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MITSUI-SOKO HOLDINGS Co., Ltd.

Q1 Financial Results Briefing for the Fiscal Year Ending March 2027

August 7, 2026

Event Summary

[Company Name]	MITSUI-SOKO HOLDINGS Co., Ltd.
[Company ID]	9302-QCODE
[Event Language]	JPN
[Event Type]	Earnings Announcement
[Event Name]	Q1 Financial Results Briefing for the Fiscal Year Ending March 2027
[Fiscal Period]	FY2027 Q1
[Date]	August 7, 2026
[Number of Pages]	19
[Time]	13:30 – 14:15 (Total: 45 minutes, Presentation: 19 minutes, Q&A: 26 minutes)
[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	1 Nobuo Nakayama — Representative Director, Senior Managing Executive Officer

Presentation

Moderator: Thank you for your patience. We will now begin MITSUI-SOKO HOLDINGS Co., Ltd.'s financial results presentation for Q1 March 2027. Today's materials are available on MITSUI-SOKO HOLDINGS Co., Ltd.'s website. The URL to the materials is also displayed in the chat box at the bottom of the screen.

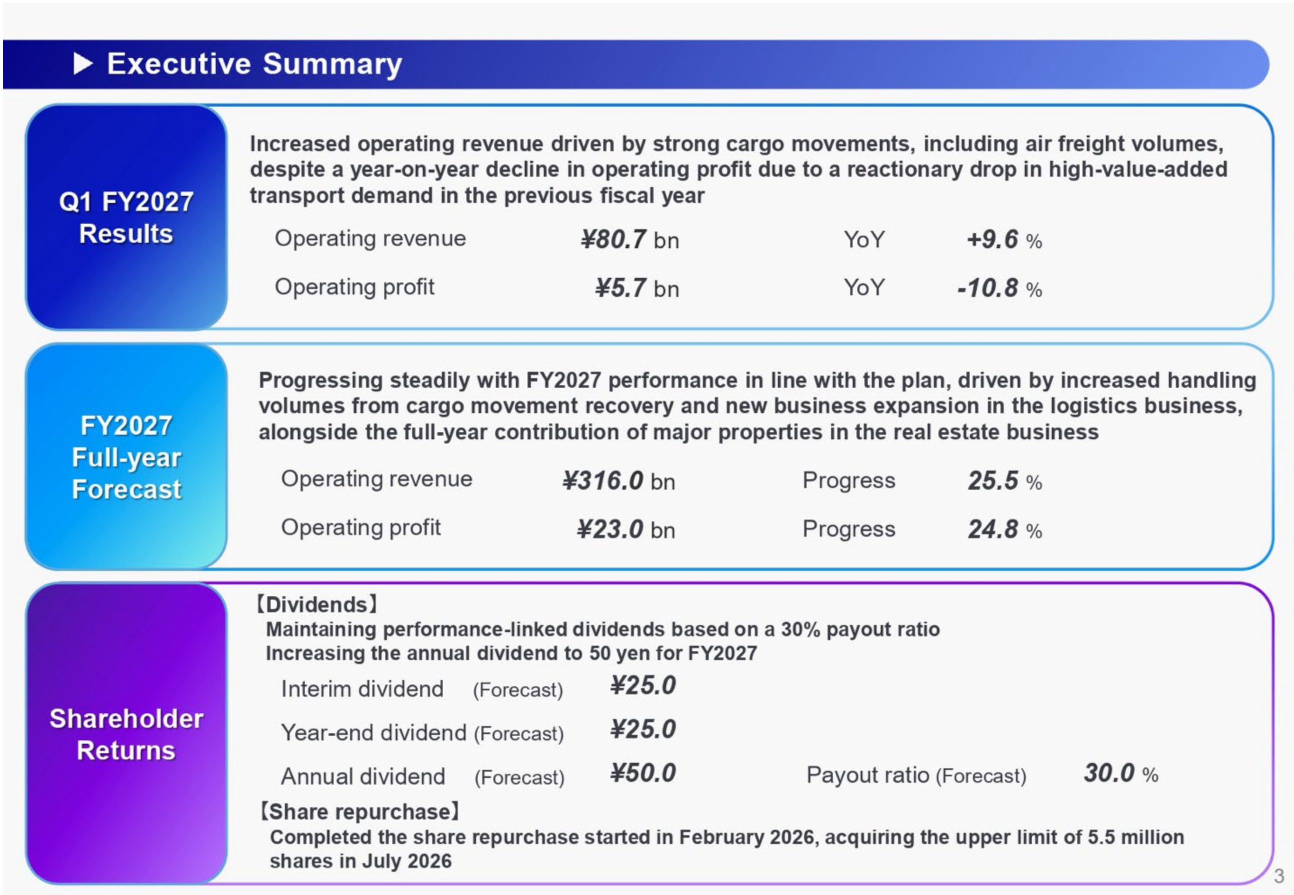
First, I would like to introduce today's attendees. Representative Director, Senior Managing Executive Officer, Nobuo Nakayama. We'll begin today with the Senior Managing Executive Officer Nakayama, who will provide an overview of the financial results and full-year earnings outlook.

We will hold a Q&A session afterward, which is scheduled to end around 2:30 PM. The Q&A will only be accepted through text submission using the Q&A button. Please enter your questions via the Q&A button at the bottom of the screen. If we receive similar questions, we may select a question that represents similar ones. Also, we may not be able to answer all questions due to time constraints. Thank you for your understanding.

Senior Managing Executive Officer Nakayama, you may proceed.

Nakayama: My name is Nakayama from MITSUI-SOKO HOLDINGS. Thank you very much for your time today.

I will now walk you through the Q1 financial results, following the presentation materials.



First, I will provide a summary of the Q1 results and the full-year outlook.

