

Result Briefing

ALPS LOGISTICS CO., LTD.

(TSE Prime 9055)

May 10, 2024

Representative Director,
President

Masaru Usui



- 1. Financial highlights for the year ended March 2024**
2. Main business activities
3. Capital and business alliances, etc.



Economic environment

Factors such as monetary tightening are gradually slowing economic growth in most major countries.

In Japan, the economy is recovering centered on inbound consumption, but is somewhat weak due to high commodity prices.

Electronic components related

Automobile-related business was generally firm, but was significantly affected by changes in the Chinese market due to the shift to EVs.

Excess industrial machinery components inventory remains due to sluggish capital investment.

Lack of recovery in demand for consumer equipment has led to ongoing stagnation in the production of smartphones, PCs, etc.

In logistics, air cargo has decreased and international freight fees have fallen significantly.

Stagnation in shipments has been accompanied by a decline in efficiency and intensified competition in the international freight sector.

Consumer products logistics

While the area of consumer cooperative deliveries was expanded, cargo volume remained the same as the previous year.

Mail-order and EC logistics saw sales expansion to new customers, strong shipments, and higher cargo volume.



Year ended
March 2024

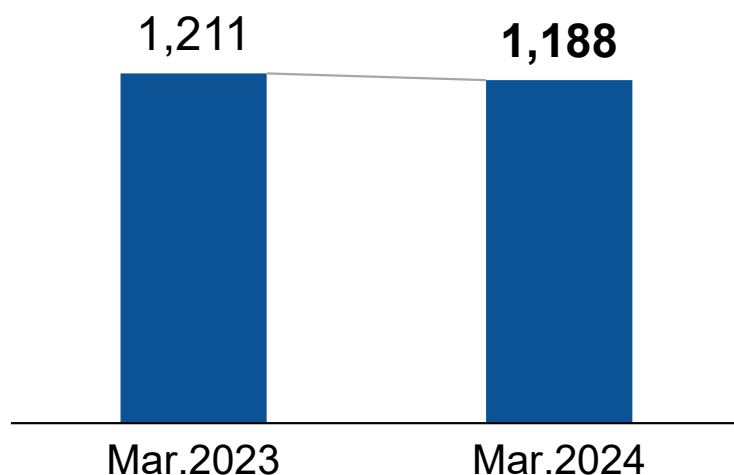
Financial Highlights (Consolidated)

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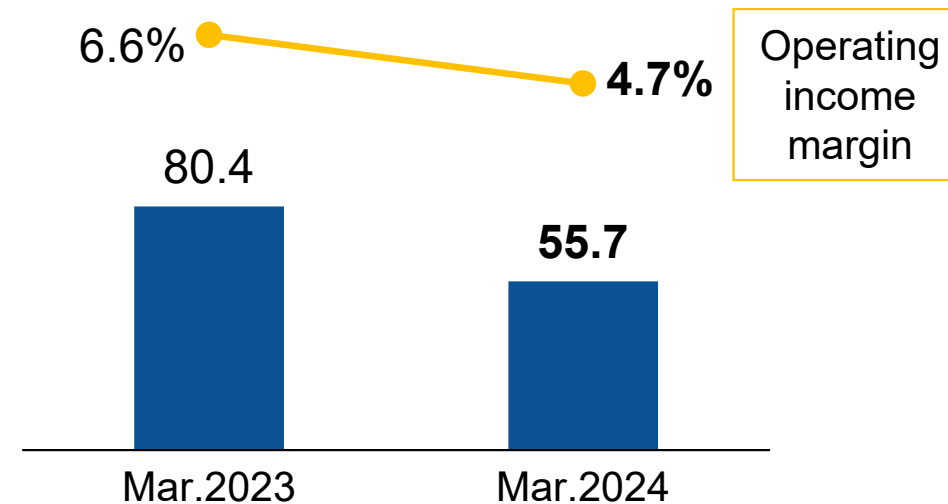
Reduced sales and profits due to existing lower cargo volume despite sales expansion to new customers

(Unit: million yen)	Mar. 2023	Mar. 2024	
	Results	Results	Percent change (y/y)
Net sales	121,165	118,844	-1.9%
Operating income	8,043	5,578	-30.6%
Ordinary income	8,790	6,019	-31.5%
Profit attributable to owners of parent	5,032	3,570	-29.1%

■ Net sales (Unit: 100 million yen)



■ Operating income (Unit: 100 million yen)





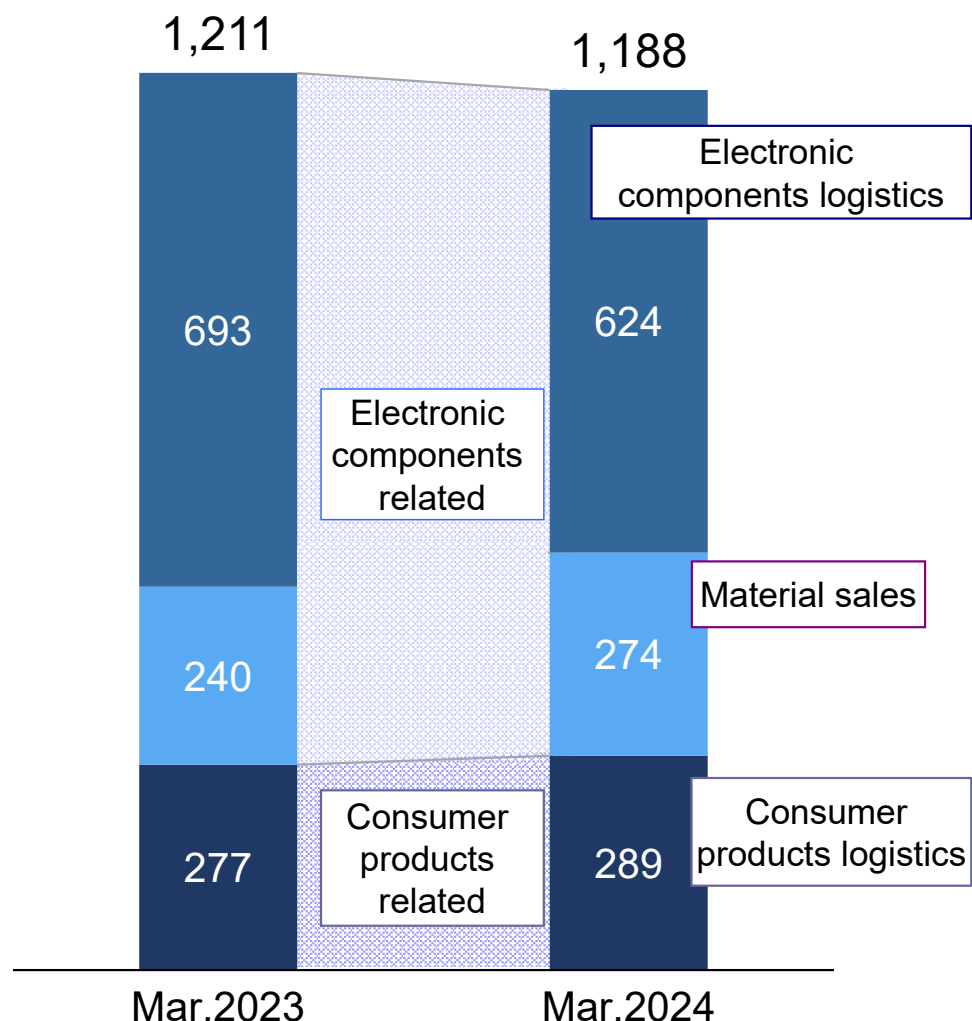
Year ended
March 2024

Net Sales (Consolidated)

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■ Net sales by segment

(Unit: 100 million yen)



-2.3 billion yen (-1.9%) y/y

■ **Electronic components logistics** -6.9 billion yen

Decreased due to a decline in air cargo, a sharp decline in international freight fees, and lower cargo volume, despite increase from sales expansion to new customers and other factors.

