



Financial Results Meeting:

FY Ended March 2019

(April 1, 2018 – March 31, 2019)

May 13, 2019



Global Logistics Partner

kintetsu world express

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Financial Summary

Weight (1,000 tons) Shipments (thousands) Volume (1,000 TEU) Amount (¥ million)

Item	FY ended March 2018		FY ended March 2019		FY ended March 2019 Forecasts (Revised on November 8, 2018)	
		YoY change (%)		YoY change (%)	Revised targets	vs. Revised targets
Air freight exports (Weight)	580	17.0%	600	3.6%		
Air freight imports (Shipments)	1,328	10.0%	1,340	0.9%		
Sea freight exports (Volume)	663	19.3%	700	5.4%		
Sea freight imports (Shipments)	277	13.1%	287	3.4%		
Net sales	553,197	16.6%	592,009	7.0%	600,000	(1.3%)
Operating gross profit	92,662	9.0%	96,957	4.6%	—	—
Operating income	17,551	34.2%	20,797	18.5%	19,200	8.3%
Ordinary income	17,345	33.1%	19,939	15.0%	20,700	(3.7%)
Income before income taxes	16,879	35.2%	19,978	18.4%	—	—
Net income attributable to owners of the parent	7,002	56.1%	9,857	40.8%	10,500	(6.1%)

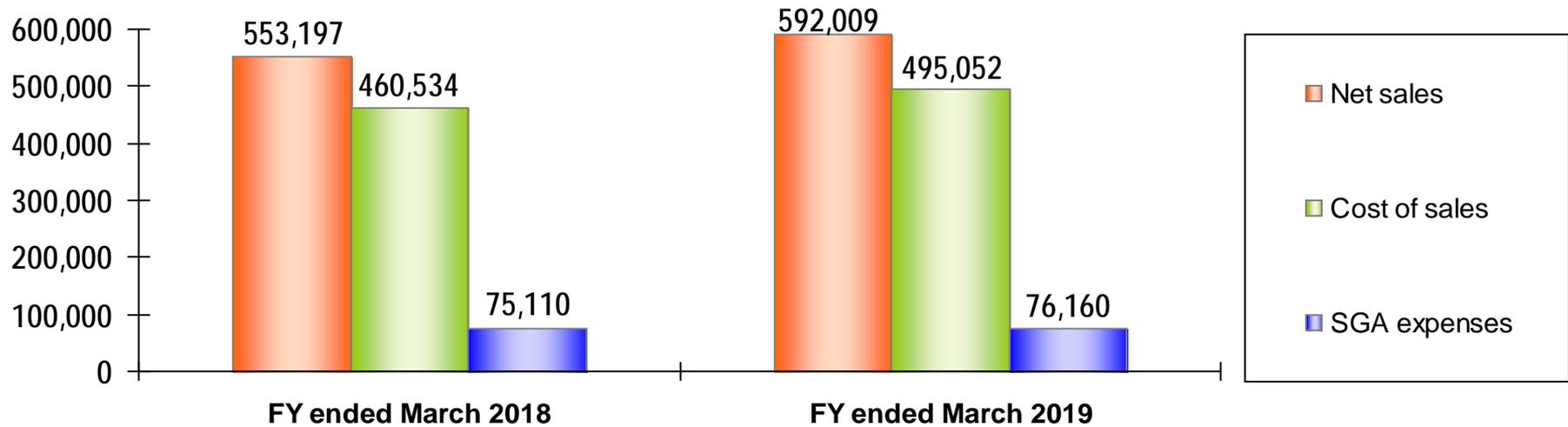
Conversion Rate	FY ended March 2018	1st 6 months of FY ended March 2019	FY ended March 2019
US-Dollar	¥110.85	¥110.26	¥110.91
EURO	¥129.70	¥129.85	¥128.41
HK-Dollar	¥14.20	¥14.05	¥14.14
Chinese yuan	¥16.75	¥16.75	¥ 16.54

Indicators	FY ended March 2018	FY ended March 2019
EPS	¥97.26	¥136.91
BPS	¥1,662.72	¥1,690.89
ROE	5.9%	8.2%

FOREX impacts (consolidated)
 Net sales: ¥(5,416) million
 Operating income: ¥(174) million

Year over Year Comparisons of Net Sales, Cost of Sales, and SGA Expenses

(Millions of yen)



(Millions of yen)

	FY ended March 2018	Ratio to net sales	FY ended March 2019	Ratio to net sales
Net sales	553,197	100.0%	592,009	100.0%
Cost of sales	460,534	83.2%	495,052	83.6%
SGA expenses	75,110	13.6%	76,160	12.9%
Operating income	17,551	3.2%	20,797	3.5%

Balance Sheets (1)

(Millions of yen)

	March 2018	March 2019	Differences
Assets			
Current assets	193,520	202,018	8,498
Non-current assets	196,062	186,448	(9,613)
Property, plant and equipment	46,749	46,137	(612)
Intangible assets	121,328	114,683	(6,645)
Total investments and other assets	27,984	25,627	(2,356)
Total assets	389,582	388,467	(1,115)
Liabilities			
Current liabilities	123,048	122,729	(318)
Non-current liabilities	137,545	133,913	(3,631)
Total liabilities	260,594	256,643	(3,950)
Net assets			
Total net assets	128,988	131,823	2,835
Total liabilities and net assets	389,582	388,467	(1,115)

Balance Sheets (2)

■ Interest-bearing debt

(Millions of yen)

FY ended March 2018	FY ended March 2019	Differences
165,676	160,932	(4,744)

■ Capital investments

(Millions of yen)

FY ended March 2018	FY ended March 2019	Differences	FY ending March 2020 (Forecasts)
10,299	8,025	(2,274)	8,500

◆ Main capital investments (FY ended March 2019)

IT/software, logistics facilities, vehicles (railroad cars for APLL, etc.), office, etc.

◆ Main capital investment plan (FY ending March 2020)

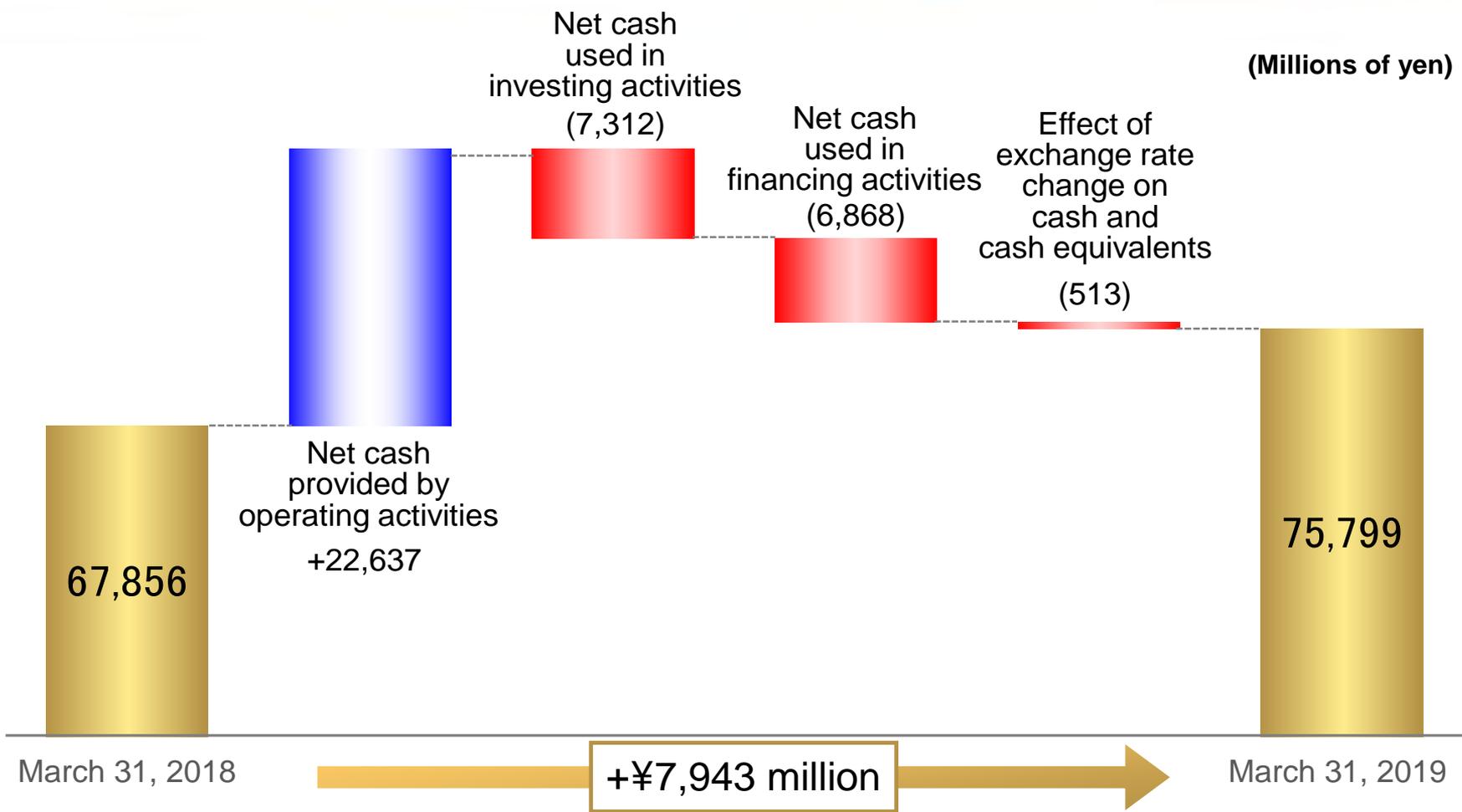
IT/software, logistics facilities, office, etc.

