



Financial Results:

The 1st 9 Months of FY Ending March 2021
(April 1, 2020 –December 31, 2020)

February 9, 2021



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Financial Summary



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

	Nine months ended December 2019	Nine months ended December 2020	Differences (YoY)	YoY change (%)
Air freight exports (Weight)	422	383	(39)	(9.1%)
Air freight imports (Shipments)	928	840	(88)	(9.4%)
Sea freight exports (Volume)	497	467	(30)	(6.0%)
Sea freight imports (Shipments)	211	198	(13)	(6.0%)
Net sales	410,378	424,755	14,376	3.5%
Operating gross profit	70,071	74,258	4,186	6.0%
Operating gross profit margin	17.1%	17.5%	—	—
Operating income	15,621	22,586	6,964	44.6%
Ordinary income	13,344	22,649	9,304	69.7%
Net income attributable to owners of the parent	6,662	14,067	7,405	111.1%

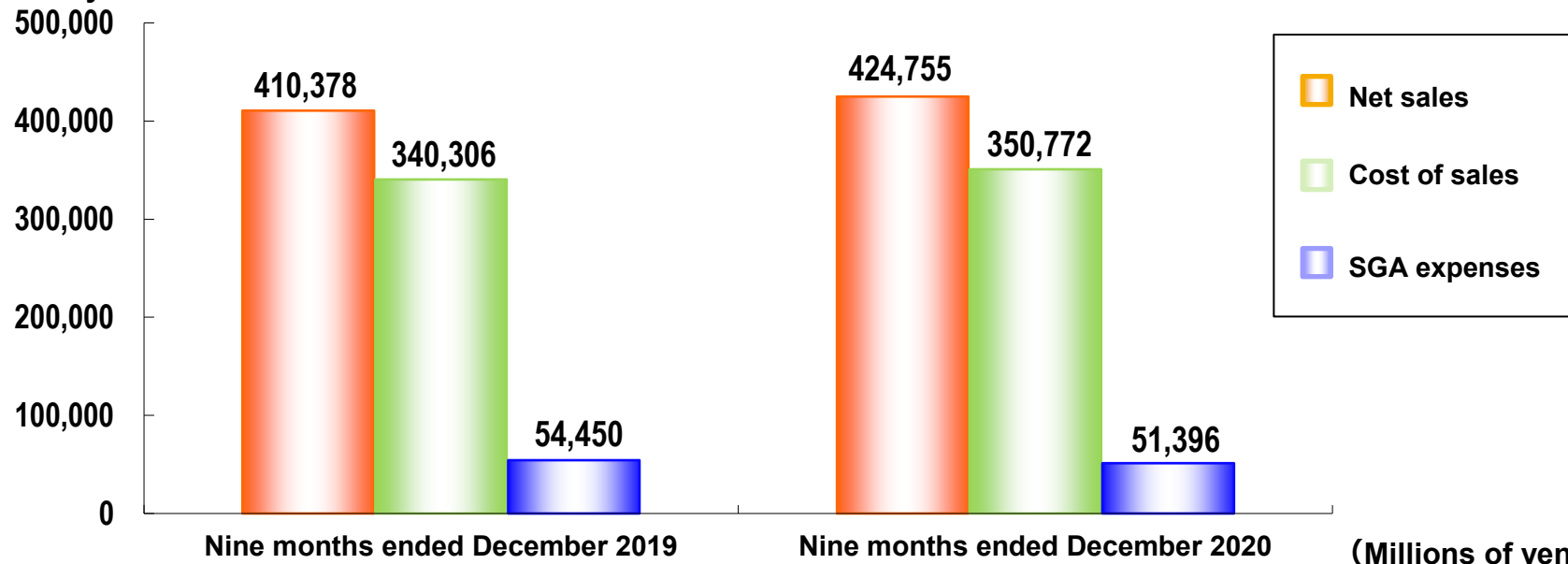
Conversion Rate	1st 9 months of FY ended March 2020	FY ended March 2020	1st 9 months of FY ending March 2021
US-Dollar	¥108.67	¥108.74	¥106.11
Euro	¥121.05	¥120.82	¥122.38
HK-Dollar	¥13.87	¥13.91	¥13.69
Chinese yuan	¥15.60	¥15.60	¥15.44

FOREX impacts (consolidated)
Net sales: ¥(5,651) million
Operating income: ¥(237) million

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



(Millions of yen)

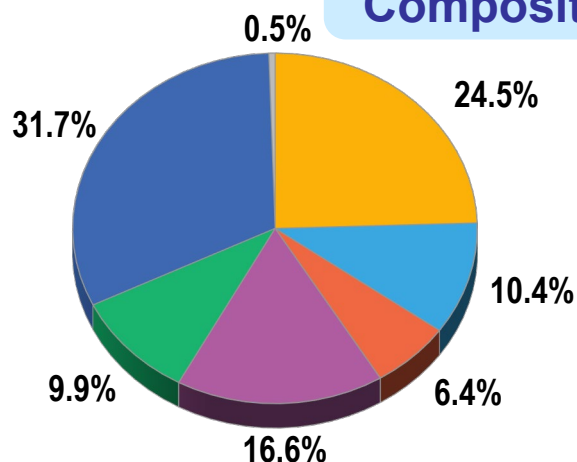


	Nine months ended December 2019	Ratio to net sales	Nine months ended December 2020	Ratio to net sales
Net sales	410,378	100.0%	424,755	100.0%
Cost of sales	340,306	82.9%	350,496	82.5%
Operating gross profit	70,071	17.1%	74,258	17.5%
SGA expenses	54,450	13.3%	51,672	12.2%
Operating income	15,621	3.8%	22,586	5.3%