■ **Material sales** +3.4 billion yen

Increased mainly in automotive-related electronic device sales to overseas markets.

■ **Consumer products logistics** +1.1 billion yen

Increased on strong mail-order/EC-related logistics shipments. Co-op home delivery volume was similar to the previous year.

* Net sales of each segment represent those after elimination of intra-company transactions.

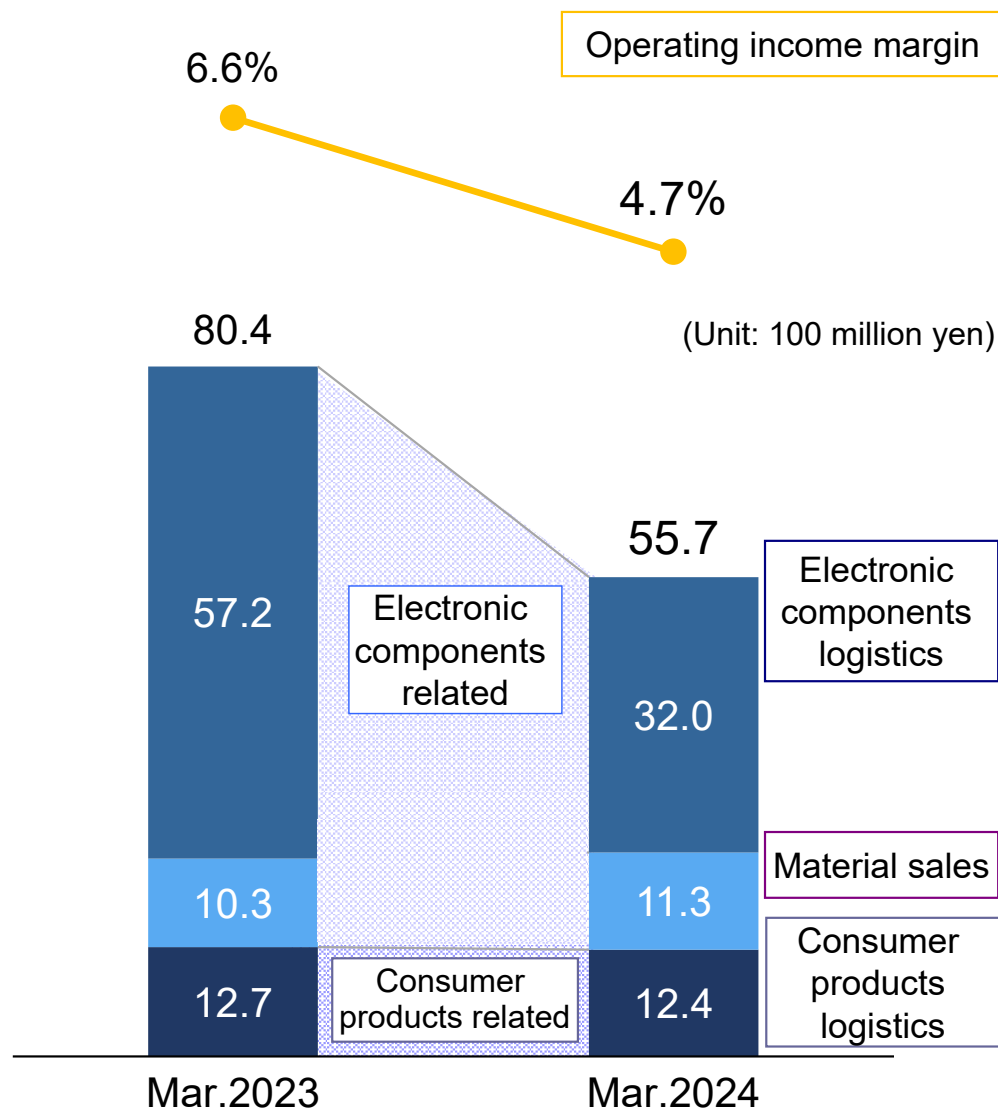


Year ended
March 2024

Operating Income (Consolidated)

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■ Operating income by segment



-2.46 billion yen (-30.6%) y/y

■ Electronic components logistics -2.52 billion yen

Decreased on higher fixed costs due to the impact of inflation and intensified competition in international shipping, despite the positive effect of sales expansion to new customers and improved productivity.

■ Material sales +0.09 billion yen

Increased profit due to greater revenue and effects of weaker yen.

■ Consumer products logistics -0.03 billion yen

Decreased due to higher freight costs and rental fees from warehouse expansion, despite increased profit from higher revenue and productivity.

* Operating income of each segment represents those after elimination of intra-company transactions.



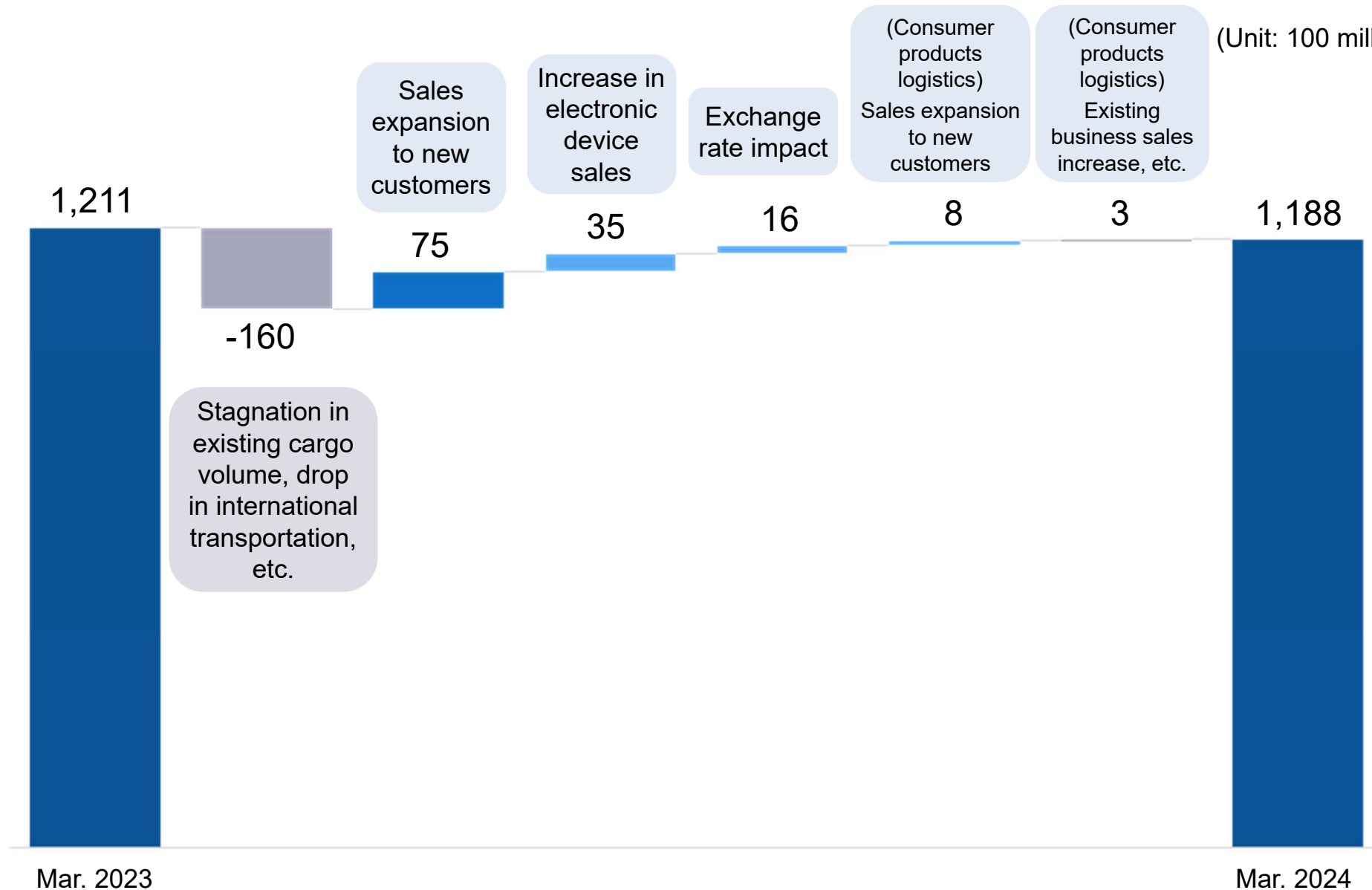
Year ended
March 2024

Changes in Net Sales (Consolidated)

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Income fell, unable to compensate for the stagnation in existing shipments and lower cargo volume in international transportation, etc.