■ Depreciation

(Millions of yen)

FY ended March 2018	FY ended March 2019	Differences
7,932	8,418	+486

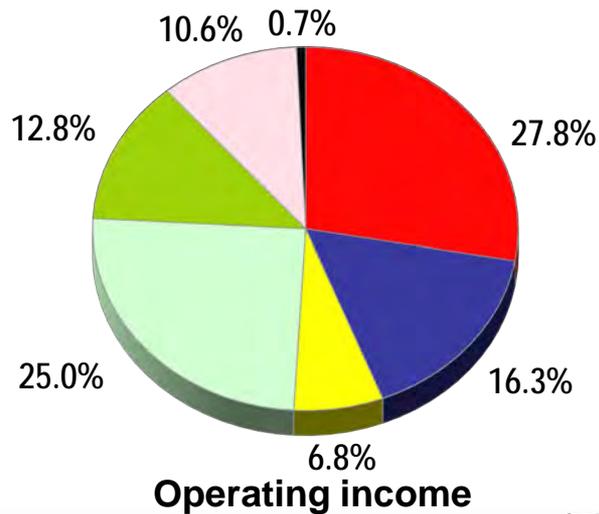
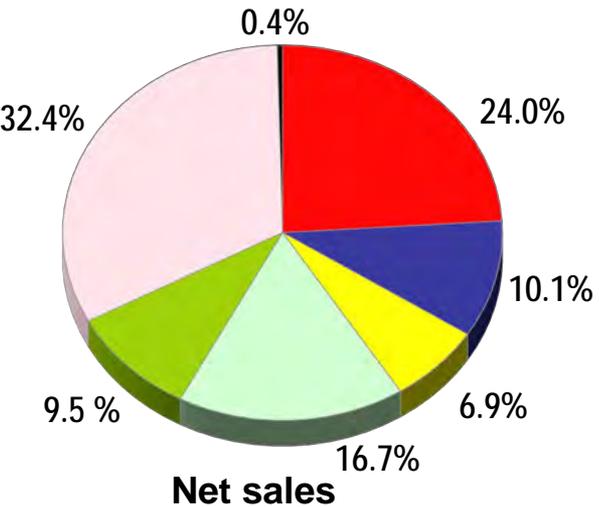
Cash Flow Statements



■ Cash and cash equivalents at end of period

Net Sales and Operating Income by Segment

Composition by segment (FY ended March 2019)



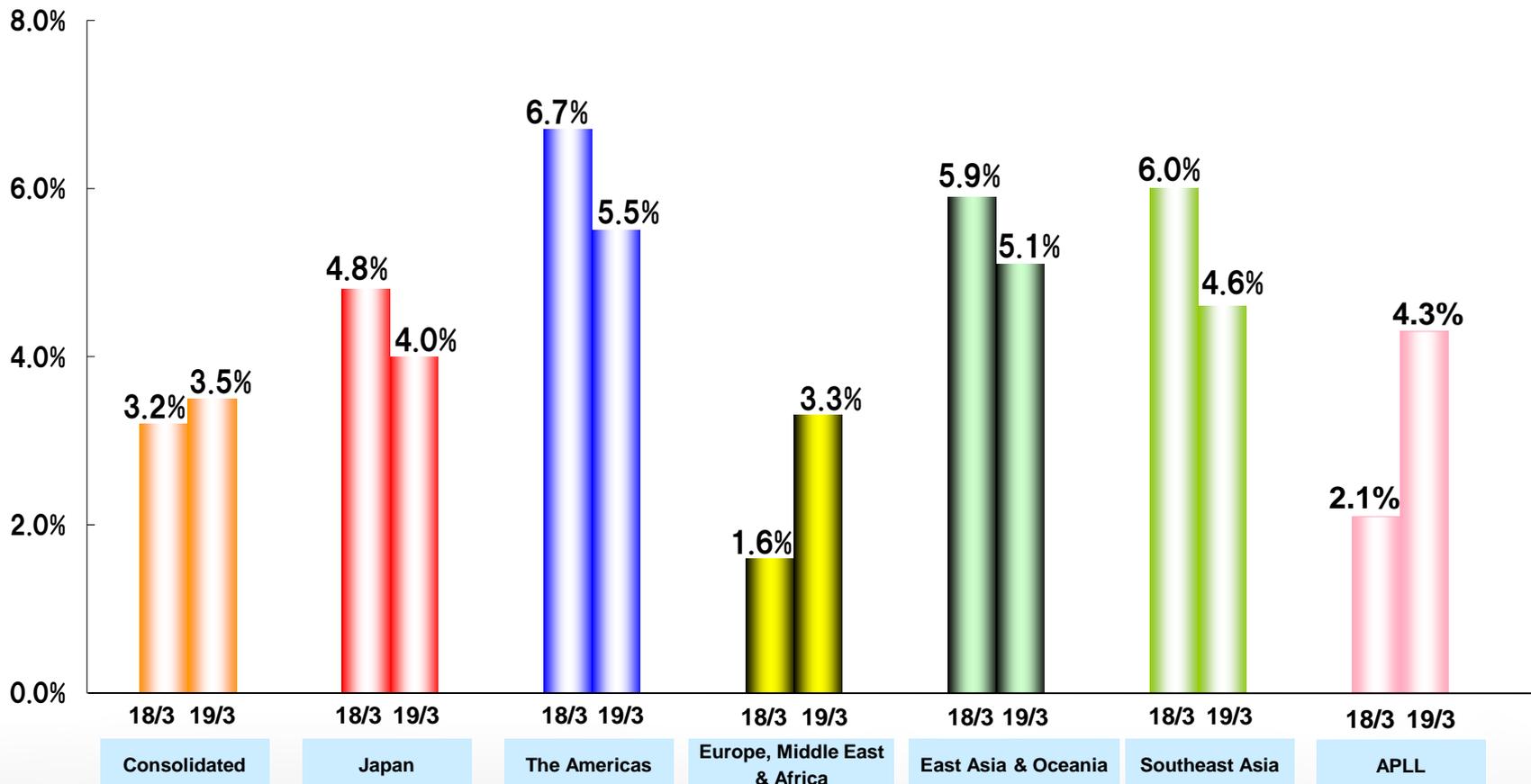
- Japan
- The Americas
- Europe, Middle East & Africa
- East Asia & Oceania
- Southeast Asia
- APLL
- Other

Segment	Net Sales	YoY change	Operating Income	YoY change
Japan	145,669	14.0%	5,777	(6.7%)
The Americas	61,534	15.6%	3,391	(5.3%)
Europe, Middle East & Africa	41,934	8.5%	1,402	124.8%
East Asia & Oceania	101,531	5.6%	5,193	(7.8%)
Southeast Asia	57,966	5.9%	2,661	(18.3%)
APLL (after amortization of goodwill)	196,923	1.1%	2,203	—
Other	2,685	17.6%	145	(40.6%)
Adjustment	(16,236)	—	20	—
Total	592,009	7.0%	20,797	18.5%

*APLL's operating income before amortization of goodwill was ¥ 8,517 million.

Operating Margins by Segment

FY ended March 2018 and 2019
(Results)



* APLL's operating margin is calculated based on the amount before amortization of goodwill.

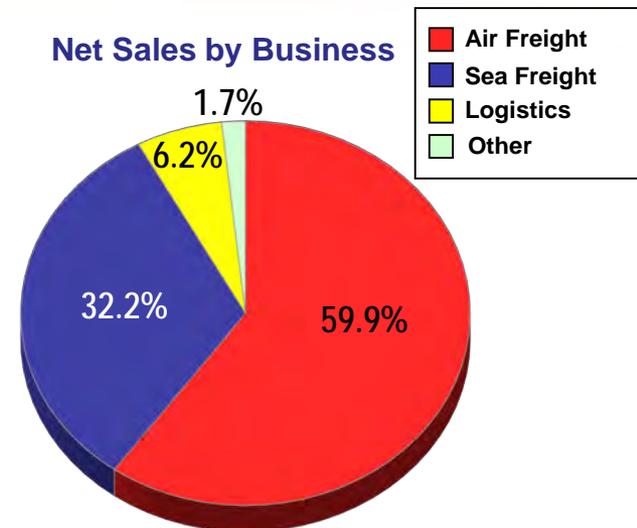
Review of Operations

Japan

(Millions of yen)

	FY ended March 2018	FY ended March 2019	YoY change
Net sales	127,807	145,669	17,862
Operating income	6,189	5,777	(412)

- Profit decreased due to an increase in direct cost ratio and expenses for enhancing operation platform despite sales increase
- Subsidiaries had good results

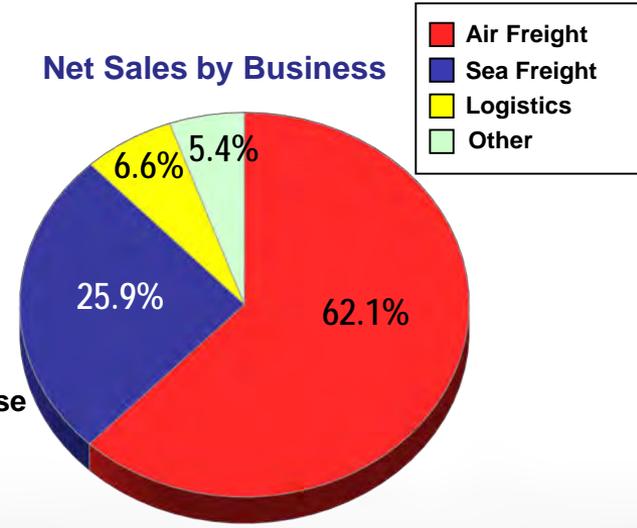


The Americas

(Millions of yen)

	FY ended March 2018	FY ended March 2019	YoY change
Net sales	53,219	61,534	8,315
Operating income	3,582	3,391	(191)

- Profit decreased due to an increase in direct cost ratio despite air/sea freight increase
- FOREX impact
 Net sales: ¥(318) million Operating income: ¥(22) million



Review of Operations

Europe, Middle East & Africa

(Millions of yen)

	FY ended March 2018	FY ended March 2019	YoY change
Net sales	38,636	41,934	3,298
Operating income	623	1,402	779

- Steady growth overall due to strong performance in Ireland, South Africa, and France
- FOREX impact

Net sales: ¥(805) million Operating income: ¥(7) million

East Asia & Oceania

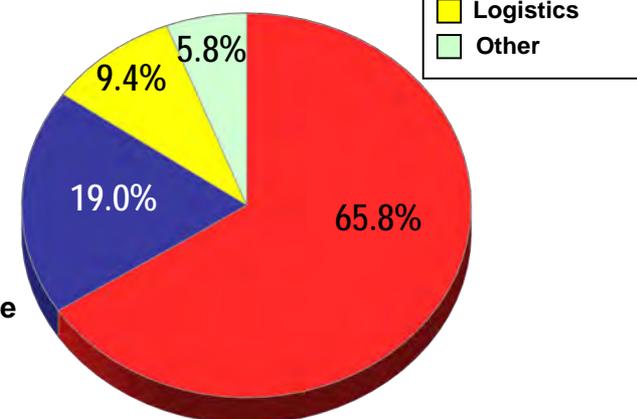
(Millions of yen)

	FY ended March 2018	FY ended March 2019	YoY change
Net sales	96,131	101,531	5,400
Operating income	5,634	5,193	(441)

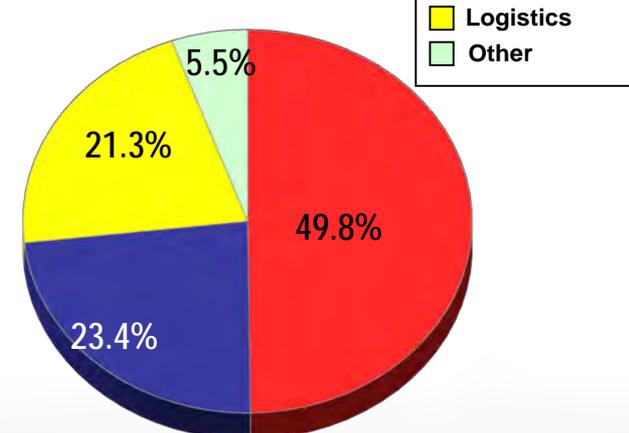
- An increase in direct cost ratio and a decrease in air freight import suppressed operating income
- FOREX impact