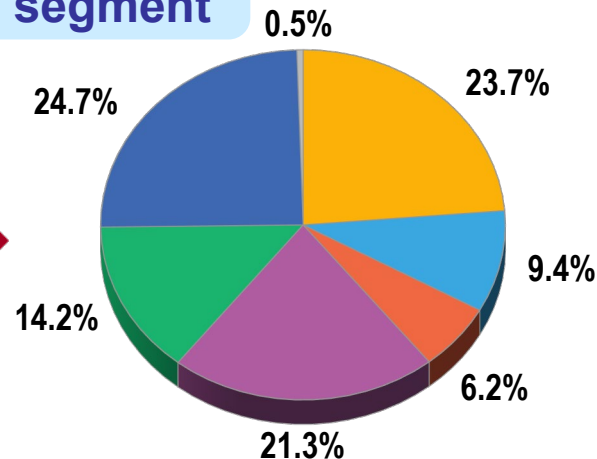
Net Sales by Segment



Composition by segment



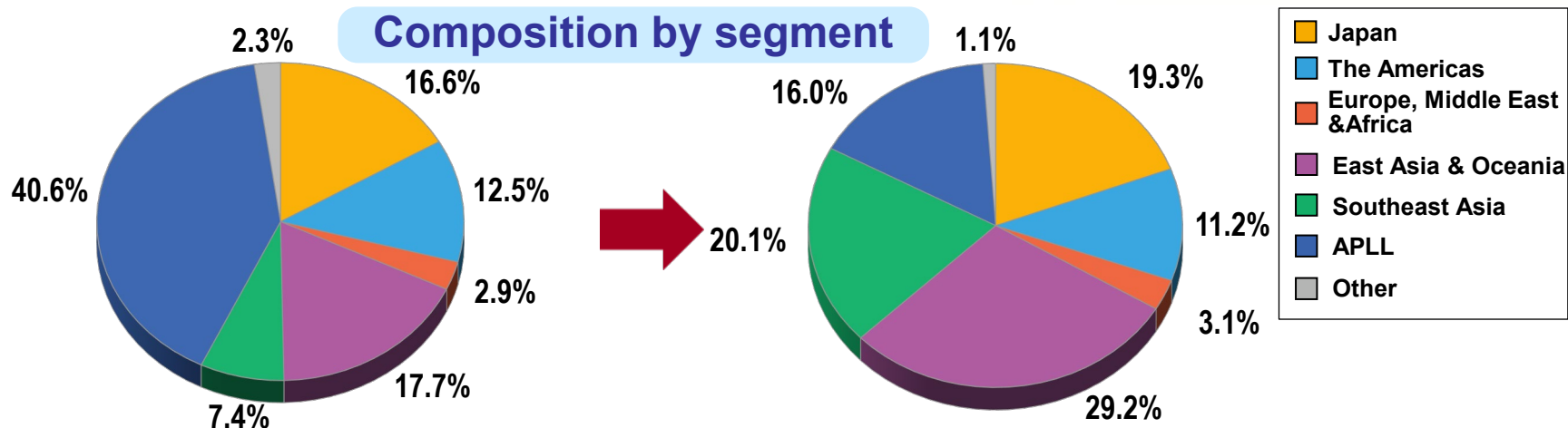
Nine months ended December 2019



Nine months ended December 2020

Net Sales by Segment	Nine months ended December 2019	Nine months ended December 2020	YoY change	
			Amount	%
Japan	103,480	103,523	42	0.0%
The Americas	43,882	41,073	(2,809)	(6.4%)
Europe, Middle East & Africa	27,016	27,298	281	1.0%
East Asia & Oceania	70,110	92,724	22,613	32.3%
Southeast Asia	41,712	61,821	20,108	48.2%
APLL	133,829	107,523	(26,305)	(19.7%)
Other	2,253	2,025	(228)	(10.1%)
Adjustment	(11,907)	(11,234)	672	—
Total	410,378	424,755	14,376	3.5%