(Unit: 100 million yen)

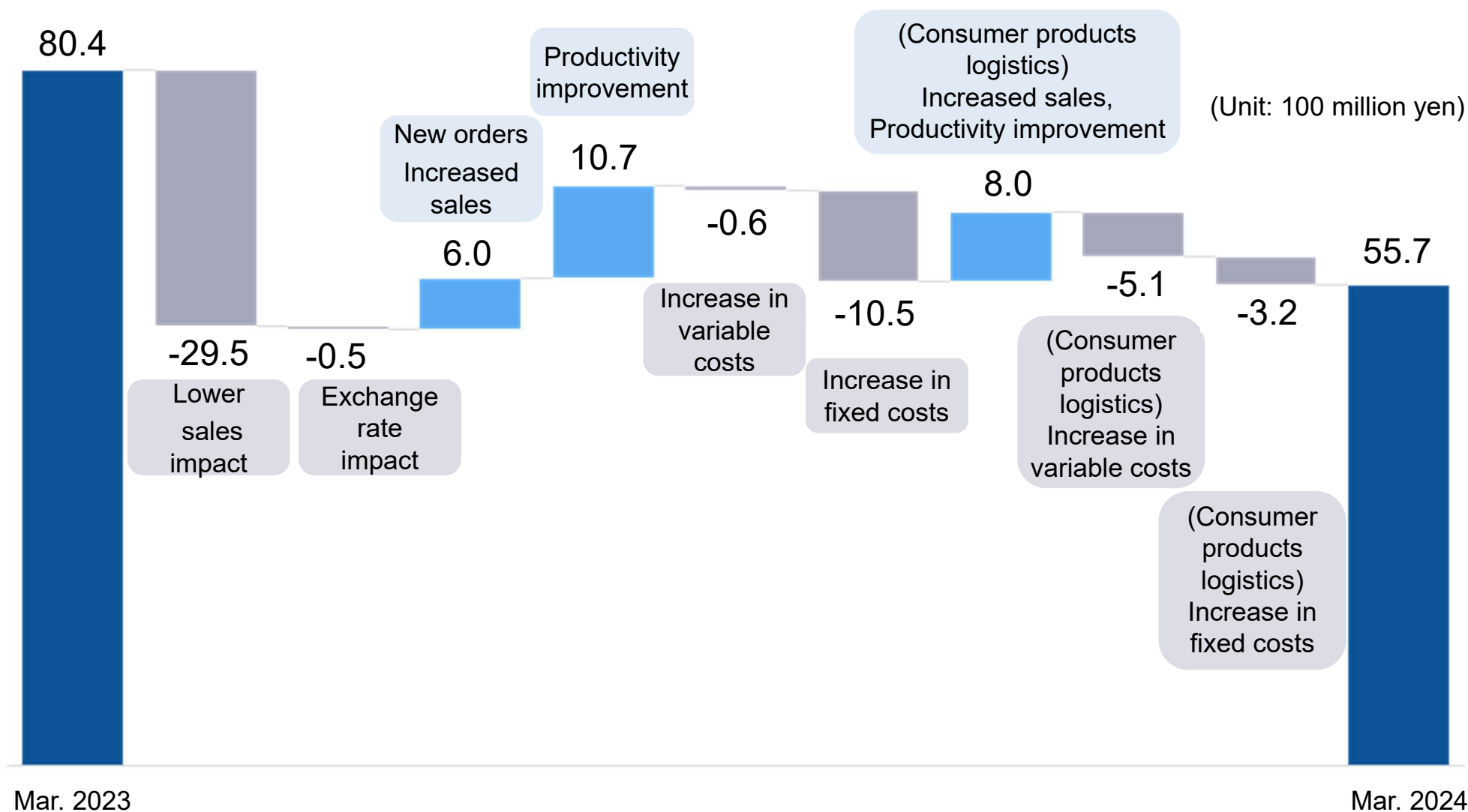




Year ended
March 2024

Changes in Operating Income (Consolidated) 8

**Operating income fell on decreased revenue
despite efforts to raise productivity**



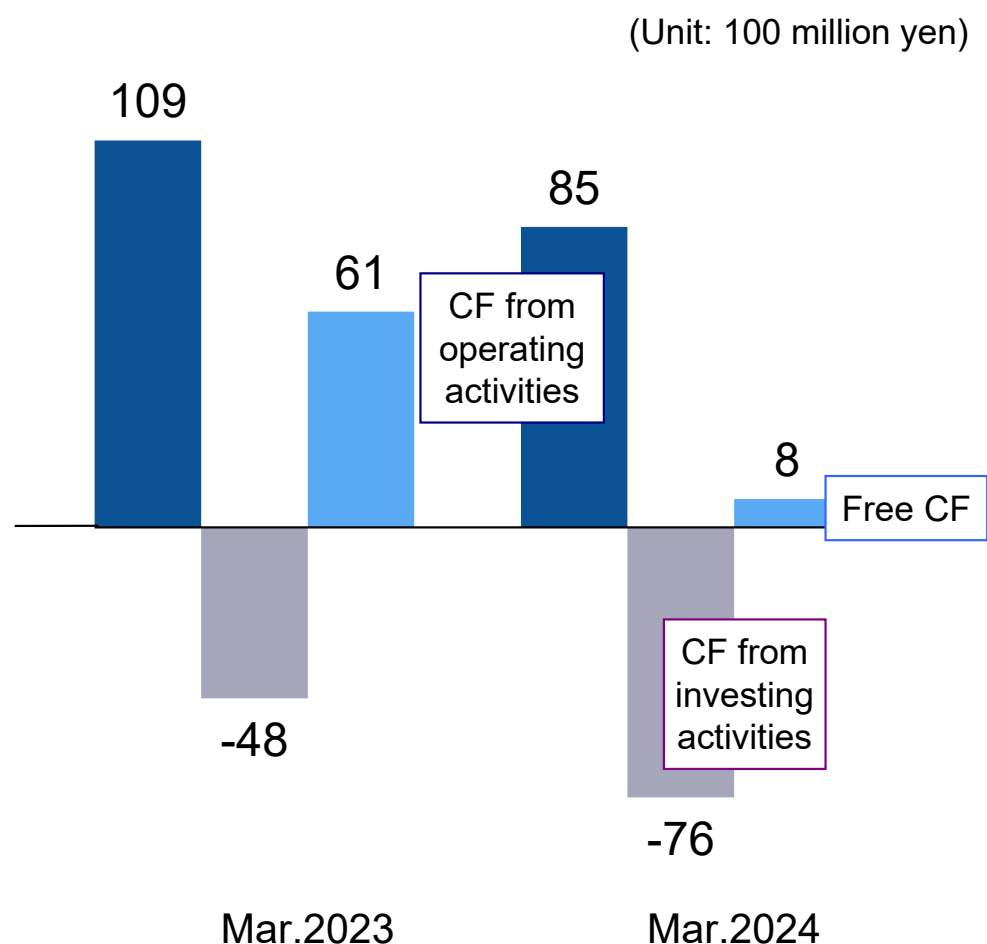


Year ended
March 2024

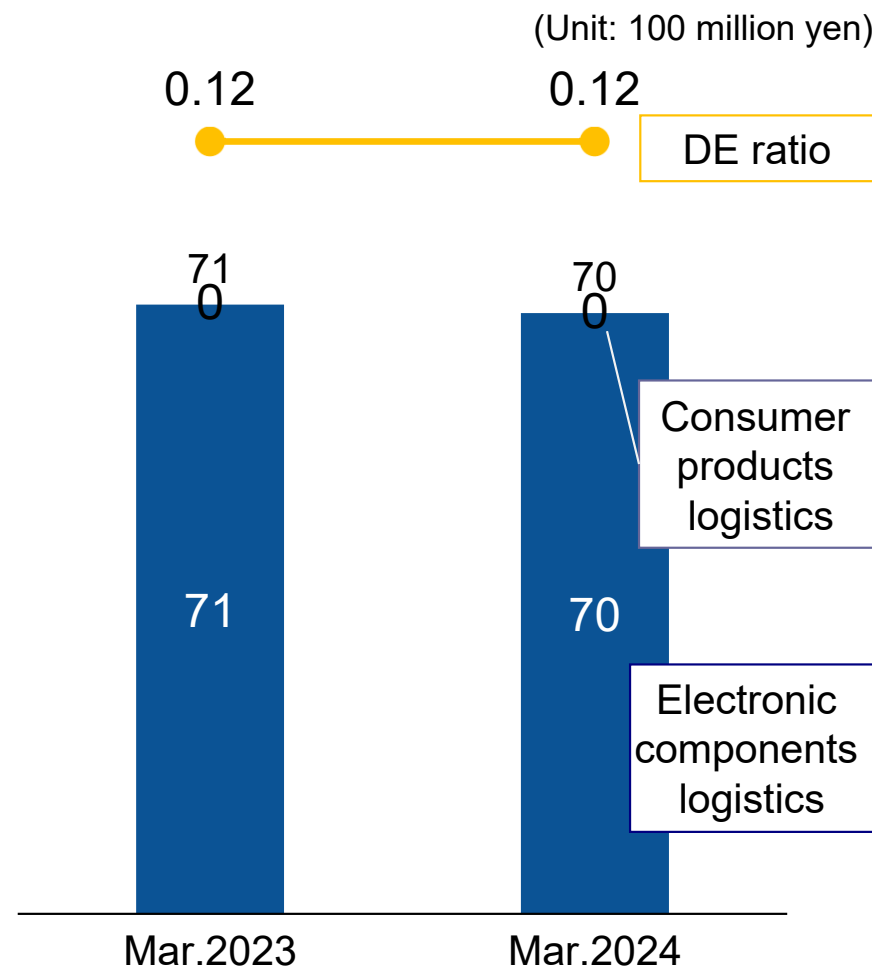
Financial Status (Consolidated)

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■ Cash flow (CF)