Net sales: ¥(1,055) million Operating income: ¥(67) million

Net Sales by Business



Net Sales by Business



Review of Operations

Southeast Asia

(Millions of yen)

	FY ended March 2018	FY ended March 2019	YoY change
Net sales	54,716	57,966	3,250
Operating income	3,257	2,661	(596)

- Air freight export decreased while direct cost ratio rose. Profit decreased due to a decrease in ad-hoc shipments which showed strong performance in the previous year

- FOREX impact

Net sales: ¥(181) million Operating income: ¥(11) million

APLL

(Millions of yen)

	FY ended March 2018	FY ended March 2019	YoY change
Net sales	194,860	196,923	2,063
Operating income	(1,986)	2,203	4,189

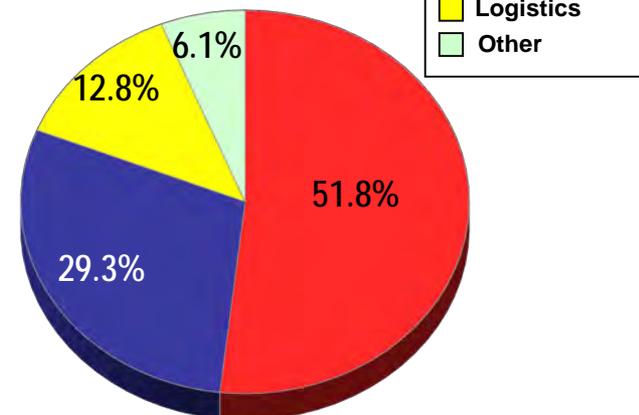
- Operating margin improved and profit increased significantly due to curbing SG&A expenses, etc.

- Operating income of ¥8,517 million before amortization of goodwill

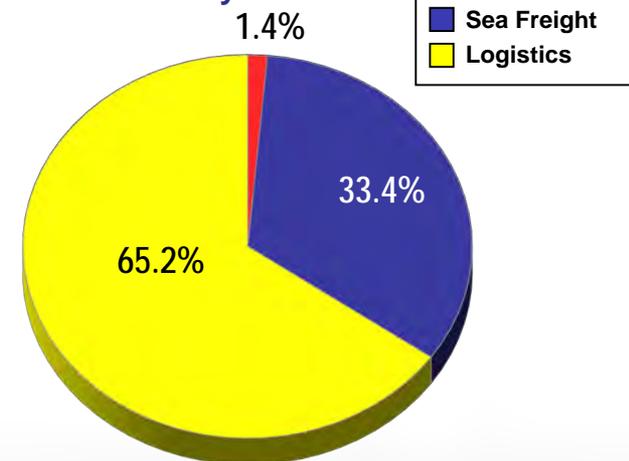
- FOREX impact

Net sales: ¥(3,056) million Operating income: ¥(65) million

Net Sales by Business

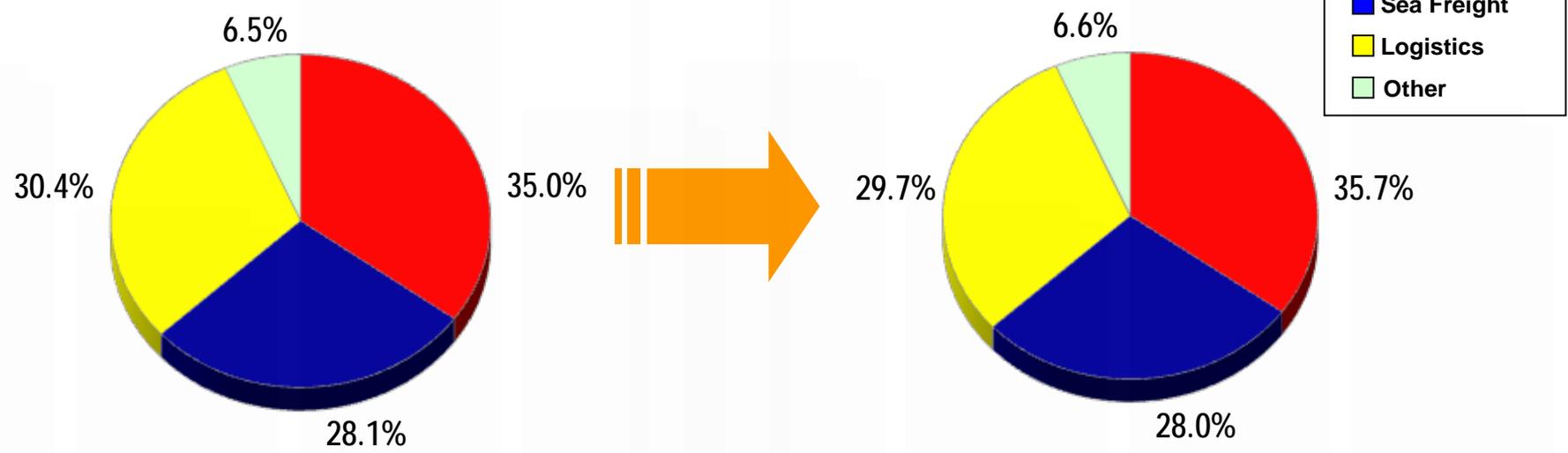


Net Sales by Business



Net Sales by Business

Composition by Business



FY ended March 2018

FY ended March 2019
(Millions of yen)

Business	FY ended March 2018 (Results)		FY ended March 2019 (Results)	
	Net sales		Net sales	YoY change
Air Freight	193,354		211,358	9.3%
Sea Freight	155,803		165,614	6.3%
Logistics	168,060		176,100	4.8%
Other	35,978		38,935	8.2%
Total	553,197		592,009	7.0%

Gross Margin by Transportation Mode

* Gross profit = Net sales – Direct cost

	Six months ended September 2017	FY ended March 2018	Six months ended September 2018	FY ended March 2019
Air	27.8%	26.9%	25.0%	25.1%
Sea	28.0%	28.4%	27.3%	27.6%

Performance Forecast for FY Ending March 2020

(Millions of yen)

Item	FY ended March 2019 (Results)		FY ending March 2020 (Forecasts)	
		YoY change		YoY change
Net sales	592,009	7.0%	620,000	4.7%
Operating gross profit	96,957	4.6%	102,000	5.2%
Operating income	20,797	18.5%	22,000	5.8%
Ordinary income	19,939	15.0%	21,300	6.8%
Income before income taxes	19,978	18.4%	21,400	7.1%
Net income attributable to owners of the parent	9,857	40.8%	10,500	6.5%

Performance Forecast by Business & Segment for FY Ending March 2020



Net Sales by Business (Millions of yen)

Business	FY ending March 2020 (Forecasts)		
	Net sales	YoY change	Composition
Air Freight	225,000	6.5%	36.3%
Sea Freight	173,000	4.5%	27.9%
Logistics	182,000	3.4%	29.4%
Other	40,000	2.7%	6.5%
Total	620,000	4.7%	100.0%

Net Sales and Operating Income by Segment (Millions of yen)

Segment	FY ending March 2020 (Forecasts)					
	Net sales	YoY change	Composition	Operating income	YoY change	Composition
Japan	150,000	3.0%	23.6%	5,800	0.4%	26.4%
The Americas	65,000	5.6%	10.2%	3,800	12.0%	17.3%
Europe, Middle East & Africa	47,000	12.1%	7.4%	1,500	6.9%	6.8%
East Asia & Oceania	104,000	2.4%	16.4%	5,500	5.9%	25.0%
Southeast Asia	65,000	12.1%	10.2%	3,000	12.7%	13.6%
APLL	201,000	2.1%	31.7%	2,200	(0.2%)	10.0%
Other	3,000	11.7%	0.5%	200	37.4%	0.9%
Adjustment	(15,000)	—	—	—	—	—
Total	620,000	4.7%	100.0%	22,000	5.8%	100.0%

**“Long-Term Vision” and
“Medium-Term Management Plan
(FY Ending March 2020 – FY Ending March 2022)”**

For the Company, which celebrates its 50th anniversary on January 2020, the newly drawn-up “Long-Term Vision” and “Medium-Term Management Plan” collectively represent the compass that will direct our course for the next half-century.

In order to sustain growth in a volatile market, the Group will implement business expansion policies, prioritizing the core operations of air freight and sea freight forwarding while maintaining an asset-light logistics business model to preserve service flexibility. As we and APLL—a primarily supply chain solutions provider—integrate our future directions, our combined diversity of logistics services will enable business expansion in the global market, further enhancing corporate value as we progress to become a “Global Top 10 Solution Partner: A Global Brand Born in Japan.”*

For that reason, we must not only empower the diverse individuals who make up the lifeblood of the Group, but also work to create and reinforce a business culture that allows people to demonstrate autonomy, innovation, and adaptability.

In order to promote expedient and dynamic business expansion on a global level, the Company will establish middle governance by delegating authority to each regional headquarters. At the same time, we will also establish a new Corporate branch, which functions as general management support of the Group and maintains necessary checks and balances.

* “Global Top 10” means that we aim to be in the top 10 globally for net sales, and for air freight and sea freight volumes.

“Born in Japan” means that we provide service rooted in our Japanese origins, characterized by minute attention to detail and a flexible approach matched to customer needs.

As we move from a three-year plan with fixed financial targets to a holistic and collaborative approach towards our “Long-Term Vision,” we will annually review and revise our initiatives in accordance with changes in the business.

Shifts in customer trends and market demands, driven by fluctuations in international politics such as the trade friction between the US and China, and geopolitical changes in Europe — exemplified by the UK’s decision to leave the EU—have a considerable impact on the state of international logistics. In such circumstances, which potentially mark a significant turning point in history, we assume that fixed projections will lose their feasibility and will need to be reviewed periodically. However, an excessive focus on profit targets can lead to negative effects such as insufficient investment in our workforce, resulting in a loss of morale and motivation among employees—our most important management resource.

