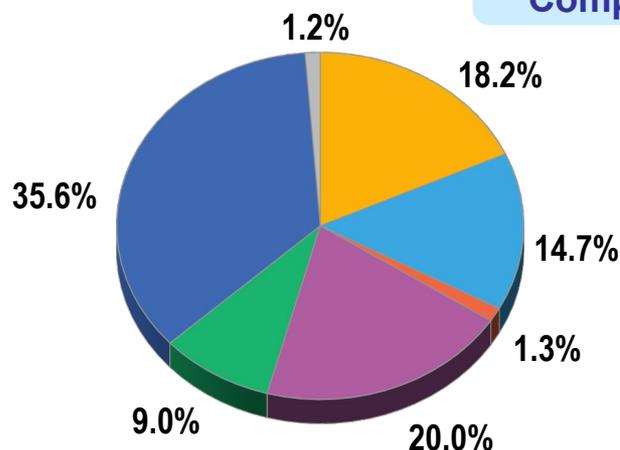
Net Sales by Segment	FY ended March 2020	FY ended March 2021	YoY change	
			Amount	%
Japan	136,808	150,680	13,871	10.1
The Americas	58,793	59,323	529	0.9
Europe, Middle East & Africa	35,391	38,097	2,706	7.6
East Asia & Oceania	93,947	132,972	39,024	41.5
Southeast Asia	54,783	93,449	38,665	70.6
APLL	177,147	148,108	(29,038)	(16.4)
Other	2,727	2,738	11	0.4
Adjustment	(15,066)	(16,259)	—	—
Total	544,533	609,110	64,577	11.9



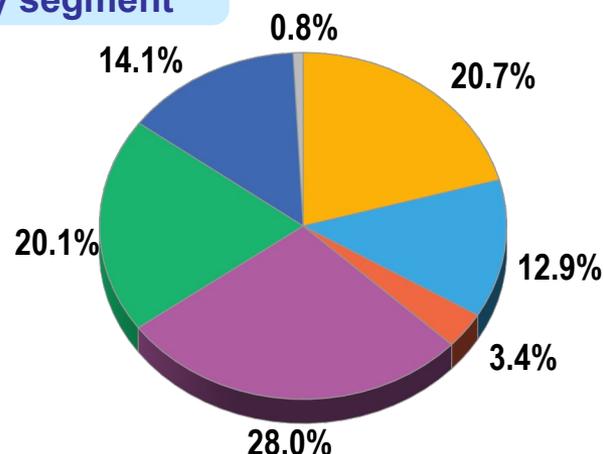
Operating Income by Segment



Composition by segment



FY ended March 2020



FY ended March 2021



(Millions of yen)

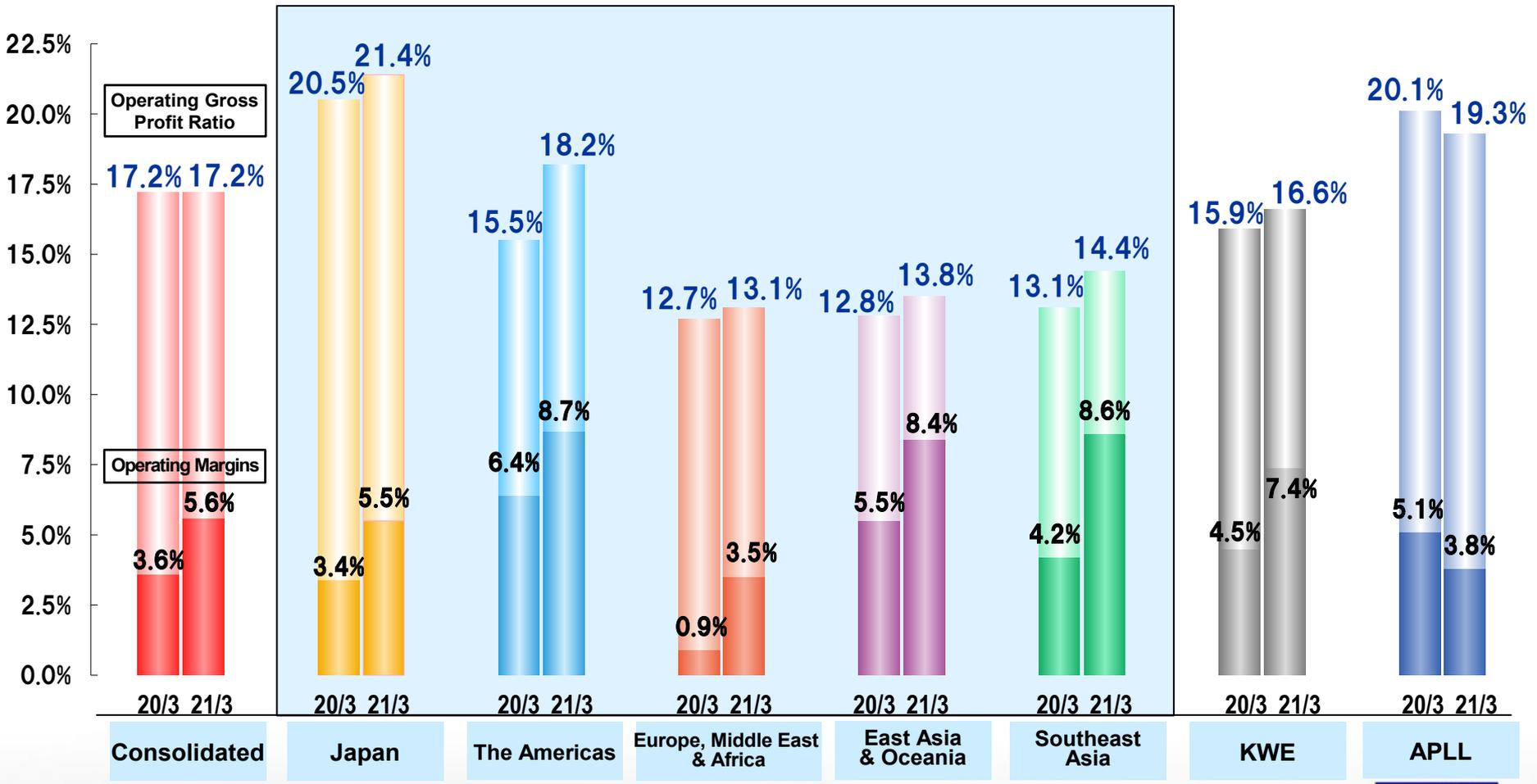
Operating Income by Segment	FY ended March 2020	FY ended March 2021	YoY change	
			Amount	%
Japan	4,667	8,229	3,561	76.3
The Americas	3,755	5,136	1,381	36.8
Europe, Middle East & Africa	321	1,335	1,014	315.9
East Asia & Oceania	5,125	11,134	6,009	117.2
Southeast Asia	2,302	8,013	5,711	248.0
APLL	9,118	5,621	(3,497)	(38.4)
Amortization of goodwill	5,898	5,640	—	—
Other	303	317	13	4.6
Adjustment	18	30	—	—
Total	19,714	34,177	14,462	73.4



Operating Gross Profit Ratio/Operating Margins by Segment



FY ended March 2020 and 2021



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



Review of Operations



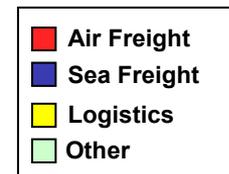
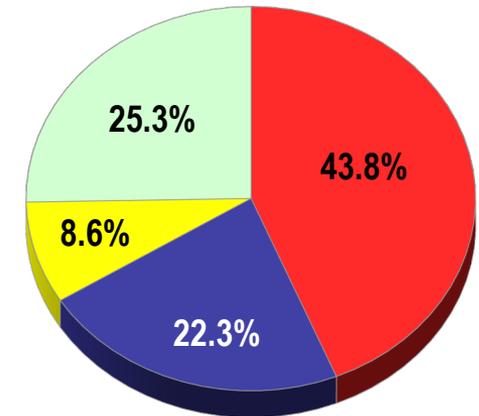
Japan

