



Securities code: 9326

KANTSU CO., LTD.

January 15, 2024

**Results of Operations
for the Third Quarter of the
Fiscal Year Ending February 29, 2024**

3Q FY2/24 Results Summary

■ 1Q-3Q FY2/24 (vs. 1Q-3Q FY2/23)

Net sales: +11.3%

↳ Due to strong performances of sales by EC customers

Ordinary profit: -0.5%

↳ Increase in rental expenses

■ 1Q-3Q FY2/24 (vs. plan)

Net sales: +1.5%

↳ Progressed as planned

Ordinary profit: +8.5%

↳ Increased because of higher efficiency for delivery rates and other measures despite higher personnel expenses for handling the larger volume of shipments resulting from sales by customers and for new businesses

■ Established KANTSU Next Logi for the business acquired from

Kawade Kousan

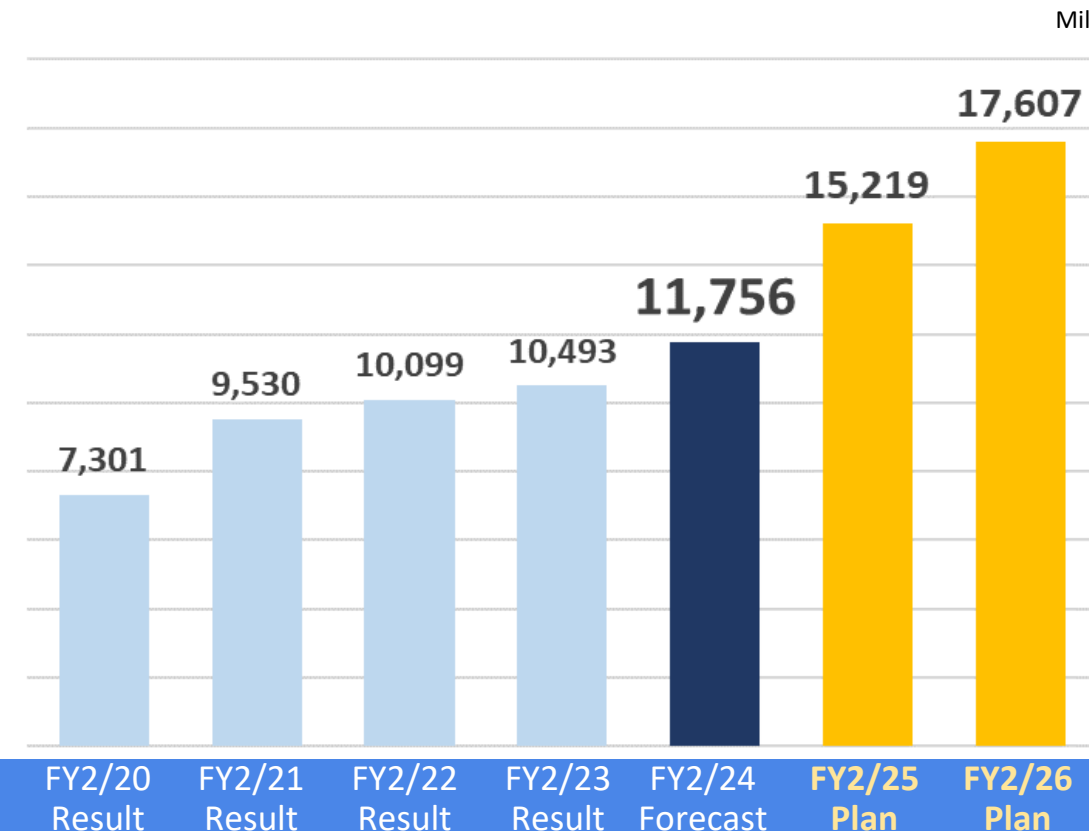
↳ Operations of the new wholly owned subsidiary KANTSU Next Logi started on December 21, 2023

KANTSU acquired the third-party logistics business, including warehouses, of Kawade Kousan and plans to make the business profitable by using IT

Consolidated FY Results (FY2/20 – FY2/23) Forecast and Plan (FY2/24 – FY2/26)