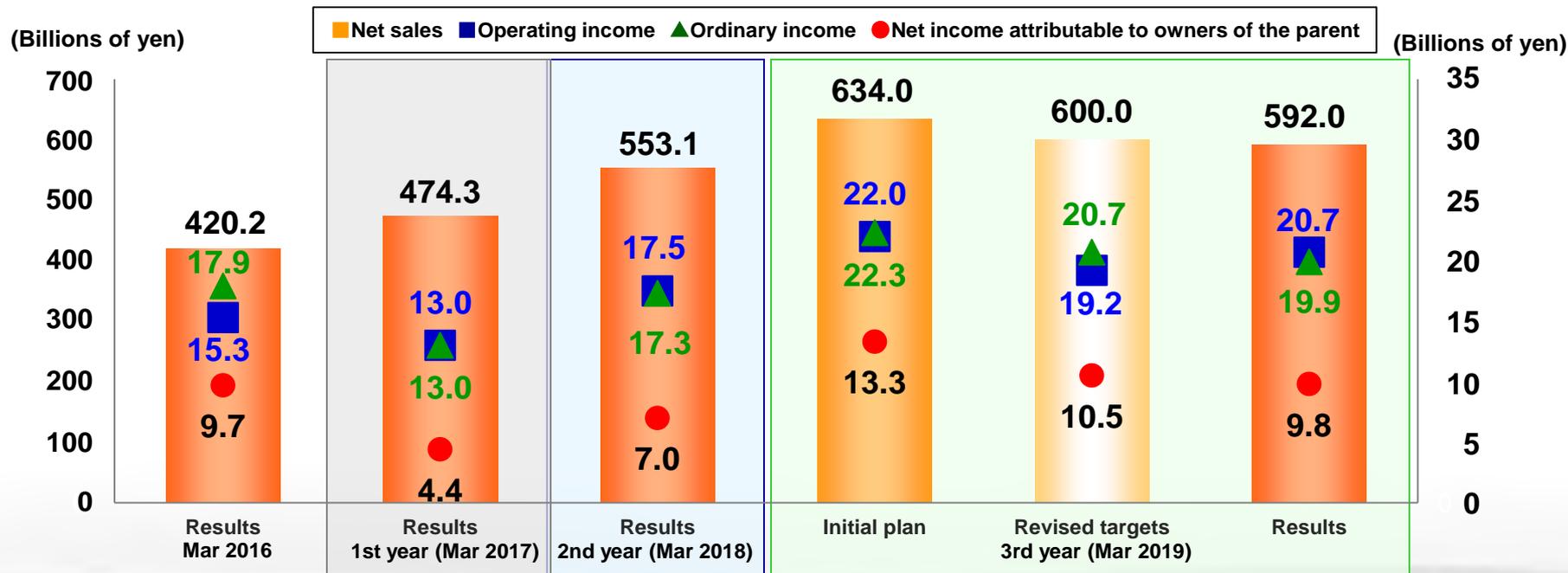
The unwavering approach towards securing profit is an important part of our identity as employees, and achieving sustainable profit growth is our mission as a company. But that does not mean that we should shortsightedly neglect our company’s welfare to maximize profit.

The Group is committed to growing our corporate value by focusing on the sound operations of the business over the medium-to-long term. Ultimately, we aim to solidify the Company as “A Global Brand Born in Japan,” to be a Company that is not only trusted and respected by customers and investors alike, but also instills our employees with a sense of pride and solidarity as contributors and stakeholders of the Group.

Review of the Previous Medium-Term Management Plan (FY Ended March 2017 – FY Ended March 2019) (1)

Achievement rate of performance targets

	Mar 2016 (Results)	Initial plan (Mar 2019)	Revised targets (November 2018)	Mar 2019 (Final results)	Achievement rate of initial targets	Achievement rate of revised targets
Net sales	¥420.2 billion	¥634.0 billion	¥600.0 billion	¥592.0 billion	93%	99%
Operating income	¥15.3 billion	¥22.0 billion	¥19.2 billion	¥20.7 billion	94%	108%
Ordinary income	¥17.9 billion	¥22.3 billion	¥20.7 billion	¥19.9 billion	89%	96%
Net income attributable to owners of the parent	¥9.7 billion	¥13.3 billion	¥10.5 billion	¥9.8 billion	74%	94%

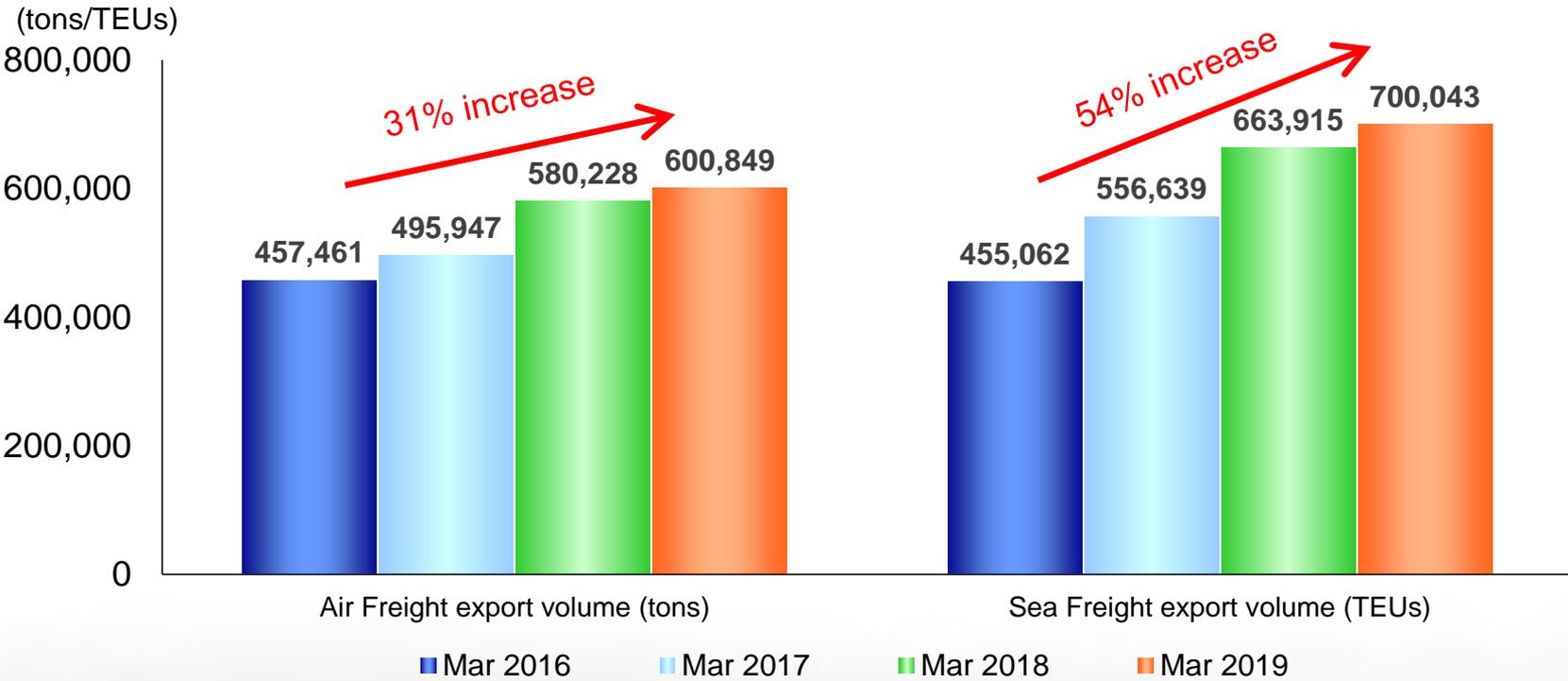


Review of the Previous Medium-Term Management Plan (FY Ended March 2017 – FY Ended March 2019) (2)



Achievement rate of freight volume targets

	Mar 2016 (Results)	Initial plan (Mar 2019)	Revised targets (November 2018)	Mar 2019 (Final results)	Achievement rate of initial targets	Achievement rate of revised targets
Air Freight export volume (tons)	457,461	700,000	600,000	600,849	86%	100%
Sea Freight export volume (TEUs)	455,062	700,000	700,000	700,043	100%	100%



“Global Top 10 Solution Partner”

~ A Global Brand born in Japan ~

- ◆ Establish our Brand by enhancing Quality, Competitiveness, and Solutions with all our strength.
- ◆ Aim to be a preferred partner and grow a strong position in the market despite overwhelming global competition.
- ◆ Be a company where all group members take pride in their work.

Numerical Targets	
Net sales	1 trillion yen
Operating income	50 billion yen
Air Freight (Ton)	Over 1 million
Sea Freight (TEU)	Over 1 million
Financial Soundness	Net interest-bearing debt: Zero