(Lower cells in parentheses show the performance of KWE Japan) (Millions of yen)

	FY ended March 2020	FY ended March 2021	YoY change	
			Amount	%
Net sales	136,808 (103,788)	150,680 (120,326)	13,871 (16,538)	10.1 (15.9)
Operating income	4,667 (1,772)	8,229 (5,808)	3,561 (4,036)	76.3 (227.8)

Freight volume	FY ended March 2020	FY ended March 2021	YoY change (%)
Air freight exports (tons)	136,737	131,999	(3.5)
Air freight imports (shipments)	346,072	329,841	(4.7)
Sea freight exports (TEUs)	136,095	150,122	10.3
Sea freight imports (Shipments)	108,201	105,804	(2.2)

Net Sales by Business



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

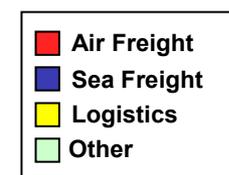
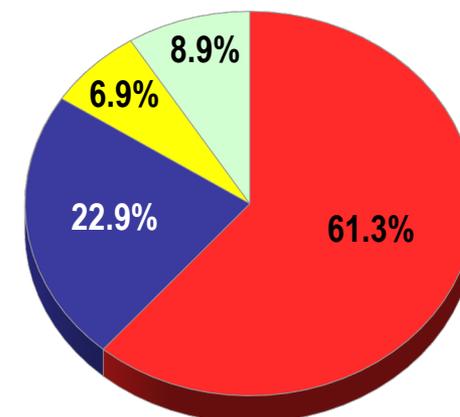
The Americas

(Millions of yen)

	FY ended March 2020	FY ended March 2021	YoY change	
			Amount	%
Net sales	58,793	59,323	529	0.9
Operating income	3,755	5,136	1,381	36.8

Freight volume	FY ended March 2020	FY ended March 2021	YoY change (%)
Air freight exports (tons)	106,407	102,550	(3.6)
Air freight imports (shipments)	117,321	100,156	(14.6)
Sea freight exports (TEUs)	45,661	35,342	(22.6)
Sea freight imports (shipments)	37,553	34,804	(7.3)

Net Sales by Business



- Profit growth due to an improvement in operating gross profit margin amid a decline in air/sea freight volume
- FOREX impact Net sales: ¥(1,578) million Operating income: ¥(101) million

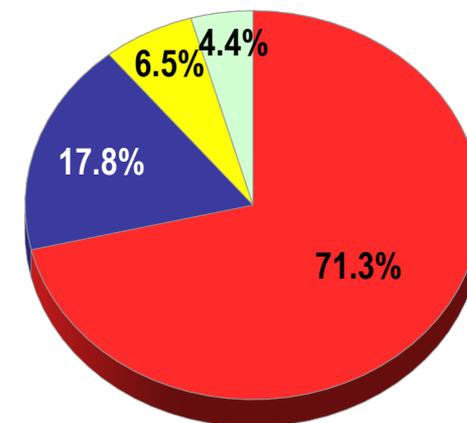
Europe, Middle East & Africa

(Millions of yen)

	FY ended March 2020	FY ended March 2021	YoY change	
			Amount	%
Net sales	35,391	38,097	2,706	7.6
Operating income	321	1,335	1,014	315.9

Freight volume	FY ended March 2020	FY ended March 2021	YoY change (%)
Air freight exports (tons)	62,077	47,039	(24.2)
Air freight imports (shipments)	101,151	74,095	(26.7)
Sea freight exports (TEUs)	18,203	18,380	1.0
Sea freight imports (shipments)	17,126	16,074	(6.1)

Net Sales by Business



- Profit growth due to a reduction in SG&A, etc. amid a drastic decline in air freight volume
- FOREX impact Net sales: ¥(52) million Operating income: +¥71 million

Review of Operations



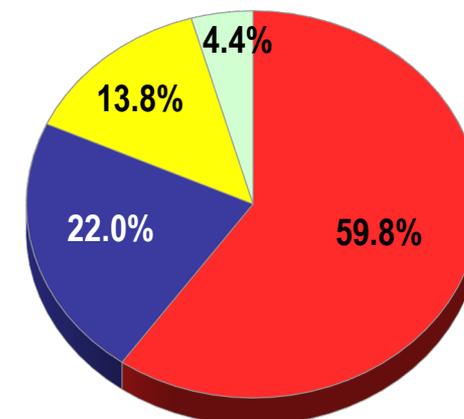
East Asia & Oceania

(Millions of yen)

	FY ended March 2020	FY ended March 2021	YoY change	
			Amount	%
Net sales	93,947	132,972	39,024	41.5
Operating income	5,125	11,134	6,009	117.2

Freight volume	FY ended March 2020	FY ended March 2021	YoY change (%)
Air freight exports (tons)	149,328	167,225	12.0
Air freight imports (shipments)	447,217	482,428	7.9
Sea freight exports (TEUs)	220,479	233,163	5.8
Sea freight imports (shipments)	58,859	60,192	2.3

Net Sales by Business



- Profit increased significantly due to an improvement in operating gross profit margin, etc. in addition to volume increase mainly in electronics
- FOREX impact Net sales: +¥306 million Operating income: +¥28 million

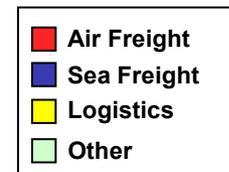
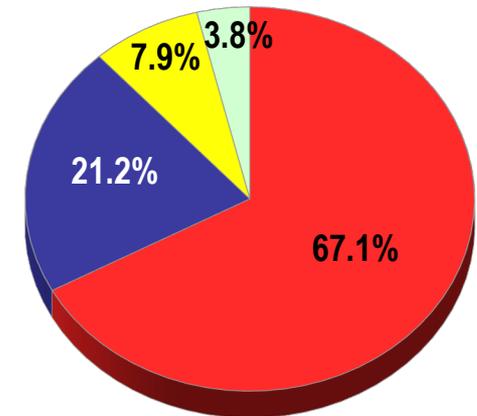
Southeast Asia

(Millions of yen)

	FY ended March 2020	FY ended March 2021	YoY change	
			Amount	%
Net sales	54,783	93,449	38,665	70.6
Operating income	2,302	8,013	5,711	248.0

Freight volume	FY ended March 2020	FY ended March 2021	YoY change (%)
Air freight exports (tons)	102,266	108,062	5.7
Air freight imports (shipments)	195,449	175,251	(10.3)
Sea freight exports (TEUs)	162,518	156,130	(3.9)
Sea freight imports (shipments)	50,575	47,885	(5.3)

Net Sales by Business



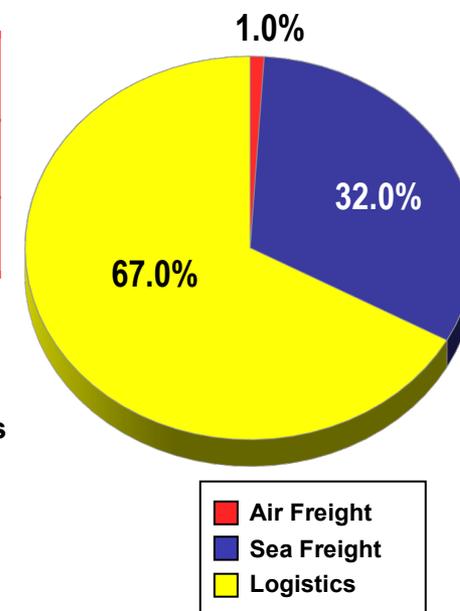
- Profit increased due to an improvement in operating gross profit margin amid a sluggish momentum in freight volume
- FOREX impact Net sales: ¥(1,329) million Operating income: ¥(27) million

