

# Results of Operations for the Third Quarter of the Fiscal Year Ending February 28, 2022

KANTSU CO., LTD. (Securities code: 9326)

January 14, 2022



# 3Q FY2/22 Highlights

- Operating profit was 165.5% higher than one year earlier.

Net sales	7,567	million yen	(Up	11.6	% YoY)
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Operating profit	559	million yen	(Up	165.5	% YoY)
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## Summary

Net sales

### Logistics Services Business

New customers at the EC/Catalog Distribution Center, which started operating in April 2021, and at the D-to-C Distribution Center, which was completed the following June, contributed to sales. These sales from new customers offset the decrease in cargo transport sales caused by the switch of cargo transport rate contracts (for reimbursement) to different contracts at some customers. The result was a 652 million yen (10.0%) YoY increase.

### IT Automation Business

Cloud Thomas contracts increased from 113 companies at the beginning of FY2/22 to 145 at the end of the 3Q. Due to the addition of new customers, sales increased 131 million yen (69.8%) YoY.

Operating profit

Activities to strengthen the administrative framework and maintenance operations in the IT automation business increased expenses, but profitability improved because of measures (including the replacement of some cargo transport rate contracts (for reimbursement) involving low-margin business. In addition, there were new customers at the two new distribution centers during the rent-free start-up period. The result was a 348 million yen (165.5%) YoY increase.

# The Growth of KANTSU

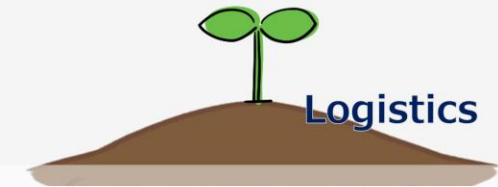
1997

E-commerce first appeared as a new distribution channel in Japan.



1999

E-commerce began to grow.



KANTSU established e-commerce logistics to support the growth of this new industry.

## KANTSU – Supporting the e-commerce businesses and creating new distribution channels in Japan

2015

E-commerce began to have a big impact on distribution activities in Japan.

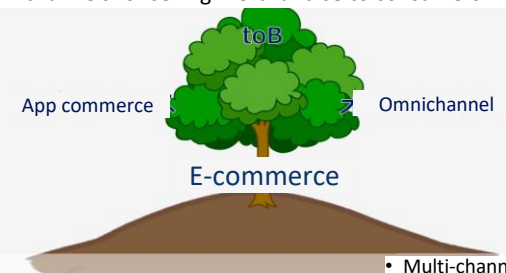


- Warehouse management system
- Outsourced order processing service
- Refrigerated/frozen logistics, etc.

KANTSU launched many support services for more growth of the e-commerce sector.

2019

E-commerce became the primary component of distribution activities in Japan with an increasing number of links with other channels for selling merchandise to consumers.



KANTSU is now providing customers with a new and even more powerful foundation for the continued growth of e-commerce.

- Multi-channel logistics
- Reuse logistics
- Rental logistics
- D-to-C logistics
- Logistics technology

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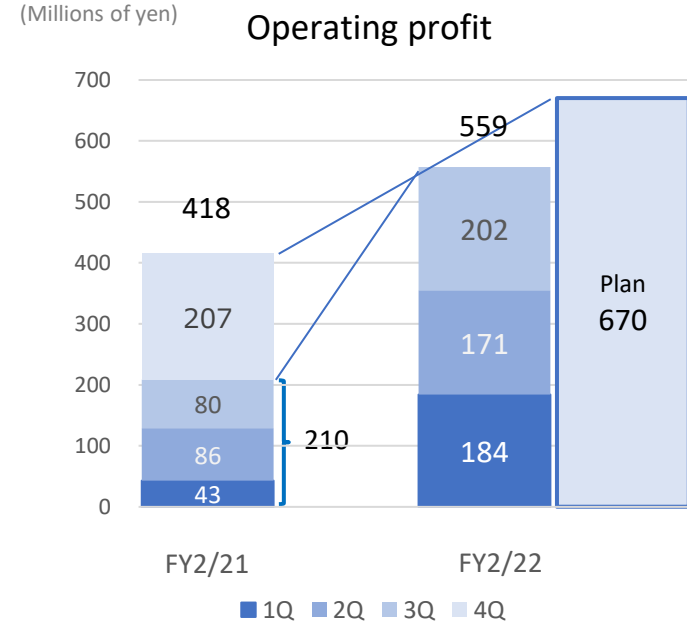
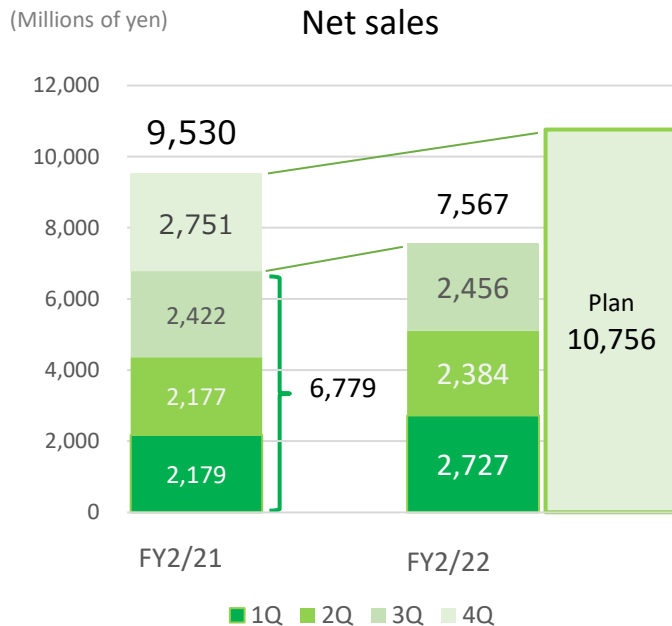
# **I. 3Q FY2/22 Financial Summary**

# 1. 3Q FY2/22 Financial Highlights

Measures to place priority on earnings contributed to higher earnings. Operating profit in the first nine months was more than 80% of the fiscal year plan.

Net sales **7,567** million yen (Vs. FY plan **70.4** %)

Operating profit **559** million yen (Vs. FY plan **83.4** %)



## 2. 3Q FY2/22 Results Summary

Sales and earnings increased due to strong growth of sales in the logistics services business and IT automation business.

(Millions of yen, %)

	3Q FY2/21		3Q FY2/22		YoY change	
	Results	% to net sales	Results	% to net sales	Amount	%
<b>Net sales</b>	6,779	100.0	<b>7,567</b>	<b>100.0</b>	<b>788</b>	<b>11.6</b>
Gross profit	717	10.6	1,178	15.6	461	64.3
SG&A expenses	506	7.5	619	8.2	112	22.2
<b>Operating profit</b>	210	3.1	<b>559</b>	<b>7.4</b>	<b>348</b>	<b>165.5</b>
<b>Ordinary profit</b>	184	2.7	<b>530</b>	<b>7.0</b>	<b>345</b>	<b>186.9</b>
<b>Profit</b>	134	2.0	<b>365</b>	<b>4.8</b>	<b>231</b>	<b>171.9</b>
EPS (Yen)	15.28	-	36.15	-	-	-

\* IT automation is a new reportable segment beginning with 1Q FY2/22. Due to a reexamination of software development depreciation expenses and other reasons associated with this new segment, 15 million yen of depreciation that was in SG&A expenses in 3Q FY2/21 has been reclassified as cost of sales.

\* KANTSU conducted a 3-for-1 stock split on September 1, 2021. EPS has been calculated as if this stock split had taken place at the beginning of FY2/21.

### 3. Quarterly Results Summary

Performance in the first nine months was in line with the fiscal year plan. Sales were 70.4% of the plan and operating profit was 83.4% of the plan.

(Millions of yen, %)

	FY2/21				FY2/22					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q-3Q	Vs. FY plan	FY plan
<b>Net sales</b>	<b>2,179</b>	<b>2,177</b>	<b>2,422</b>	<b>2,751</b>	<b>2,727</b>	<b>2,384</b>	<b>2,456</b>	<b>7,567</b>	<b>70.4</b>	<b>10,756</b>
Gross profit	212	255	249	408	397	371	409	1,178	73.3	1,608
SG&A expenses	168	169	168	201	213	199	206	619	66.0	937
<b>Operating profit</b>	<b>43</b>	<b>86</b>	<b>80</b>	<b>207</b>	<b>184</b>	<b>171</b>	<b>202</b>	<b>559</b>	<b>83.4</b>	<b>670</b>
<b>Ordinary profit</b>	<b>32</b>	<b>78</b>	<b>74</b>	<b>198</b>	<b>171</b>	<b>163</b>	<b>195</b>	<b>530</b>	<b>83.5</b>	<b>635</b>
<b>Profit</b>	<b>23</b>	<b>55</b>	<b>55</b>	<b>148</b>	<b>117</b>	<b>112</b>	<b>135</b>	<b>365</b>	<b>85.2</b>	<b>428</b>
EPS (Yen)	2.78	6.12	6.14	15.86	11.92	10.95	13.19	36.15	-	42.27

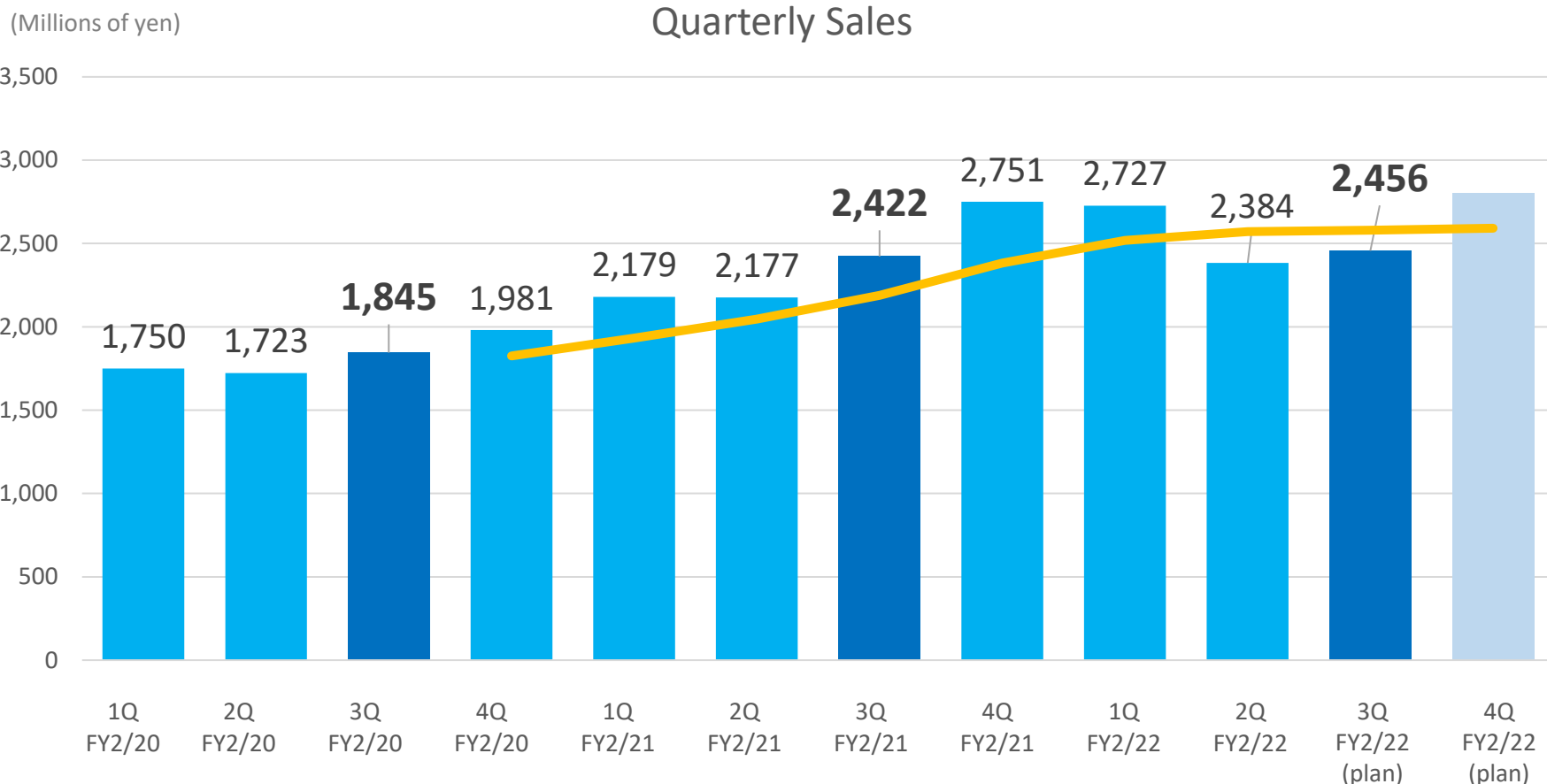
\* IT automation is a new reportable segment beginning with 1Q FY2/22. Due to a reexamination of software development depreciation expenses and other reasons associated with this new segment, 15 million yen of depreciation that was in SG&A expenses in 3Q FY2/21 has been reclassified as cost of sales.