Operating Income by Segment

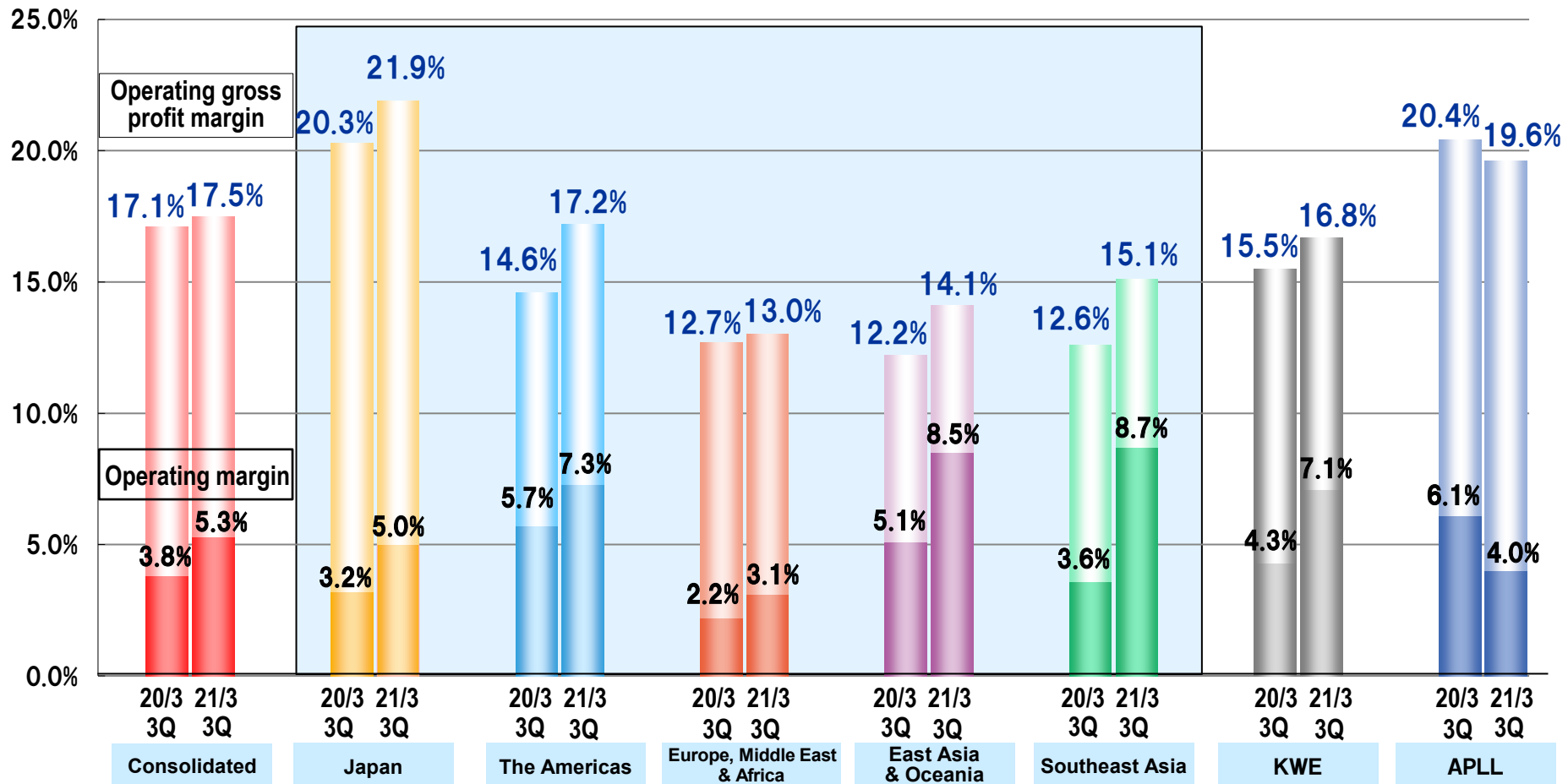


Nine months ended December 2019

Nine months ended December 2020

Operating Income by Segment	Nine months ended December 2019	Nine months ended December 2020	YoY change	
			Amount	%
Japan	3,316	5,183	1,867	56.3%
The Americas	2,492	3,002	510	20.5%
Europe, Middle East & Africa	583	835	252	43.3%
East Asia & Oceania	3,549	7,843	4,293	121.0%
Southeast Asia	1,482	5,390	3,908	263.5%
APLL	8,135	4,298	(3,837)	(47.2%)
Amortization of goodwill	4,408	4,300	(108)	—
Other	456	308	(147)	(32.3%)
Adjustment	14	22	7	—
Total	15,621	22,586	6,964	44.6

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



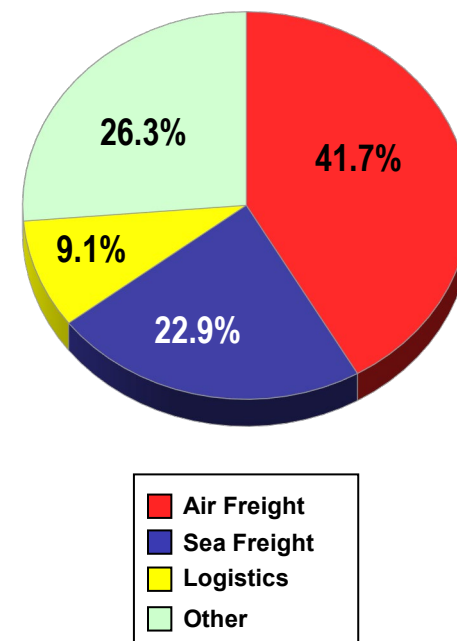
Japan

(Millions of yen)

	Nine months ended December 2019	Nine months ended December 2020	YoY change	
			Amount	%
Net sales	103,480	103,523	42	0.0%
Operating income	3,316	5,183	1,867	56.3%

Freight volume	Nine months ended December 2019	Nine months ended December 2020	YoY change
Air freight exports (tons)	103,413	89,400	(13.6%)
Air freight imports (shipments)	261,594	239,005	(8.6%)
Sea freight exports (TEUs)	103,225	110,658	7.2%
Sea freight imports (Shipments)	83,973	80,361	(4.3%)

Net Sales by Business



- Profit increased 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



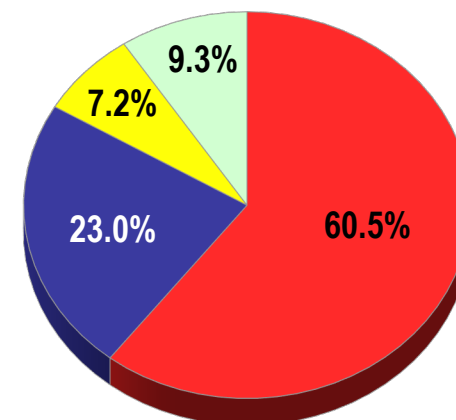
The Americas

(Millions of yen)

	Nine months ended December 2019	Nine months ended December 2020	YoY change	
			Amount	%
Net sales	43,882	41,073	(2,809)	(6.4%)
Operating income	2,492	3,002	510	20.5%

Freight volume	Nine months ended December 2019	Nine months ended December 2020	YoY change
Air freight exports (tons)	80,976	70,359	(13.1%)
Air freight imports (shipments)	90,882	70,803	(22.1%)
Sea freight exports (TEUs)	34,529	27,224	(21.2%)
Sea freight imports (shipments)	28,981	25,367	(12.5%)

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: ¥(1,302) million Operating income: ¥(75) million

Review of Operations



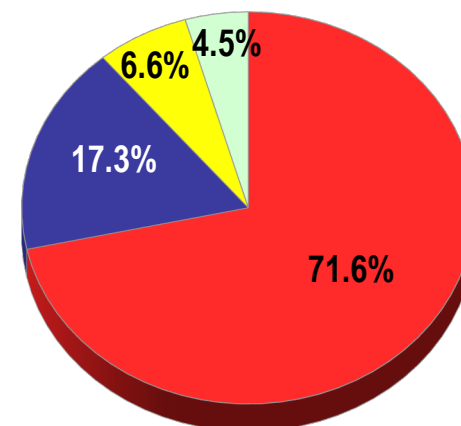
Europe, Middle East & Africa

(Millions of yen)

	Nine months ended December 2019	Nine months ended December 2020	YoY change	
			Amount	%
Net sales	27,016	27,298	281	1.0%
Operating income	583	835	252	43.3%

Freight volume	Nine months ended December 2019	Nine months ended December 2020	YoY change
Air freight exports (tons)	47,943	32,654	(31.9%)
Air freight imports (shipments)	79,221	52,817	(33.3%)
Sea freight exports (TEUs)	13,531	13,268	(1.9%)
Sea freight imports (shipments)	12,979	11,630	(10.4%)

Net Sales by Business



- Profit growth due to a reduction in SG&A, etc. amid a drastic decline in freight volume
- FOREX impact Net sales: ¥(517) million Operating income: +¥6 million

Review of Operations



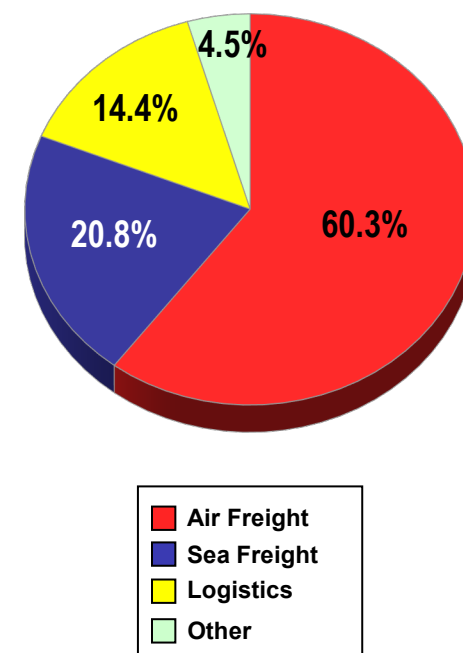
East Asia & Oceania

(Millions of yen)