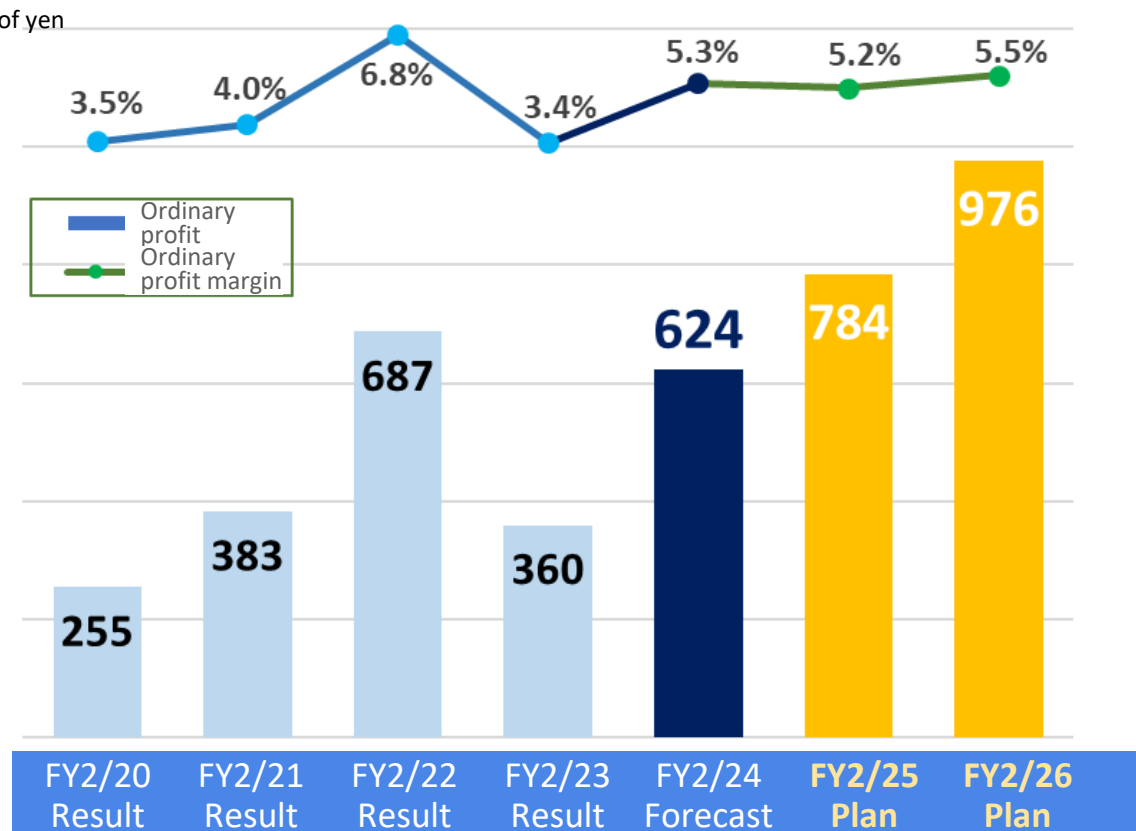
Consolidated sales

- Sales up in four consecutive fiscal years
Expect the fifth consecutive year of growth in FY2/24
- Sales of KANTSU Next Logi will be added starting in FY2/25
Speeding up growth toward the goal of **sales of 20 billion yen**



Consolidated ordinary profit

- In FY2/24, rental expenses will increase but there are benefits from more new customers and ongoing improvements to business operations by reexamining personnel expenses
- Planning on improving profit structure by making IT investments for KANTSU Next Logi beginning in FY2/25; the goal is **ordinary profit of 1 billion yen**