Please refer to page three.

Although we will explain the details later, operating profit decreased YoY in Q1, mainly due to a reactionary decrease in high-value-added air cargo demand following the surge seen in the same period last year. However, operating revenue increased, supported by steady cargo movements across the logistics business, including air freight volumes.

The full-year earnings outlook is progressing as planned, supported by increased handling volumes from cargo movement recovery and new business expansion in the logistics business, as well as the full-year contribution of major properties in the real estate business.

For shareholder returns, the annual dividend is expected to remain unchanged from the initial forecast at JPY50 per share, representing a JPY1 increase from the previous fiscal year. In addition, the acquisition of treasury shares was completed, with the full upper limit of 5.5 million shares purchased between February and July 2026.

▶Summary of Q1 FY2027 Financial Results

- **Increased revenue in the logistics business due to a recovery in cargo movements of imported goods such as food raw materials**
- **Consistently secured high profitability compared to typical years, despite a decrease in operating profit and ordinary profit due to a reactionary decline in high-value-added airfreight forwarding demand in the previous fiscal year**
- **Increased net income due to extraordinary gains from the sale of the insurance agency business**

(Unit: billion yen)

Total Consolidated	Q1 FY2026	Q1 FY2027	Change	Change %
Operating revenue	73.6	**80.7**	+7.1	+9.6%
Operating profit	6.4	**5.7**	-0.7	-10.8%
(Operating profit margin	8.7%	**7.1%**	-1.6pt	—)
Ordinary profit	6.5	**6.0**	-0.5	-7.8%
Profit attributable to owners of parent	3.3	**3.7**	+0.4	+12.9%

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Please refer to page five.

The Q1 results are as indicated in the materials you are viewing, with operating revenue increasing YoY and operating profit decreasing YoY.

In the logistics business, although conditions vary by cargo type and region, cargo movements of imported goods such as food raw materials recovered in Japan, and overseas trends were similarly positive. Air cargo handling volumes also increased.

On the other hand, operating profit and ordinary profit decreased due to a reactionary decline in high-value-added air cargo transport demand seen in the same period last year. However, profitability remained consistently high compared with typical years.

In addition, quarterly net income increased due to the recognition of extraordinary gains from the sale of the insurance agency business.

▶ Financial Results by Segment

(Unit: billion yen)

Segment	Q1 FY2026	Q1 FY2027	Change	Change %
Operating revenue	73.6	**80.7**	+7.1	+9.6%
Logistics Business	72.0	**78.4**	+6.4	+9.0%
Domestic and Overseas Logistics/ Port Transportation	34.4	**37.7**	+3.3	+9.6%
Airfreight Forwarding	13.6	**14.1**	+0.5	+3.6%
3PL/LLP	20.2	**22.5**	+2.3	+11.2%
Land Transportation	7.1	**7.6**	+0.5	+6.1%
Elimination of Intra-Group Transactions	-3.4	**-3.4**	-0.0	—
Real Estate Business	2.0	**2.5**	+0.5	+29.4%
Eliminations/Corporate	-0.3	**-0.3**	+0.0	—
Operating profit	6.4	**5.7**	-0.7	-10.8%
Logistics Business	6.9	**6.0**	-0.9	-12.7%
Domestic and Overseas Logistics/ Port Transportation	1.9	**2.1**	+0.2	+11.9%
Airfreight Forwarding	3.0	**1.8**	-1.2	-37.7%
3PL/LLP	1.7	**1.7**	-0.0	-1.6%
Land Transportation	0.5	**0.5**	+0.0	+0.8%
Elimination of Intra-Group Transactions	-0.1	**-0.1**	+0.0	—
Real Estate Business	0.8	**1.3**	+0.5	+62.8%
Eliminations/Corporate	-1.3	**-1.6**	-0.3	—

- Full-year contribution from healthcare logistics (Kansai region)
- Robust cargo movements of automotive parts
- Launch of new delivery and installation base (Chugoku-Shikoku region)
- Robust cargo movements of daily necessities
- Robust cargo movements of imported goods such as food raw materials
- Commencement of customs clearance and forwarding operations in Slovakia, Europe
- Consistently secured high profitability compared to typical years, despite a rebound decline in high-value-added transportation demand from the previous fiscal year
- Temporary cost increase due to launch of new projects (Kanto region)
- New tenants in major buildings

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Please refer to page six.

I will explain the YoY performance by segment.

Please refer to the operating profits in the bottom row. I will now explain the breakdown of the logistics business.

For the domestic and overseas logistics/port transportation, profits increased due to a recovery in cargo movements of imported goods such as food raw materials, the full-year contribution of the healthcare logistics base, and the start of customs clearance and forwarding operations in Europe.