■ Outstanding interest-bearing liabilities



CF from operating activities: Decreased year on year due to lower profits.
CF from investing activities: Increased in expenditure related to warehouse construction.

Borrowings: Decreased slightly due to repayment without new procurement.

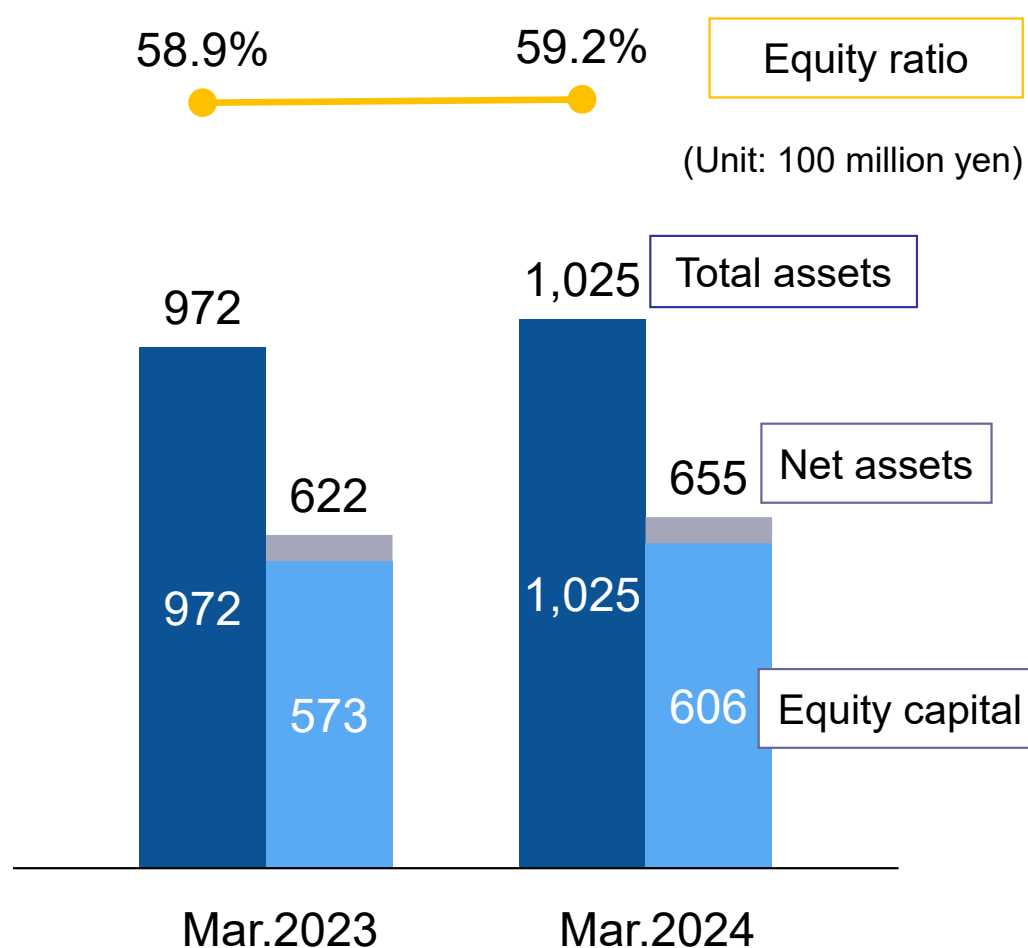


Year ended
March 2024

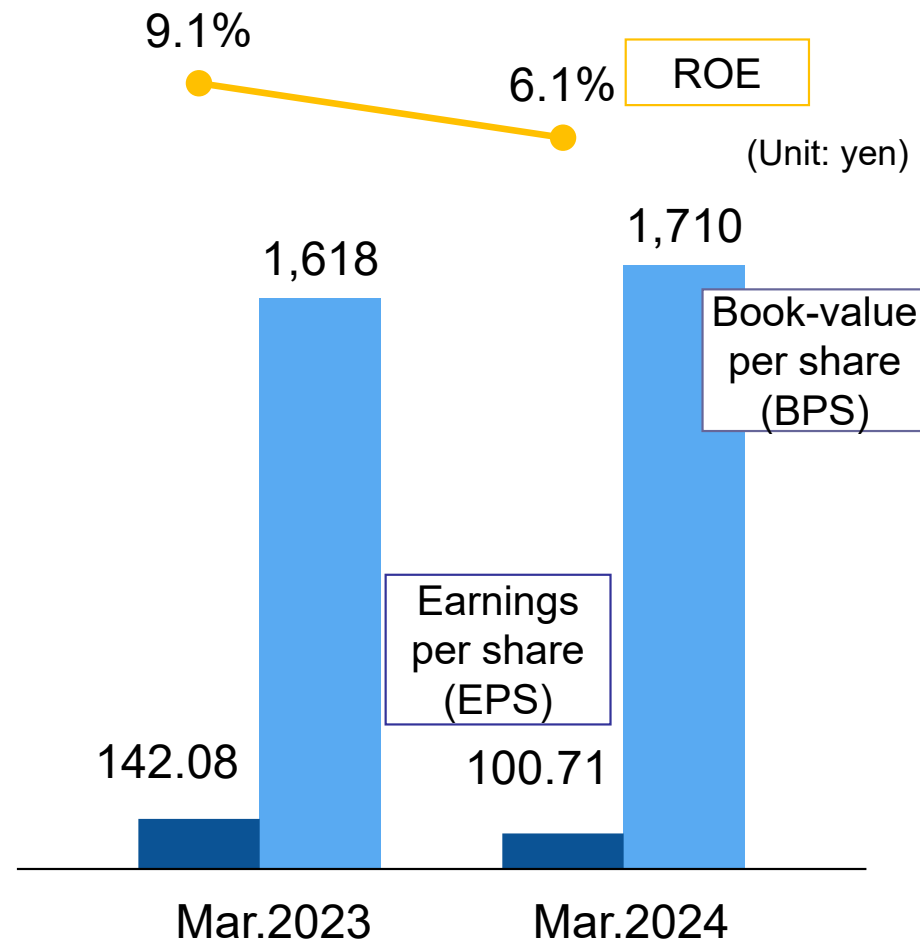
Financial Index (Consolidated)