Contents

I Financial Summary / Consolidated 5

II Financial Summary / Segments 12



I. Financial Summary / Consolidated

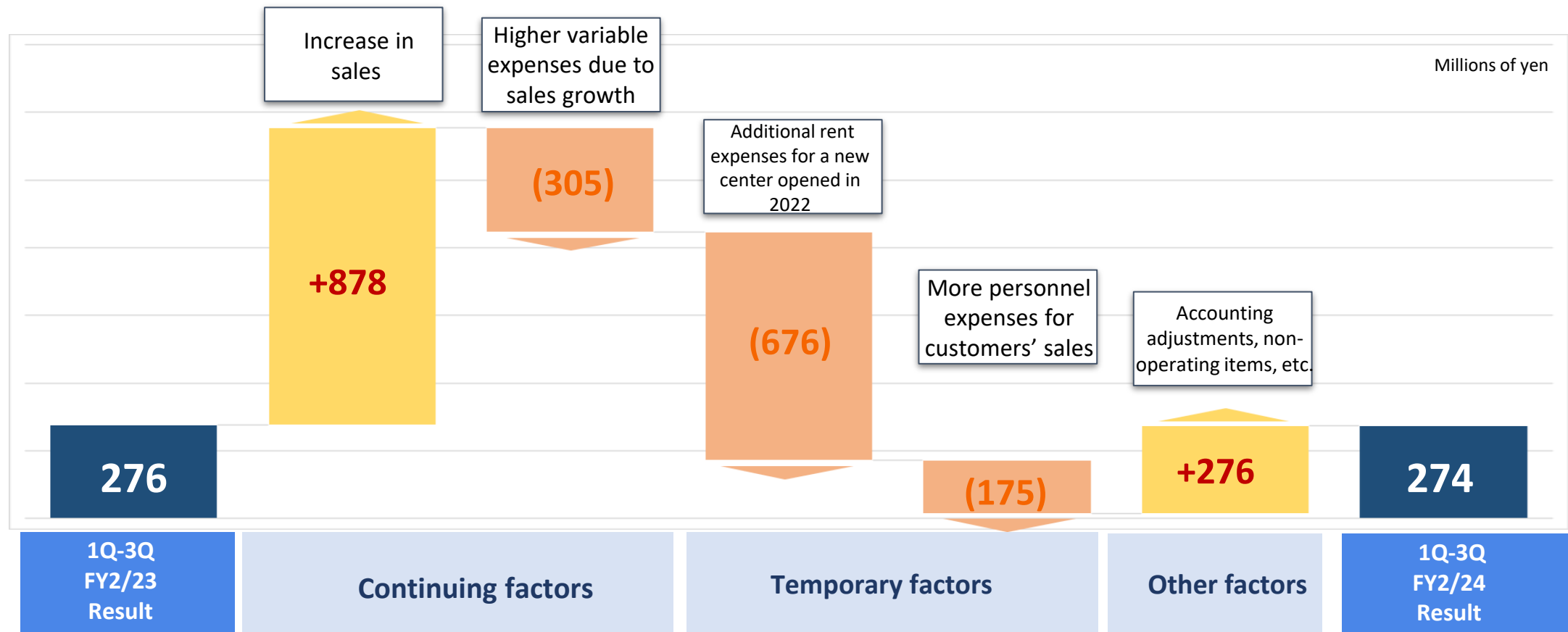
(YoY Change) 1Q-3Q FY2/24

- Sales increased to a new record high for the first nine months of a fiscal year.
- Ordinary profit was basically unchanged, down only 1 million yen (0.5%) YoY.

	1Q-3Q FY2/23 (Results)	1Q-3Q FY2/24 (Results)	Millions of yen	
			YoY change	
			Amount	%
Net sales	7,802	8,680	+878	+11.3
Operating profit	299	271	(28)	(9.6)
Ordinary profit	276	274	(1)	(0.5)
Profit attributable to owners of parent	182	193	+10	+5.8

(YoY Change) Analysis of Changes in Ordinary Profit

- Sales set a new record because of the success of major autumn sales events of several EC customers.
- Rental expenses at the Tokyo Primary Center, which opened in 2022, had a big impact on earnings.
- The DX Center (near the head office in Amagasaki), which opened in November 2023, is already performing well. The expected capacity utilization is already 70%.



