

Revision of the Forecast under the Fourth Mid-term Business Plan



ALPS LOGISTICS CO., LTD.

(TSE Second Section: 9055)

October 30, 2020

1. Revision of the Year Ending March 2022 Forecast under the Mid-term Business Plan

Last year, we formulated and announced our Fourth Mid-term Business Plan for the three years from March 2020 to March 2022. Currently, we are in the second year of this plan. However, as evident everywhere in the world, COVID-19 has affected the global business environment. Consequently, cargo demands for electronic parts substantially reduced and the entire assumption of our mid-term business plan formulated last year were substantially altered.

Toward the fiscal year ending March 2021, we are striving to reduce our costs by improving productivity. However, the reduction of electronic parts traffic in the industry is significant. Thus, we are forced to lower our forecast of sales and profits from the previous fiscal year. However, depending on the country, we expect a gradual recovery of market conditions after hitting rock bottom in the first quarter of 2020. We are working hard to expand sales while complying with laws and regulations enforced in different countries.

Despite our efforts, we may be still be suffering from the aftermath of COVID-19 in March 2022, the final year of our mid-term business plan, in addition to the persisting US-China trade conflicts. Under the circumstances, we assume that we are unable to achieve the net sales and operating income forecast in our original plan and are obliged to revise them as follows.

(Unit: 100 million yen)	Mar. 2020 result	Mar. 2021 forecast	Mar. 2022 plan (As of May 2019)	Mar. 2022 plan (Review this time)
Net sales	1,007	930	1,200	1,010
Operating income	41.1	32.0	Securing 5% (ROE: 6%)	Securing 4% or higher (ROE: 5%)

2. Strategies and Policies under our Mid-term Business Plan

We will continue promoting the following strategies and policies to expand our global business.

Electronic Components expands its area in the evolving “Optimal Logistics”.

- The business area is expected to expand in two axes: region and market (customer).
- Increasing upfront investment in association with the development of bases and networks
- Improvement in productivity (automation and TIE)

Consumer Logistics returns to a growth path.

- By exploiting the know-how of B2C business, we will expand the B2B business upstream.
- We will pursue balanced growth in individual delivery business and logistics business.

Disclaimer:

The business and future forecasts contained in this document are based on the information available at this moment and may include uncertain factors. Actual performance may be affected by changes in business conditions and may differ from the forecast stated in this document. This document is not subject to accounting audit.