APLL

(Millions of yen)

	FY ended March 2020	FY ended March 2021	YoY change	%
Net sales	177,147	148,108	(29,038)	(16.4)
Operating income	3,220	(19)	(3,240)	(38.4)

Net Sales by Business



- Volume in logistics services for automotive decreased mainly in North America as a consequence of shutdowns of factories and disruption in supply chains due to lockdowns in the first half. Volume in retail-related logistics services decreased due to shutdowns of stores around the world, and the volume in consumer and other industrial fields was also below a year earlier

- Operating income of ¥5,621 million before amortization of goodwill (-38.4% YoY)
- FOREX impact Net sales: ¥(3,622) million Operating income: ¥(186) million

Earnings Forecasts for FY Ending March 2022



(Millions of yen)

Item	FY ended March 2021 (Results)		FY ending March 31, 2022 (Forecasts)	
		YoY change (%)		YoY change (%)
Net sales	609,110	11.9	630,000	3.4
Operating gross profit	104,777	11.6	103,900	(0.8)
Operating gross profit margin	17.2%	—	16.5%	—
Operating income	34,177	73.4	31,700	(7.2)
Ordinary income	34,529	98.1	30,700	(11.1)
Net income attributable to owners of the parent	21,644	358.2	19,200	(11.3)

Earnings Forecasts for FY Ending March 2022



(Millions of yen)

Business	Net sales			
	FY2021 forecasts	YoY change (%)	FY2020 results	Differences
Air Freight	275,000	0.5	273,760	1,240
Sea Freight	160,000	5.8	151,232	8,768
Logistics	155,000	6.6	145,468	9,532
Other	40,000	3.5	38,649	1,351
Total	630,000	3.4	609,110	20,890

(Millions of yen)

Segment	Net sales				Operating income			
	FY2021 forecasts	YoY change (%)	FY2020 results	Differences	FY2021 forecasts	YoY change (%)	FY2020 results	Differences
Japan	151,000	0.2	150,680	320	7,800	(5.2)	8,229	(429)
The Americas	61,000	2.8	59,323	1,677	5,300	3.2	5,136	164
Europe, Middle East & Africa	46,000	20.7	38,097	7,903	1,800	34.8	1,335	465
East Asia & Oceania	126,000	(5.2)	132,972	(6,972)	8,500	(23.7)	11,134	(2,634)
Southeast Asia	94,000	0.6	93,449	551	6,800	(15.1)	8,013	(1,213)
APLL	165,000	11.4	148,108	16,892	1,200*	—	(19)	—
Other	3,000	9.6	2,738	262	300	(5.4)	317	(17)
Adjustment	(16,000)	—	(16,259)	—	0	—	30	—
Total	630,000	103.4	609,110	20,890	31,700	(7.2)	34,177	(2,477)

*APLL's operating income is calculated based on the amount after amortization of goodwill, etc. APLL's operating income before amortization of goodwill was ¥6,800 million.



Medium-Term Management Plan Progress and Countermeasures

Medium-Term Management Plan

Major Progress in the Second Year - 1



◆ Strengthening Our Business Platform

Group Governance

- Appointed a general counsel to strengthen the Group's legal and risk management (April 2021)

Next Generation IT Systems

- Continued activities to establish a next-generation global system
- Developed “KWE Group IT Security Policy” to strengthen IT security

Developing Global Human Resources

- Promoted succession planning
- Developed “KWE Global HR Guidelines”

Financial Stability

- Interest-bearing debt decreased with increased free cash flows
Net interest-bearing debt was ¥40,800 million as of March 31, 2020
- New corporate bond issuance of ¥15,000 million with the aim of diversifying financing methods (September 2020)

Medium-Term Management Plan

Major Progress in the Second Year - 2



◆ Sales Strategies

Key Customers Development/Industry Verticals

- Corporate Accounts (CA): Air freight volume increased 6.5% YoY and sea freight volume decreased 7.5% YoY
- Established RSM (Regional Sales & Marketing) divisions in every Regional Headquarter to expand the customer base including CA and regional accounts
- Opened a new office having specialized expertise in project cargo in Romania
- Merged a Canadian company specializing in perishable cargo (May 2021)

Further Volume Growth in Asia

- Air freight volume from Asia to the Americas in FY 2020: Rose 20.9% YoY
 - Flexible and efficient charter flights solutions in East, Southeast Asian regions

Medium-Term Management Plan

Major Progress in the Second Year - 3



◆ Operations Strategies

Stable Capacity, Freight Cost Control – Economy of Scale

- Air Freight: Promotion of ad-hoc/regular charters, BSAs
- Sea Freight: Centralized procurement in Hong Kong (Group Procurement Center).
Solid ties with major shipping lines

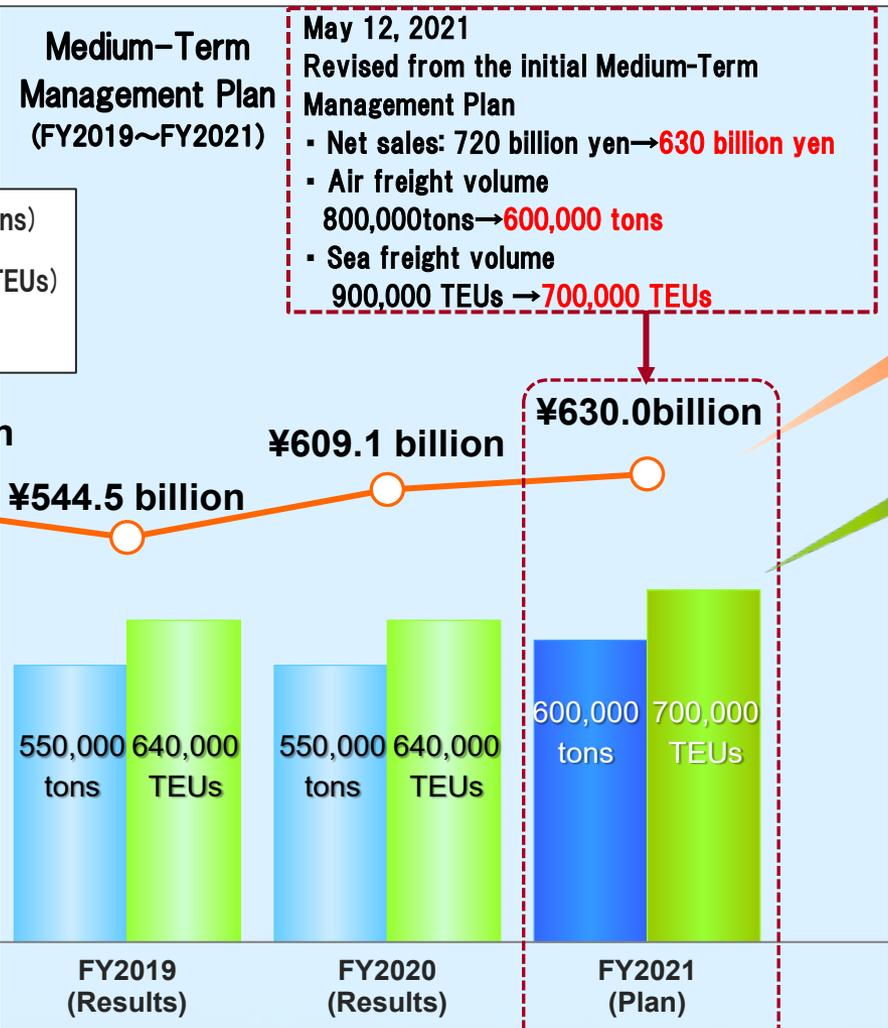
◆ APLL

Business Promotion in Major Industry Verticals (Automotive, Retail, Consumer and Industrial)