(Vs. Plan) 1Q-3Q FY2/24

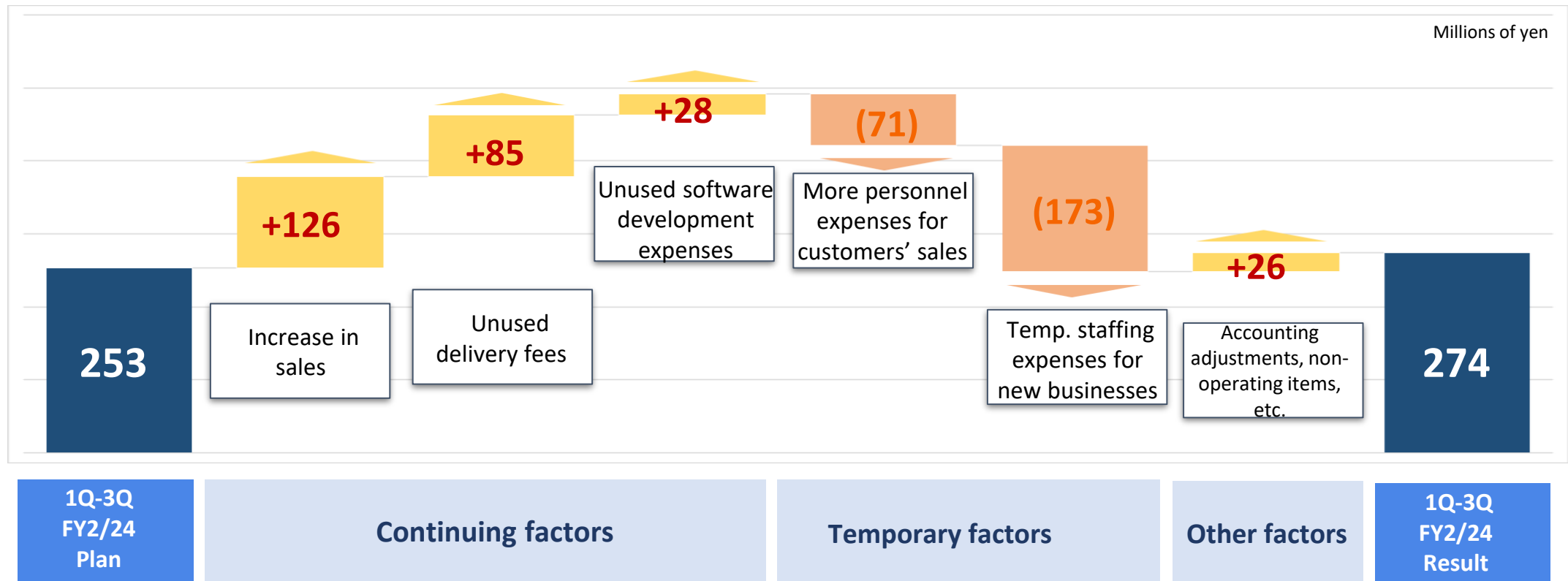
- Sales were in line with the plan
- Profitability as anticipated with an ordinary profit margin of 3.1% compared with the plan of 3.0%.

	1Q-3Q FY2/24 (Plan)	1Q-3Q FY2/24 (Results)	Vs. plan	
			Amount	%
Net sales	8,554	8,680	+126	+1.5
Operating profit	284	271	(13)	(4.7)
Ordinary profit	253	274	+21	+8.5
Profit attributable to owners of parent	171	193	+22	+13.1

Millions of yen

(Vs. Plan) Analysis of Changes in Ordinary Profit

- Unlike with the YoY comparison, rental expenses were recognized when the budget was determined.
- A brief increase in personnel expenses to handle the larger than expected volume of shipments as several EC customers posted record-high sales during their autumn-winter sales events.
- Increase in temporary staffing expenses for up-front investments for new businesses.