\* KANTSU conducted a 3-for-1 stock split on September 1, 2021. EPS has been calculated as if this stock split had taken place at the beginning of FY2/21.



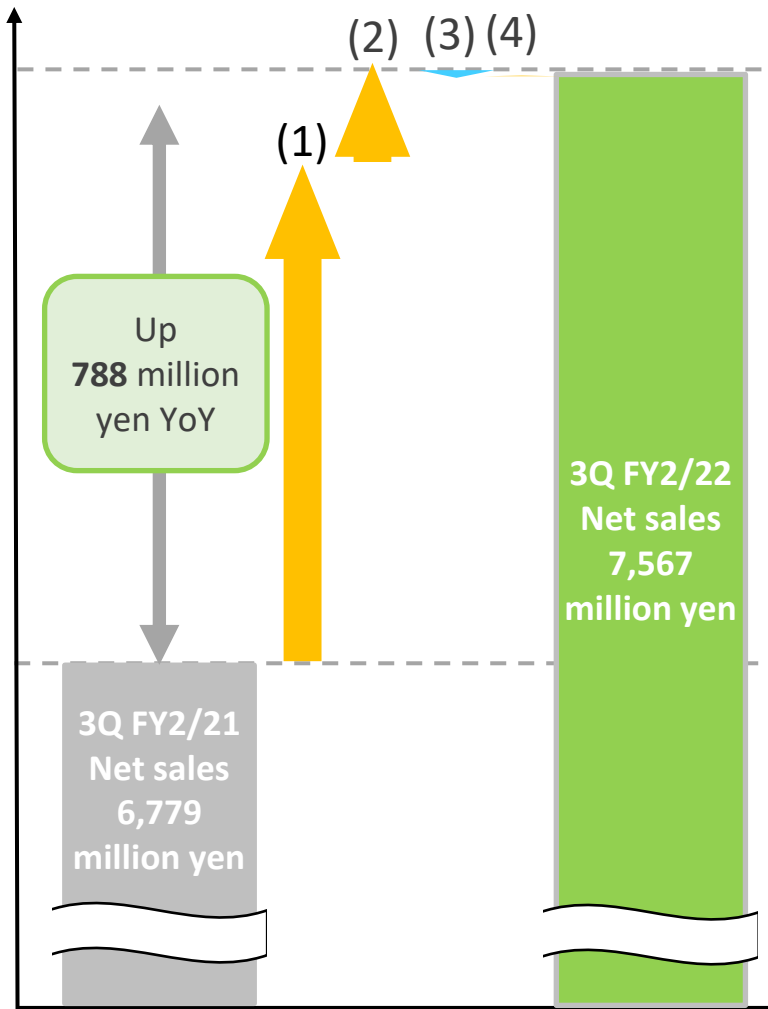
# 3. Quarterly Results Summary

Steady year-on-year growth of quarterly sales



\*The yellow line is a moving average using the average of sales in the four-quarter period ending in each quarter.

# 4. Analysis of Change in Net Sales



## (1) Higher sales of EC/catalog logistics support services

Switch of cargo transport rate contracts for some customers reduced sales but sales were higher because of sales from new customers in FY2/21 and 1H FY2/22

**+657 million yen YoY**

## (2) Growth in the IT automation business

The number of contracts is increasing and there were strong sales of logistics automation hardware associated with new Cloud Thomas users in 1Q

**+131 million yen YoY**

## (3) Lower sales of other logistics services

Sales decreased mainly because of cancellations of warehouse study tours mainly because of the COVID-19 pandemic

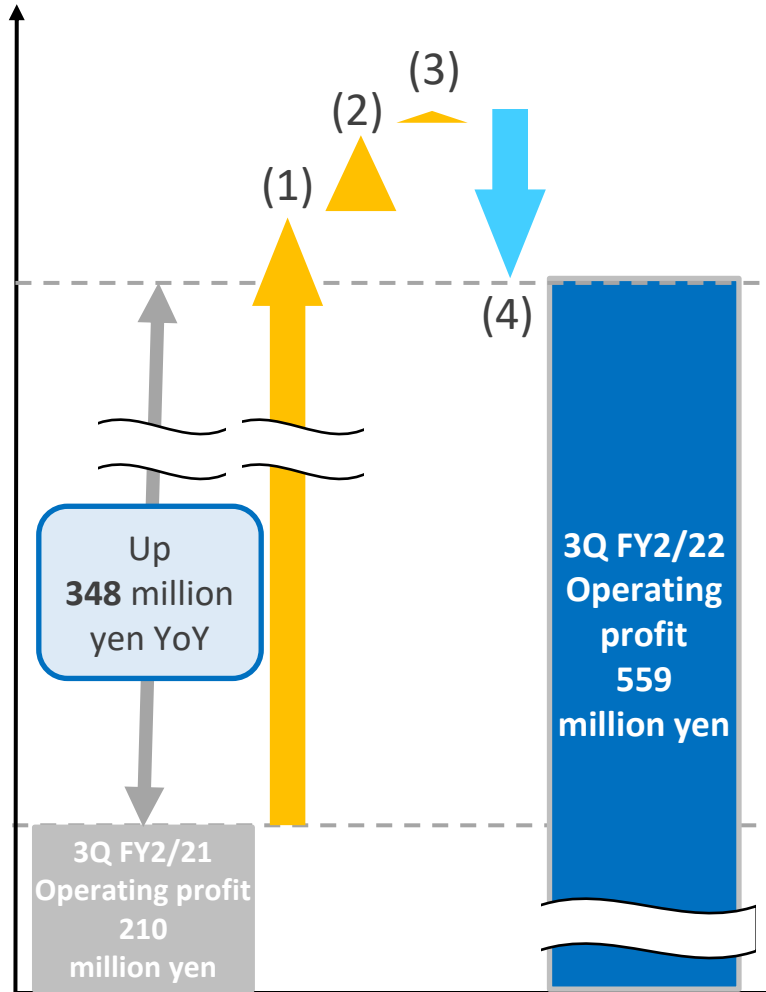
**-5 million yen YoY**

## (4) Higher sales of other businesses

Sales of technology education services for foreign trainees decreased mainly because of the pandemic, but sales of the employment assistance service for people with developmental disabilities increased.

**+4 million yen YoY**

# 5. Analysis of Change in Operating Profit



(1) Higher gross profit in the logistics services business

Mainly due to higher sales in the EC/catalog logistics support services category

+402 million yen YoY

(2) Higher gross profit in the IT automation business

Higher earnings as the contribution of sales growth outweighed expenses for more people and other measures to upgrade maintenance operations

+50 million yen YoY

(3) Higher gross profit in the other businesses

Earnings improved because of the strong performance of current services

+8 million yen YoY

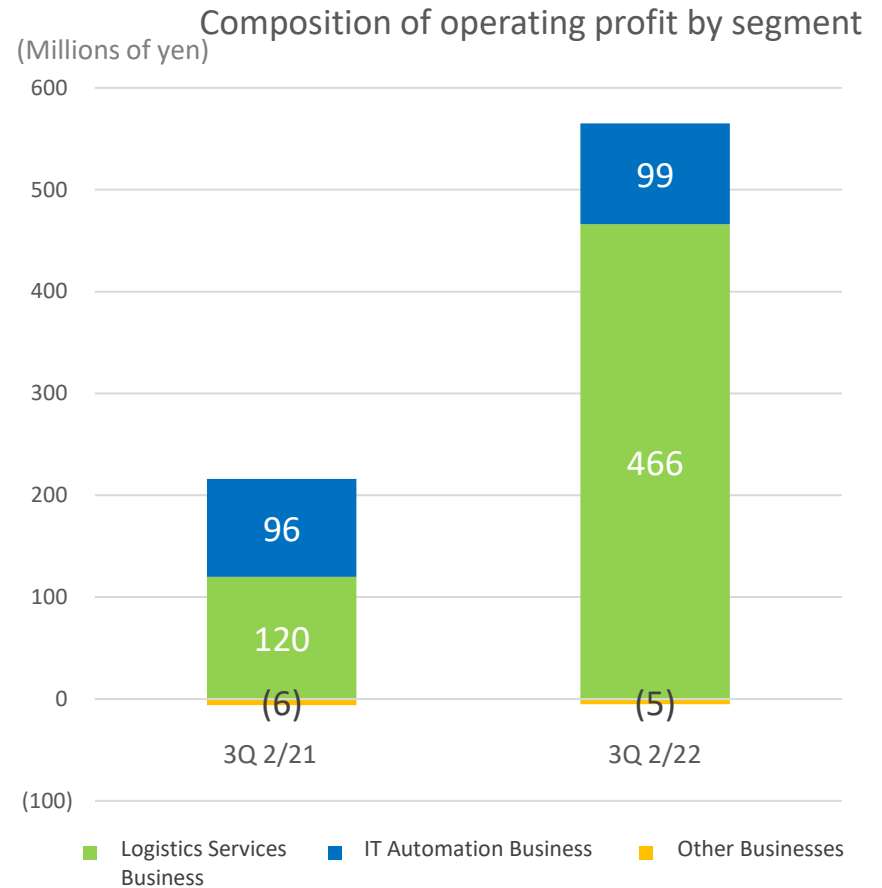
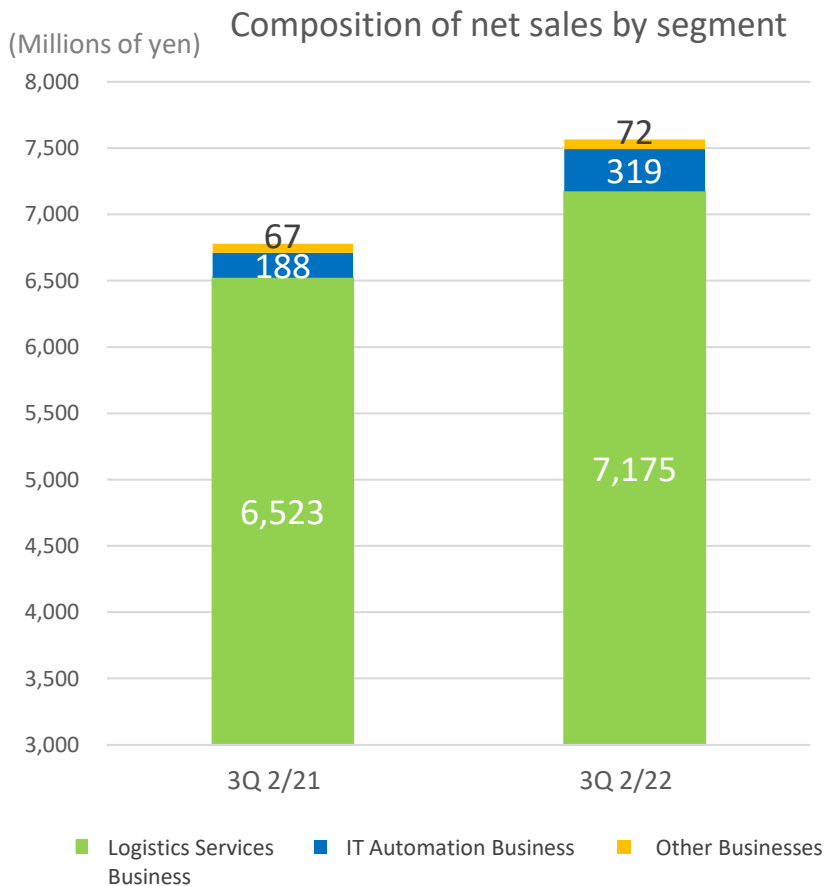
(4) Higher SG&A expenses (negative)

Attributable mainly to expenses for strengthening administrative functions and advertising and marketing activities

-112 million yen YoY

# 6. Business Segments (1) Overall

- Logistics services operating profit increased 345 million yen, making a big contribution to consolidated earnings.
- IT automation sales were up 131 million yen as rapid sales growth continued.