	Nine months ended December 2019	Nine months ended December 2020	YoY change	
			Amount	%
Net sales	70,110	92,724	22,613	32.3%
Operating income	3,549	7,843	4,293	121.0%

Freight volume	Nine months ended December 2019	Nine months ended December 2020	YoY change
Air freight exports (tons)	110,736	116,998	5.7%
Air freight imports (shipments)	345,752	353,152	2.1%
Sea freight exports (TEUs)	174,067	173,304	(0.4%)
Sea freight imports (shipments)	45,990	45,945	(0.1%)

Net Sales by Business



- Profit increased significantly with solid shipments in electronic products and improved operating gross profit margin
- FOREX impact Net sales: ¥(547) million Operating income: ¥(20) million

Review of Operations



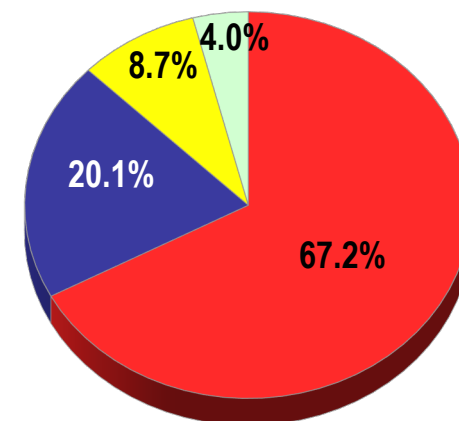
Southeast Asia

(Millions of yen)

	Nine months ended December 2019	Nine months ended December 2020	YoY change	
			Amount	%
Net sales	41,712	61,821	20,108	48.2%
Operating income	1,482	5,390	3,908	263.5%

Freight volume	Nine months ended December 2019	Nine months ended December 2020	YoY change
Air freight exports (tons)	79,097	74,436	(5.9%)
Air freight imports (shipments)	151,024	125,102	(17.2%)
Sea freight exports (TEUs)	124,184	111,135	(10.5%)
Sea freight imports (shipments)	39,484	35,420	(10.3%)

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: ¥(1,318) million Operating income: ¥(20) million

Review of Operations



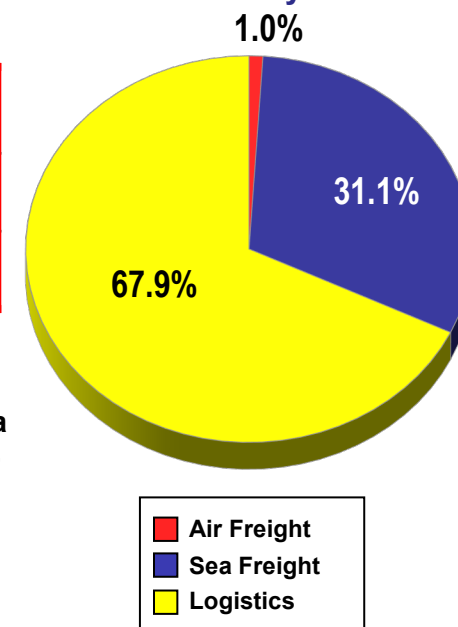
APLL

(Millions of yen)

	Nine months ended December 2019	Nine months ended December 2020	YoY change	%
Net sales	133,829	107,523	(26,305)	(19.7%)
Operating income	3,726	(1)	(3,728)	—

- For automotive-related services, the land transport decreased in North America and India as a consequence of shutdowns of factories due to lockdowns in the first half. For retail-related services, the handling volume decreased mainly in major customers due to shutdowns of stores around the world.
The volume in consumer and other industrial fields was below a year earlier
- Operating income of ¥4,298 million before amortization of goodwill (¥8,135 million a year earlier)
- FOREX impact Net sales: ¥(1,912) million Operating income: ¥(116) 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 February 9, 2021)	
		YoY change		YoY change
Net sales	544,533	(8.0%)	570,000	4.7%
Operating gross profit	93,846	(3.2%)	100,000	6.6%
Operating gross profit margin	17.2%	—	17.5%	—
Operating income	19,714	(5.2%)	29,000	47.1%
Ordinary income	17,432	(12.6%)	29,000	66.4%
Net income attributable to owners of the parent	4,724	(52.1%)	17,000	259.9%

Earnings Forecasts for FY Ending March 2021



(Revised on
February 9, 2021)

(Millions of yen)

Business	Net sales			
	Forecast (Feb. 9)	YoY change	Forecast (Nov. 11)	Differences
Air Freight	246,000	32.0%	213,000	33,000
Sea Freight	140,000	(8.8%)	132,000	8,000
Logistics	145,000	(11.3%)	141,000	4,000
Other	39,000	(5.3%)	38,000	1,000
Total	570,000	4.7%	524,000	46,000

(Millions of yen)

Segment	Net sales				Operating income			
	Forecast (Feb. 9)	YoY change	Forecast (Nov. 11)	Differences	Forecast (Feb. 9)	YoY change	Forecast (Nov. 11)	Differences
Japan	138,000	0.9%	131,000	7,000	7,000	50.0%	6,100	900
The Americas	54,000	(8.2%)	53,000	1,000	4,000	6.5%	3,900	100
Europe, Middle East & Africa	37,000	4.5%	36,000	1,000	1,200	273.8%	800	400
East Asia & Oceania	121,000	28.8%	103,000	18,000	9,500	85.3%	8,100	1,400
Southeast Asia	82,000	49.7%	69,000	13,000	7,000	204.0%	4,800	2,200
APLL	148,000	(16.5%)	143,000	5,000	* 0	(38.6%)	0	0
Other	3,000	10.0%	2,000	1,000	300	(1.0%)	300	0
Adjustment	(13,000)	—	(13,000)	—	0	—	0	0
Total	570,000	4.7%	524,000	46,000	29,000	47.1%	24,000	5,000

* APLL's operating income is calculated based on the amount after amortization of goodwill, etc. APLL's operating income before amortization of goodwill was ¥5,600 million.