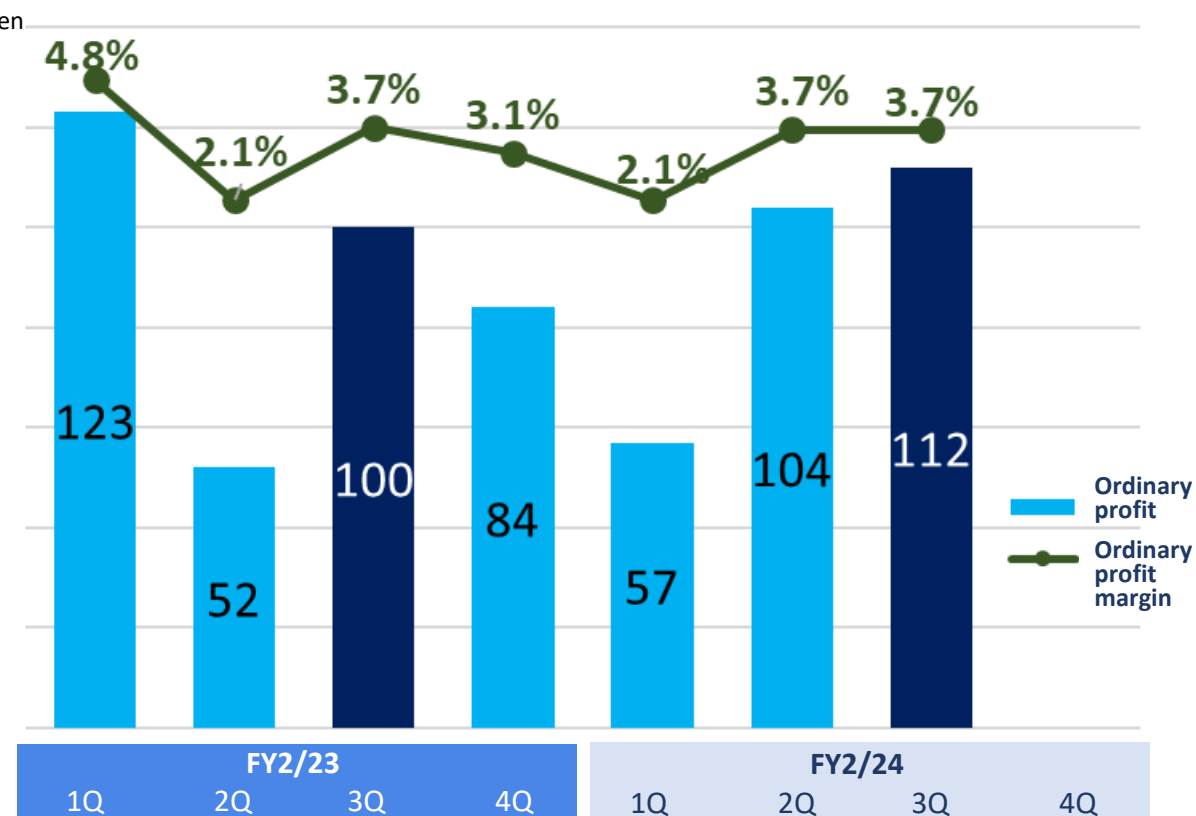
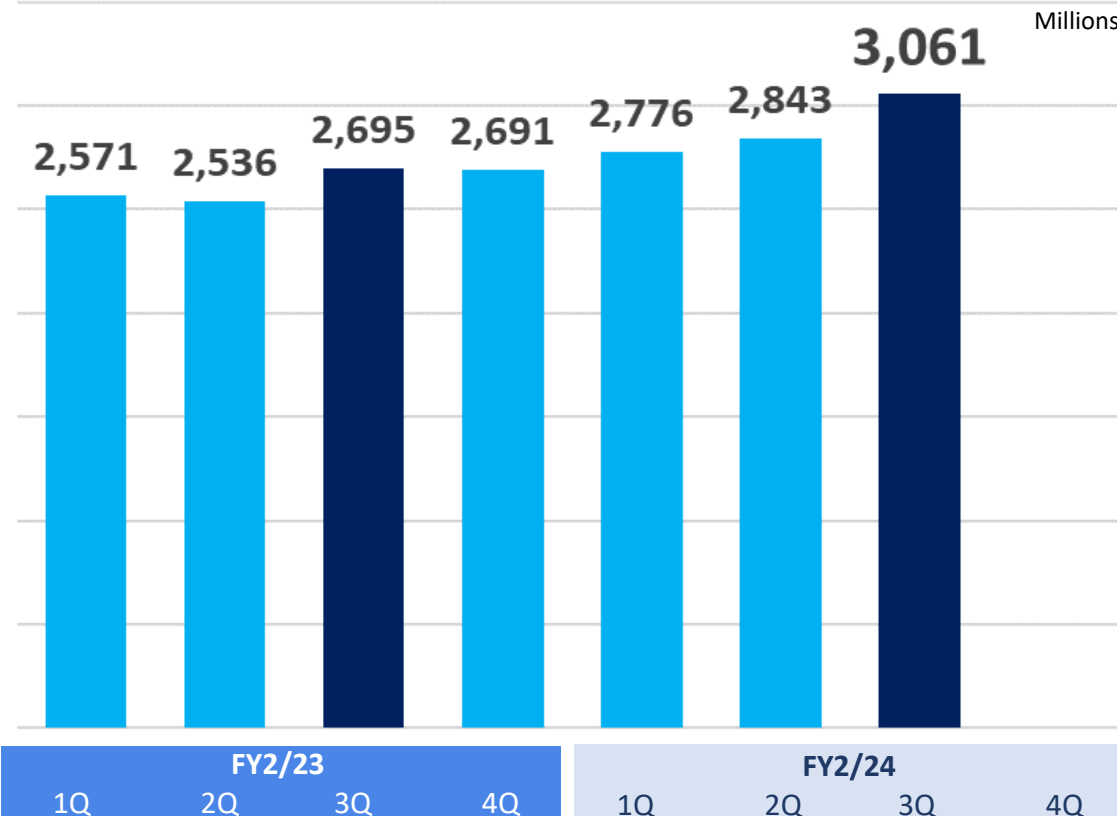
Quarterly Sales and Ordinary Profit