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■ Assets



■ ROE · EPS · BPS



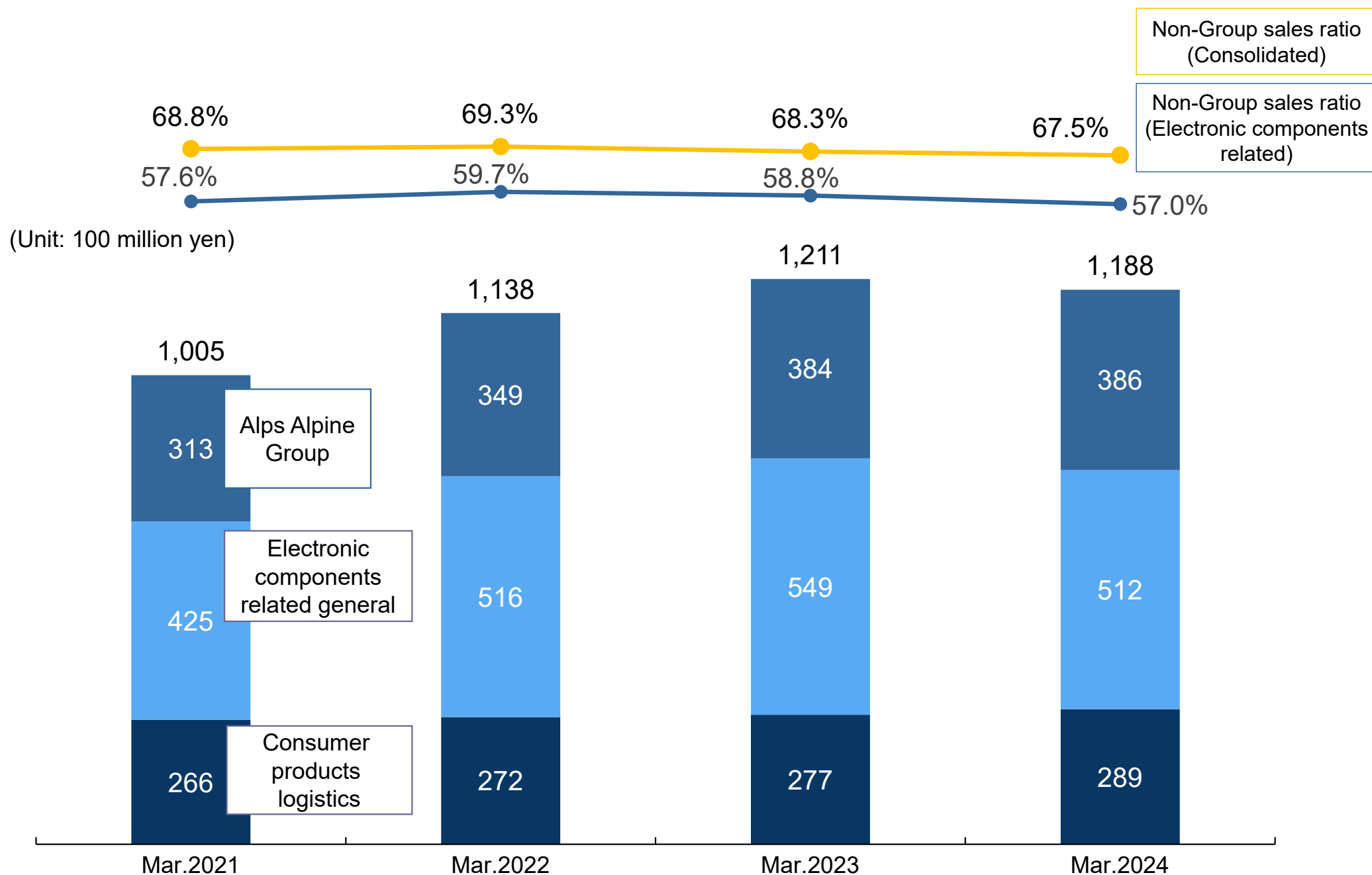
Total assets: Increased due to an increase in property, plant and equipment.
Equity ratio: +0.3p due to securing profits.

ROE -3.0p and EPS -41.37 yen due to a decrease in profit attributable to owners of parent.



Non-Group Sales Ratio

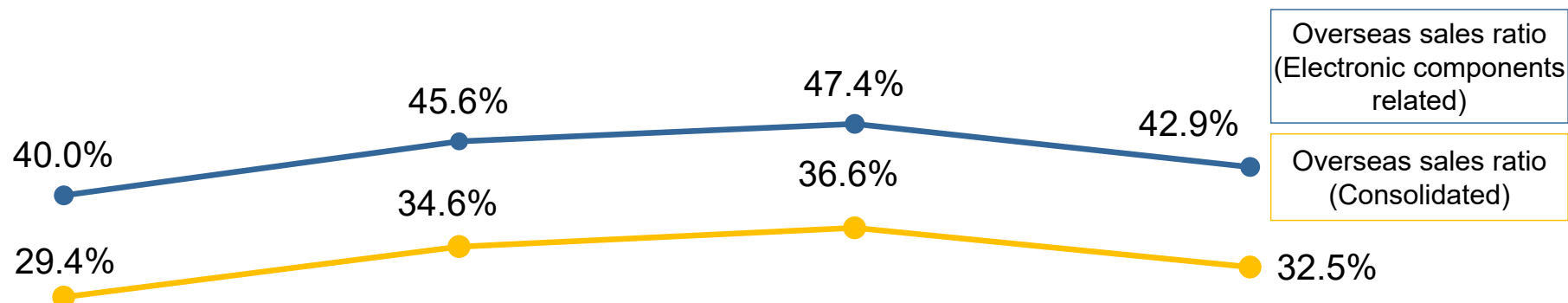
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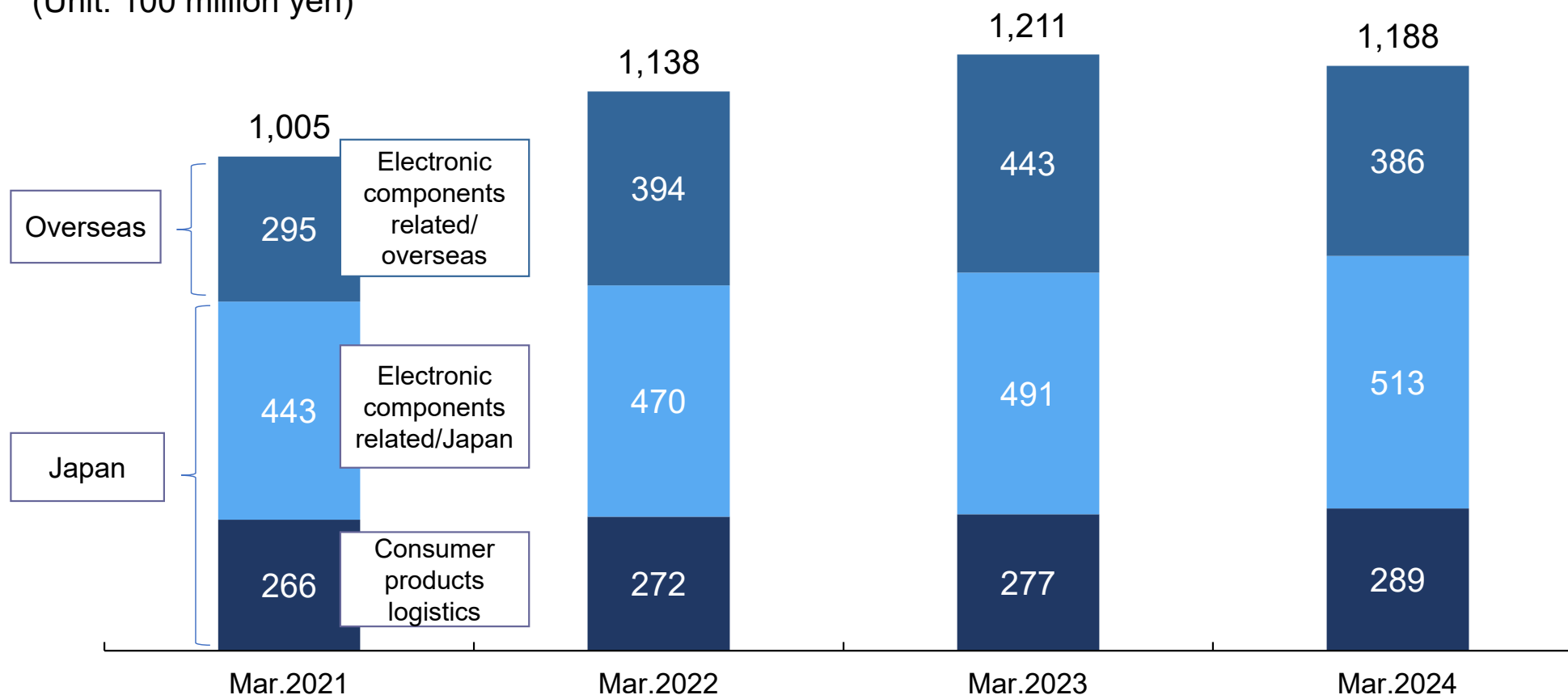