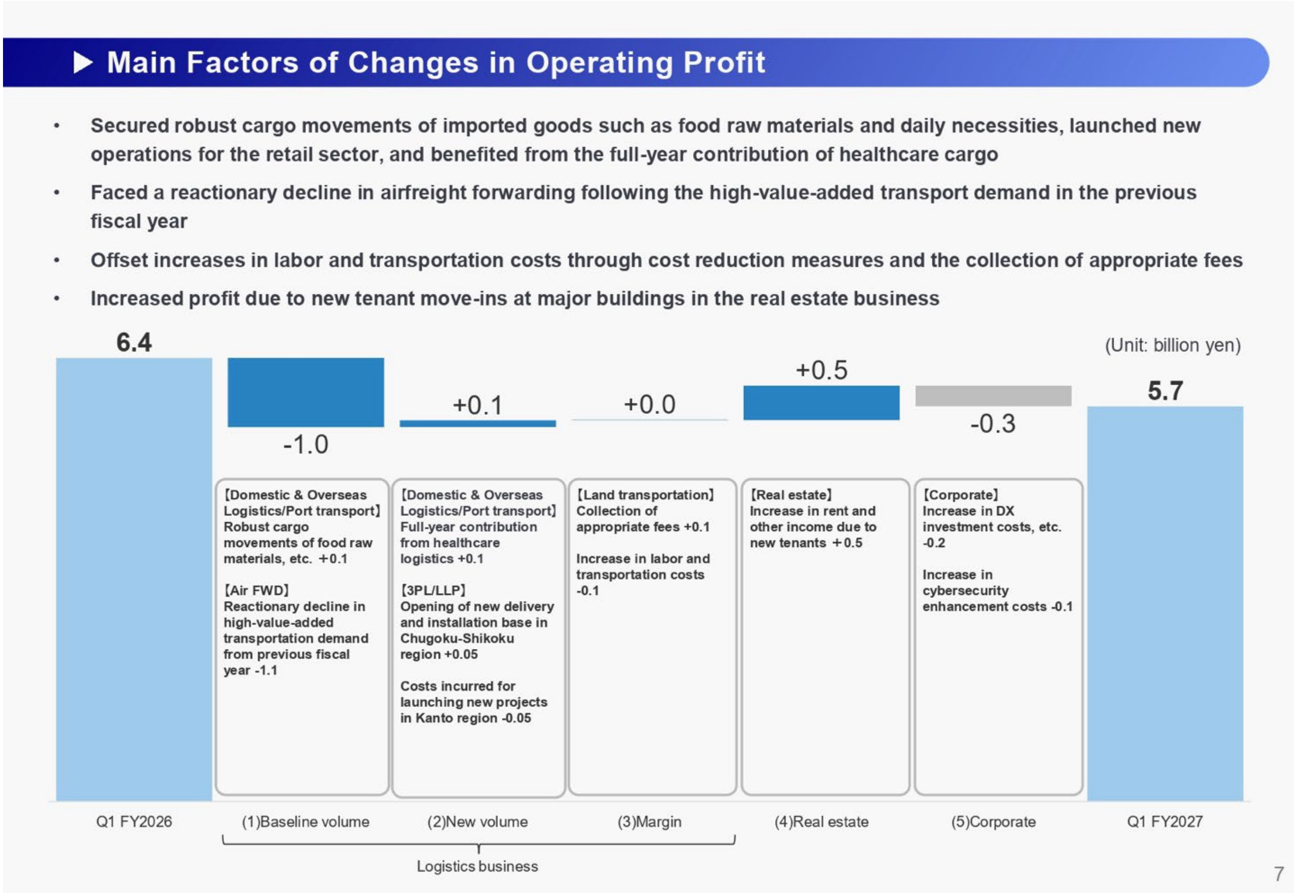
As explained earlier, the air freight forwarding saw decreases in operating profit and ordinary profit due to a reactionary decline following the special factors seen in the same period last year. However, the operating profit margin remained high at around 13%, consistently exceeding typical-year levels.

In the 3PL/LLP segment, cargo volumes remained strong in e-commerce logistics for consumer electronics retailers and manufacturer logistics, and new distribution centers began operations. However, operating profit was on par with the same period last year due to onetime costs associated with launching new projects.

In the land transportation, operating profit increased slightly YoY, supported by strong cargo movements of daily necessities and other goods, as well as efforts to improve efficiency and implement fee revisions despite cost pressures.

As a result, operating profit in the logistics business decreased by JPY0.9 billion YoY.

As mentioned earlier, the real estate business saw an increase in profit of JPY0.5 billion due to new tenant occupancy.



Please refer to page seven. I will explain the factors behind the YoY change in operating profit.

Please refer to the step chart.

(1) and (2) are the volume factors for the logistics business. Among these, (1) represents the change resulting from inbound base cargo volume. As explained earlier, the decrease in profit was mainly due to a reactionary decline in high-value-added air freight demand that occurred in the same period last year.

(2) represents an increase in volume associated with the start of new operations. There was a full-year contribution from the healthcare logistics base, as well as the opening of a new delivery and installation base in the Chugoku–Shikoku region. There were onetime costs associated with launching new projects in the Kanto region.

(3) represents the margin, which means or the unit sales price and cost factors. In the land transportation, although fuel costs increased due to the situation in the Middle East, margins were maintained through various efficiency measures and appropriate pricing.

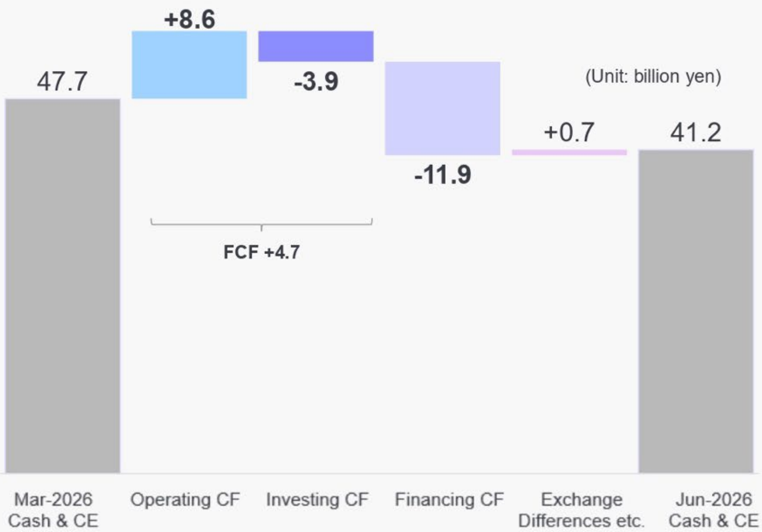
The factors (1) through (3) that I explained so far represent the drivers behind the changes in the logistics segment.