Consolidated quarterly sales

Third quarter sales increased 366 million yen YoY for two reasons:
 (1) Successful sales events by EC customers in the logistics services business
 (2) Growth of monthly utilization fees in the IT automation business

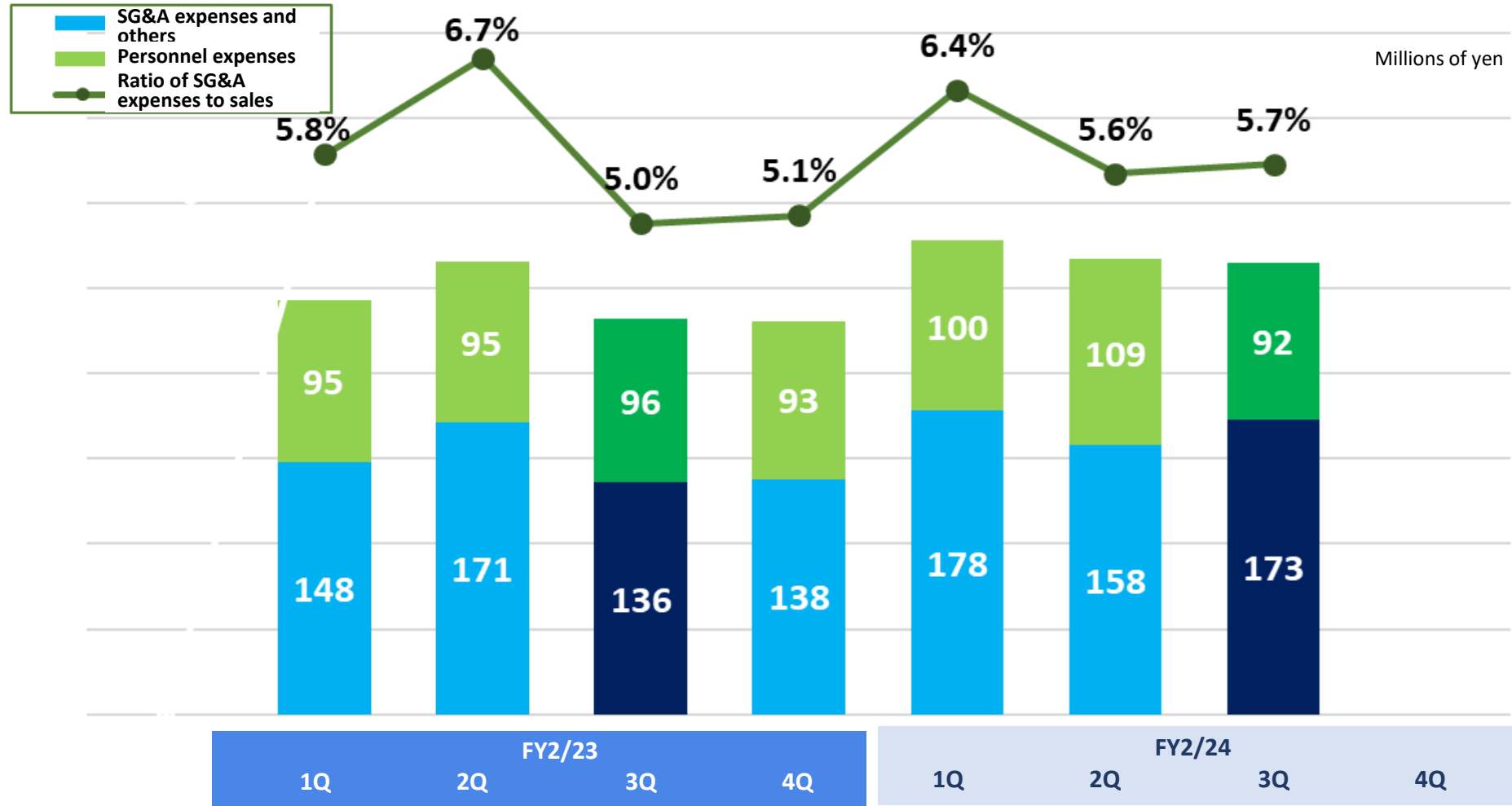
Consolidated quarterly ordinary profit

Third quarter ordinary profit was up 12 million yen YoY and the ordinary profit margin was unchanged at 3.7%