- Automotive: Increased railroad trains to enhance vehicle logistics in India
- Retail: Started to develop a new function for further visibility in Supply Chain Management
- Consumer & Industrial: Began to enhance sales capabilities to promote priority service in sea freight forwarding further

Long-Term Vision and Medium-Term Management Plan

Net sales: Billions of yen



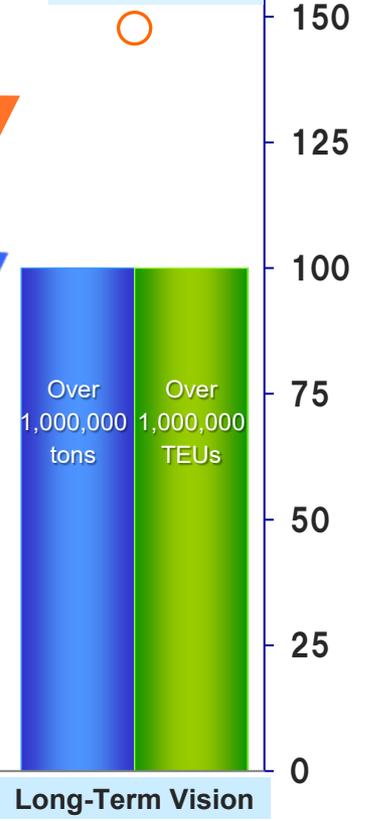
May 12, 2021
 Revised from the initial Medium-Term Management Plan

- Net sales: 720 billion yen → **630 billion yen**
- Air freight volume: 800,000 tons → **600,000 tons**
- Sea freight volume: 900,000 TEUs → **700,000 TEUs**

Freight volume: 10,000 tons
 10,000 TEUs

Global Top 10

¥1 trillion



Operating income: ¥20.7 billion

¥19.7 billion

¥34.1 billion

¥31.7 billion

¥50.0 billion

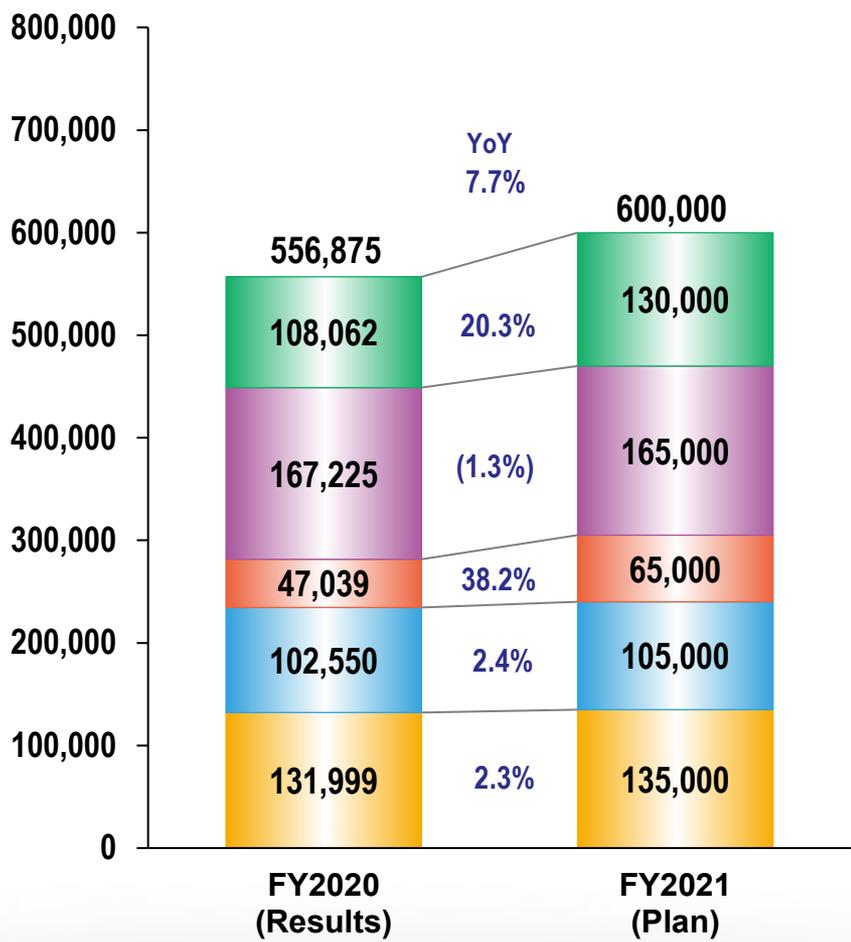


Forecast of Freight Volume by Segment in FY2021



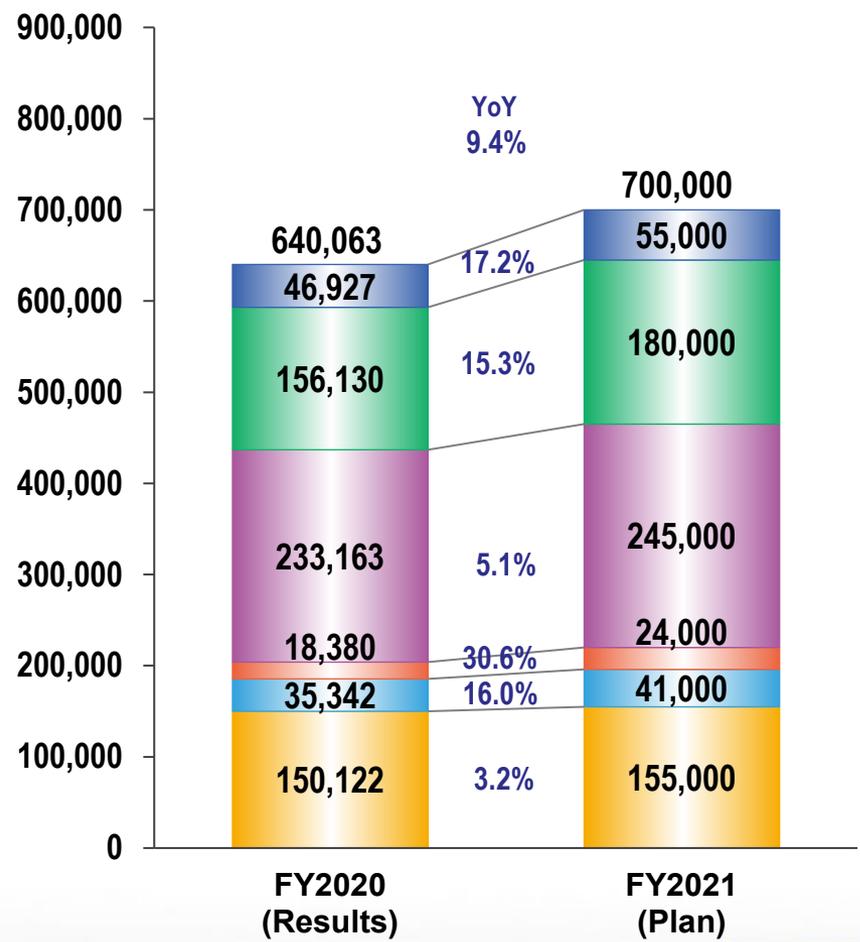
Air Freight Exports

(Weight: tons)