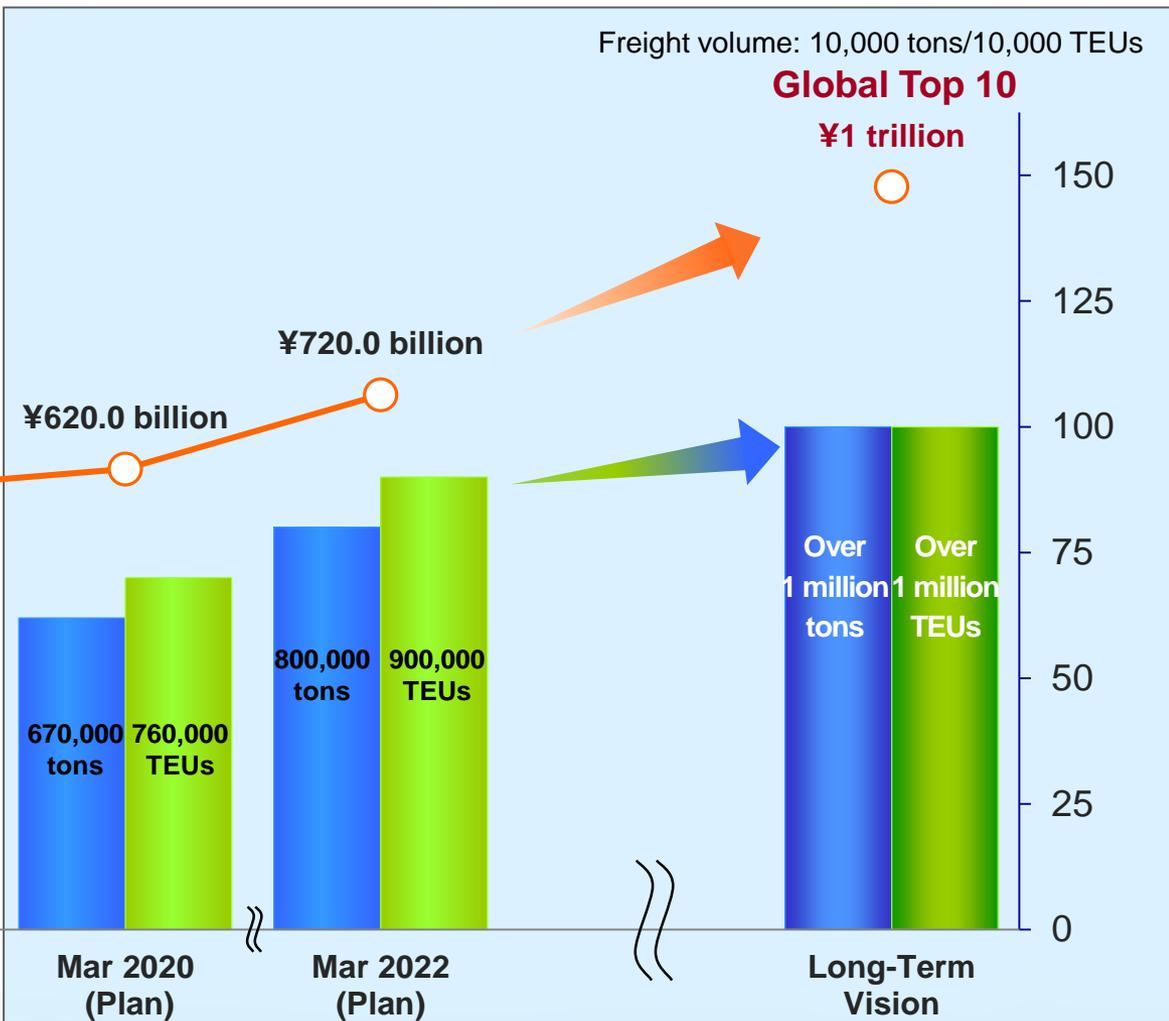
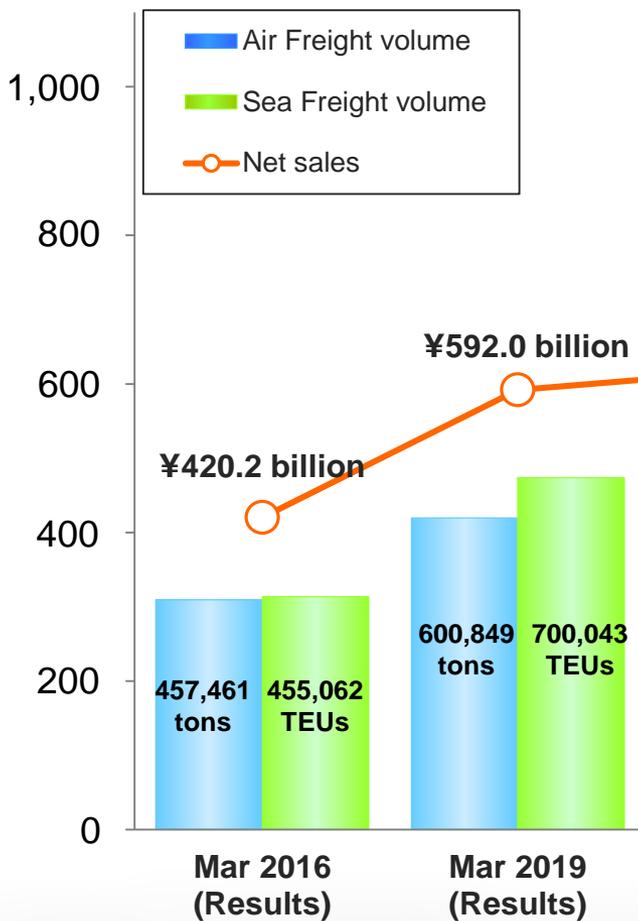
“Medium-Term Management Plan” (FY Ending March 2020 – FY Ending March 2022)

Expand business scale by concentrating on core business

Numerical Targets (FY2021)	
KWE	APLL
Net Sales: 720 billion yen	
Operating Gross Profit ratio: over 16.4%	
Forwarding	Supply chain solution
<ul style="list-style-type: none"> ● Net sales: 500 billion yen ● Air Freight : 800,000 ton ● Sea Freight : 900,000 TEU 	<ul style="list-style-type: none"> ● Net sales: 220 billion yen

Long-Term Vision and Medium-Term Management Plan

Net sales: Billions of yen

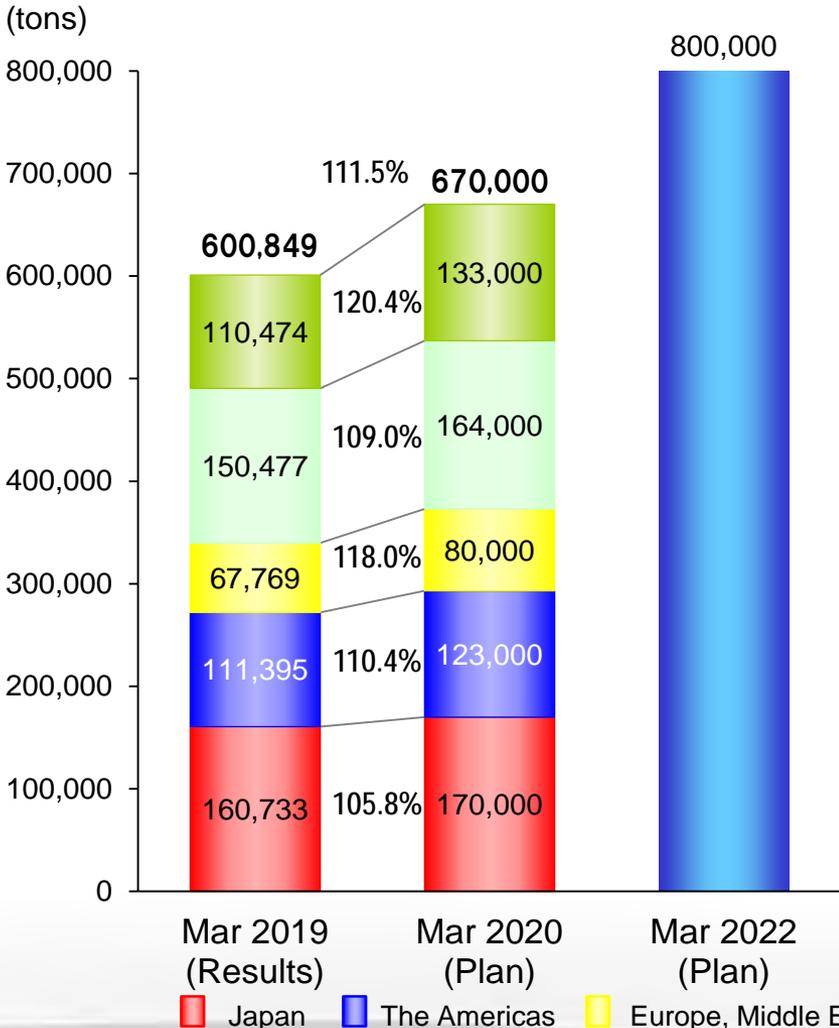


Operating income: ¥15.3 billion ¥20.7 billion ¥22.0 billion **¥50.0 billion**

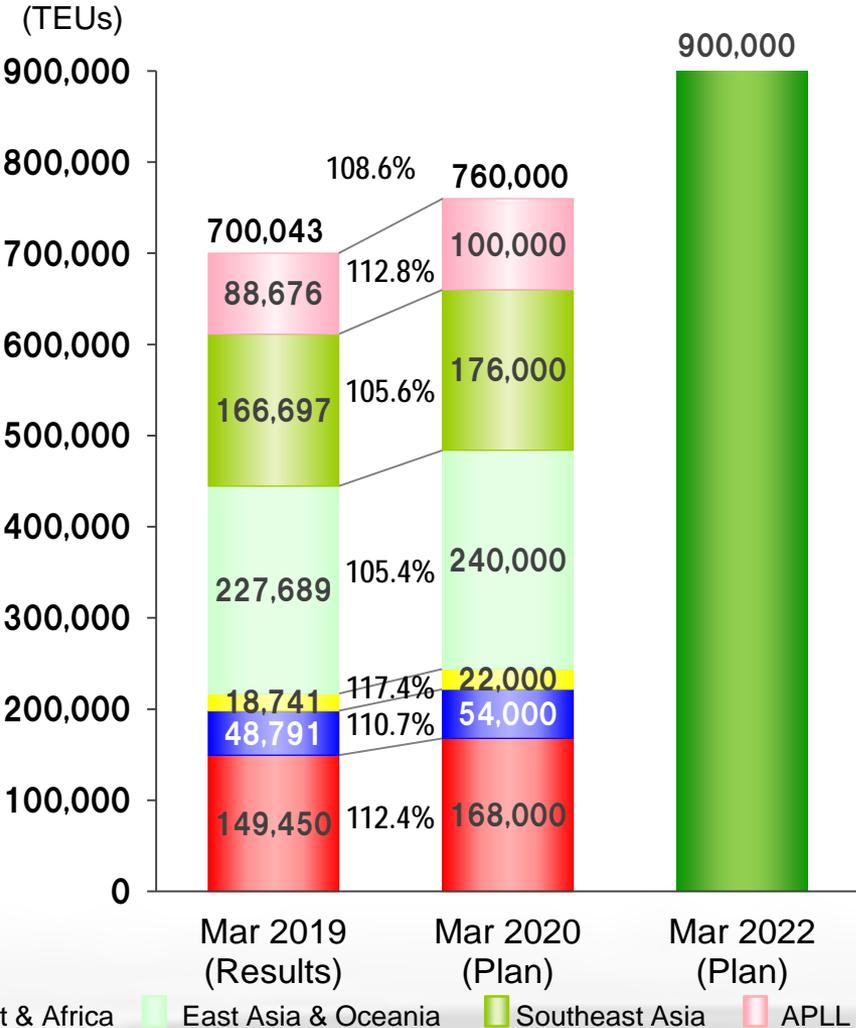
Medium-Term Management Plan Volume Targets



Air Freight Exports



Sea Freight Exports



◆ Enhancing Group Governance

- Establishing a new Corporate branch to provide global support
- Establishing a Japan Regional Headquarters and strengthening each region's self-sufficiency
- Ensuring compliance with statutory requirements and internal regulations
- Strengthening the group risk management system

◆ Developing a global Human Resources

- Building a global HR platform
- Developing global talent management systems to drive sustainable performance for multinational organizations

◆ Planning and installing IT systems of the next generation

- Expanding functions of the core system
- Promoting an asset-light model in IT
- Reinforcing IT governance

◆ Improving Financial stability

- Improving the Equity Ratio
- Reducing net interest-bearing debt

— Sales Strategy —

◆ Expansion of our customer base

- Cultivation and expansion of corporate accounts which have been longtime assets of the company

◆ Promotion of sales strategies by Vertical

- Core- Industry Group: Electronics, Automotive, Healthcare
- Sub- Industry Group: Industrial (*1), Aircraft, Energy
- New Industry Group: Retail, Perishables (*1) Machinery related

◆ Expansion of handling volumes intra-Asia and from/to Asia

- Expansion of networks: Bangladesh, Sri Lanka
- Focus Areas: Indonesia, Vietnam

◆ Expansion into emerging markets

- New Industry Group: Retail, Perishables
- Emerging Areas: North Africa, Turkey, Central and Eastern Europe