Quarterly SG&A Expenses

■ The SG&A expense ratio has been relatively stable as sales changed.





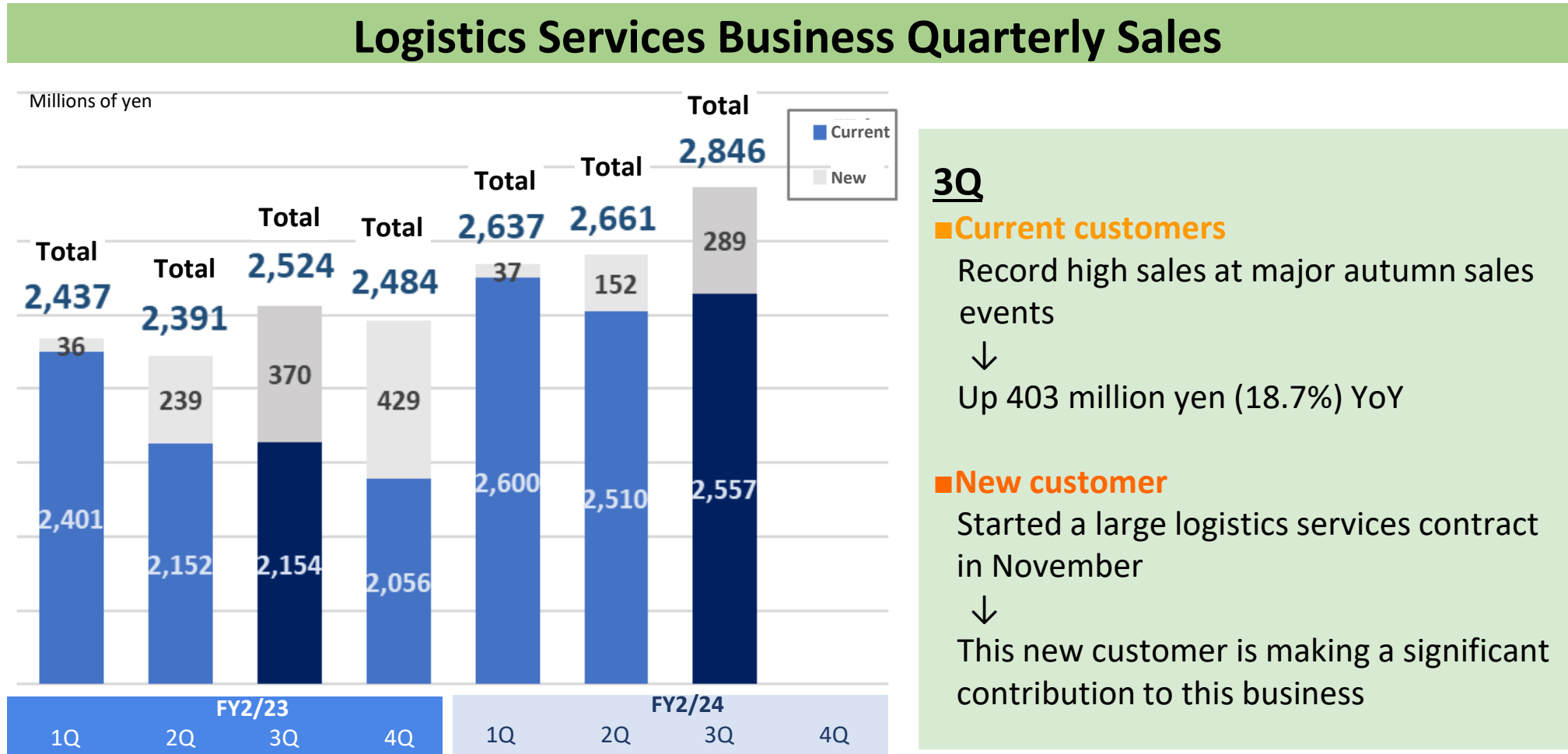
II. Financial Summary / Segments

1Q-3Q FY2/24 Segment Results

- Logistics services sales were strong but earnings decreased as rental expenses were up 676 million yen YoY.
- In IT automation, utilization fees increased due to the completion of designs and tests with customers.