Business Environment and Future Prospect

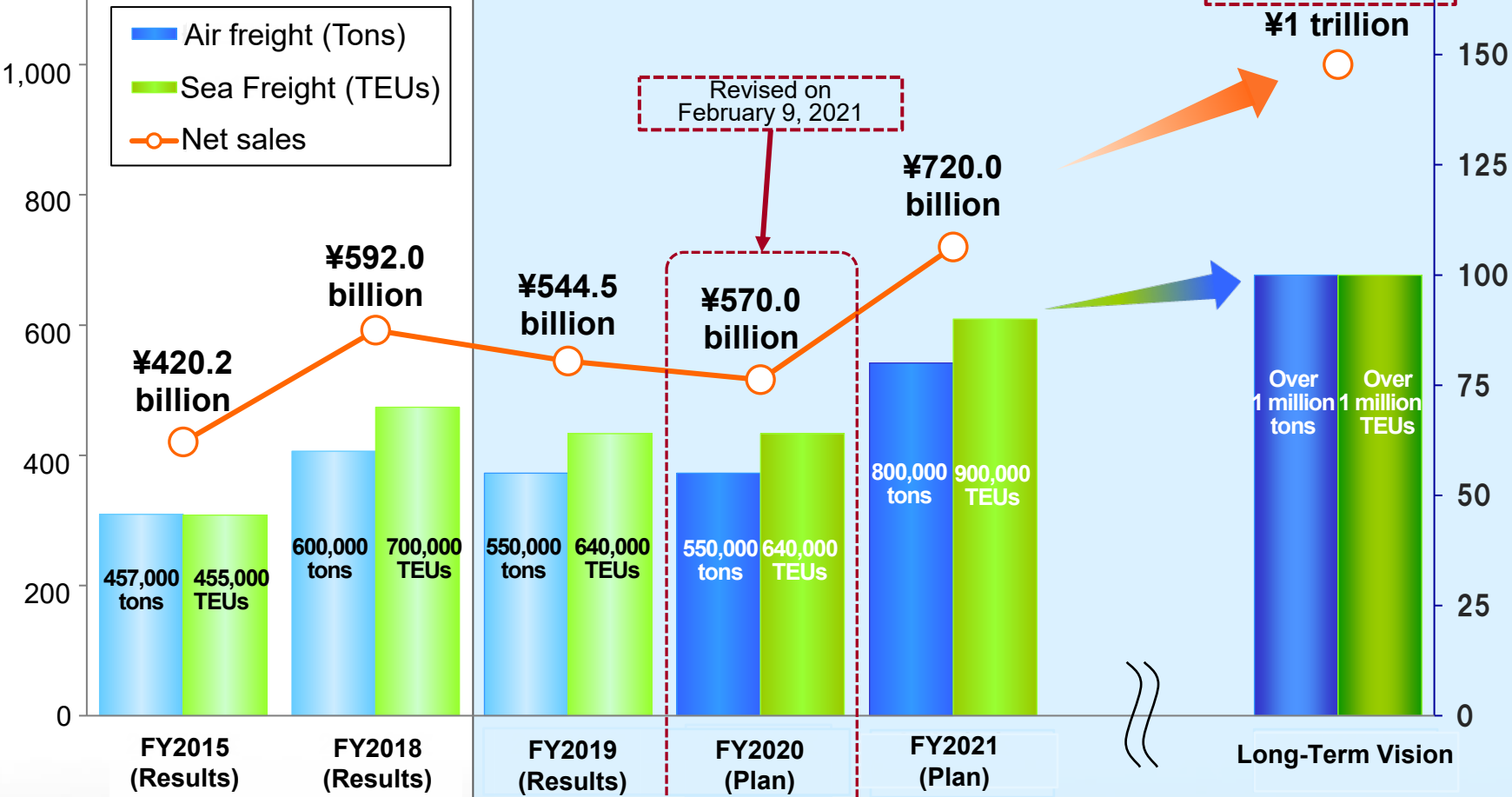
Future Prospect

- **Uncertain outlook due to resurgence of COVID-19 worldwide**
- **Changes in supply chains due to the U.S.-China trade friction, etc.**
- **Continuing upward trend in air/sea freight volume**
(Steady demand for electronic products and automotive-related products, etc.)
- **Freight cost remains at high level due to shortage of freight capacity**
(Continuing shortage of available capacity for air/sea freight market)
- **Increase in presence of major global players**
(Expanding their capacity with scheduled charter flights, etc.)

- **Timely response to changing market and customers' needs**
- **Flexible and strategic use of charter flights and Block Space Agreement (BSA)**
- **Reinforce relationship with air/sea 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) focusing on non-Japanese customers**
- **Further optimization of operational efficiency (Promoting paperless, better work environment, etc.)**

Long-Term Vision and Medium-Term Management Plan

Net sales: Billions of yen



Operating income:

¥15.3 billion ¥20.7 billion ¥19.7 billion ¥29.0 billion ¥50.0 billion



Recent Topics (from October 2020)



2020

Oct. KWE Singapore acquired GDPMDS (Good Distribution Practice for Medical Devices) Certificate

Dec. KWE China and Shanghai Kintetsu Logistics were awarded at the ceremony of the 30 years anniversary of Shanghai Free Trade Zone as one of the “30-year outstanding contributors” and “Top 100 economical contribution companies in 2019,” etc.