Sea Freight Exports

(Volume: TEUs)



■ Japan
 ■ The Americas
 ■ Europe, Middle East & Africa
 ■ East Asia & Oceania
 ■ Southeast Asia
 ■ APLL



Future Prospect

- Unpredictable pandemic situation
- Increasing uncertainty of the global situation including the U.S.-China feud
- Stagnated production due to worldwide shortage of semiconductors
- Continuously tight space/capacity both in air and sea freight
- Further oligopoly by global major forwarders

Countermeasures



- Flexible and strategic use of charter flights and Block Space Agreement (BSA)
- Reinforce relation with carriers and optimize centralized procurement
- Continuous initiatives for items related to technological innovation (IoT, AI, 5G, EV, etc.)
- Business expansion with our multinational Corporate Accounts (CA)
- Optimization of operations corresponding to the pandemic

Promotion of Sustainability Activities



Established KWE Group Sustainability Committee (November 2020)

In promoting sustainability activities as the Group, we developed Group Sustainability Basic Policy and established Sustainability Committee comprising directors and general managers, etc.

Identified material topics (May 2021)

KWE's material topics		
Description	Category	Applicable SDGs
Anti-Corruption	Economy and Governance	
Data Security	Social	
Diversity and Equal Opportunity	Social	
Emissions	Environment	
Energy	Environment	
Social Impacts in the Supply Chain	Social	

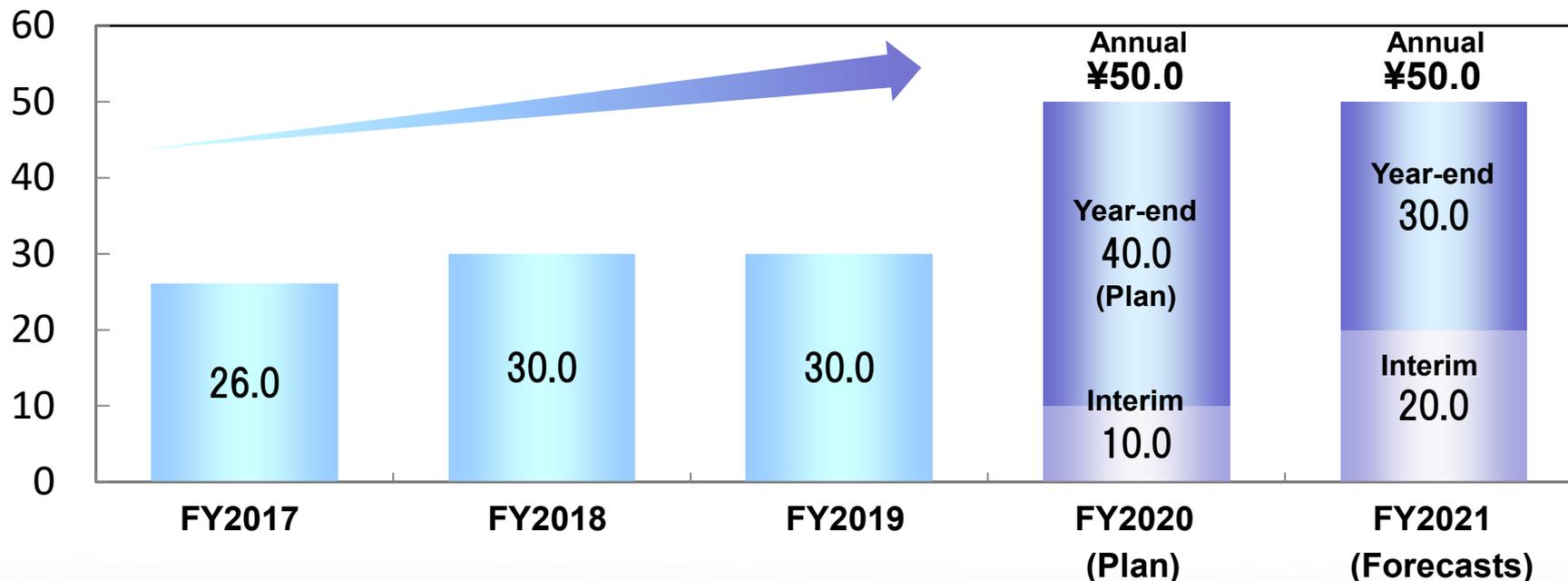
Dividends



With adequate profit return to shareholders positioned as an important policy, the Group's basic policy is to maintain stable dividends in comprehensive consideration of relevant factors, such as performance of each year, while strengthening its financial standing and preparing for the future business development.

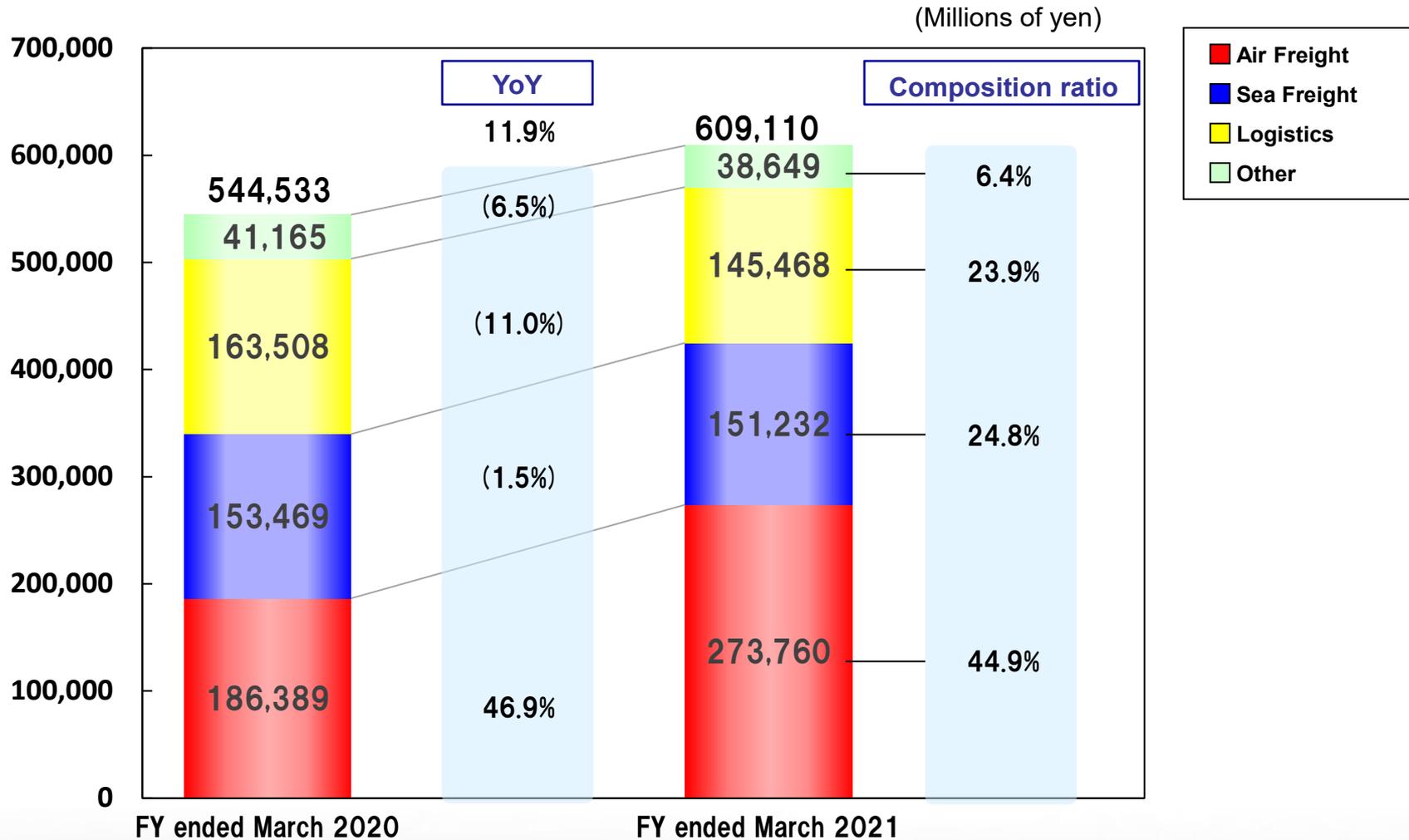
Annual dividend
per share (yen)