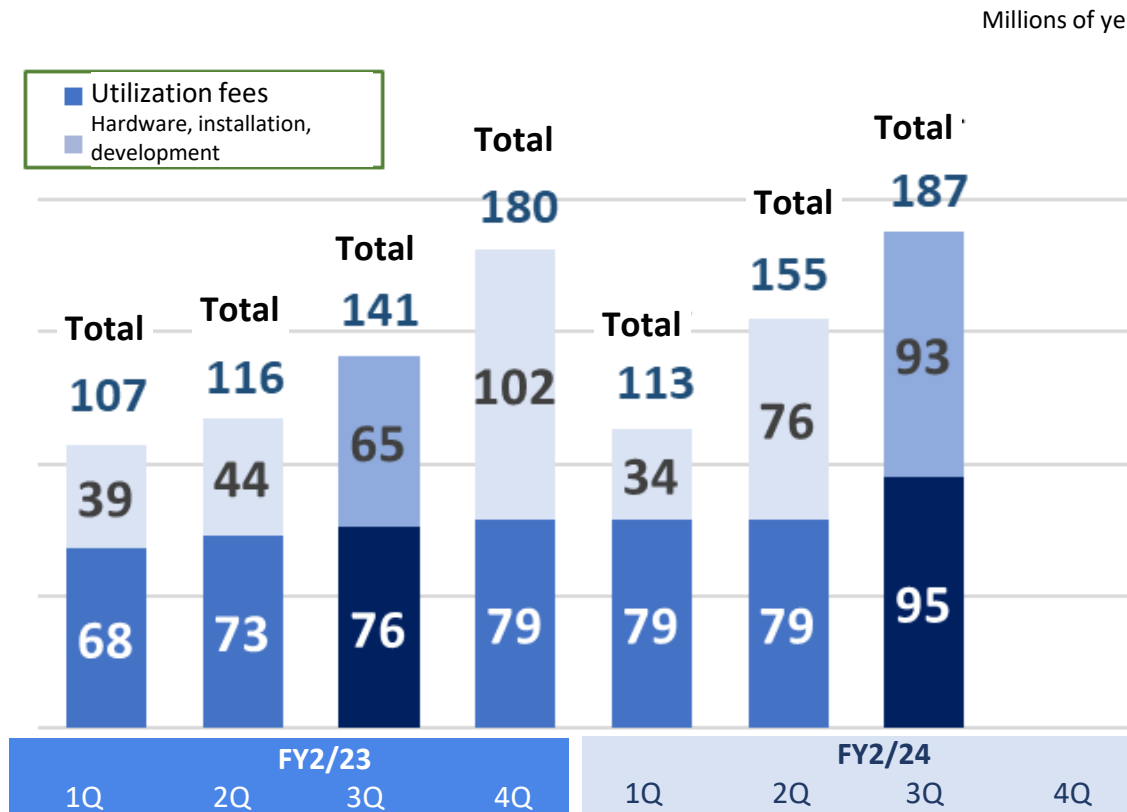
		1Q-3Q FY2/23 (Results)	1Q-3Q FY2/24 (Results)	YoY change (%)
(Millions of yen)				
Logistics Services Business	Net sales	7,352	8,145	+10.7
	Operating profit	168	61	(63.6)
SaaS utilization fees	Net sales	217	253	+16.5
Hardware, installation, development	Net sales	148	203	+37.1
IT Automation Business total	Net sales	365	456	+24.7
	Operating profit	122	210	+72.0

Logistics Services Business Quarterly Sales



IT Automation Business Quarterly Sales

IT Automation Business Quarterly Sales



■ Utilization fees

Previously there was a time lag for the recognition of sales because of the growing scale of operations of customers
 ↓
 Utilization fees increased in the third quarter

■ ECOMS

Planning to start ECOMS (order management system) sales activities in FY2/25
 ↓
 Anticipating the growth of this business

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