# 6. Business Segments

## (2) Logistics Services Business

- Switch of cargo transport rate contracts for some customers reduced sales but sales were up 652 million yen (10.0%) from one year earlier because of sales from new customers in FY2/21 and 1H FY2/22.
- Profitability improved because of measures (including the replacement of some cargo transport rate contracts (for reimbursement) involving low-margin business. In addition, there were new customers at the two new distribution centers during the rent-free start-up period. The result was a 345 million yen (285.9%) increase.

(Millions of yen, %)

		3Q FY2/21		3Q FY2/22		YoY change	
		Results	% to sales	Results	% to sales	Amount	%
	EC/catalog logistics support services	6,389	97.9	7,046	98.2	657	10.3
	Outsourced order processing services	69	1.1	81	1.1	12	18.3
	Others	65	1.0	47	0.7	(17)	(27.4)
	<b>Segment sales</b>	<b>6,523</b>	<b>100.0</b>	<b>7,175</b>	<b>100.0</b>	<b>652</b>	<b>10.0</b>
	<b>Segment profit</b>	<b>120</b>	<b>1.9</b>	<b>466</b>	<b>6.5</b>	<b>345</b>	<b>285.9</b>

\*Rakuten Super Logistics services are included in EC/catalog logistics support services.

# 6. Business Segments

## (3) IT Automation Business

- Segment sales increased 131 million yen (69.8 %) primarily because of the increasing number of Cloud Thomas contracts and higher sales of logistics automation hardware as the number of Cloud Thomas users increased in 1Q.
- Segment profit increased 2 million yen (2.2%). Logistics automation hardware sales raised cost of sales ratio and there were expenses associated with the 2021 release of Thomas Pro and for strengthening support operations.

(Millions of yen, %)

		3Q FY2/21		3Q FY2/22		YoY change	
		Results	% to sales	Results	% to sales	Amount	%
	Cloud Thomas	117	62.2	237	74.2	120	102.6
	Other	71	37.8	82	25.8	11	15.9
	<b>Segment sales</b>	<b>188</b>	<b>100.0</b>	<b>319</b>	<b>100.0</b>	<b>131</b>	<b>69.8</b>
	<b>Segment profit</b>	<b>96</b>	<b>51.4</b>	<b>99</b>	<b>31.0</b>	<b>2</b>	<b>2.2</b>

# 6. Business Segments

## (4) Other Businesses

- Technology education services for foreign trainees sales were down because of the inability to provide services to new classes of trainees due to the pandemic and other reasons. However, sales increased 7.2% because of a big increase in sales of other education services, including the employment assistance service for people with developmental disabilities, which started in December 2020.
- The segment loss improved by 1 million yen despite higher expenses due to the start of the employment assistance service for people with developmental disabilities.

(Millions of yen, %)

		3Q FY2/21		3Q FY2/22		YoY change	
		Results	% to sales	Results	% to sales	Amount	%
	Technology education services for foreign trainees	16	24.2	8	11.7	(7)	(48.3)
	Other education services	51	75.8	63	88.3	12	24.9
	<b>Segment sales</b>	<b>67</b>	<b>100.0</b>	<b>72</b>	<b>100.0</b>	<b>4</b>	<b>7.2</b>
	<b>Segment profit</b>	<b>(6)</b>	<b>-</b>	<b>(5)</b>	<b>-</b>	<b>1</b>	<b>-</b>

# 7. Condensed Balance Sheet

	As of Feb. 28, 2021		As of November 30, 2021		YoY change
	Amount	Composition	Amount	Composition	
<b>Current assets</b>	<b>4,142</b>	<b>55.0</b>	<b>4,707</b>	<b>55.1</b>	<b>565</b>
Cash and deposits	2,592	34.4	3,085	36.1	492
Accounts receivable	1,256	16.7	1,127	13.2	(128)
Other	293	3.9	494	5.8	200
<b>Non-current assets</b>	<b>3,390</b>	<b>45.0</b>	<b>3,843</b>	<b>44.9</b>	<b>452</b>
Property, plant and equipment	2,326	30.9	2,544	29.8	218
Intangible assets	259	3.5	308	3.6	48
Investments and other assets	804	10.7	989	11.6	184
<b>Total assets</b>	<b>7,532</b>	<b>100.0</b>	<b>8,550</b>	<b>100.0</b>	<b>1,017</b>
<b>Current liabilities</b>	<b>1,836</b>	<b>24.4</b>	<b>1,775</b>	<b>20.8</b>	<b>(60)</b>
Accounts payable	472	6.3	320	3.7	(151)
Interest-bearing debt	817	10.9	824	9.6	6
Other	546	7.3	630	7.4	84
<b>Non-current liabilities</b>	<b>4,101</b>	<b>54.4</b>	<b>4,146</b>	<b>48.5</b>	<b>45</b>
Interest-bearing debt	3,867	51.3	3,866	45.2	(0)
Other	234	3.1	280	3.3	45
<b>Total liabilities</b>	<b>5,937</b>	<b>78.8</b>	<b>5,922</b>	<b>69.3</b>	<b>(15)</b>
<b>Total net assets</b>	<b>1,595</b>	<b>21.2</b>	<b>2,628</b>	<b>30.7</b>	<b>1,032</b>
<b>Total liabilities and net assets</b>	<b>7,532</b>	<b>100.0</b>	<b>8,550</b>	<b>100.0</b>	<b>1,017</b>

(Millions of yen, %)

Increase mainly due to exercise of share acquisition rights

Increase mainly due to the new refrigerated/frozen warehouse and automated warehouse

Higher guarantee deposits due to new distribution centers

Decrease because FY2/21 ended on a weekend and lower cargo transport expenses

Increase mainly due to exercise of share acquisition rights and profit



# 8. Capital Expenditures

## Plan and Actual Expenditures for New Distribution Centers

(As of November 30, 2021) (Millions of yen)

Project	Purpose	Plan	Payment made	Start/Finish
Construction of a D-to-C Distribution Center (Amagasaki, Hyogo) [Opened in June, 2021]	More space for current customers and space for new customers (17,200m <sup>2</sup> )	265	160	May 2021 to Feb. 2022
Construction of a new EC/Catalog Distribution Center (Amagasaki, Hyogo) [Opened in April, 2021]	More space for current customers and space for new customers (About 46,000m <sup>2</sup> for both centers)	747	309	Mar. 2021 to Feb. 2023
Construction of Tokyo Primary Center (Niiza, Saitama) [To be open in February, 2022]				
Add new distribution center (Amagasaki, Hyogo) [To be open in December, 2022]	More space for current customers and space for new customers (About 14,200m <sup>2</sup> )	216	35	Sep. 2021 to Feb. 2024
Add new distribution center (Amagasaki, Hyogo) [To be open in November, 2023]	More space for current customers and space for new customers (About 28,800m <sup>2</sup> )	442	-	Oct. 2023 to Feb. 2025

Payments made  
Lease deposits 139 million yen  
Others 21 million yen

Payments made  
Lease deposits 227 million yen  
Others 82 million yen

Payments made  
Lease deposits 35 million yen

# 8. Capital Expenditures

## Plan and Actual Expenditures for Logistics

(As of November 30, 2021) (Millions of yen)

Project	Purpose	Plan	Payment made	Start/Finish
Use of robots at distribution centers	Expanded the use of logistics robots and other automation equipment	400	189	Mar. 2021 to Feb. 2022
Add new refrigerated/frozen warehouse (Niiza, Saitama)	For serving new customers using e-commerce for frozen and refrigerated food products	640	-	Feb. 2022 to Apr. 2022

Payments made  
Automated warehouse 154 million yen  
Logistics automation hardware 34 million yen

## Plan and Actual Expenditures for Software Development

(As of November 30, 2021) (Millions of yen)

Project	Purpose	Plan	Payment made	Start/Finish
Software development	Reinforce functions of the Cloud Thomas warehouse management system and other improvements	300	96	Mar. 2021 to Feb. 2023

## Expenditures/Depreciation

(Millions of yen)

	FY2/21			FY2/22		
	1Q	1H	1Q-3Q	1Q	1H	1Q-3Q
Expenditures (non-current assets)	102	379	638	284	638	846
Depreciation (total)	52	108	170	70	143	221



## **II. FY2/22 Earnings Forecasts**

# 1. FY2/22 Earnings Forecasts

- Forecast net sales to increase 12.9% YoY and operating profit to increase 60.4% YoY.

(Millions of yen, %)

	FY2/21 Results		FY2/22 Forecasts		YoY change	
	Results	% to net sales	Forecasts	% to net sales	Amount	%
<b>Net sales</b>	<b>9,530</b>	<b>100.0</b>	<b>10,756</b>	<b>100.0</b>	<b>1,226</b>	<b>12.9</b>
Gross profit	1,126	11.8	1,608	15.0	482	42.9
SG&A expenses	707	7.4	937	8.7	229	32.5
<b>Operating profit</b>	<b>418</b>	<b>4.4</b>	<b>670</b>	<b>6.2</b>	<b>252</b>	<b>60.4</b>
<b>Ordinary profit</b>	<b>383</b>	<b>4.0</b>	<b>635</b>	<b>5.9</b>	<b>251</b>	<b>65.7</b>
<b>Profit</b>	<b>283</b>	<b>3.0</b>	<b>428</b>	<b>4.0</b>	<b>145</b>	<b>51.5</b>
EPS (Yen)	31.66	-	42.27	-	-	-

\* KANTSU conducted a 3-for-1 stock split on September 1, 2021. EPS has been calculated as if this stock split had taken place at the beginning of FY2/21.

## 2. Business Segments

### (1) Logistics Services Business

- Two new distribution centers in Amagasaki, Hyogo prefecture (total of about 35,700m<sup>2</sup>) due to the continuing growth of the EC/catalog logistics support services market.
- Forecast a reduction of about 800 million yen in projected cargo transport sales (but only a negligible effect on earnings at all levels) due to a change in the contracts of some customers but 1,500 million yen of sales from new customers.

(Millions of yen, %)

		FY2/21		FY2/22		YoY change	
		Results	% to sales	Forecasts	% to sales	Amount	%
	EC/catalog logistics support services	8,968	98.1	10,115	98.3	1,146	12.8
	Outsourced order processing services	92	1.0	111	1.1	18	19.7
	Others	85	0.9	66	0.6	(19)	(22.8)
	<b>Segment sales</b>	<b>9,146</b>	<b>100.0</b>	<b>10,292</b>	<b>100.0</b>	<b>1,145</b>	<b>12.5</b>

\* Rakuten Super Logistics services are included in EC/catalog logistics support services.

\* Beginning with 1Q FY2/22, the software sales and use services category is a separate business segment called IT automation. Due to this change, software sales and use services have been deducted from FY2/21 results in the logistics services business.

## 2. Business Segments

### (2) IT Automation Business

- In addition to the Cloud Thomas warehouse management system, we are adding Cloud Thomas Pro, which can be customized to match each customer's requirements and scale of operations, to serve a broader range of customers.
- Cloud Thomas sales are forecast to increase 42 million yen (20.8%) which is a conservative outlook that does not include any Cloud Thomas Pro sales.

(Millions of yen, %)

		FY2/21		FY2/22		YoY change	
		Results	% to sales	Forecasts	% to sales	Amount	%
	Cloud Thomas	202	68.2	244	70.1	42	20.8
	Others	94	31.8	104	29.9	10	10.6
	<b>Segment sales</b>	<b>297</b>	<b>100.0</b>	<b>349</b>	<b>100.0</b>	<b>52</b>	<b>17.6</b>

\* Figures for FY2/21 results in the IT automation business use actual figures from software sales and use services in the logistics services business.