Annual dividend per share



Supplemental Materials

Net Sales by Business



Gross Margin by Transportation Mode



* Gross profit=Net sales—Direct cost

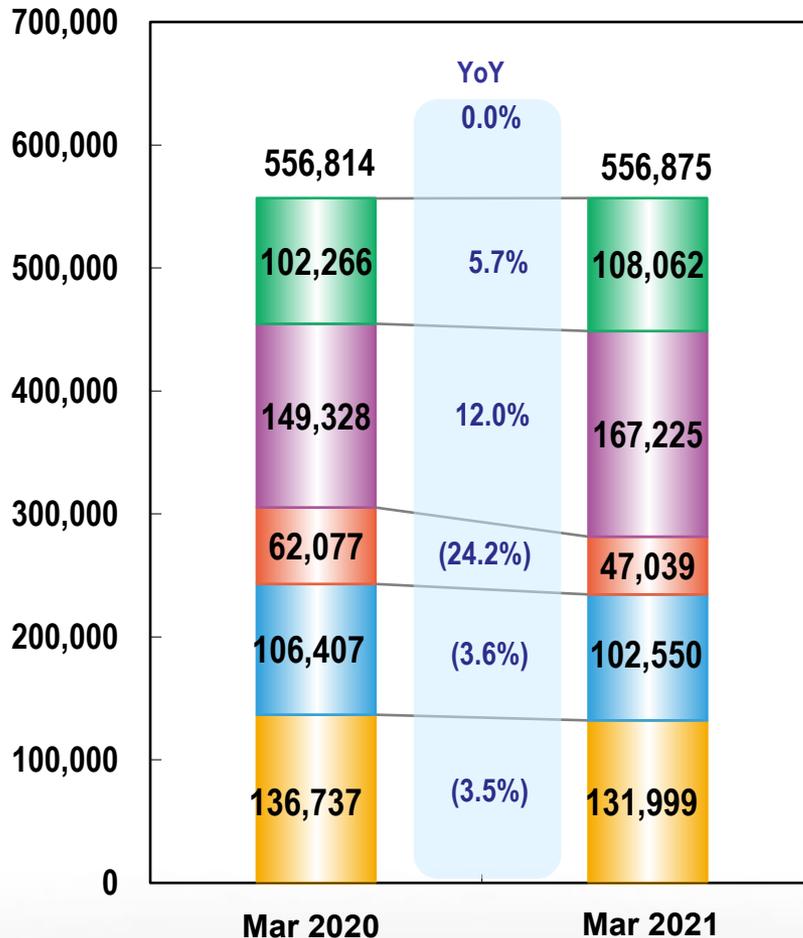
	FY ended March 2020				FY ended March 2021			
	First 3 months	First 6 months	First 9 months	Full year	First 3 months	First 6 months	First 9 months	Full year
Air	26.0%	26.5%	26.6%	27.3%	28.1%	28.1%	26.2%	25.0%
Sea	27.9%	27.9%	28.0%	27.9%	27.2%	26.7%	26.1%	25.0%

Freight Volume by Segment (Air Freight)



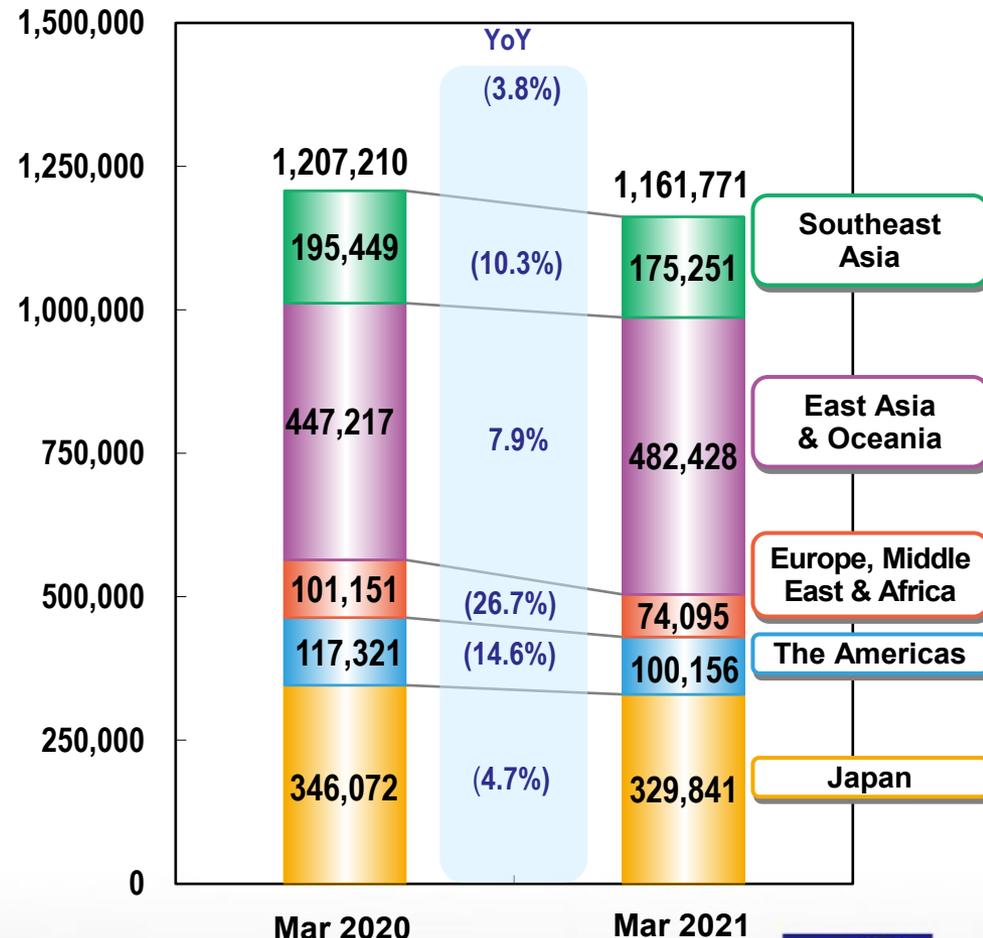
Air Freight Exports

(Weight: tons)



Air Freight Imports

(Shipments)