Medium-Term Management Plan

— Operations Strategy —

◆ Cost reductions by economies of scale

- AIR: Secure critical space capability to aim for 800k tons by developing a procurement system
- SEA: Centralized Procurement by Global Procurement Center

◆ Improvements in operational efficiency

- Establish an optimum gateway service
- Pursue consolidation efficiency
- Promote shared service

— APLL's Business Strategy —

◆ Automotive

- Continue to grow and expand North/South rail-based solutions and Yard Management in North America
- Build and expand “AutoLinx” (*2) in India
- Promote “AutoDirect” (*3) in EMEA

(*2) Rail-based finished vehicle transportation service

(*3) Container-based finished vehicle transportation service

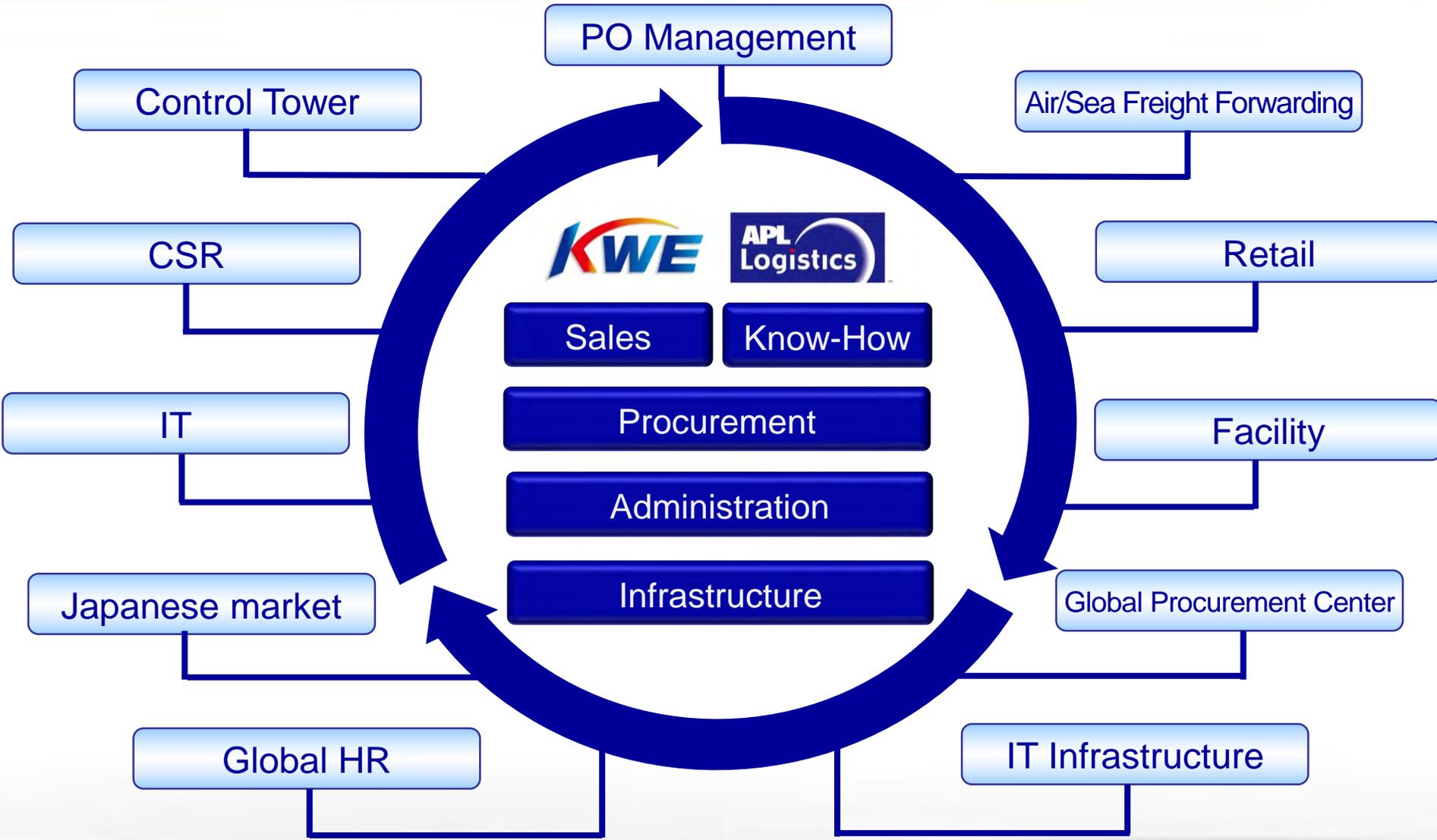
◆ Retail

- Provide a variety of solutions that meet the needs of major customers (Control Tower, PO Management, Data Management, Consolidation/Deconsolidation, etc.)
- Build and provide solutions adapting to the Digitalization

◆ Consumer and Industrial

- Enhance productivity by improving operational quality and introducing new technologies in the logistics business
- Provide solutions highly rated in Retail vertical

KWE/APLL Integration & Collaboration



Main capital investment

- ◆ IT (hardware, software, system development)
- ◆ Logistics facilities (warehouse, warehouse equipment), office
- ◆ Vehicles, etc.
- ◆ M&A

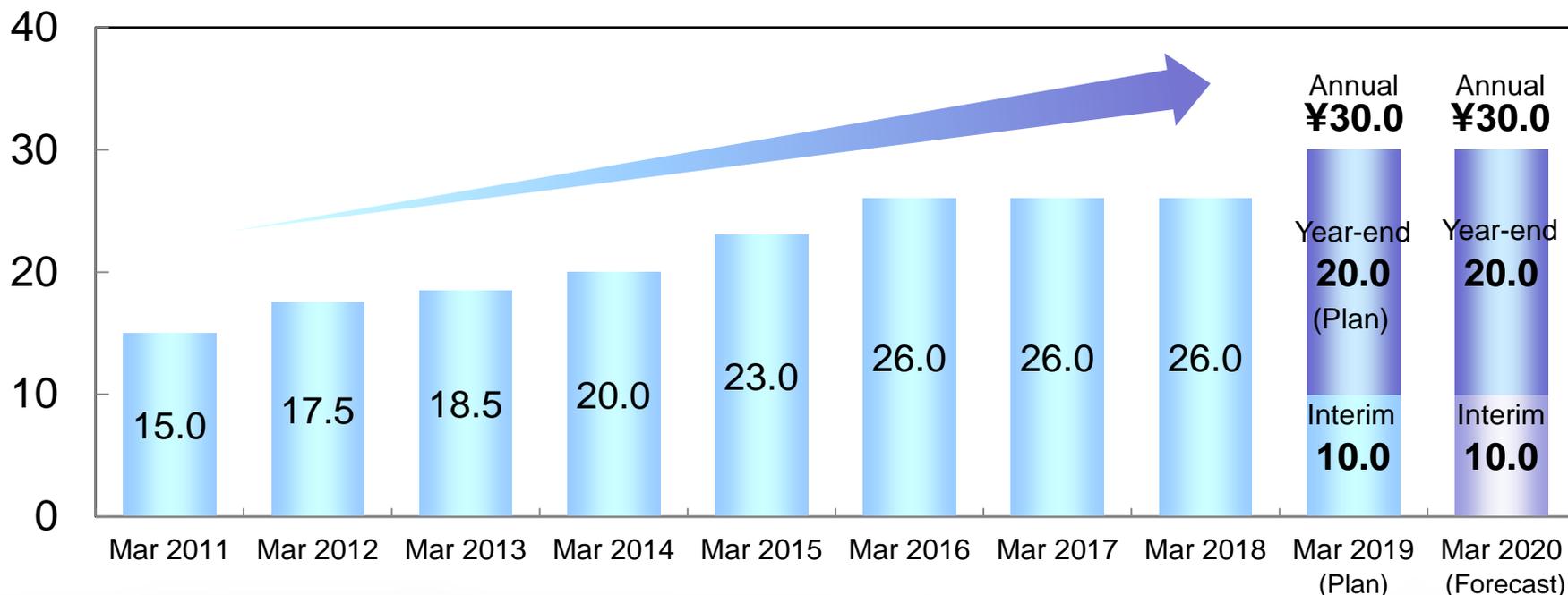
Capital investment plan (3 years): Approx. ¥25 billion

Dividends

While enriching its internal reserves in view of strengthening its financial standing (reduction of interest-bearing debt, etc.) and future business expansion, the Company holds as a basic policy to aim to **maintain stable dividends** with comprehensive consideration of factors such as strengthening its business platform.

Cash dividends per share

Annual dividend per share (yen)

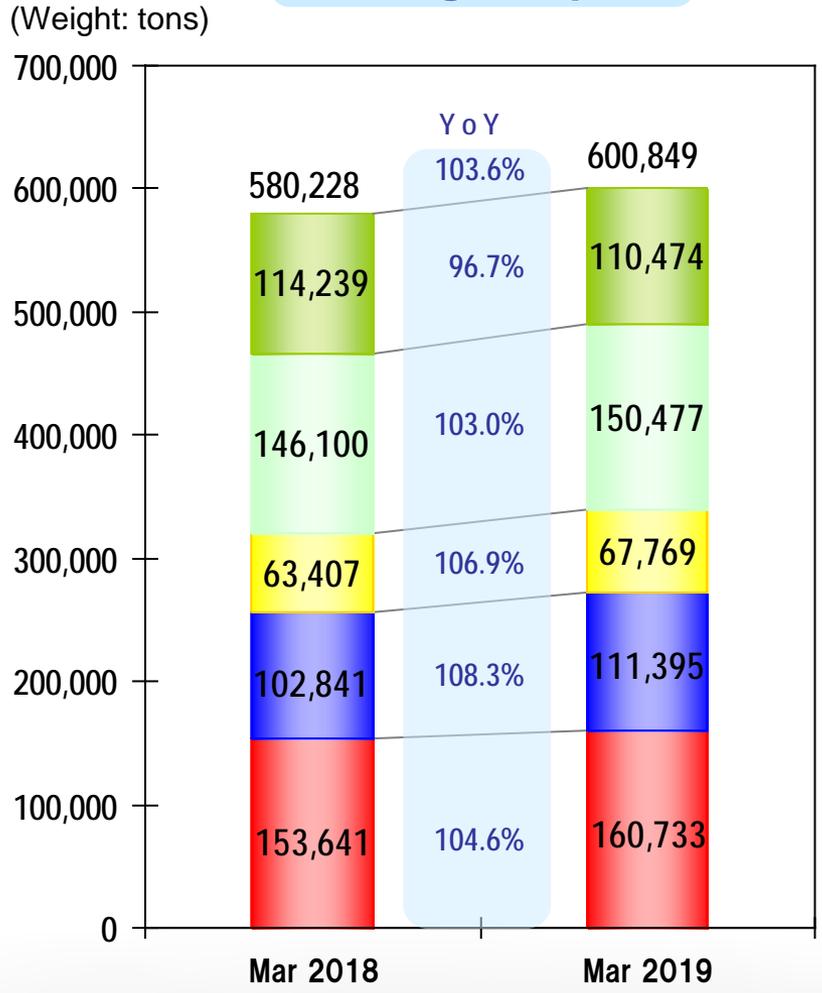


*The company conducted a stock split at a ratio of 1:2 of common stock on October 1, 2015. Cash dividends per share is calculated based on the assumption that the stock split was conducted on April 1, 2010.