## 2. Business Segments

### (3) Other Businesses

- Sales of technology education services for foreign trainees are expected to decrease because of COVID-19 and political instability in Myanmar. But segment sales are forecast to increase 28 million yen, or 33.1%, because of the expected sales of the employment assistance service for people with developmental disabilities, which was started in FY2/21.

(Millions of yen, %)

		FY2/21		FY2/22		YoY change	
		Results	% to sales	Forecasts	% to sales	Amount	%
	Technology education services for foreign trainees	19	22.0	10	9.4	(8)	(43.3)
	Other education services	67	78.0	104	90.6	36	54.7
	<b>Segment sales</b>	<b>86</b>	<b>100.0</b>	<b>115</b>	<b>100.0</b>	<b>28</b>	<b>33.1</b>



# III. Our Services

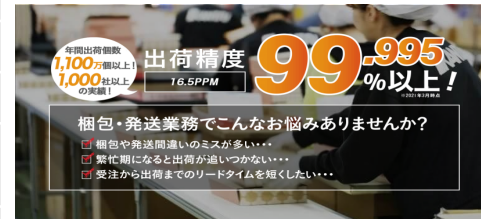


# 1. A History of Steady Growth

	Major events
1986	Establishment/Start of cargo transportation business
1991	Started operating a delivery center in Higashi Osaka Start of logistics processing services
1992	Establishment of Logistics Department/Start of B-to-B logistics services
1999	Start of EC/catalog logistics support services
2000	Received ISO9001 quality management certification
2001	Moved the head office and distribution center Started to develop a dominant position in the Higashi Osaka area
2007	Received ISO14001 environmental management system certification
2010	Started outsourced order processing services
2014	ISMS (ISO27001) certificate acquisition
2016	Start of the Annie check list system
2017	Started operating the Tokyo Area EC/Catalog Distribution Center in Kashiwa, Chiba prefecture Started full-scale operations in the Kanto area
2017	Started operating the Kansai Primary Center in Amagasaki, Hyogo prefecture Started to develop a dominant position in the Amagasaki area
2019	Started sales of the Cloud Thomas warehouse management system
2019	Formed a capital and business alliance with Rakuten Started Rakuten Super Logistics (RSL) Amagasaki
2020	Listed on the Tokyo Stock Exchange
2021	Started sales of the Cloud Thomas Pro warehouse management system
2022	17 locations in the Kanto/Kansai areas and total area of 200,700m <sup>2</sup> (tentative)



36 years in business, started with light cargo transportation business



Quickly started EC logistics when EC first emerged in Japan



The Cloud Thomas warehouse management system



17 locations in the Kanto/Kansai areas and total floor area of 200,700m<sup>2</sup> (Feb. 2022)

# 2. Our Services

## Growth backed by two business sectors

### Customers

Logistics requirements and problems (growth, quality, productivity, inventory management, etc.)

#### Logistics Services Business

EC/catalog logistics support

ありとあらゆる業種に対応させていただきます！

配送センター機能、物流部門をアウトソーシング  
様々な物流課題を**関連独自のノウハウ**で解決！

Refrigerated/frozen warehouse support

**冷凍から冷蔵、常温に対応した  
自動倉庫の設置が決定!!**

【自動車流通向け】東武物流センター（旧東武）5,600坪にて新設  
物流の増加及び冷凍冷蔵倉庫の需要の高まりに  
対応し、特に食品及び医薬品向けに対応した自  
動倉庫新設を、同様の設備に導入した物流管理  
センター（旧東武）5,600坪にて新  
設することを決定いたしました！

- 自動倉庫導入の稼働はコスパ
- 自備の稼働も可能

Outsourced order processing management

物流業務 + 受注処理

ワンストップでアウトソーシング

おすすめの  
お客様の成長に  
対応します！

- to-B logistics support
- Reuse logistics
- Rakuten Super Logistics operation

Shipping 11 million packages/year

Delivery to end users  
(consumers)



#### IT Automation Business

The Cloud Thomas warehouse management system

クラウドトーマスは、お客様の現場にあったWMSをご提供できるよう、様々なラインナップをご用意しております。

- カスタマイズ対応可能  
クラウドトーマスPro
- 食品業界向け  
For foods
- 医療業界向け  
For medical
- アパレル業界向け  
For apparel

The Annie check list system

- ✓ 教育時間が**1/10**に
- ✓ 業務のミスが**0**に

マニュアルとチェックリストの両方の機能をもった  
クラウド型業務管理ツールで、社員の業務を、  
「見える化」そして「改善」しませんか？

Sale of logistics equipment



More than 2,000 users

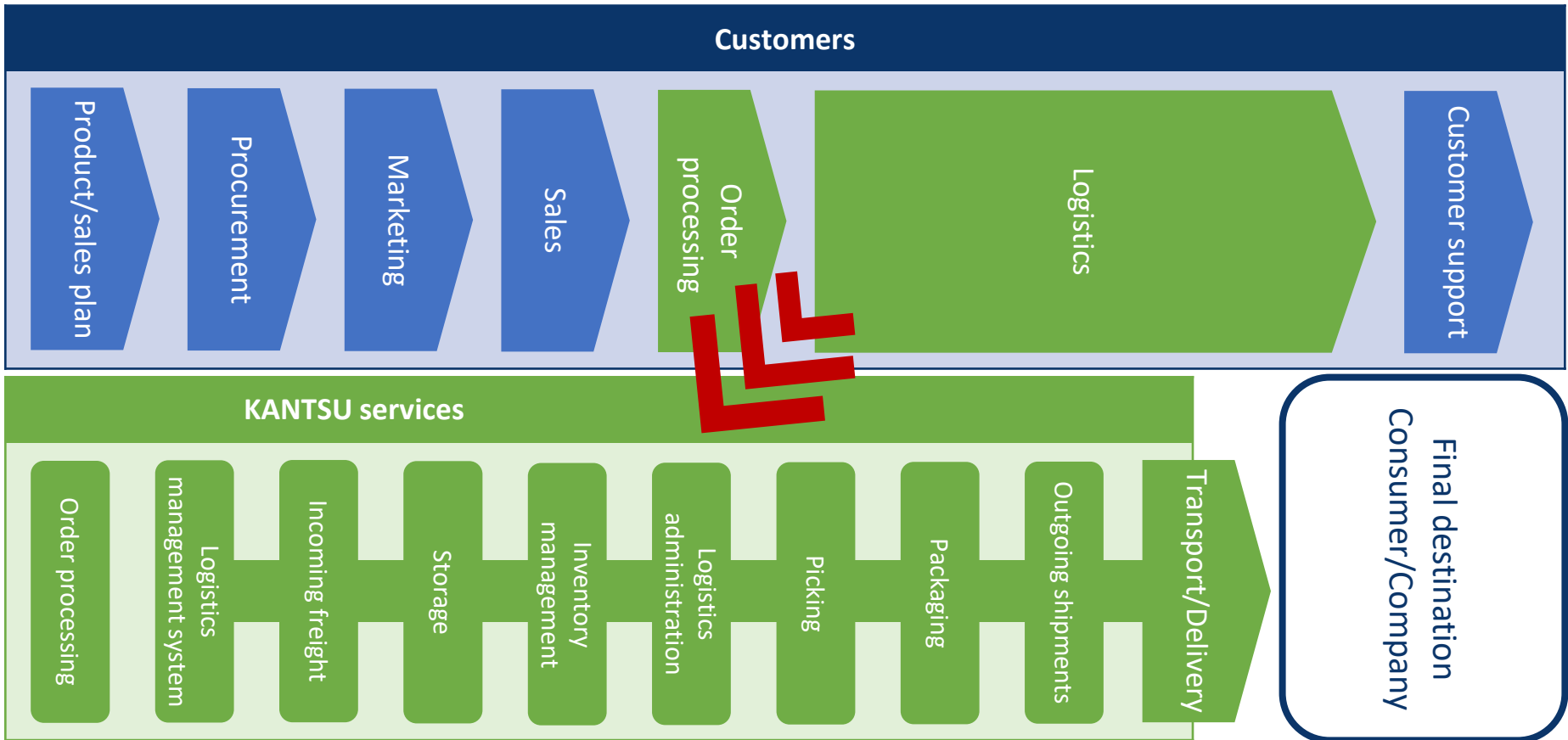
Solutions for customers' needs

- Logistics expertise
- Productivity of new employees
- Speedy use of new systems

Logistics for customers  
Improve customers' own logistics

# 3. Logistics Services Business

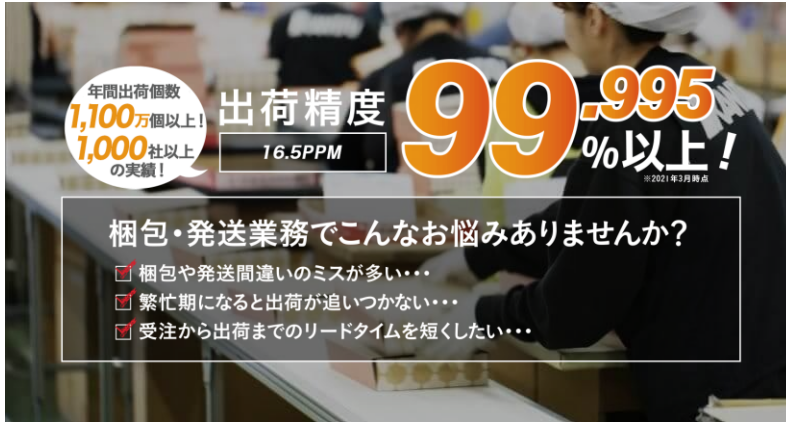
Logistics services improves in every way **warehouse operations** for logistics. KANTSU **operates distribution centers** for EC companies, manufacturers and other companies, handling everything from the receipt of items to outgoing shipments. Outsourced order processing services and logistics systems can be added to create one-stop logistics solutions.



# 3. Logistics Services Business

A strategy closely linked to customers' needs differentiates KANTSU

## ✓ Superior quality and productivity



年間出荷個数  
1,100万個以上!  
1,000社以上  
の実績!

出荷精度 **99.995%**以上!  
16.5PPM  
© 2021年3月時点

梱包・発送業務でこんなお悩みありませんか?