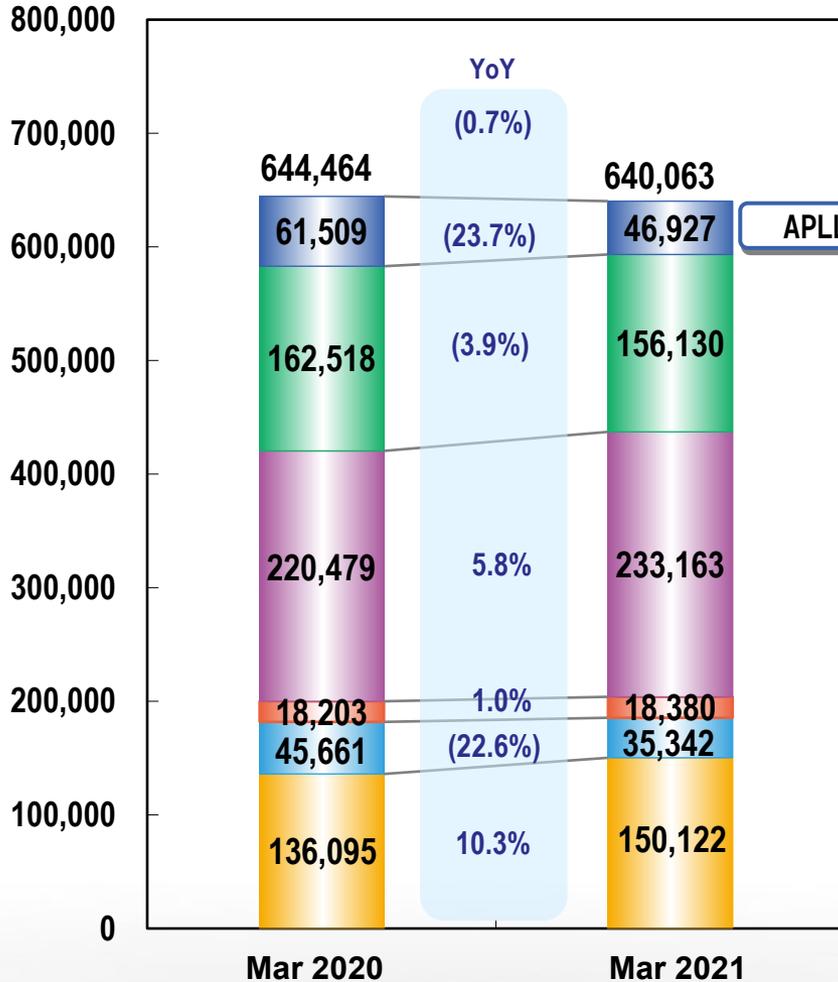


Freight Volume by Segment (Sea Freight)



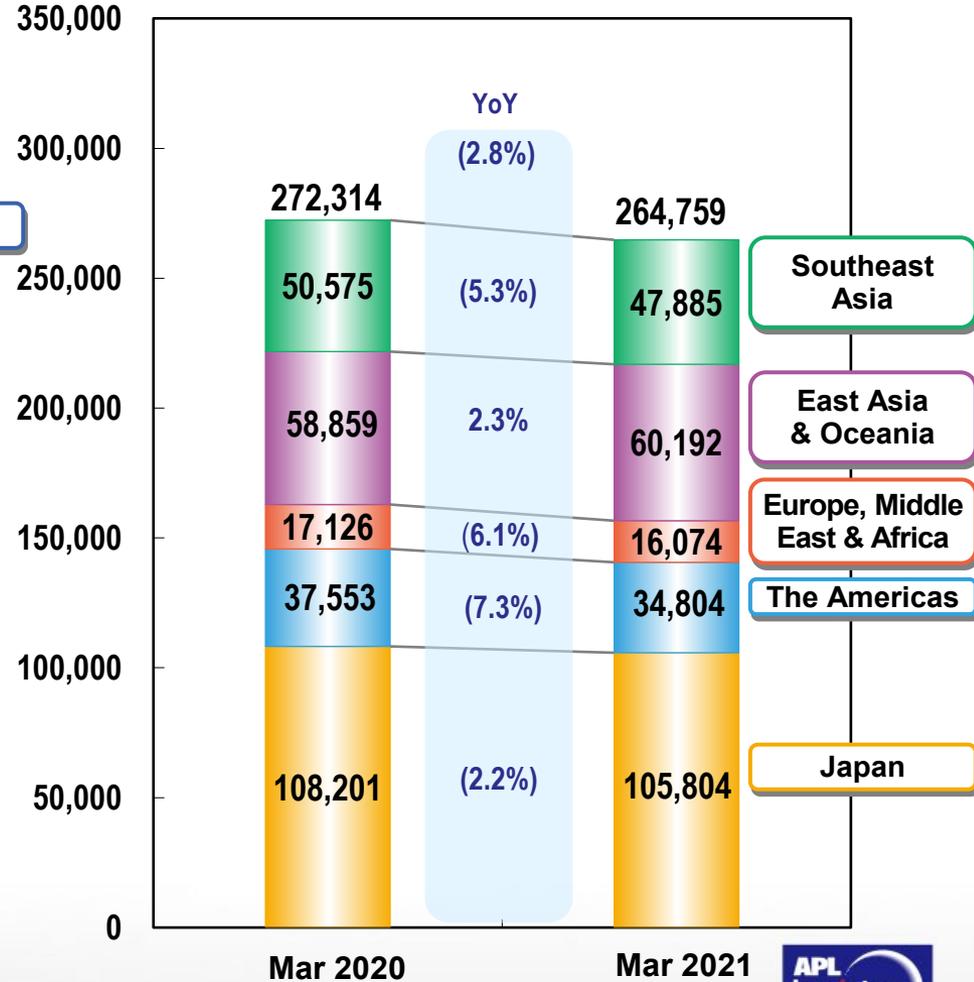
Sea Freight Exports

(Volume: TEUs)



Sea Freight Imports

(Shipments)



Freight Volume by Segment (Air/Sea Freight)