2021

Jan. KWE Thailand opened a new sales office in Amata City, Chonburi

Jan. Opened Constanta branch in Romania

Jan. KWE Group Sustainability Committee held the 1st conference



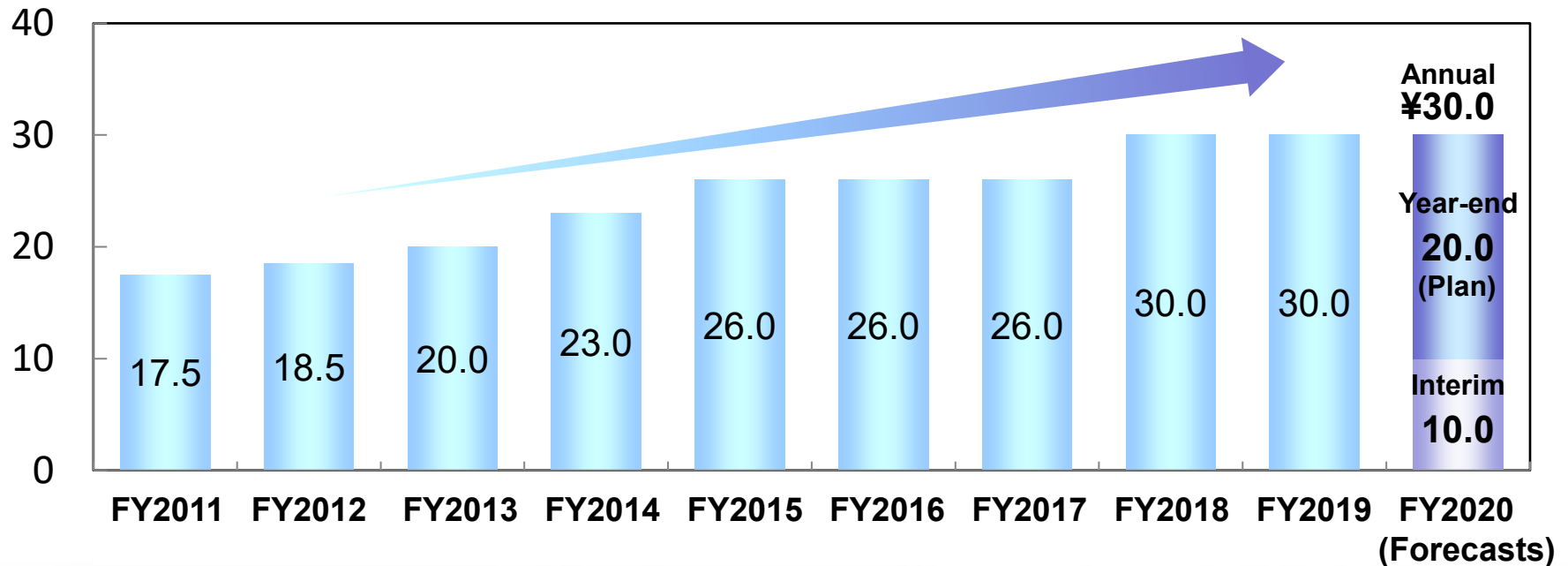
Dividends



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

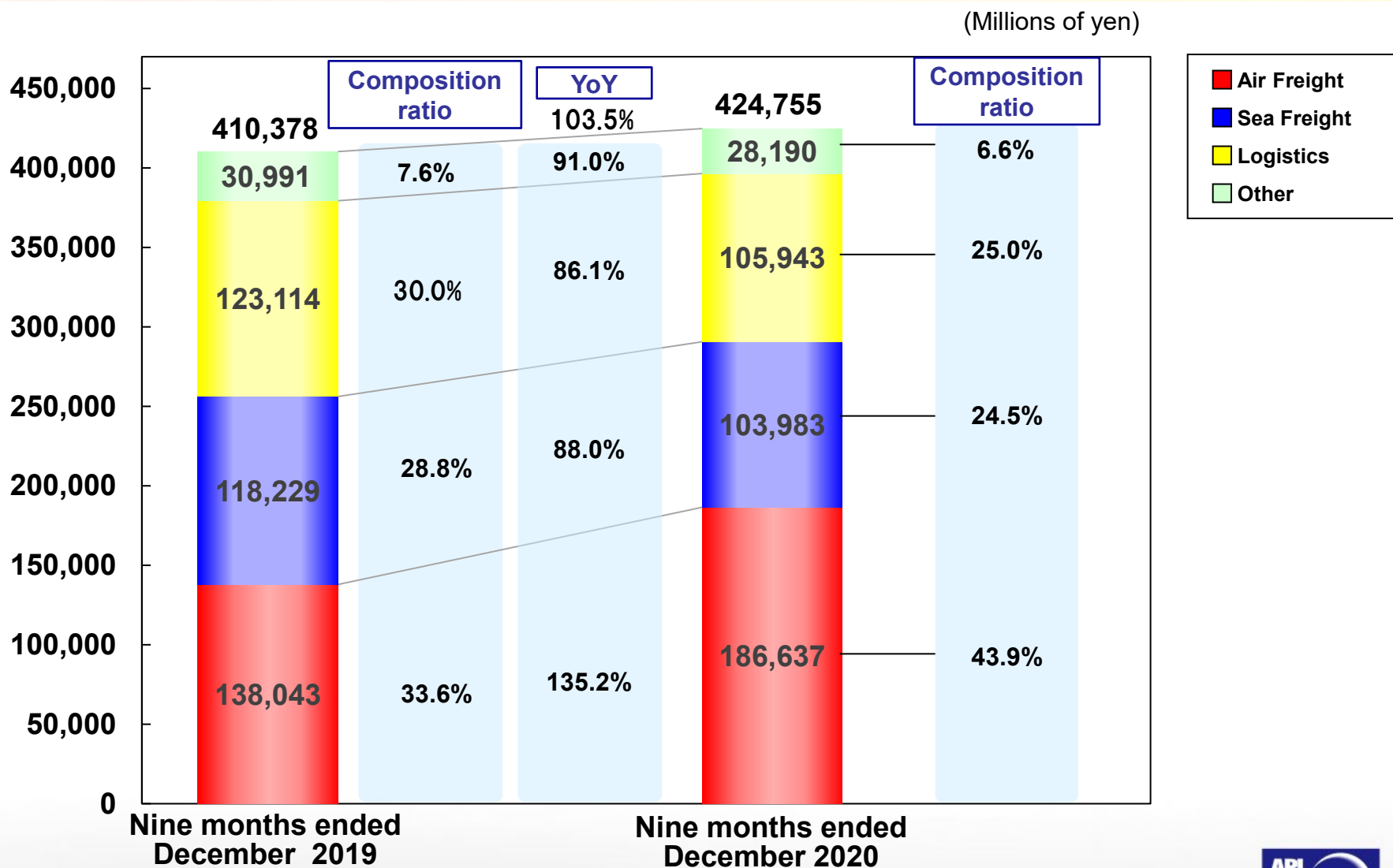
Balance Sheets



(Millions of yen)

	March 2020	December 2020	Differences
Assets			
Current assets	193,964	225,652	31,687
Non-current assets	191,449	182,083	(9,365)
Property, plant and equipment	68,145	67,040	(1,105)
Intangible assets	102,173	93,156	(9,017)
Total investments and other assets	21,129	21,886	757
Deferred assets	56	135	79
Total assets	385,470	407,871	22,400
Liabilities			
Current liabilities	127,957	135,507	7,550
Non-current liabilities	130,906	135,715	4,809
Total liabilities	258,864	271,223	12,359
Net assets			
Total net assets	126,606	136,647	10,041
Total liabilities and net assets	385,470	407,871	22,400