- ☑ 梱包や発送間違いのミスが多い・・・
- ☑ 繁忙期になると出荷が追いつかない・・・
- ☑ 受注から出荷までのリードタイムを短くしたい・・・

## ✓ Superior know-how and experience



月間出荷件数10万件以上を実現

関通の物流は  
出荷量増大に  
対応します

## ✓ Superior breadth of solutions



販路拡大への第一歩。

お客様対応のエキスパートが御社の業務をスムーズにします。  
時間を有効に使い、本来の業務に専念できます。

## ✓ Superior capacity



埼玉県新座市に約8,000坪の  
新センターOPENが決定

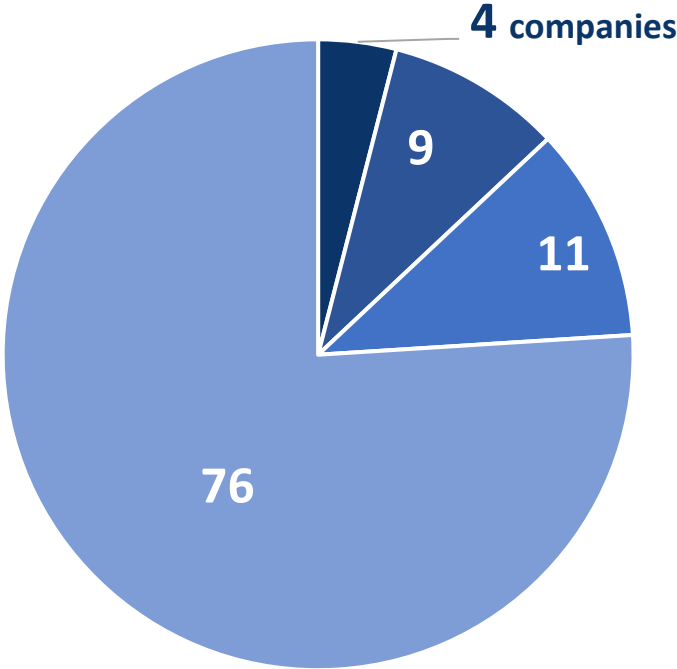
さまざまな物流ニーズをトータルでサポートします

- 販売量増による物流対応
- 冷凍冷蔵倉庫での3温度帯対応
- 2拠点運用によるBCP対応
- 配送リードタイム短縮
- 運賃コスト削減

# 4. A Large and Growing Number of Customers

## A customer base that is not dependent on any particular customer

Number of Customers by Sales Share (1Q-3Q FY2/22 results)

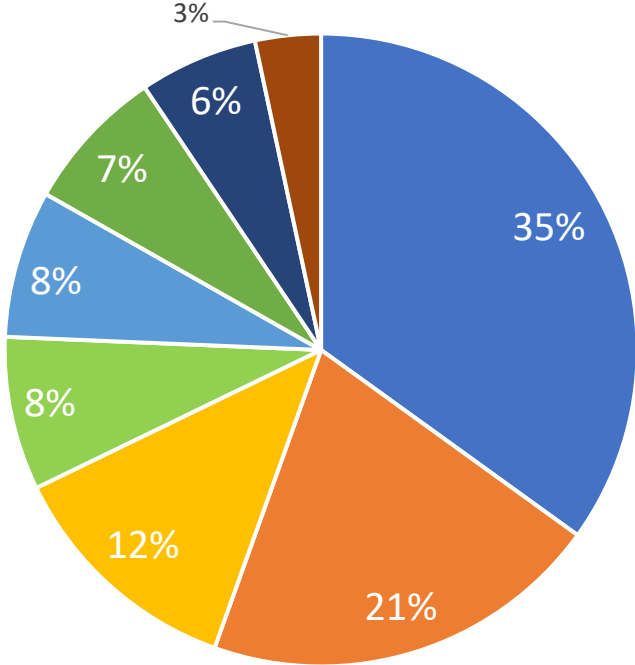


- More than 5%
- More than 2% and less than 5%
- More than 1% and less than 2%
- Less than 1%

\* Based on the top 100 companies in 1Q-3Q FY2/22 sales.

## Support for logistics in many sectors

Sales Composition by Market Sector (FY2/22 results)



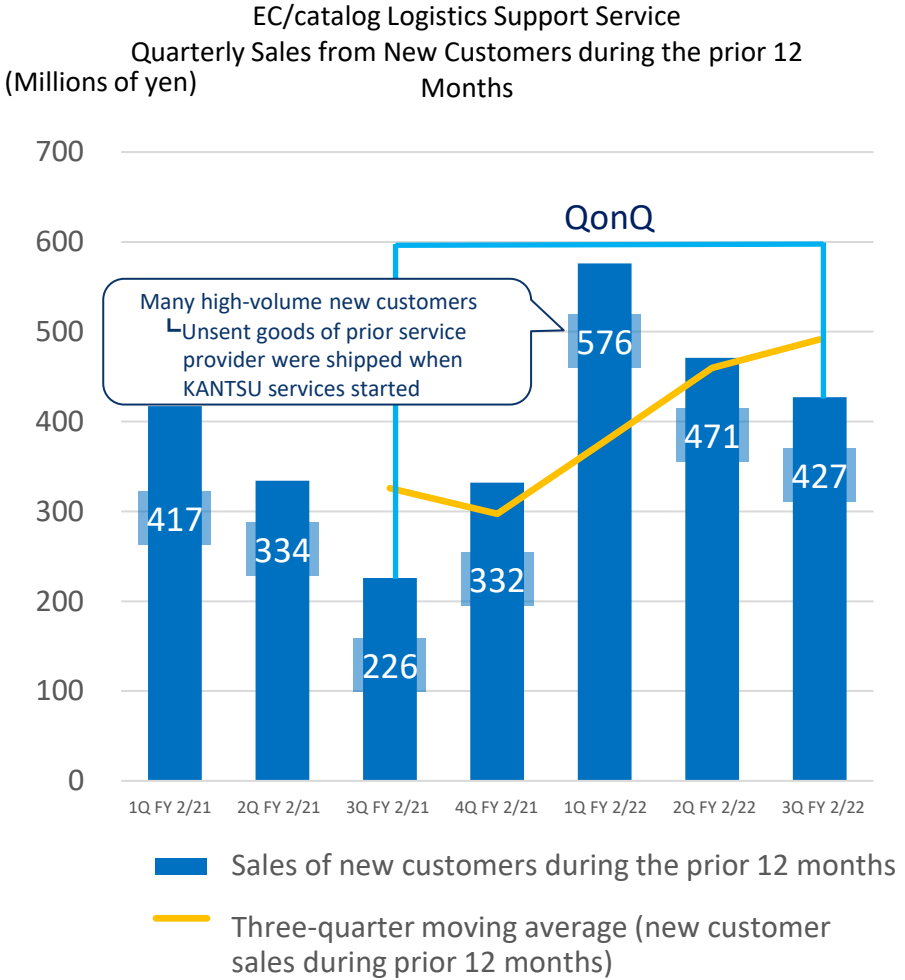
- Clothes and apparel goods
- Food, drinks, and liquor
- Other
- Household goods, furniture, and interior
- Cosmetics and pharmaceuticals
- Services
- Books, and visual and music software
- Electrical appliances, AV equipment, and PCs

\* Based on the top 100 companies in 1Q-3Q FY2/22 sales.

\* Rakuten Super Logistics services are included in Services.

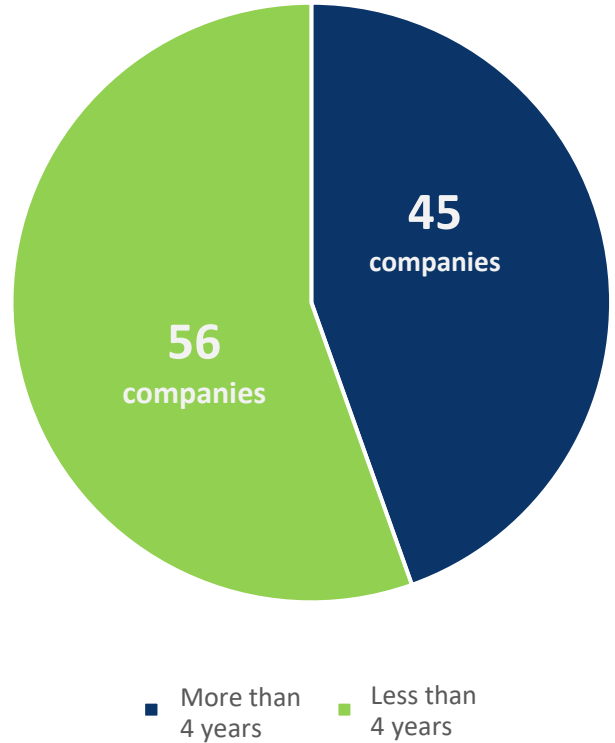
# 5. Attracting and Retaining Customers

New customers support growth every year



KANTSU serves customers for many years

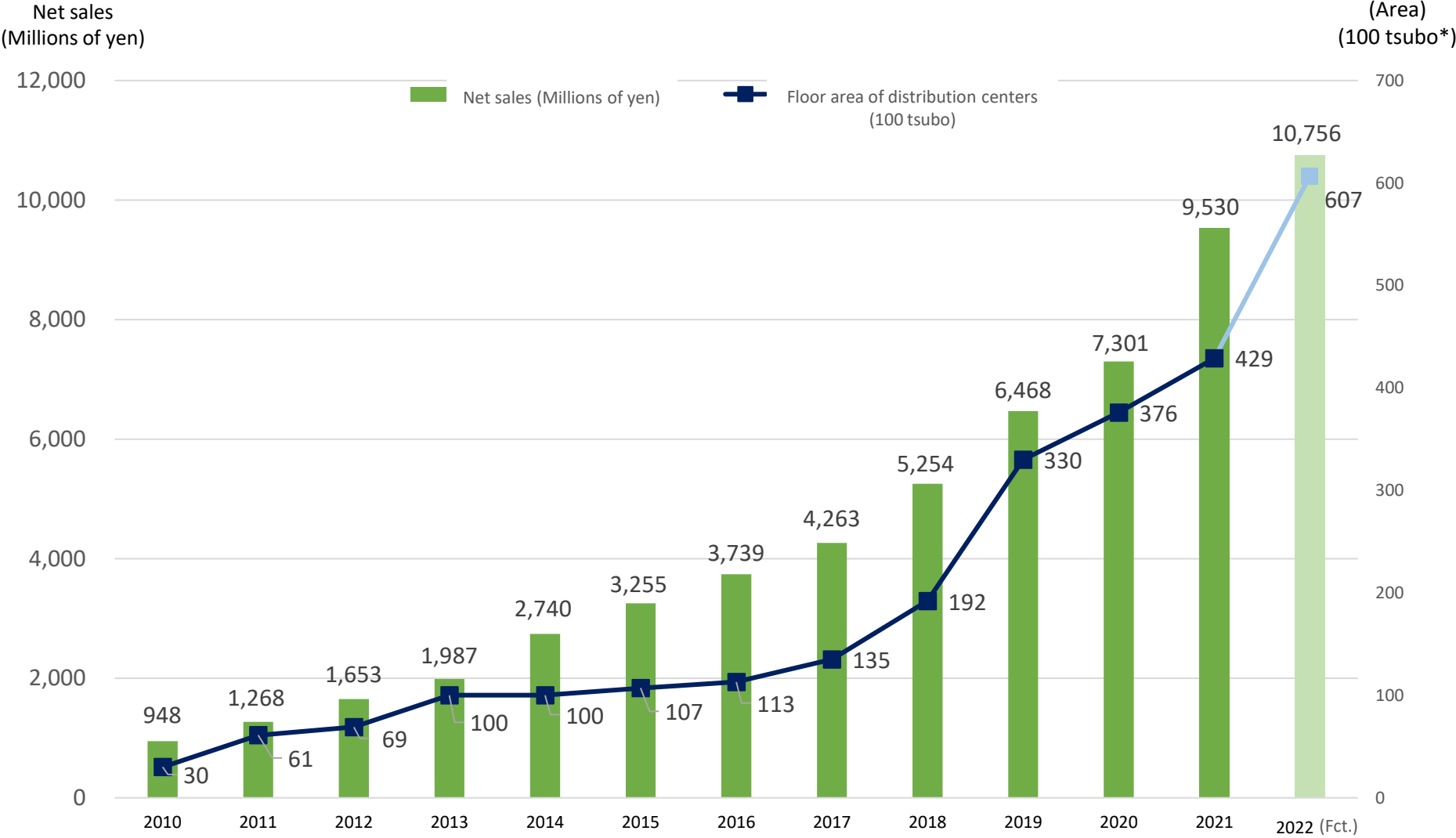
Length of Customer Relationships (3Q FY2/22 results)



\* Based on the top 100 companies in 1Q-3Q FY2/22 sales.