The real estate business for (4) showed increased profit, as explained earlier.

Overall corporate expenses for (5) increased mainly due to DX-related investment costs.

▶ Cash Flow Status

- **Operating cash flow: Net cash inflow of ¥8.6 billion mainly due to the recording of net income**
- **Investing cash flow: Investment in new healthcare warehouses and a new warehouse at Busan New Port in South Korea, etc.**
- **Financing cash flow: Share repurchase, additional acquisition of subsidiary shares, and dividend payments**



Major breakdown of cash flows

• Operating CF	:	**+8.6**
Profit before income taxes	:	+6.6
Depreciation/Amortization of goodwill	:	+3.0
Decrease (increase) in trade receivables/trade payables	:	-1.5
Income taxes paid	:	-2.6
• Investing CF	:	**-3.9**
Capital investment	:	-4.5
Software investment	:	-0.2
Sale of insurance agency business	:	+0.6
(Subtotal) Free cash flow	:	**+4.7**
• Financing CF	:	**-11.9**
Change in borrowings and bonds (Net)	:	+3.5
Dividends paid	:	-1.9
Share repurchase	:	-8.0
Additional acquisition of subsidiary shares	:	-3.5
• Total of change in cash and cash equivalents	:	**-6.5**

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Please refer to page eight.

I will explain the status of cash flow.

Operating cash flow amounted to an inflow of JPY8.6 billion.

Investment cash flow amounted to an outflow of JPY3.9 billion, mainly due to investments in new healthcare warehouses and a new warehouse at Busan New Port in South Korea.

Financial cash flow resulted in an outflow of JPY11.9 billion due to additional acquisition of subsidiary shares, share buybacks as part of enhanced shareholder returns, and dividend payments.

▶ Balance Sheet Status

- **Slightly decreased the equity ratio due to the share repurchase**
- **Kept the D/E ratio substantially flat**
- **Maintained a stable balance sheet in preparation for future investments in new warehouses, etc.**

(Unit: billion yen)

Total Consolidated	Balance as of Mar 31, 2026	Balance as of Jun 30, 2026	Change
Total assets	310.7	**312.2**	+1.5
Cash and deposits	48.0	**41.4**	-6.6
Trade receivables	39.5	**42.1**	+2.6
Tangible and intangible assets	157.4	**158.6**	+1.2
Interest-bearing debt (including lease obligations)	85.7	**89.1**	+3.4
Borrowings and bonds	79.7	**83.2**	+3.5
Lease obligations	6.0	**5.9**	-0.1
Equity capital	142.1	**136.3**	-5.8
Equity ratio	45.7%	**43.7%**	-2.0
D/E ratio	0.60	**0.65**	+0.05

- Increase in trade receivables driven by sales growth

- Increase in borrowings due to capital investment

- Main reasons for changes in equity capital
  Net income +¥3.7 bn
  Share repurchase -¥8.0 bn
  Dividends paid -¥1.9 bn

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Please refer to page nine.

I will explain the status of the balance sheet.

Equity increased by JPY3.7 billion due to quarterly net profit but decreased by approximately JPY8 billion following share buybacks implemented to enhance shareholder returns. As a result, the equity ratio slightly declined to 43.7% while remaining at a healthy level. The D/E ratio increased slightly to 0.65 due to borrowings executed for capital investments.

▶ Summary of FY2027 Financial Forecast

- **Progressed Q1 results as planned in line with the financial forecast**
- **Expecting full-year results to also be in line with the initial forecast**

(Unit: billion yen)

Total Consolidated	Q1 FY2027 Results	FY2027 Forecast	Progress
Operating revenue	80.7	**316.0**	25.5%
Operating profit	5.7	**23.0**	24.8%
Ordinary profit	6.0	**21.1**	28.4%
Profit attributable to owners of parent	3.7	**12.5**	29.6%

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I will explain our earnings outlook for fiscal year ending March 2027.

Please refer to page 11.

The current performance is progressing steadily in line with the full-year forecast for FY2027, as will be explained later.

Despite the increasingly challenging profit environment in the industry due to labor shortages and rising costs, cargo movement for large-volume shipments has begun to recover in the logistics business, and we expect volume growth in healthcare logistics and equipment transportation. Building on the on-site capabilities and proposal strength that we have strengthened over many years, we aim to achieve the final-year target of JPY23 billion in operating profit under the current medium-term management plan.

▶ Financial Forecast by Segment

(Unit: billion yen)

Segment	Q1 FY2027 Results	FY2027 Forecast	Progress
Operating revenue	80.7	**316.0**	25.5%
Logistics Business	78.4	**307.0**	25.6%
Domestic and Overseas Logistics/ Port Transportation	37.7	**143.0**	26.3%
Airfreight Forwarding	14.1	**62.2**	22.7%
3PL/LLP	22.5	**86.4**	26.0%
Land Transportation	7.6	**29.1**	26.0%
Elimination of Intra-Group Transactions	-3.4	**-13.7**	—
Real Estate Business	2.5	**10.0**	25.3%
Eliminations/Corporate	-0.3	**-1.0**	—
Operating profit	5.7	**23.0**	24.8%
Logistics Business	6.0	**25.3**	23.9%
Domestic and Overseas Logistics/ Port Transportation	2.1	**8.5**	24.8%
Airfreight Forwarding	1.8	**8.4**	21.9%
3PL/LLP	1.7	**7.1**	24.1%
Land Transportation	0.5	**1.6**	29.1%
Elimination of Intra-Group Transactions	-0.1	**-0.3**	—
Real Estate Business	1.3	**4.5**	28.1%
Eliminations/Corporate	-1.6	**-6.8**	—

- Robust cargo movements of automotive parts

- Launch of new operations and full-year contribution in domestic healthcare logistics, and increase in handling volume of food raw materials logistics

- Consistently secured high profitability compared to typical years
- Expected collection of appropriate fees despite a time lag in response to higher airfreight rates due to soaring fuel costs

- Launch of new operations for existing customers in home appliances and furniture

- Full-year contribution from new tenants at Hakozaki Building, Onarimon Building, etc.