Overseas Sales Ratio

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(Unit: 100 million yen)





Expansion of Logistics Infrastructure

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■ Number of locations

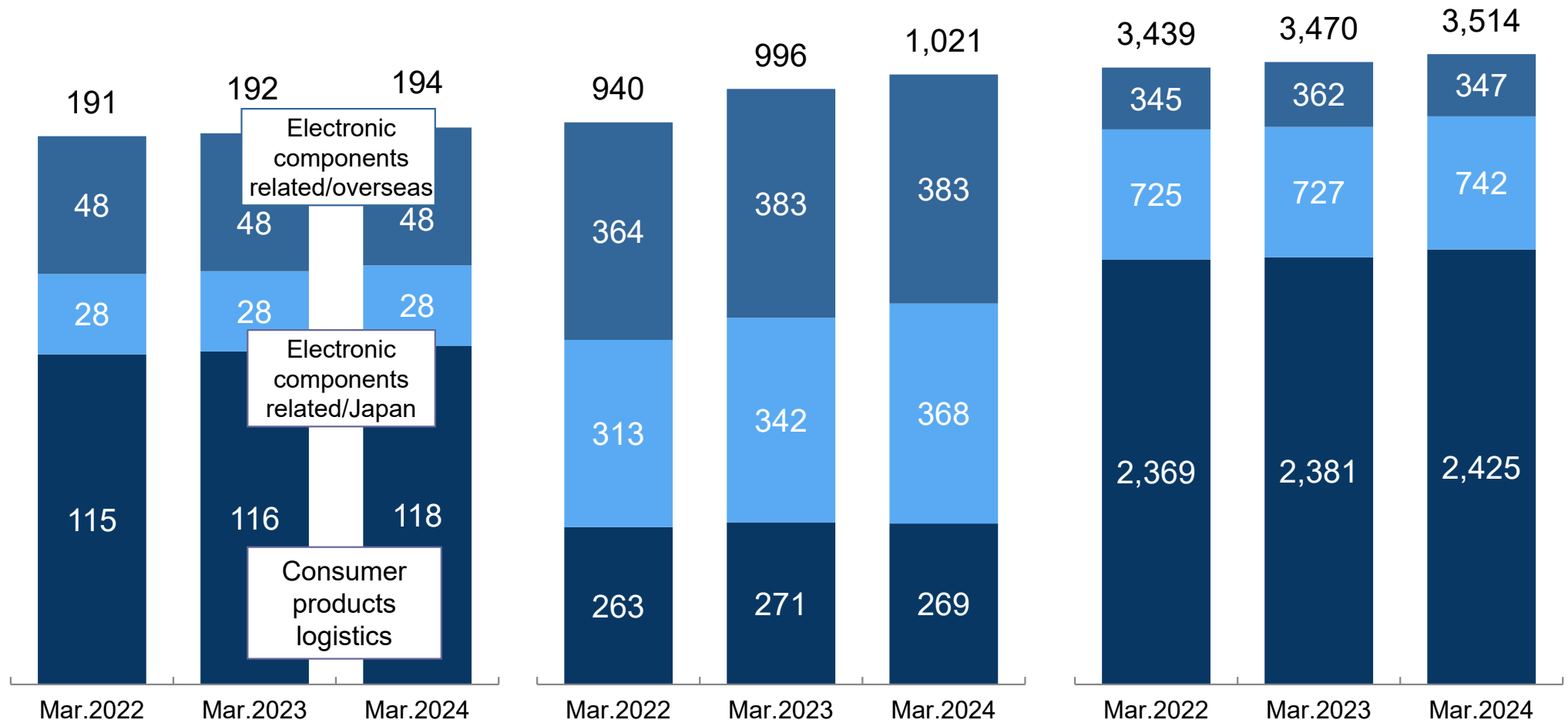
■ Warehouse area

■ Number of trucks in regular operation

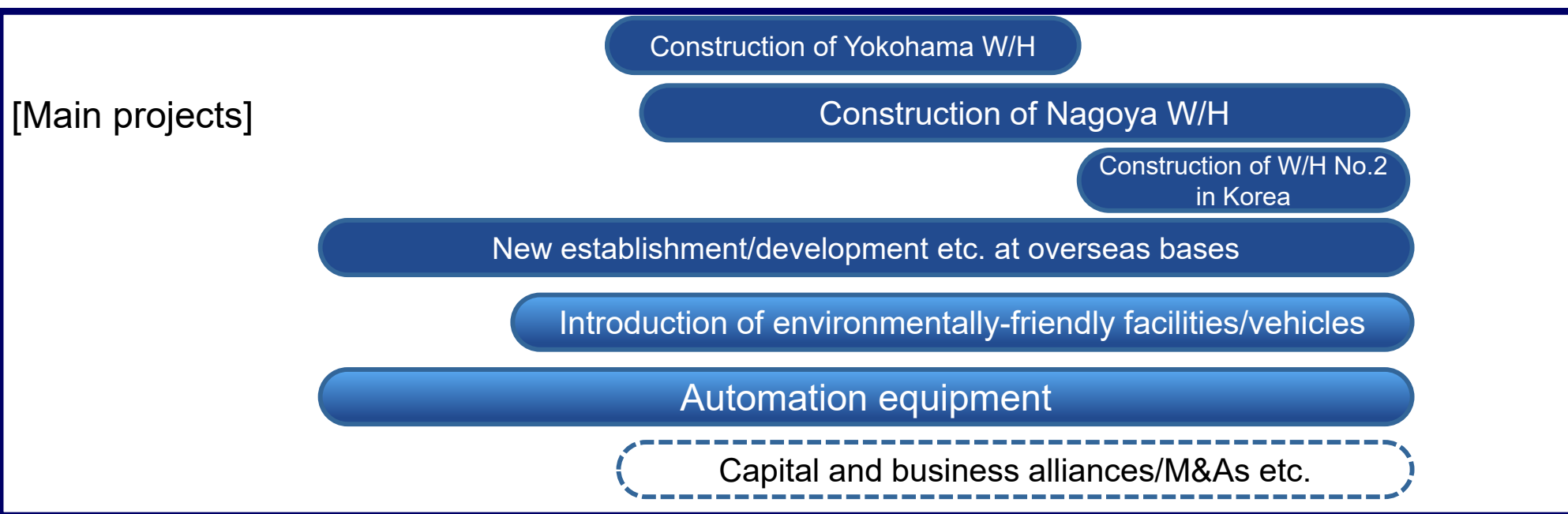
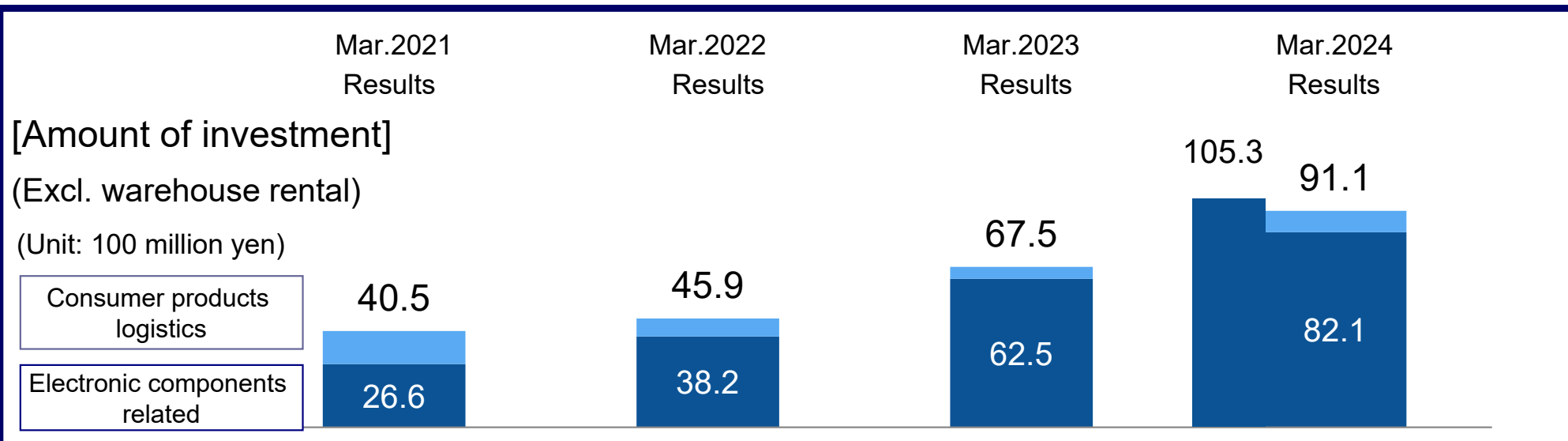
(Unit: locations)

(Unit: 1,000 m²)

(Unit: vehicles)



Expand investment in order to accelerate growth

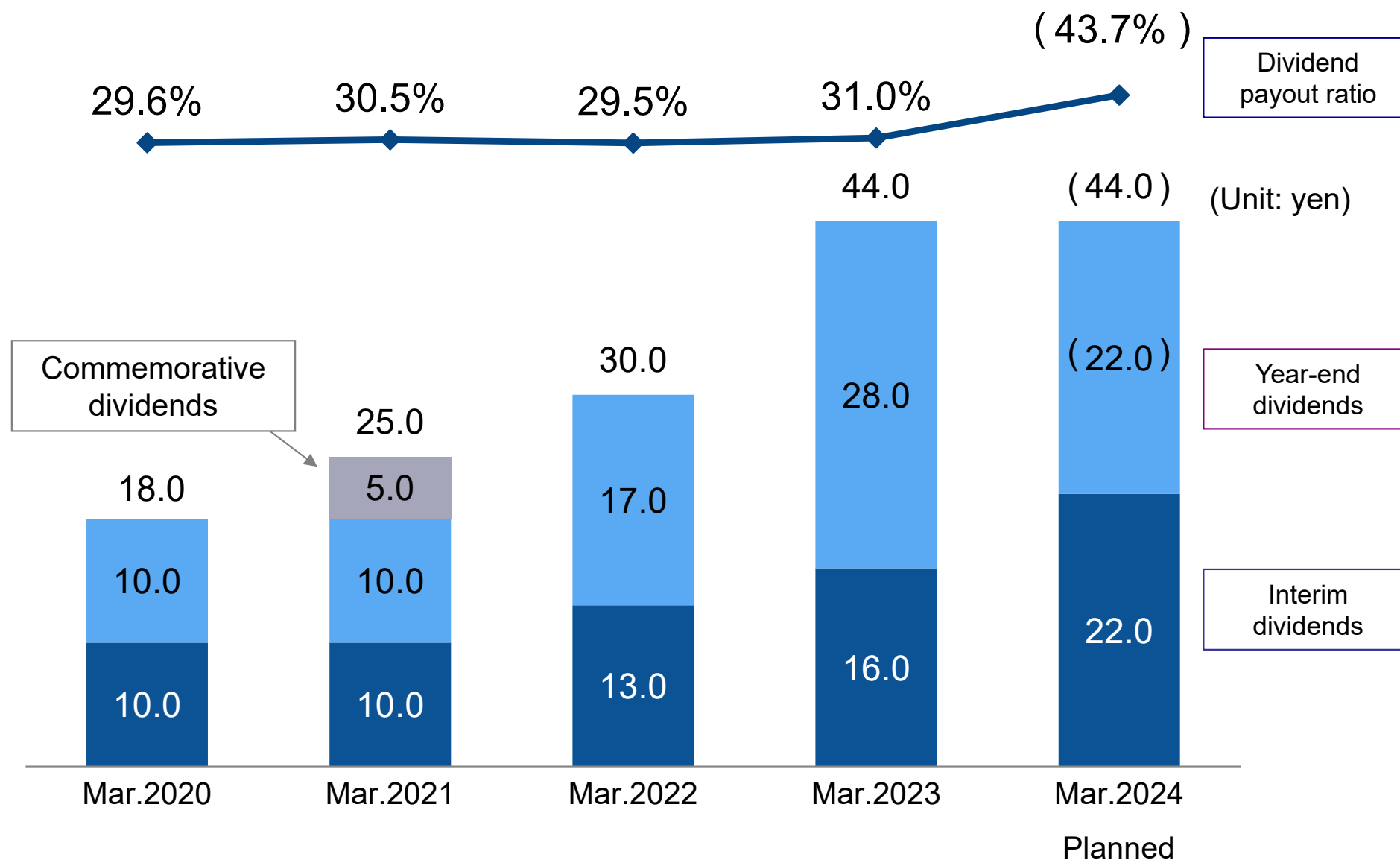




Dividend Trend

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The year-end dividend is planned to be 22 yen, and the annual dividend is planned to be 44 yen for the year ended March 2024





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Domestic: Increase in storage capacity

- **New warehouses completed in Komaki City, Aichi Prefecture**

Completed in January 2024, operational since February 5, 2024.

New warehouse area: 33,000 m²

Introduced automated warehouse for the first time with autonomous mobile robots (AMRs) to improve warehouse business efficiency.



- **Expansion of Sagamihara warehouse**

February 2024

Warehouse area: 8,500 m²

- **Purchase and expansion of Shonai warehouse**

Purchased in January 2024.

Expanded area due to even more active operations with new business.

Warehouse area: 5,500 m²



- **Expansion of warehouse in Ibaraki City, Osaka Prefecture**

Operations commenced in January 2024.