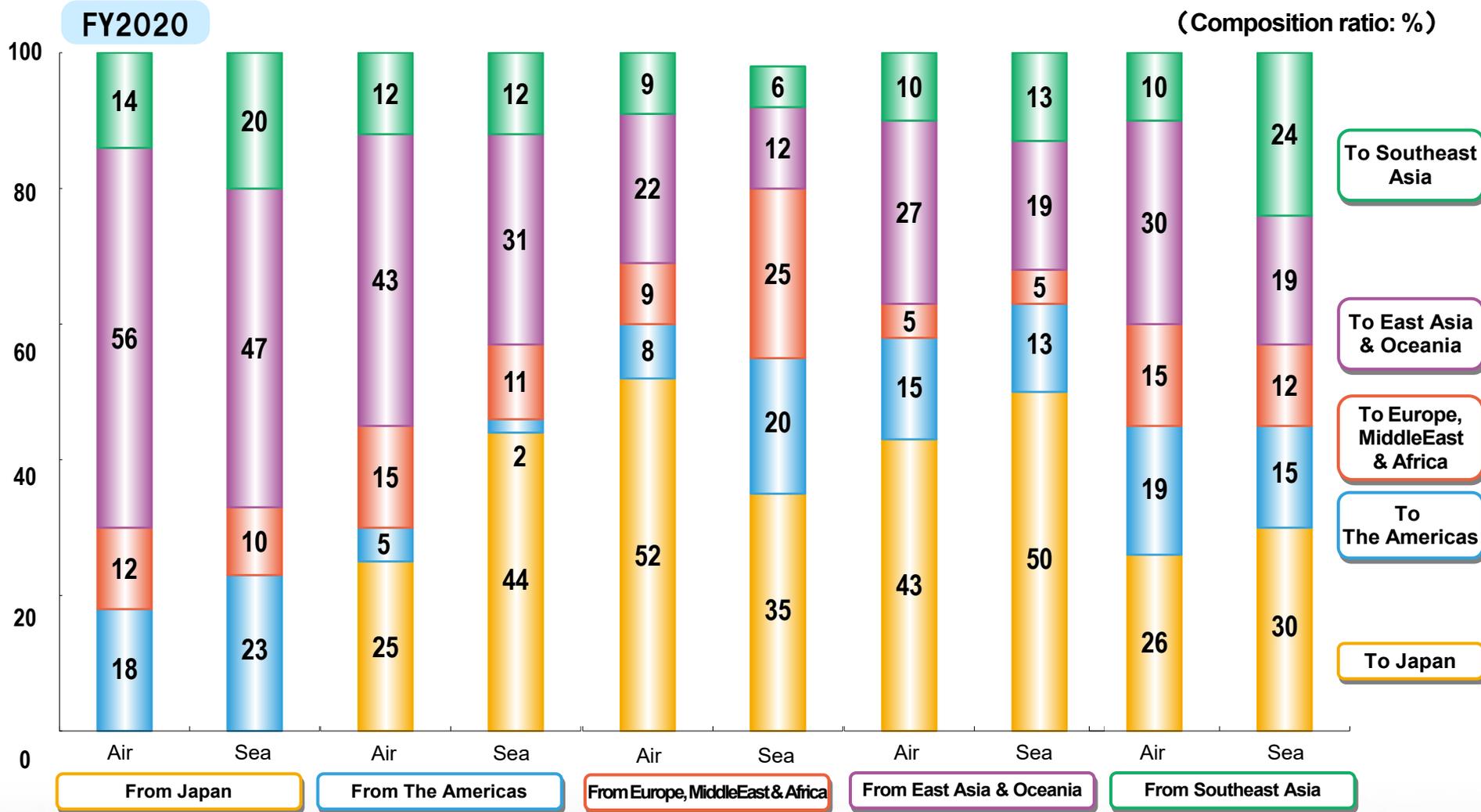


Air Freight Exports	FY2019								FY2020							
	1Q (Apr.-Jun.)		2Q (Jul.-Sep.)		3Q (Oct.-Dec.)		4Q (Jan.-Mar.)		1Q (Apr.-Jun.)		2Q (Jul.-Sep.)		3Q (Oct.-Dec.)		4Q (Jan.-Mar.)	
	Weight (tons)	Y o Y	Weight (tons)	Y o Y												
Japan	34,225	80.2%	34,667	87.0%	34,521	83.3%	33,324	90.5%	26,264	76.7%	28,850	83.2%	34,286	99.3%	42,600	127.8%
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%	24,707	85.5%	32,191	126.6%
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%	13,316	82.3%	14,385	101.8%
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%	47,239	114.6%	50,226	130.1%
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%	30,746	109.9%	33,626	145.1%
Total	135,717	88.3%	137,668	92.5%	148,780	94.4%	134,648	95.7%	113,552	83.7%	120,002	87.2%	150,293	101.0%	173,028	128.5%

Sea Freight Exports	FY2019								FY2020							
	1Q (Apr.-Jun.)		2Q (Jul.-Sep.)		3Q (Oct.-Dec.)		4Q (Jan.-Mar.)		1Q (Apr.-Jun.)		2Q (Jul.-Sep.)		3Q (Oct.-Dec.)		4Q (Jan.-Mar.)	
	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%	43,908	123.3%	39,464	120.1%
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%	8,069	80.4%	8,118	72.9%
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%	4,802	109.0%	5,112	109.4%
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%	61,991	107.9%	59,859	129.0%
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%	43,807	100.5%	44,994	117.4%
APLL*	16,852	71.6%	14,538	76.0%	16,709	74.5%	13,410	56.9%	10,621	63.0%	8,167	56.2%	13,282	79.5%	14,857	110.8%
Total	162,453	92.6%	167,371	95.6%	167,814	92.8%	146,829	87.3%	140,198	86.3%	151,602	90.6%	175,860	104.8%	172,404	117.4%

*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.).

Air/Sea Freight Export Volume by Destination



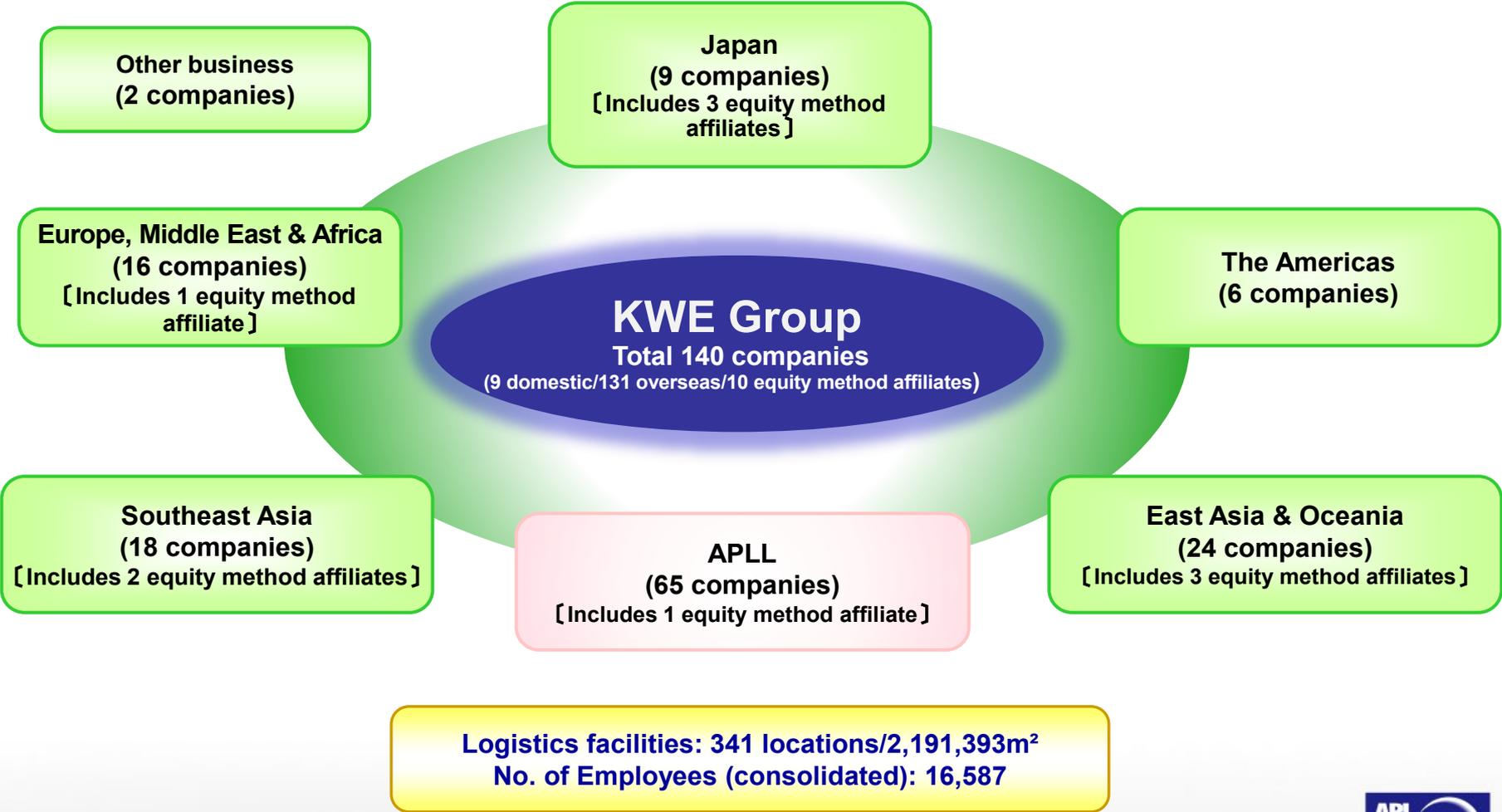
*The figures shown above excludes freight volume of APLL.



Our Global Network



46 countries, 312 cities, 717 locations (as of March 31, 2021)





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