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Please refer to page 12.

I will explain the earnings outlook by segment.

Please refer to the operating profits in the bottom row. I will now explain the breakdown of the logistics business.

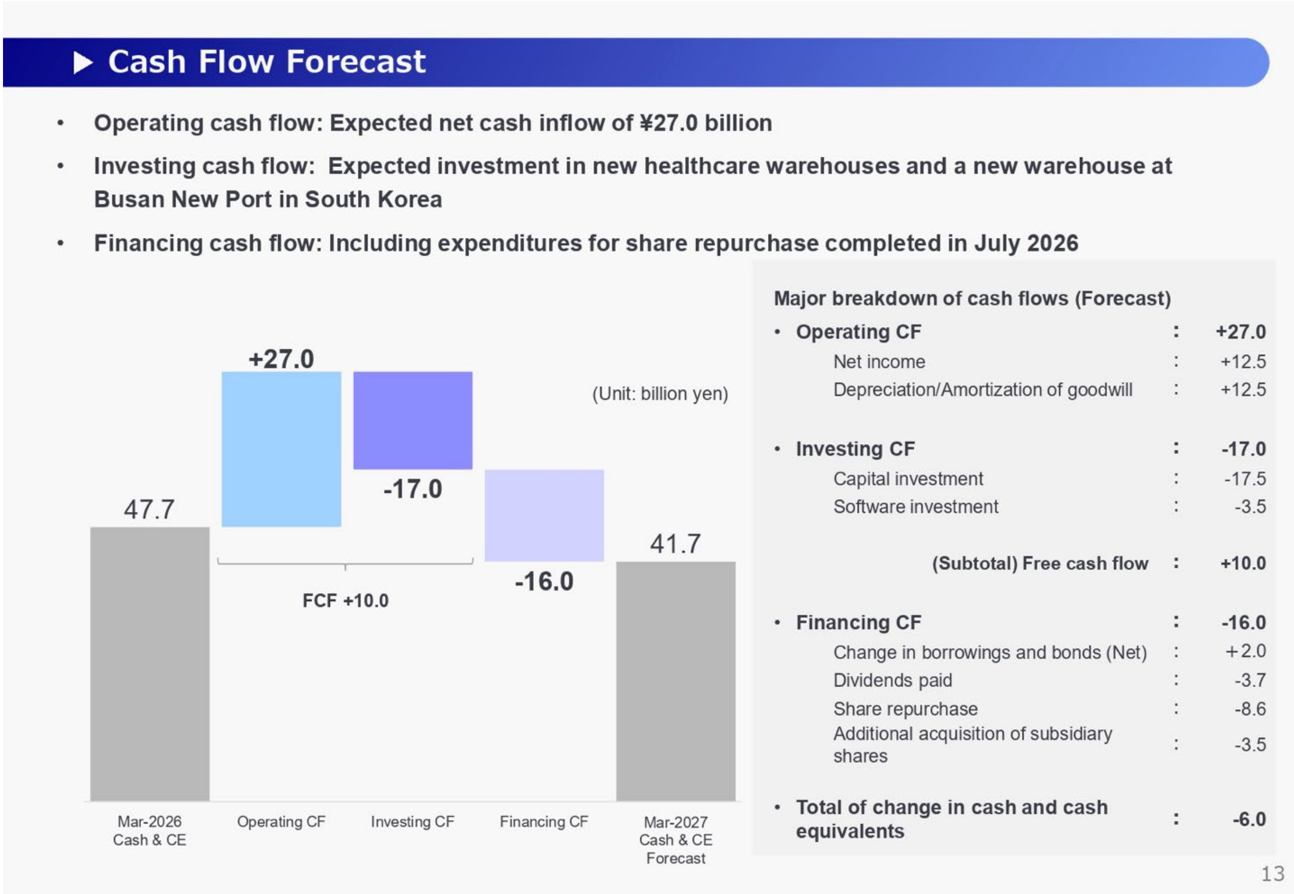
The domestic and overseas logistics/port transportation business is progressing steadily, supported by the full-year contribution of healthcare logistics operations that began in FY2026 and the recovery in cargo movement for large-volume shipments, particularly imported cargo.

From Q2 onward, we expect to start new healthcare operations and are working toward achieving the plan. We are implementing various company-wide initiatives to expand earnings, including rolling out successful cases across the organization and acquiring actual logistics projects through logistics diagnostics.

In the air freight forwarding, although there has been a time lag in reflecting appropriate pricing to address rising fuel costs associated with the situation in the Middle East, profitability has continued to be maintained compared with typical years. This time lag has now been resolved. Supported by steady cargo movement, the business is progressing generally in line with the plan. Leveraging strong relationships with existing customers, we are gathering market information, providing high value-added services, and advancing both new customer acquisition and expansion of business with existing customers.

In the 3PL/LLP segment and the land transportation, supported by steady cargo movement, the business continues to progress in line with the plan.

In the real estate business, progress remains on track, supported by the full-year contribution of properties such as the MSH Nihonbashi Hakozaki Building and the MSC Onarimon Building.



Please refer to page 13.

I will explain the outlook of cash flow. Among the investment cash flow outlook, capital expenditures and software investments totaling JPY17 billion are expected, mainly for the construction of new healthcare warehouses and a new warehouse at Busan New Port in South Korea, which began in FY2025.

In the financial cash flow outlook, cash outflows mainly reflect share buybacks that began in FY2026.