Net Sales by Business



Gross Margin by Transportation Mode



* Gross profit=Net sales—Direct cost

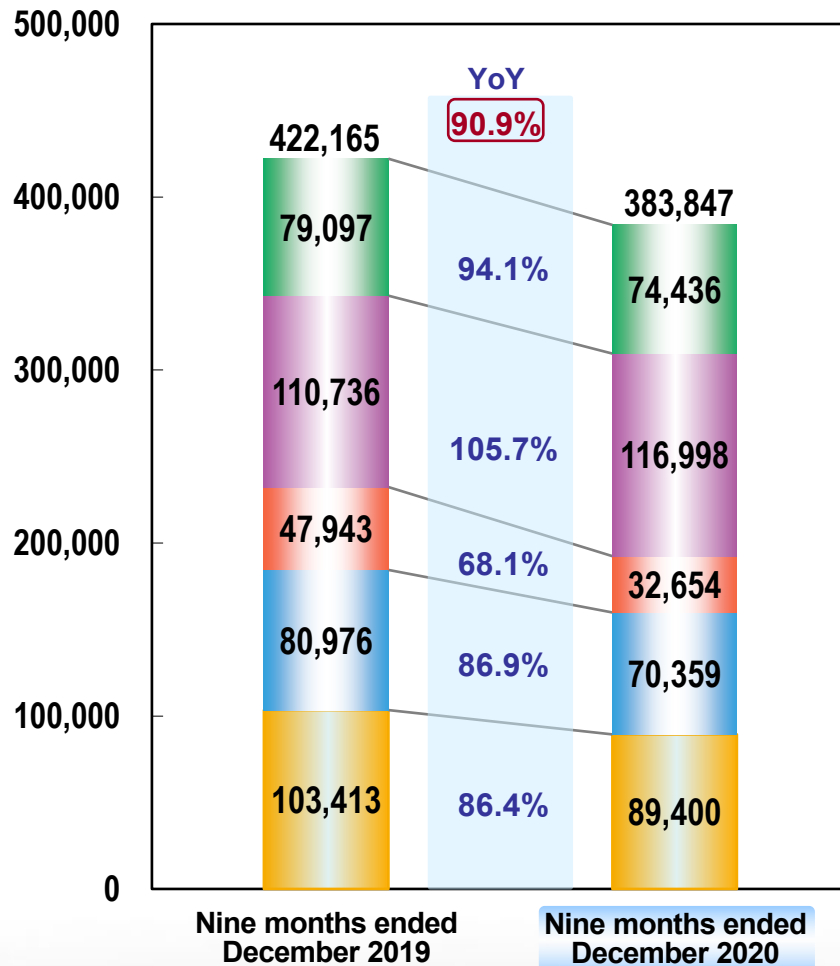
	FY ended March 2019				FY ended March 2020				FY ending March 2021		
	First 3 months	First 6 months	First 9 months	Full year	First 3 months	First 6 months	First 9 months	Full year	First 3 months	First 6 months	First 9 months
Air	25.1%	25.0%	24.7%	25.1%	26.0%	26.5%	26.6%	27.3%	28.1%	28.1%	26.2%
Sea	27.4%	27.3%	27.7%	27.6%	27.9%	27.9%	28.0%	27.9%	27.2%	26.7%	26.1%

Freight Volume by Segment (Air Freight)



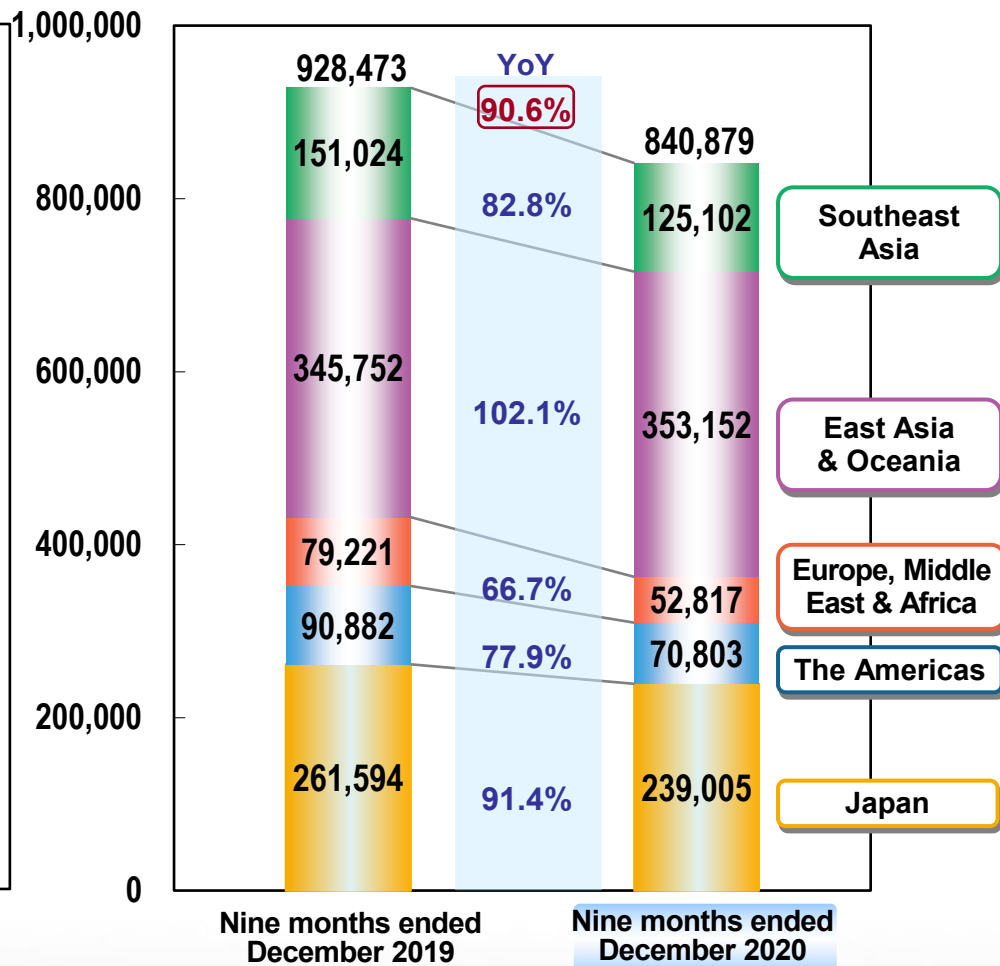
(Weight: tons)