New warehouse area: 4,000 m²

- **Moved Freight Forwarding Center to Kamata**

Moved from Oi Branch (Tokai, Ota-ku, Tokyo) in June 2023.

Overseas: Enhance logistics functions

● Storage space increased in each area

April 2023	Bangna, Thailand	2,450 m ²
	Selangor, Malaysia	2,300 m ²
June 2023	Wuxi, China	3,100 m ²
July 2023	Queretaro, Mexico	5,300 m ²
	Singapore	2,000 m ²
October 2023	Gwangju, Republic of Korea (own asset)	4,500 m ²
November 2023	Ho Chi Minh City, Vietnam	100 m ²
January 2024	Dortmund, Germany (own asset)	2,000 m ²



● Local subsidiary established in the Philippines

Established in June 2023.

Aim to expand business with a focus on import/export business.

● Services using company trucks commenced in India

Commenced long-distance trunk line in-house transport service in October 2023 running between Gujarat and Delhi twice a week.



Continue to introduce automation items, and promote labor saving

● Introduction of AGV/AMR type automated warehouses

Automated warehouses designed to suit cargo of high mix and small lot introduced at existing warehouses.

Yokohama Branch: AGV type automated warehouse (introduced in fiscal 2023.)

Nagoya Branch: AMR type automated warehouse (installation commenced in fiscal 2023.)



● Examples of automation equipment installation

Diverse range of automation equipment installed, including unmanned forklifts, catering robots, and bulk barcode scanners.





Year ended
March 2024

B to B logistics expanded, B to C logistics strong

- Increase in handled volume of cosmetics and food (121.4% y/y)

B to B: Increased sales to companies handling cosmetics and food.

B to C: Increased categories handled by mail-order company (frozen food and alcoholic beverages).

Introduction of robots to save labor

- Introduced autonomous mobile robots (AMRs) with weight inspection ability

Completed trial introduction and commenced operation in August 2023. Robots follow optimal routes, cutting labor time by 30% (20 units).



Added 42 vehicles for expanded dinner home delivery

- Nagasaki LaLa Co-op 5 vehicles (new)

North Nagasaki Center operational since
March 2024

- Dinner home delivery 17 vehicles

CO-OP GUNMA Maebashi Center 10 vehicles
CO-OP MIRAI North Chiba Center 7 vehicles

Environment

● Endorsement of TCFD

Began disclosing information from September 2023 in accordance with the TCFD framework.



● Disclosure of environmental information to CDP

Responded to climate change and water security questionnaire in July 2023. Obtained a B- score.



● Obtained ISO 14001 (environment) certification at overseas bases

Obtained at Ningbo, Xiamen, Hong Kong, and Singapore branches.

● Received Award for Contribution to the Restoration of the Tsurumi River Basin Water Cycle

Received Award for Contribution to the Restoration of the Tsurumi River Basin Water Cycle from the Tsurumi River Basin Water Council for hemerocallis fulva cultivation activities.

● Joined ANA “SAF Flight Initiative” program

In December, flights used biomass fuel (sustainable aviation fuel: SAF), which could reduce CO2 emissions by about 80% compared to conventional fuels.

● Introduced light van-type EVs

Introduced at Yokohama and Oi branches.



Social

- Obtained “Superior” SDG rating under Yokohama City’s Y-SDGs certification system
- Established **Multi-Stakeholder Policy**
- Recognized as a KENKO Investment for Health Outstanding Organization for 2nd consecutive year
- Completed response to the 2024 Problem
Reduced duty period by implementing measures such as route revisions and driver changes at hub locations.



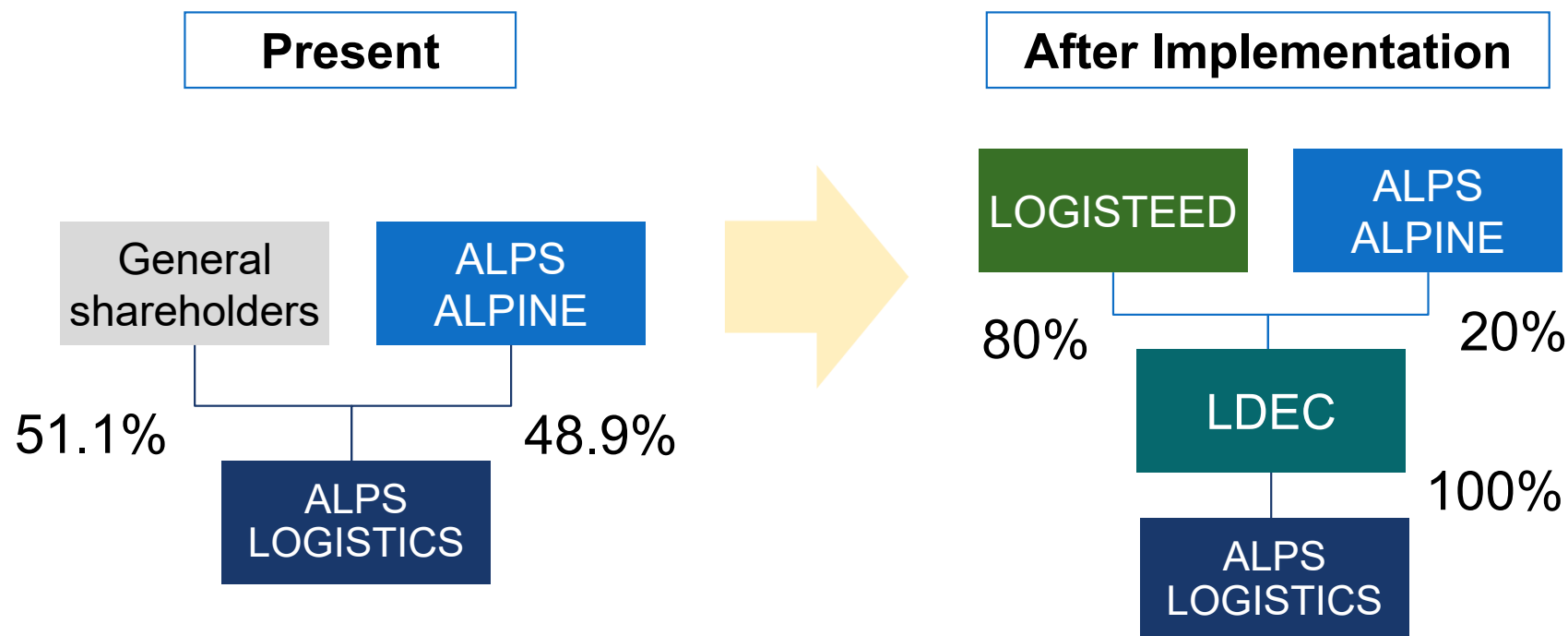
Governance

- Established Risk Management Committee and conducted risk assessments
Conducted company-wide risk assessments to identify and respond to important risks. Commenced regular monitoring.
- Promoting disclosure of sustainability information
Published first Integrated Report in September 2023.





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Schedule	
May 9, 2024	Resolution by Board of Directors
May 9, 2024	Conclusion of capital and business alliance agreement
Mid-August 2024	Commence tender offer (planned)

The schedule for September 2024 onwards will be shared when it has been decided.




Achieve ongoing business value enhancement of the two companies through a capital and business alliance with Logisteed



ALPS LOGISTICS CO., LTD.

- Combining Alps Logistics' business with Logisteed's network and operational excellence will create a significant synergistic effect
- To Alps Logistics, Logisteed will be a cooperative creation partner that complements and increase organizational capabilities to raise business competitiveness

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| • <u>End-to-end service from procurement to finished product</u> | • <u>Expansion of customer base (including non-Japanese companies)</u> |
| • <u>Economy of scale enhances procurement capabilities</u> | • <u>Secure transportation capacity, greater transportation efficiency</u> |
| • <u>Mutual use of networks and hubs</u> | • <u>Higher-level systems</u> and more |

ALPS LOGISTICS CO., LTD.