▶ Balance Sheet Forecast

- **Maintaining flat equity capital due to dividends and the share repurchase, despite accumulated retained earnings**
- **Keeping the D/E ratio below 1.0x**
- **Expecting ROE to improve compared to FY2026 and remain at a level exceeding the cost of capital**

(Unit: billion yen)

Total Consolidated		Balance as of Mar 31, 2026 Results	Balance as of Mar 31, 2027 Forecast	Change
Total assets		310.7	**319.0**	+8.3
Interest-bearing debt (including lease obligations)		85.7	**88.0**	+2.3
Borrowings and bonds		79.7	**81.5**	+1.8
Lease obligations		6.0	**6.5**	+0.5
Equity capital		142.1	**144.0**	+1.9
Financial Soundness	Equity ratio	45.7%	**45.1%**	-0.6
	D/E ratio	0.60	**0.61**	+0.01
Capital Efficiency	ROE	8.6%	**8.7%**	+0.1

- Financing part of capital investment through borrowing
- Expected increase in interest-bearing debt

- Improvement of ROE due to increase in operating profit and net income

・D/E ratio＝Interest-bearing debt（including lease obligations）/ Equity capital

・ROE＝ Profit attributable to owners of parent / Equity capital （Average of fiscal year beginning and fiscal year end）

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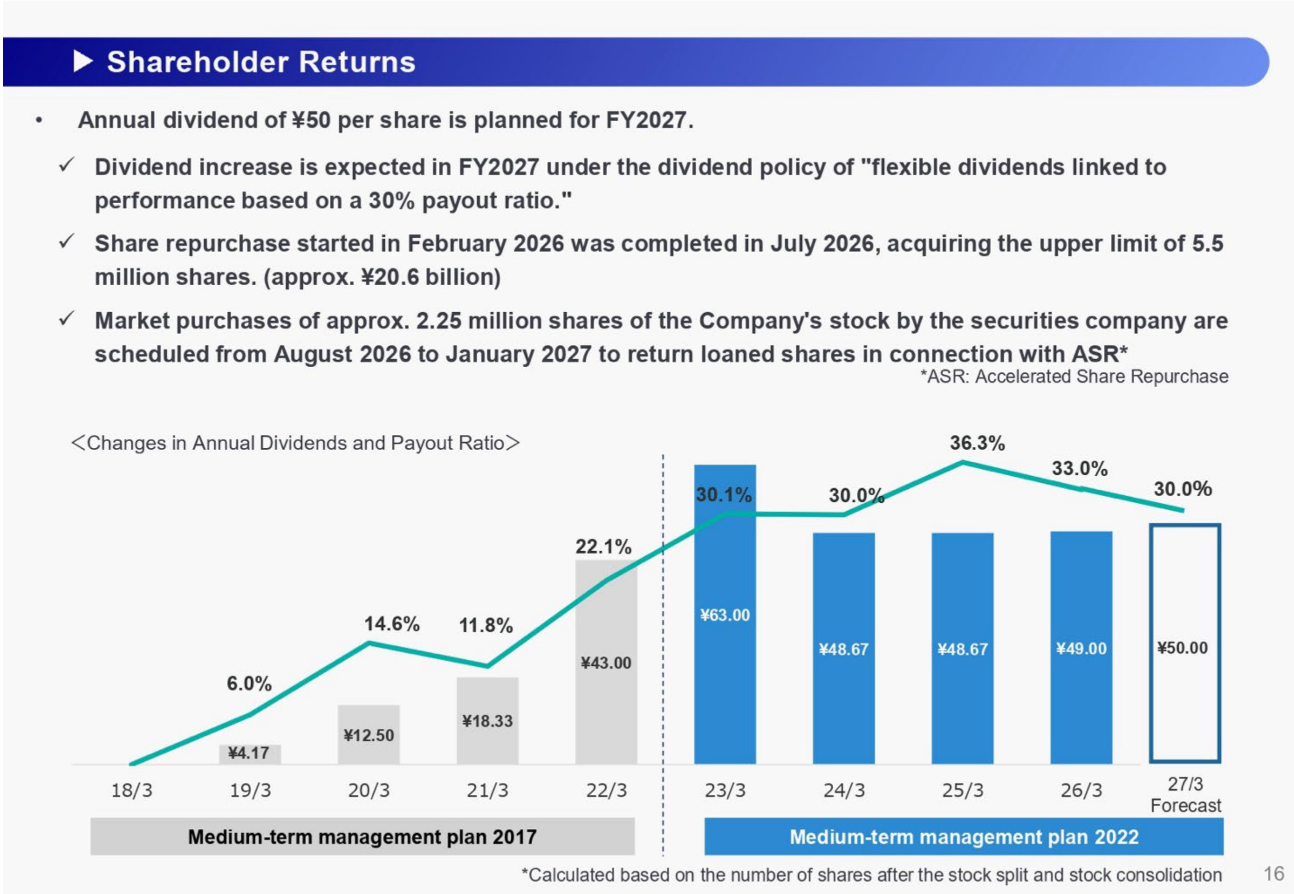
Please refer to page 14.

I will explain the outlook for the balance sheet.

Although equity is expected to increase through profit accumulation, share buybacks are projected to offset this effect, resulting in equity remaining broadly flat at the end of FY2027.

The D/E ratio at the end of FY2027 is expected to be 0.61, remaining at nearly the same level as at the end of the previous fiscal year.

ROE for the fiscal year ending March 2027 is expected to improve, supported by further profit growth in the logistics business, the full-year contribution of new tenants in the real estate business such as the MSH Nihonbashi Hakozaki Building, and the absence of onetime expenses related to the head office relocation that occurred in FY2026.



Please refer to page 16.

I will now explain shareholder return.