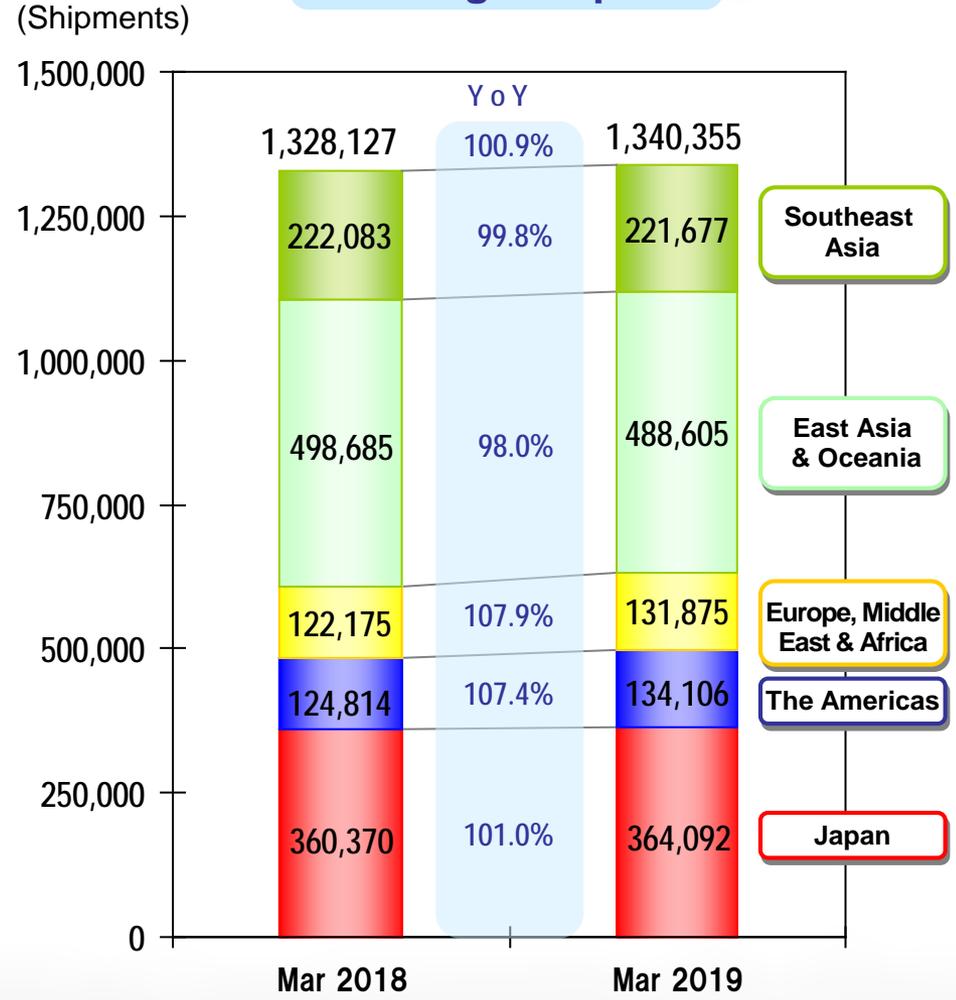
Supplemental Materials

Freight Volume by Segment (Air Freight)

Air Freight Exports



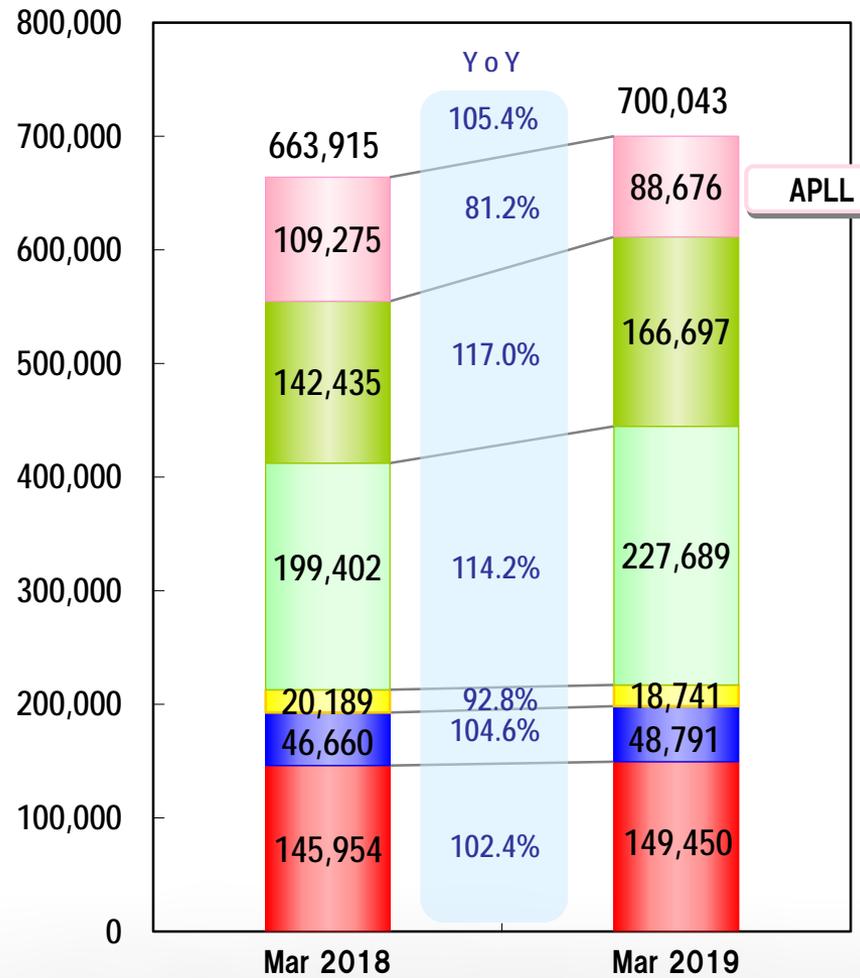
Air Freight Imports



Freight Volume by Segment (Sea Freight)

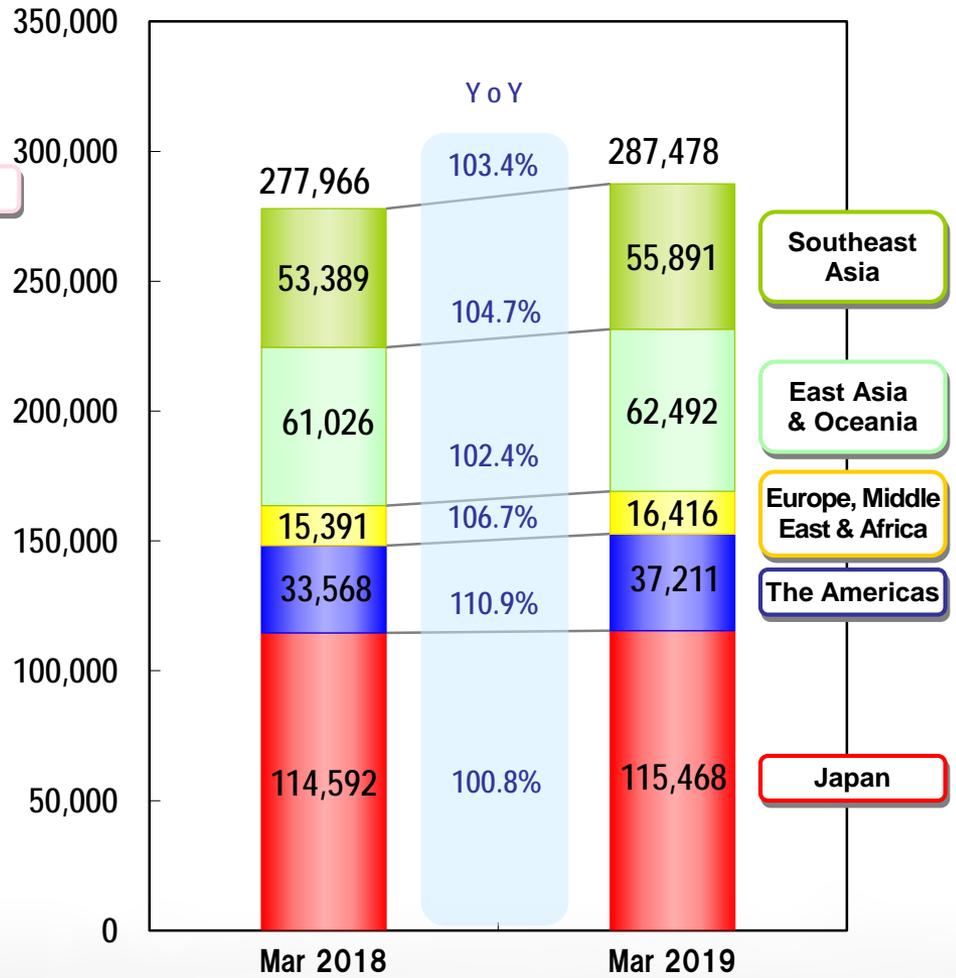
Sea Freight Exports

(Volume: TEUs)