Air Freight Exports



(Shipments)

Air Freight Import

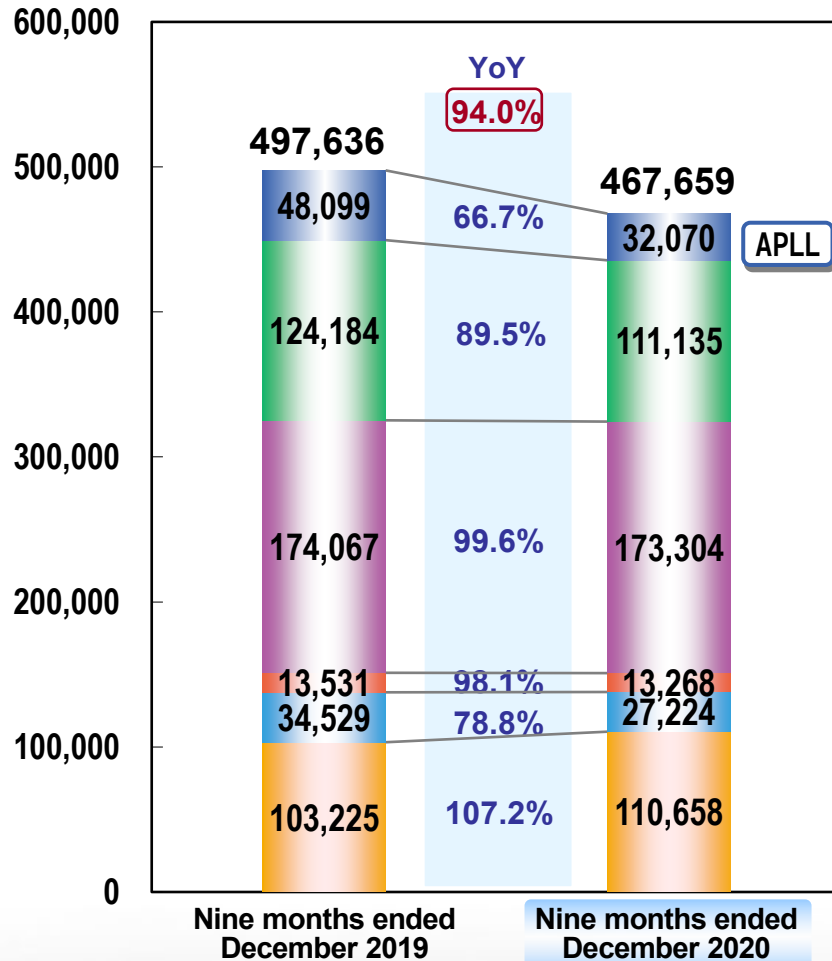


Freight Volume by Segment (Sea Freight)



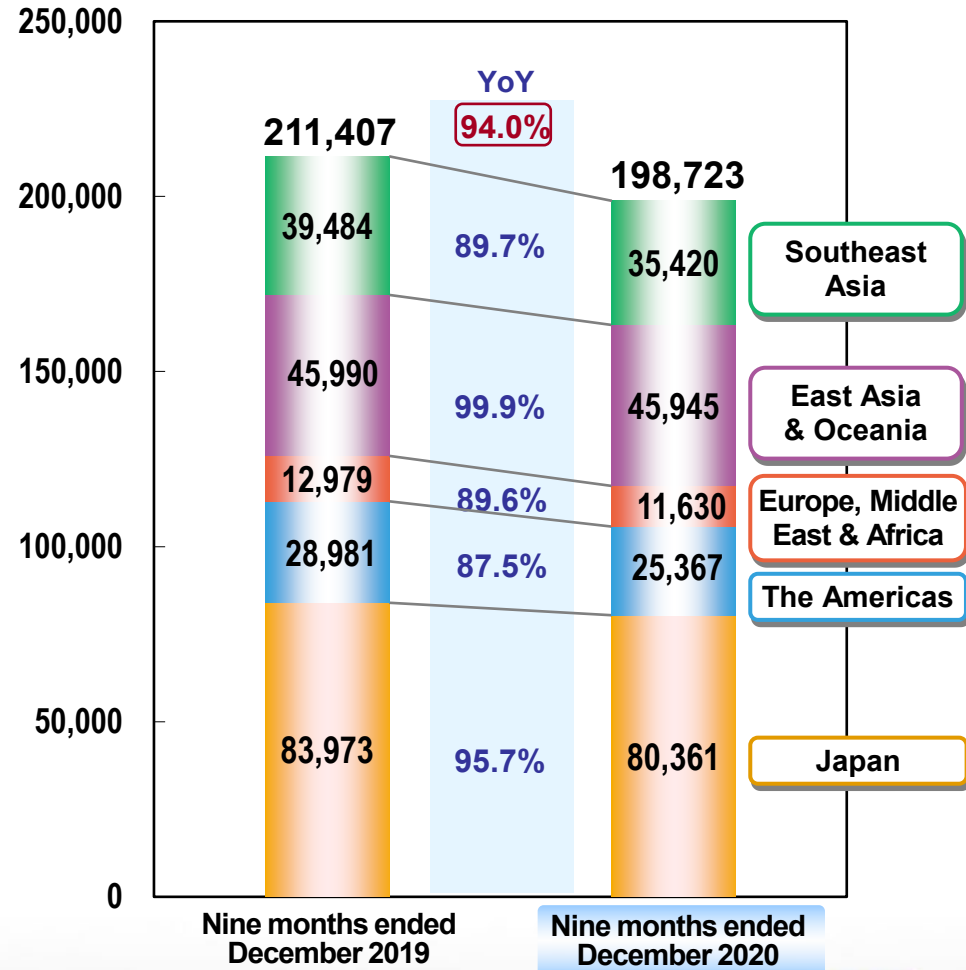
(Volume: TEUs)

Sea Freight Export



(Shipments)

Sea Freight Import



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.)		3Q (Oct.-Dec.)	
	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	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%
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%
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%
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%
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%
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%

Sea Freight Exports	FY2019								FY2020					
From	1Q (Apr.-Jun.)		2Q (Jul.-Sep.)		3Q (Oct.-Dec.)		4Q (Jan.-Mar.)		1Q (Apr.-Jun.)		2Q (Jul.-Sep.)		3Q (Oct.-Dec.)	
	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	Weight (tons)	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%
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%
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%
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%
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%
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%	13,282	79.5%
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%	175,860	104.8%

*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.).



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.