For the fiscal years ended March 2025 and March 2026, dividends were maintained at the FY2024 level from the perspective of stable dividends, given that the profit decline associated with tenant replacement at the Hakozaki Building was temporary.

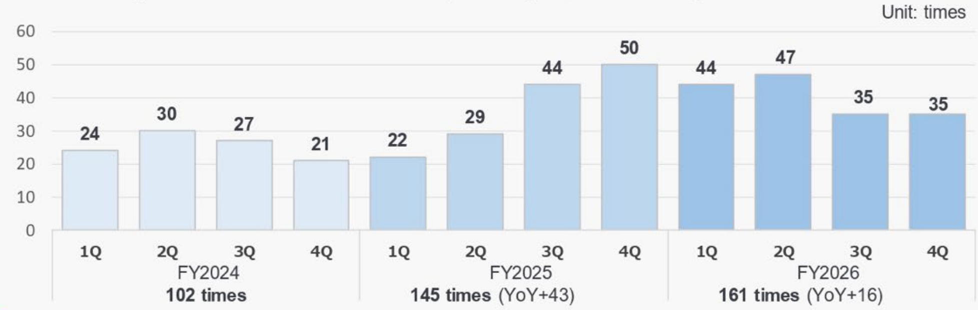
In FY2027, as the temporary profit decline in the real estate business will be resolved, we expect an increase in dividends in line with earnings growth, based on our policy of flexible, performance-linked dividends with a benchmark payout ratio of 30%. Specifically, we plan to pay an annual dividend of JPY50 per share.

In addition, as part of efforts to enhance shareholder returns and improve capital efficiency, we executed share buybacks and completed the acquisition of 5.5 million shares in July 2026. Furthermore, between August 2026 and January 2027, securities firms are scheduled to purchase 2.25 million shares of the Company's stock in the market to return borrowed shares associated with the ASR program.

▶ Dialogue with Shareholders and Investors

Changes in number of IR interviews

- **Increasing number of IR interviews every fiscal year, and leveling off in FY2026 due to increase in regular interviews**



Implementation status of dialogue with shareholders and investors

Main themes	FY2024		FY2025		FY2026	Analysis
Mid- to long-term questions (Management strategies/Plans, etc.)	11%	↘	9%	→	9%	• Decrease in short-term questions • Increase in questions on business details →**Enabled dialogue with investors based on underlying business structure**, not just financial results, through disclosure by business segment
Short-term questions (Financial results/Earnings plans, etc.)	34%	↘	33%	↘	28%	
Business details (Revenue structure/Real estate, etc.)	22%	↗	27%	↗	28%	
Financial strategies (Investments/Shareholder returns, etc.)	16%	↘	15%	↘	14%	
Others (IR/Company profile/Disclosures, etc.)	13%	→	13%	↗	20%	

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Please refer to page 18.

Finally, let me introduce the status of our dialogue with shareholders and investors over the three-year period from FY2024 to FY2026.

The number of IR meetings increased steadily as we expanded disclosures and proactively approached investors with newly prepared materials for new investors, and the level has since stabilized in FY2026.

In addition, with the introduction of segment-based disclosures, we have been able to engage in more constructive discussions with investors by explaining not only our financial results but also the underlying business structure. We will continue to explore various measures to further enhance our dialogue with our shareholders and investors.

This concludes my explanation.

Thank you very much.

Question & Answer

Moderator [M]: Before we move on to the Q&A session, I'd like to share the questions we received in advance.

Participant [Q]: First, how likely is the Company to achieve the operating profit of JPY23 billion forecast for the fiscal year ending March 2027? Thank you in advance.

Nakayama [A]: I will answer the question. First, regarding our performance and progress up to Q1, as mentioned earlier, performance has been solid and in line with our plans.

As for the business environment of FY2027 surrounding us, although labor costs are rising and global conditions remain uncertain, we have been able to secure solid profits through the recovery in cargo volumes in our logistics business, the expansion of new operations, and the full occupancy of major buildings in our real estate business.

As explained earlier, operating profit in Q1 declined due to the reactionary decrease following last year's temporary increase in air freight handling, but profitability remains high. Operating revenue increased by approximately 10% YoY, with all segments posting higher revenue than in the same period last year.

In addition to the recovery in cargo volumes and the expansion of new operations in our logistics business, we aim to achieve operating profit of JPY23 billion by securing solid earnings through the full utilization of our major buildings in the real estate business.

That is all from me.

Participant [Q]: Next, has there been any impact from the situation in the Middle East? Also, how should we assess the impact on future business performance? Could you explain both the positive and negative factors? Thank you.

Nakayama [A]: First of all, there has been no impact on our financial performance so far this fiscal year. Furthermore, as previously noted, the situation in the Middle East remains fluid. As for potential negative impacts going forward, one concern is that a tightening in the supply of petroleum feedstocks such as naphtha could slow or disrupt production and sales activities for many of our customers, which in turn may lead to softer cargo movements in the logistics business.

In addition, if rising oil prices lead to higher costs, we naturally work to improve operational efficiency and ensure the appropriate collection of fees. However, there can be a time lag in this process, and we intend to continue our efforts to minimize this gap as much as possible.

As for potential positive impacts, disruptions in supply chains triggered by the situation in the Middle East may create temporary needs for the rapid delivery of parts and other items or prompt customers to diversify or restructure their supply chains. By maintaining close communication with our customers and responding swiftly, we aim to ensure that their logistics operations continue without interruption and to fulfill our responsibilities to society.

That concludes my response.

Moderator [M]: We will now move on to the questions that have been submitted.

Participant [Q]: Now, here is the first question. Could you explain why there was no high-value-added automotive transportation? Thank you.