# 6. Floor Area of Distribution Centers and Net Sales

Growth backed by new customers as well as sound relationships with current customers

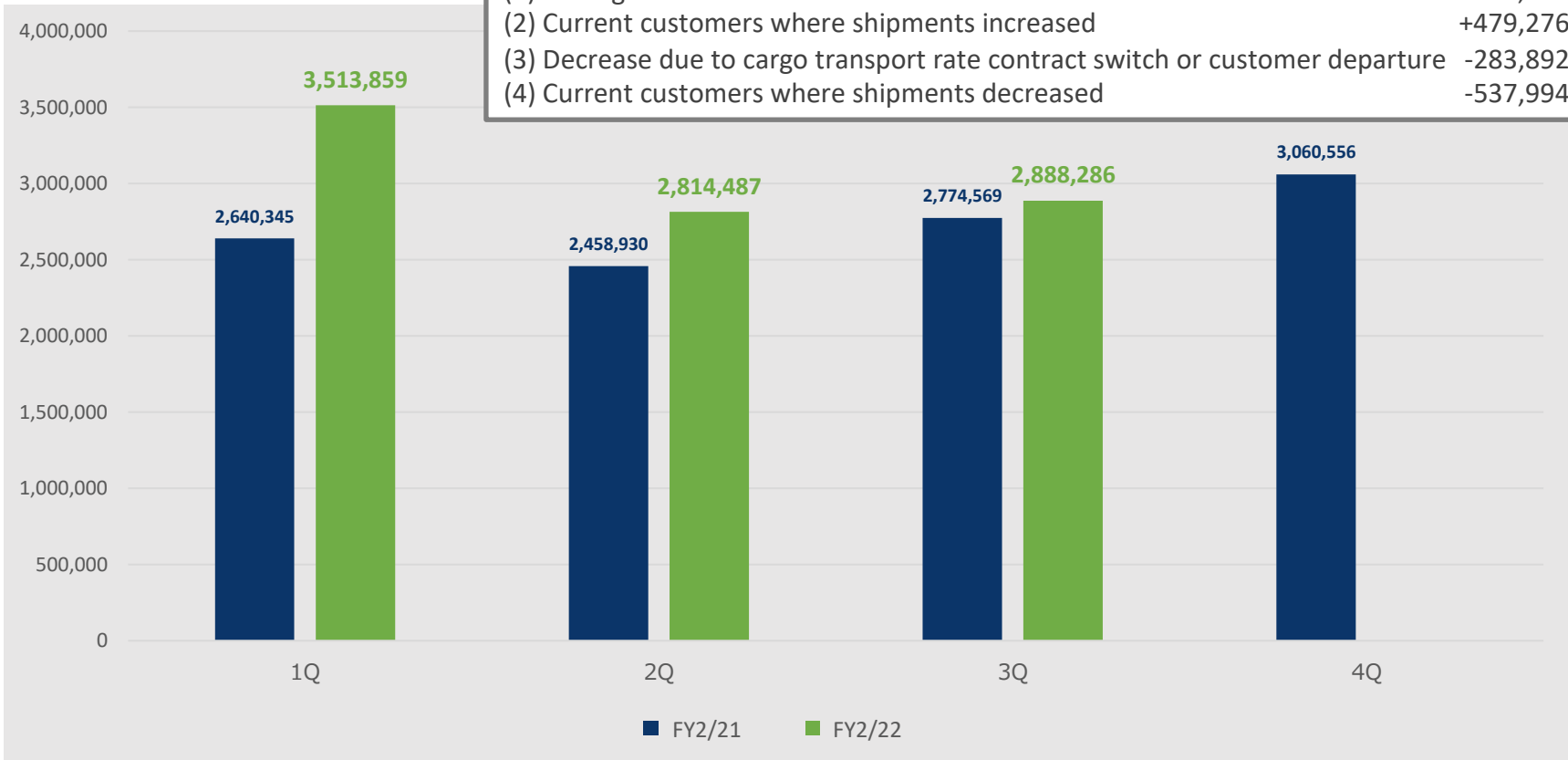


\* A "tsubo" is a unit of area, and one tsubo is equal to 3.305 square meters.

# 7. Packages Shipped

KANTSU started EC services around 2000 when e-commerce was just beginning. Services to handle the increasing volume of shipments have supported the growth of many well-known retailers. In FY2/21, KANTSU shipped approximately 11 million packages.

## Quarterly Packages Shipped



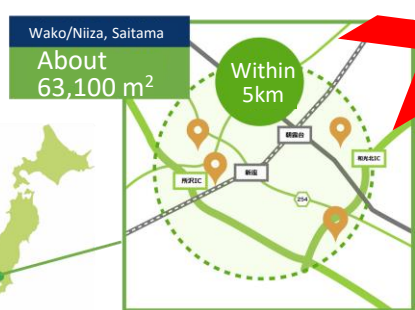
Third Quarter of FY2/22 (Sep.-Nov. 2021)  
 \*In the 3Q, growth in the number of packages shipped continued with shipments increasing 113,717 packages (4.1%) from one year earlier

(1) Packages due to new customers	+456,327
(2) Current customers where shipments increased	+479,276
(3) Decrease due to cargo transport rate contract switch or customer departure	-283,892
(4) Current customers where shipments decreased	-537,994



# 8. The Logistics Dominance Strategy

In 2001, KANTSU started the strategy of establishing a dominant presence in targeted areas (two near Osaka and one near Tokyo). This strategy has been used for the expansion of operations along with the growth of customers' businesses.



\*Floor area of some locations includes plans through February 2022.

There are four other distribution centers within 5 kilometers of the new Tokyo Primary Center, which will start operating in February 2022. The five logistics bases will have a total floor area of about 63,100m<sup>2</sup>. This concentration of bases produces advantages for recruiting, adapting to customers' changing needs and handling large volumes of shipments. The workforce of about 150 in the Niiza area will be increased by about 50 during FY2/22. In addition, 50 foreign trainees are to be hired.

# 9. IT Automation Business

The Cloud Thomas **warehouse management system** has an excellent reputation because it is **backed by a logistics company with considerable logistics expertise**. This system is further differentiated by support that no competitor can match. Logistics professionals from KANTSU help companies design logistics and provide assistance until customers' employees can fully utilize Cloud Thomas.

Cloud Thomas can solve many problems involving logistics!

Utilization support by **logistics professionals**

Chosen by more than **90%** of companies using Cloud Thomas

- The Cloud Thomas warehouse management system for improving logistics -



There are numerous versions of Cloud Thomas to match the warehouse management requirements of every customer



Cloud Thomas Pro for customization



For food products



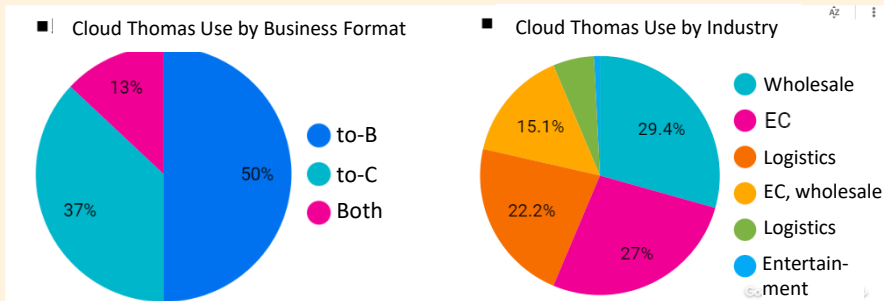
For medical products



For apparel

# 9. IT Automation Business

## Cloud Thomas – Ideal for “to-C” and “to-B”



Cloud Thomas is a warehouse management system used by companies in a broad range of industries. This system is suitable for both B-to-C (e-commerce) and B-to-B (wholesale, stores, rentals, etc.) logistics and any type of merchandise (materials, household products, food, apparel, cosmetics, furniture, home appliances, etc.).

**1** Improvements to customers’ logistics due to the use of know-how that produces results  
KANTSU’s warehouse management system has improved logistics at more than 1,000 companies.

**2** Assistance by logistics professionals for the installation and use of the warehouse management system is available

**3** Data linkage between upstream and downstream systems is possible

**4** Two warehouse management systems to meet specific customer needs

**Cloud Thomas**  
Ideal for small/midsize logistics operations; easy to install and use

**Cloud Thomas Pro**  
A system for medium to large logistics operations; customization is possible

**Companies choose Cloud Thomas to make big changes in logistics operations.  
Constant positive feedback from users!**



Miyoshi Shikki Co., Ltd.

to-C

Even when products are on sale, we are able to end shipping activities on time. This eliminates two hours of overtime.



Sansei Shoji Co., Ltd.

Both (to-B and to-C)

We increased our speed from about 20 shipments every hour to around 40.



Nail Select Co., Ltd.

to-B

Inventory management improved and everything from picking to packaging now takes less time.



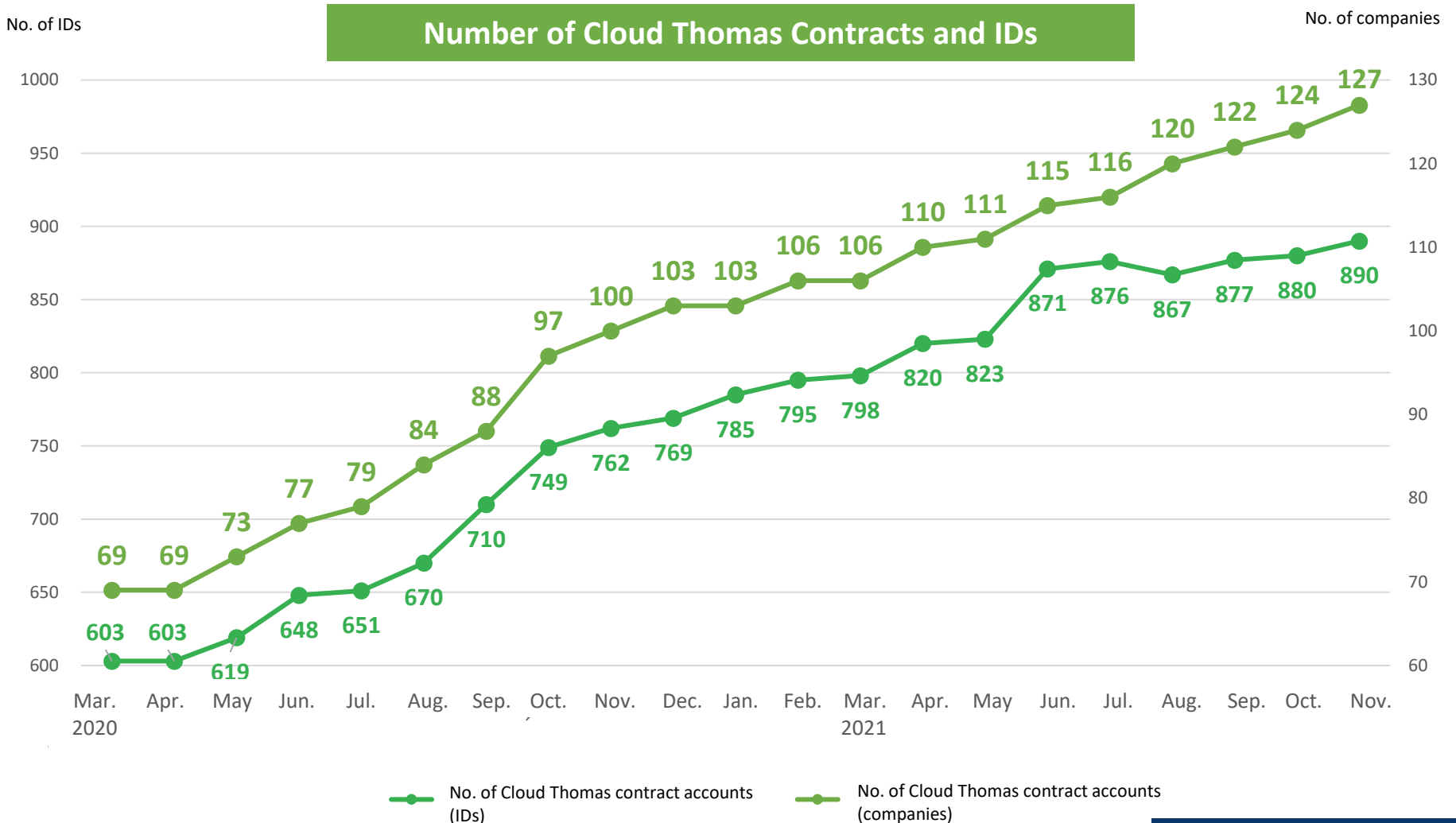
Wonect Co., Ltd.

to-C

By no longer using people for shipping tasks, there are only one or two errors for around 10,000 monthly shipments.