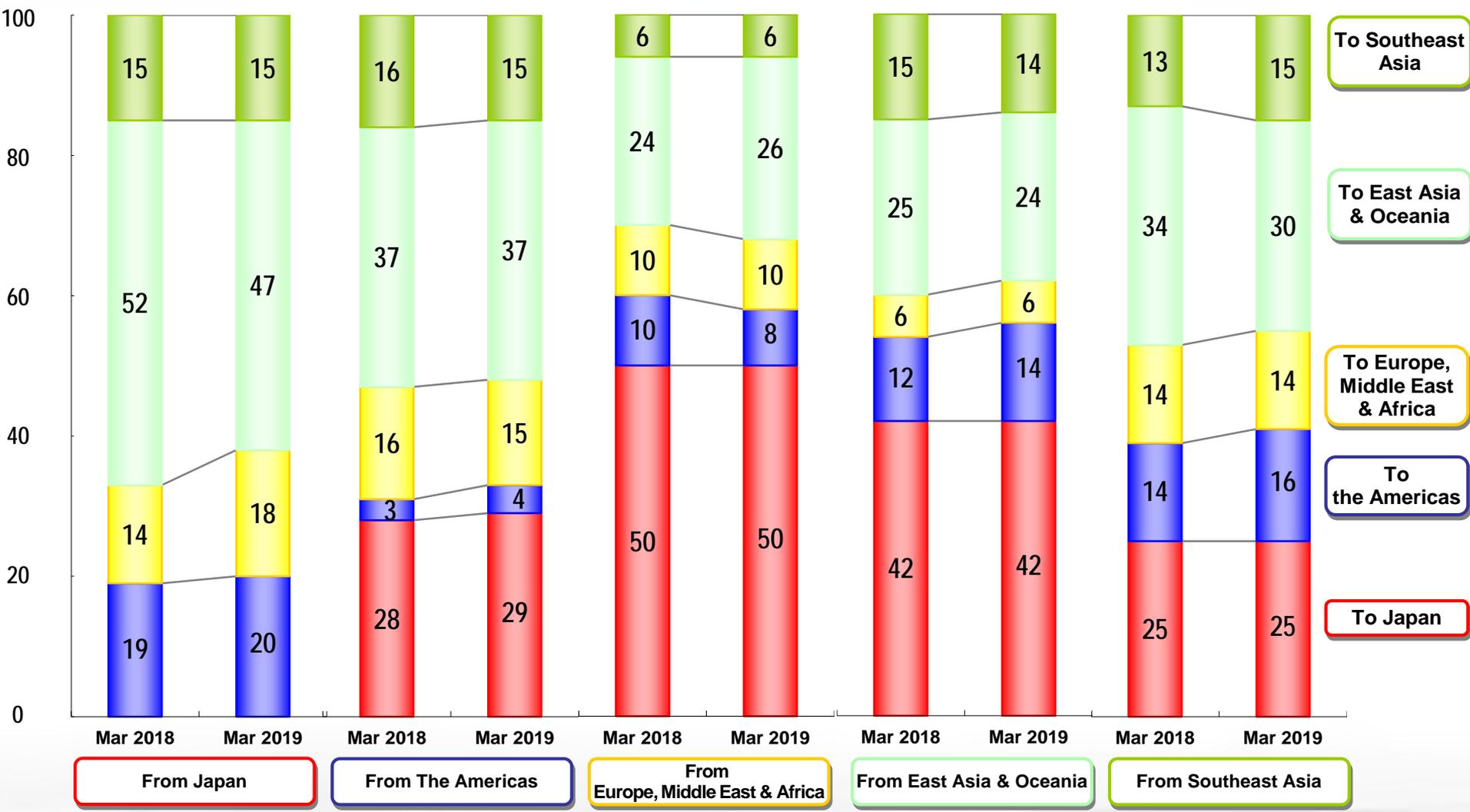
Sea Freight Imports

(Shipments)



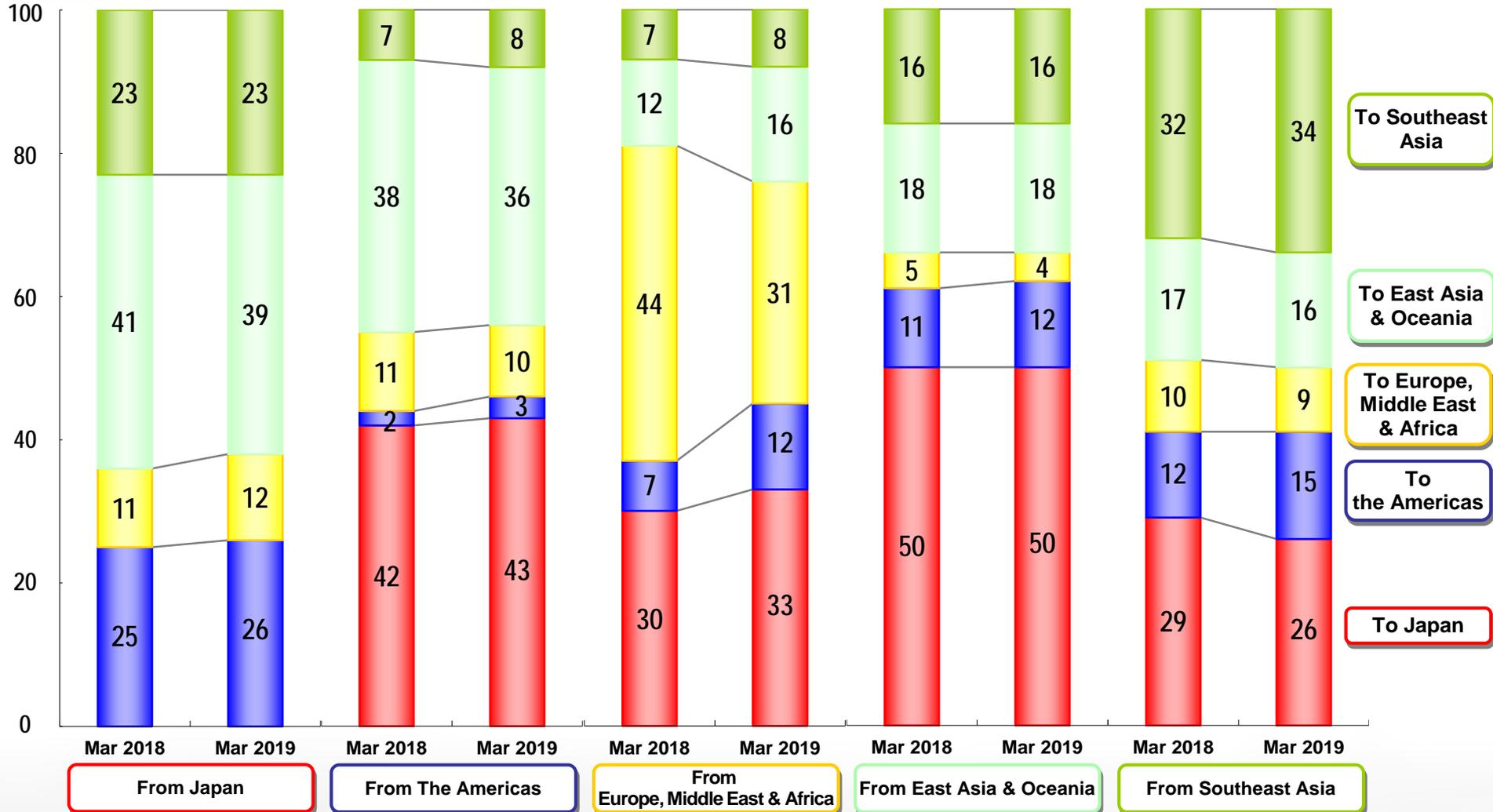
Air Freight Export Volume by Destination

(Composition ratio: %)



Sea Freight Export Volume by Destination

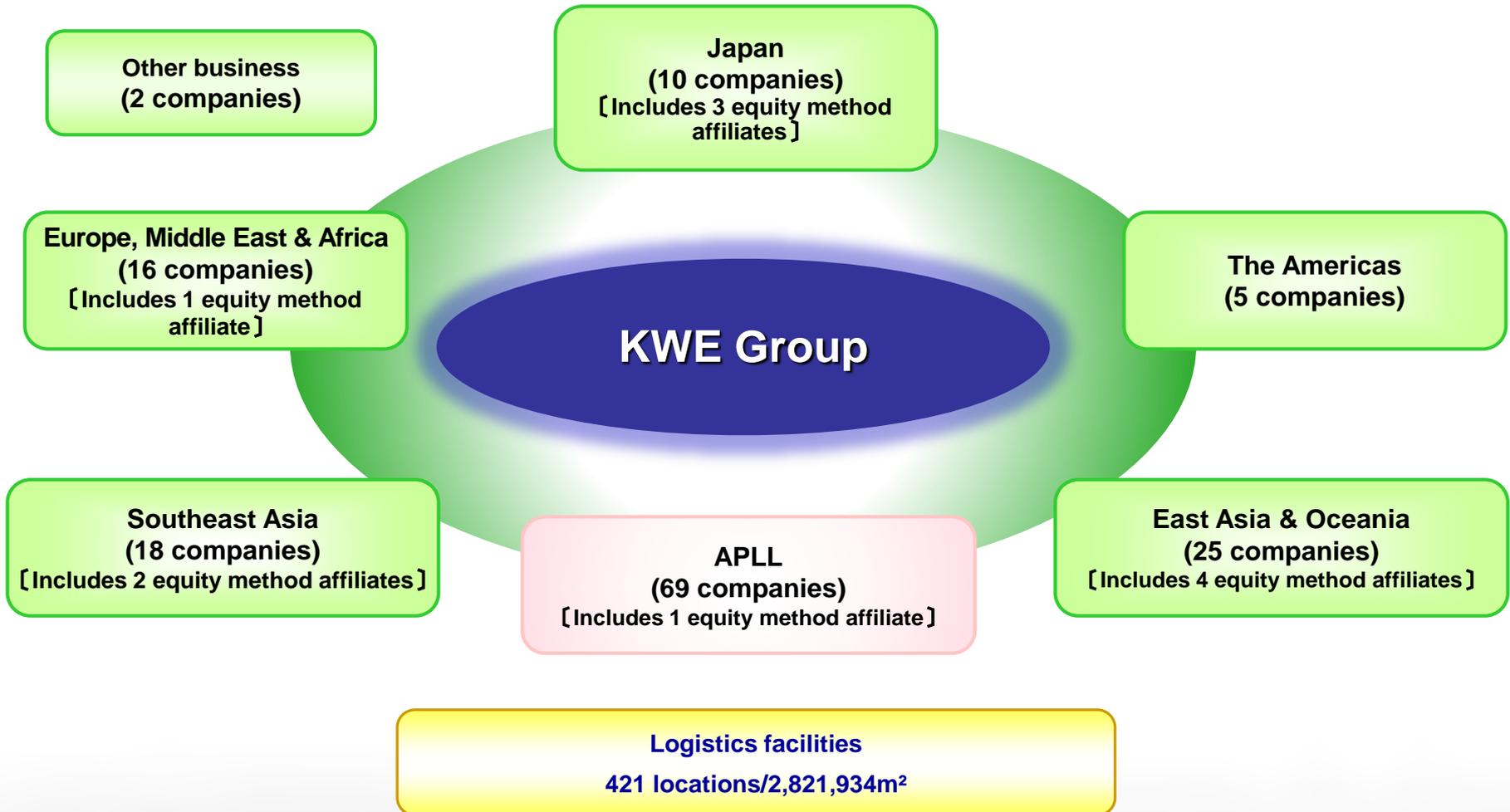
(Composition ratio: %)



*The figures shown above excludes freight volume of APLL.

Our Global Network

46 countries, 319 cities, 860 locations (as of March 31, 2019)





Kintetsu World Express, Inc.
Website: <https://www.kwe.co.jp/en/ir>

* The information contained herein does not constitute an offer to solicit investment which can only be made by formal prospectus. The forward-looking statements contained herein are not intended to assure or guarantee future performance. Actual results may vary from that projected herein.