Nakayama [A]: Air transportation is designed to meet urgent needs that cannot be addressed by sea transportation. For global automotive manufacturers, various disruptions, such as geopolitical risks or adverse weather, can cause disruptions in their supply chains. In such highly exceptional circumstances, we provided high-value-added services by responding swiftly to these needs, which enabled us to meet customer requirements and ultimately achieve highly profitable business.

Last year, in Q1, we saw a significant volume of such urgent, high-value-added business, which led to a substantial increase in profit. For this fiscal year, while similar urgent needs still arise, we have assumed a more normalized level of occurrence in our budgeting.

From that perspective, the YoY decline is a reactionary decrease, but our air freight business continues to perform steadily in terms of volume, and even within our full-year earnings forecast we plan to deliver results that are roughly in line with last year's full-year performance. Given these factors, we hope you will understand that this type of business cannot always be accurately assessed on a three-month basis.

That is all from me.

Moderator [M]: I will present the next question.

Participant [Q]: We have seen a recovery in cargo movements since H2 of last fiscal year. Could you share your outlook going forward? In Q1, it appears that the recovery trend was largely unaffected by external risk factors such as the situation in the Middle East. To what extent do you expect these risks to intensify going forward?

Nakayama [A]: When we formulated our budget for this fiscal year, we assumed that cargo movements were on a recovery trend, particularly in Japan, where we expected the recovery to progress further in H2 than in H1. Accordingly, our budget is slightly weighted toward H2.

As mentioned earlier, in Q1 we did not see any significant impact from external factors, including the situation in the Middle East. However, conditions remain fluid, and we expect crude oil prices in particular to have various effects going forward.

Fortunately, thanks to government subsidies, domestic diesel costs have been kept below prevailing market levels, and in discussions with our customers, they have generally accepted our requests regarding cost pass-through. We expect this trend to continue.

As mentioned earlier, in the international air freight market, fuel surcharges expanded rapidly, which inevitably created a time lag before customers were able to absorb the additional costs. While this had some impact in Q1, that issue has now been resolved, and we believe profitability will be sufficiently maintained.

There are various factors that can affect cargo movements both domestically and internationally, but regarding the potential reduction in consumption tax, implementation is scheduled for next fiscal year. Therefore, we do not expect any significant impact on our performance for the current fiscal year.

That is all from me.

Moderator [M]: I will present the next question.

Participant [Q]: In the full-year profit plan for FY2027, a JPY0.2 billion decrease is expected due to the reactionary decline in spot business. Could you clarify how this JPY0.2 billion relates to the JPY1.1 billion reactionary decrease associated with high-value-added air freight demand that occurred in Q1?

Nakayama [A]: I understand your question to be regarding our air freight forwarding business. While full-year operating profit is expected to decline by JPY0.2 billion YoY, operating profit in this segment decreased by JPY1.1 billion in Q1 compared with the same period last year. Could you explain the relationship between these two figures? I understand your question in that way.

We plan to improve operating profit YoY starting in Q2. To gradually narrow the JPY1.1 billion shortfall that occurred in Q1 and ultimately limit the decline in operating profit to JPY0.2 billion, we must secure sufficient air cargo volume.

In terms of changes in business conditions, one key point is that our largest customer, an automobile manufacturer that announced its earnings this week, continues to maintain its global production volume, which supports the foundation of our business. Various models are being introduced across different countries. With new vehicles from gasoline engines to hybrids and EVs being introduced across different regions, production volumes of prototype vehicle parts, an area where we excel, are increasing, which in turn is driving higher handling volumes for us.

Another factor is that manufacturers, both in Japan and overseas, are strengthening quality inspections. This includes increasing the number of prototype vehicles and conducting more rigorous testing, which we believe will expand business opportunities for us.

Although air cargo inherently involves some volatility, we expect that by firmly securing our base cargo volumes, we will be able to deliver results that are broadly in line with last fiscal year.

That is all from me.

Moderator [M]: I will now present the next question.

Participant [Q]: Could you comment on recent developments in the semiconductor-related sector? Thank you.

Nakayama [A]: As for the impact of the Kumamoto earthquake, our major customers were able to resume production quickly, so there was virtually no impact on our business.

Meanwhile, the semiconductor business itself remains very robust, both in terms of technological innovation and production volumes at our customers, which is expanding our business opportunities.

We are expanding our logistics operations for semiconductor raw materials, with a focus on Sony Group's image sensors. In line with the growth of the semiconductor industry in Kyushu, we are currently in discussions with new customers and will continue to prioritize this area.

That is all from me.

Moderator [M]: I will present the next question.

Participant [Q]: While I understand that your outlook for H2 assumes a recovery in logistics cargo movements, are there any other cargo categories aside from food raw materials, which recovered in Q1, where you expect to see a pickup in volumes? Thank you.

Nakayama [A]: Overall, food-related cargo has been recovering steadily. In the healthcare area, where we are placing particular focus, our customers have launched new products into the Japanese market, and demand has been expanding strongly. As a result, our warehouse capacity is not keeping up, and we are temporarily renting external warehouses to accommodate the increased volumes.

We recognize that large-volume cargo including food raw materials, along with consumer electronics retail exemplified by the 2027 air-conditioner issue and mobility represented by the automotive sector, are all showing solid trends across the board.

That is all from me.

Moderator [M]: Are there any other questions? If you have any questions, please enter them using the Q&A button at the bottom of your screen. Since there are no further questions, we would like to conclude the Q&A session.

Finally, we would like to ask for your cooperation with our survey. After the briefing ends, your screen will switch to the survey input page. We would greatly appreciate your cooperation.

This concludes the financial results presentation for Q1 March 2027. Thank you very much for your participation.

Nakayama [M]: Thank you.

[END]

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Document Notes

1. *Portions of the document where the audio is unclear are marked with [inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
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