# 10. Cloud Thomas

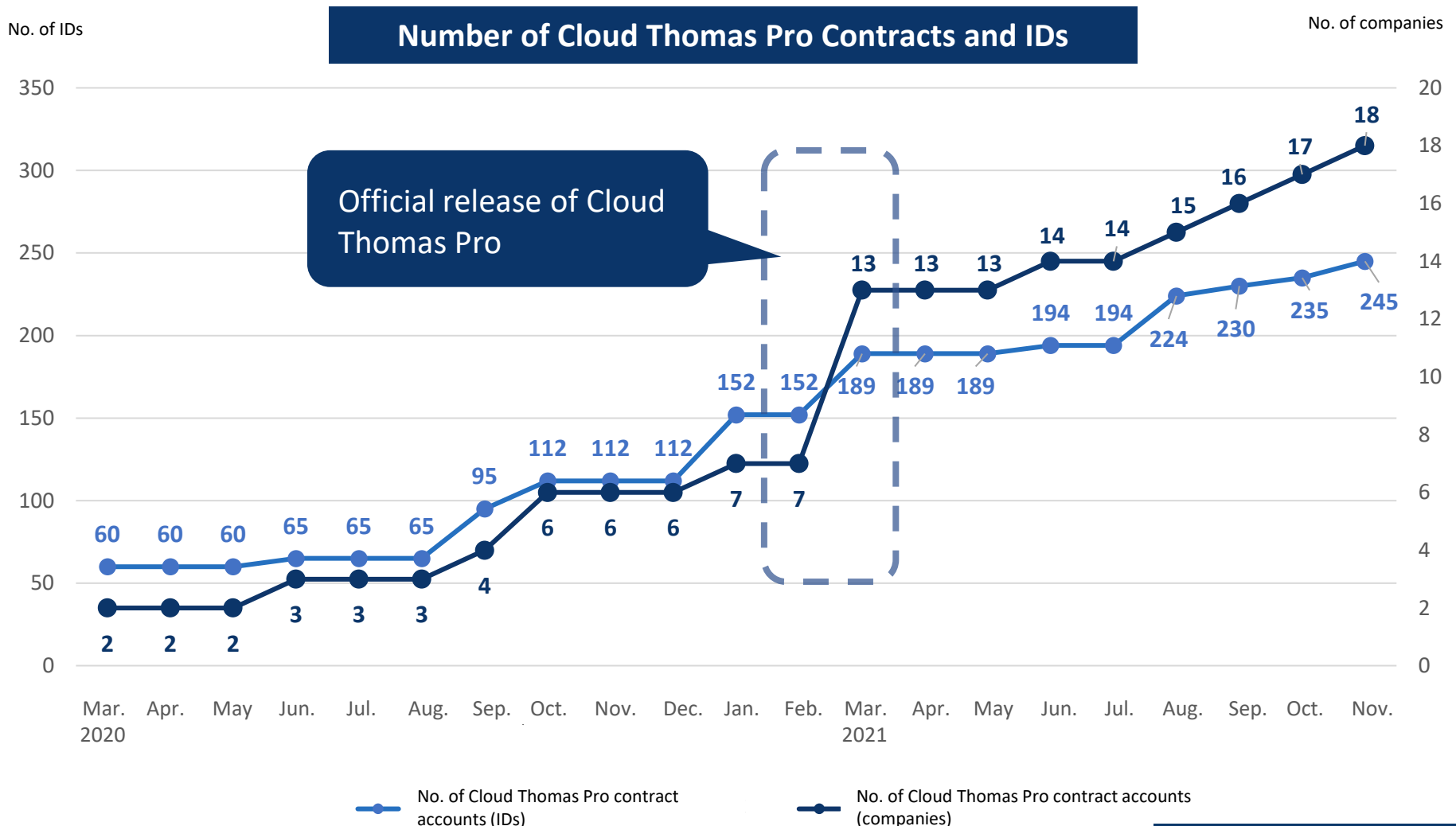
Steady growth in the number of companies with Cloud Thomas and Cloud Thomas Pro contracts. Cloud Thomas Pro packages for specific business sectors have been released and sales activities are increasing.



# 11. The Cloud Thomas Pro

Steady growth in the number of companies with Cloud Thomas and Cloud Thomas Pro contracts.

Cloud Thomas Pro packages for specific business sectors have been released and sales activities are strengthened.



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# **IV. New Key Services**

# 1. Refrigerated/Frozen Warehouse

## Targets opportunities created by food EC and cold chain expansion

**大規模** 2022年1月  
兵庫県尼崎市のEC通販物流センターに  
**冷凍・冷蔵物流センター**  
**OPEN**

冷凍冷蔵 1000PLの保管量  
常温 1300PLの保管量  
**2300PL**

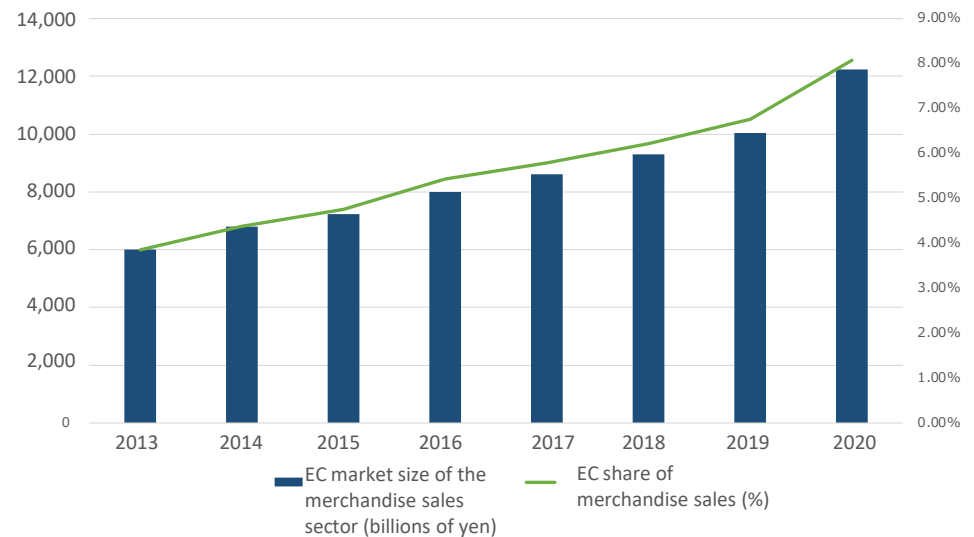
Eコマース需要増加への対応  
キャパオーバーに対応

冷凍冷蔵倉庫の場所がない  
注文に対し出荷が追いつかない  
工場のキャパシティが限界  
新倉庫の設立は費用がかかる  
委託倉庫で「対応できない」と言われた

**冷凍・冷蔵のお悩み  
関通が解決します!**

冷凍・冷蔵食品物流アウトソーシングサービス

Steady growth of EC in the merchandise sales sector



The food EC ratio is climbing with much potential for more growth

B-to-C EC Sector Merchandise Sales for Product Categories

Classification	2019		2020	
	Market size (¥ billion) *Lower column: vs. 2018	EC ratio (%)	Market size (¥ billion) *Lower column: vs. 2019	EC ratio (%)
1 Food, drinks, and liquor	1,823.3 (7.77%)	2.89%	2,208.6 (21.13%)	3.31%

Source: FY2020 Industrial Economic Research Outsourcing Business (Market Survey concerning e-commerce), Ministry of Economy, Trade and Industry

## 2. More Logistics Services for Amazon Sellers

### Upgrading and expanding logistics for Amazon sellers

- **Services for brands used only for the Amazon sales channel**
- **Services specifically for the Amazon Marketplace**
- **A refrigerated/frozen storage center for Amazon sellers**



# 3. A Stronger Relationship with Canon IT Solutions

**Tie-up of Cloud Thomas Pro and Canon IT Solutions Inc. is repositioning this warehouse management system as a system solution used by big companies**

## A stronger relationship with Canon IT Solutions

April 27, 2021

Signed a Cloud Thomas sales agent agreement with Canon IT Solutions

October 1, 2021

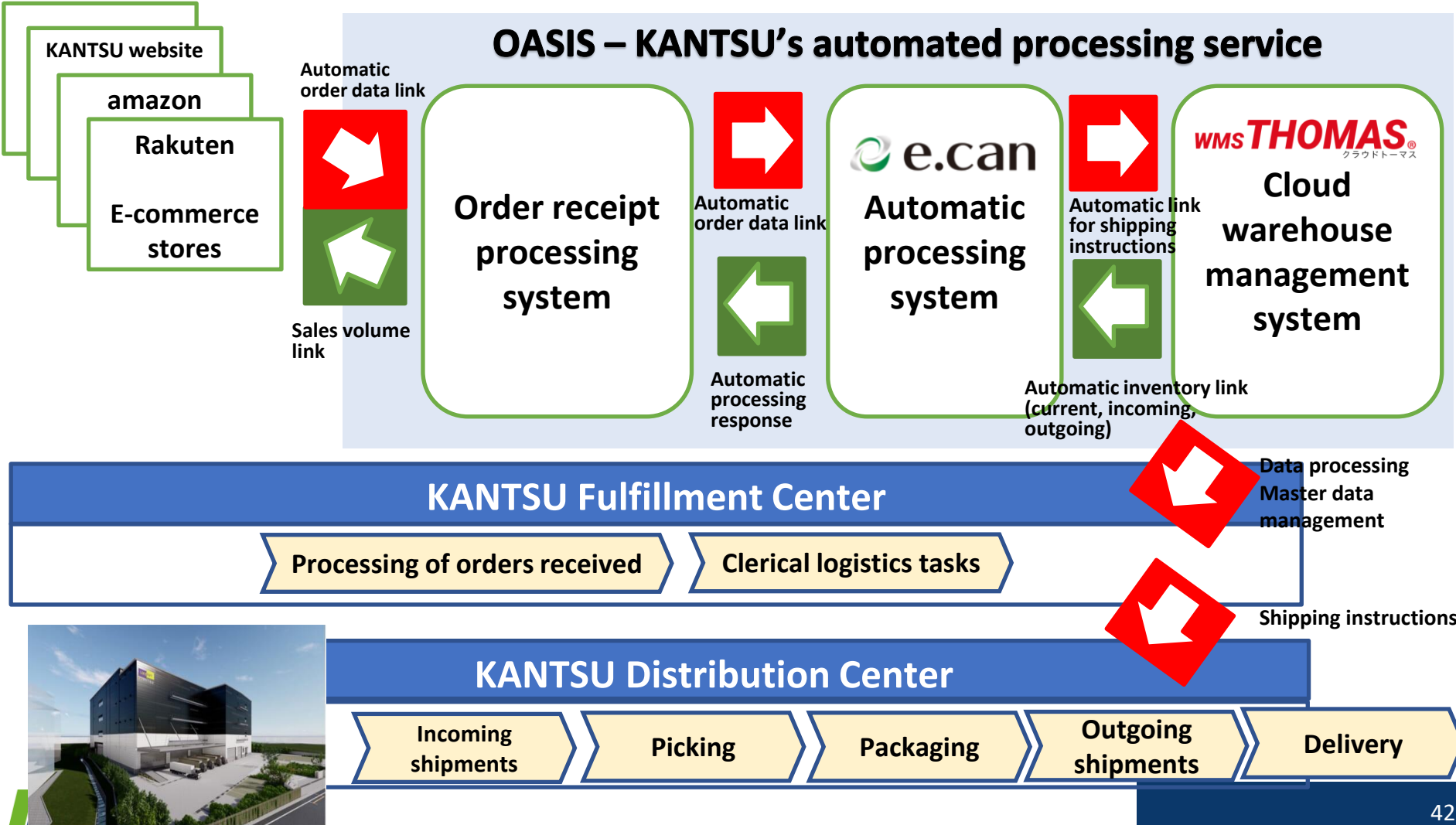
Started selling Cloud Thomas versions for specific business sectors: food products, medical products and apparel.



Plan to continue increasing cooperation with Canon IT Solutions to  
build a powerful framework for Cloud Thomas sales activities

# 4. A One-stop EC Automation Solution

**The KANTSU EC automation solution has progressed to become a new type of fulfillment service**



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# **V. Activities for the Sustainable Development Goals**

# Activities for the Sustainable Development Goals

Category	Activities	Examples
Digital Transformation	<p>Hire young people in Japan and other countries with a desire to learn ICT skills for logistics to become software developers or engineers for the use of ICT at logistics facilities. Give these people skills concerning new logistics facility management methods and ICT by placing them in jobs where they use management processes utilizing logistics facility ICT, develop software and are involved with other related tasks. In addition, use business-academic partnerships and other measures for logistics system and software R&amp;D programs.</p>	<ul style="list-style-type: none"> <li>● Use of logistics robots and robotic process automation</li> <li>● Collaboration with the Department of Industrial and Management Systems, Engineering School of Creative Science and Engineering, Waseda University</li> <li>● Collaboration with the Malaysia-Japan International Institute of Technology</li> <li>● The KANTSU career advancement program</li> </ul>
The environment	<p>Recycle materials used for logistics, reduce the use of paper by using the Cloud Thomas warehouse management system, and increase the use of paperless formats for invoices and contracts. Implement measures for sustainability, such as the use of LED lights at distribution centers to use less energy. Establish a framework for making environmental activities the foundation for the sustained growth of KANTSU.</p>	<ul style="list-style-type: none"> <li>● Recycle packaging materials</li> <li>● Install LED lights</li> <li>● Paperless invoices</li> <li>● Paperless contracts</li> </ul>

## Associated SDGs



# Activities for the Sustainable Development Goals

## Associated SDGs





Category	Activities	Examples
Employee benefits and training	Operate after-school and other classes for the education of children with developmental disabilities and use after-school daytime care services for these children to help them develop skills and become more independent. Operate employment assistance centers that help people with developmental disabilities who want to find a job and provide support for acquiring knowledge and skills required for employment. Also operate nursery schools for companies as a benefit for their employees and conduct education activities with close ties to regions and communities.	<ul style="list-style-type: none"> <li>● Operation of after-school daytime classes</li> <li>● Operation of employment assistance centers</li> <li>● Operation of nursery schools for companies</li> </ul>
Diversity	Hire foreigners to work as software developers and continuously hire foreign technical trainees for logistics facilities. Established the UT Robotics Research Institute, which performs logistics systems and software R&D, at the Malaysia-Japan International Institute of Technology for increasing the use of new technologies and assisting with the employment of people at companies using these technologies. In addition, KANTSU has many women in management positions and has a strong commitment to employing people with developmental disabilities.	<ul style="list-style-type: none"> <li>● Employment of foreigners</li> <li>● Collaboration with the Malaysia-Japan International Institute of Technology</li> <li>● Women as pct. of all management personnel End of Feb. 2020: 26.3% End of Feb. 2021: 34.5%</li> <li>● Developmental disability people as pct. of total workforce FY2020: 3.18% FY2021: 6.29%</li> <li>● Pct. of available child care time off used by KANTSU employees FY2/20: 100% FY2/21: 100%</li> </ul>

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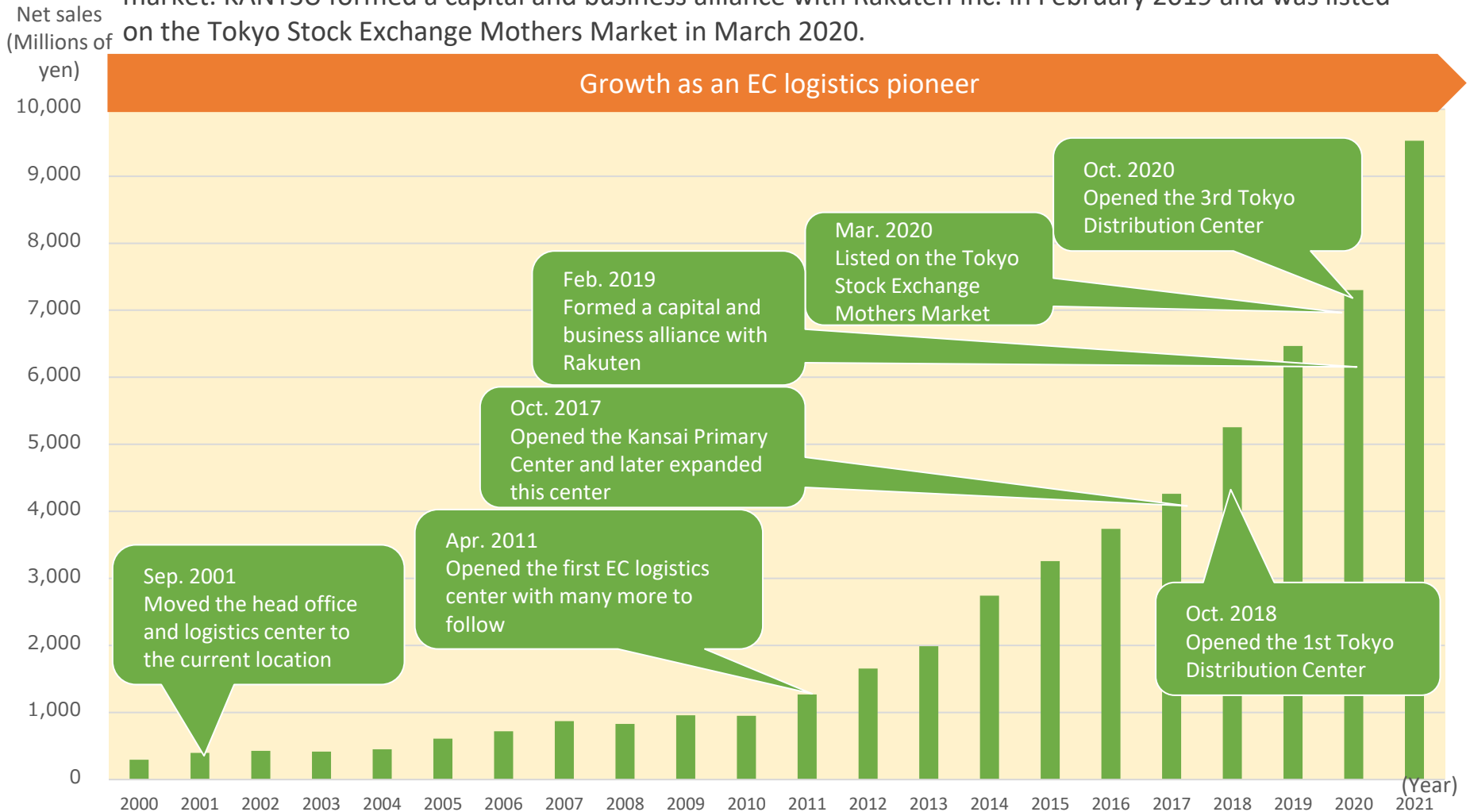
# VI. Reference

# Company Profile

Company name	KANTSU CO., LTD.	
Offices	<p>Head office and Nagata office: Oriental Trading Building 3-3-32 Nagatahigashi, Higashi Osaka city, Osaka</p> <p>Kansai Head office: 111-4 Nishimukojimacho, Amagasaki city, Hyogo</p> <p>Umeda office: LINKS UMEDA 8F WeWork LINKS UMEDA 1-1 Ofukacho, Kita-ku, Osaka city, Osaka</p> <p>Tokyo System Development Division: Bunshodo Building 5F, 3-37-1 Kanda Sakuma-cho Chiyoda-ku, Tokyo</p> <p>Logistics bases: 12 locations in Kansai area, 4 locations in Kanto area</p> <p>Total area: 173,200m<sup>2</sup> (As of November 30, 2021)</p>	
Established	April 1986	
Representative	Hisahiro Tatsushiro, Representative Director and President	
Capital	785 million yen (As of November 30, 2021)	
Stock listing	Tokyo Stock Exchange Mothers Market (Stock code: 9326)	
Number of employees	287 (Regular employees as of November 30, 2021)	
Business	<ul style="list-style-type: none"> <li>■ Logistics services business           <ul style="list-style-type: none"> <li>EC/catalog logistics support services</li> <li>Rakuten Super Logistics services</li> <li>Outsourced order processing services</li> <li>Logistics consulting services</li> </ul> </li> <li>■ IT automation business           <ul style="list-style-type: none"> <li>The Cloud Thomas warehouse management system</li> <li>The Annie check list system</li> </ul> </li> <li>■ Other businesses</li> </ul>	 <p>Kansai Primary Center</p>  <p>The 1st Tokyo Distribution Center</p>

# History

KANTSU started an EC/catalog logistics support services business around 2000 when the e-commerce market was still small. KANTSU has grown rapidly since 2010 along with the expansion of the e-commerce market. KANTSU formed a capital and business alliance with Rakuten Inc. in February 2019 and was listed on the Tokyo Stock Exchange Mothers Market in March 2020.





# Other Services

## Outsourced order processing services [Logistics Services Business]

These upstream support services for EC/catalog logistics enable companies to use KANTSU for confirming orders from customers, handling e-mail communications with customers, confirming the receipt of payments, producing shipment data, and other tasks.

Companies using e.can have the option of using e.can Plus for the automation of order processing. This allows assembling a back office that can accommodate a company's growth. In addition, some tasks are performed at the Yangon BPO Center in Myanmar to increase efficiency.

QR code for more  
information about the  
outsourced order  
processing services



Note: The Yangon BPO Center is operated by a company that has an outsourcing agreement with KANTSU.

## ippo! – A robotic process automation (RPA) production service [IT Automation Business]



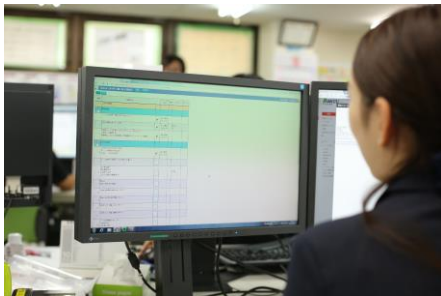
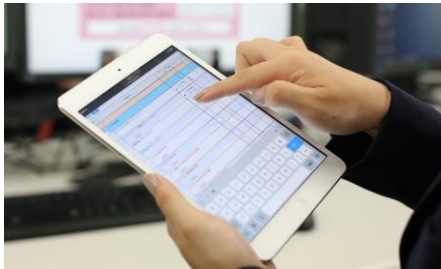
This new service combines the knowledge of KANTSU, which has many accomplishments involving RPA, and BizRobo!, an RPA tool. The result is a service that creates RPA for other companies that want to automate business processes. ippo! is also a service for assisting companies that have started using RPA but are having difficulties.

# Other Services

Annie, a cloud-based digital check list system, that started from ideas in our front-line operations.

## The Annie digital check list system [IT Automation Business]

Annie is a cloud-based **digital check list system** that resulted from constant improvements in how KANTSU uses its own check lists. Using a **check list facilitates the visualization** of each step of a task in order to ensure that no step is missed. The result is high-quality business processes for customers. Annie is also an effective tool for remote work and the preparation of important documents.



QR code for more  
information about the  
Annie digital check list  
system

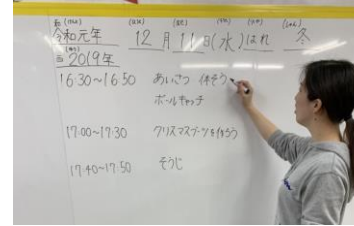


# Other Services

## Education services for people with a developmental disability [Other Businesses]



After-school daytime classes for children with a developmental disability  
Employment assistance center for people with a developmental disability



## Support for pre-school child care [Other Businesses]



Operation of pre-school child care facilities for companies



## Technology education services for foreign trainees [Other Businesses]



Vocational training in Myanmar for people who plan to become foreign trainees in Japan



# Disclaimer

## Disclaimer and Precautions Concerning Forward-looking Statements

- Information in this presentation and associated materials contains forward-looking statements. These statements are based on the current outlook and forecasts as well as on assumptions that incorporate risk. All forward-looking statements include uncertainties that may result in actual performance that differs from these statements.
- Risk factors and uncertainties include the condition of industries and markets, interest rate and foreign exchange rate movements, and other factors involving the condition of the Japanese and global economies.
- Although this presentation and other materials were prepared carefully in order to ensure accuracy, KANTSU does not guarantee that these materials are accurate or complete.
- The information provided in these materials may be modified or updated if there is a substantial change in the contents.



Inquiries

KANTSU CO., LTD. IR Representative

Please use the designated form for IR inquiries.

URL: <https://www.kantsu.com/>

IR Inquiries Form

