



Financial Results Meeting:

FY Ended March 2015

(April 1, 2014 - March 31, 2015)

May 11, 2015

Kintetsu World Express, Inc.



Global Logistics Partner

kintetsu world express

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Financial Summary

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

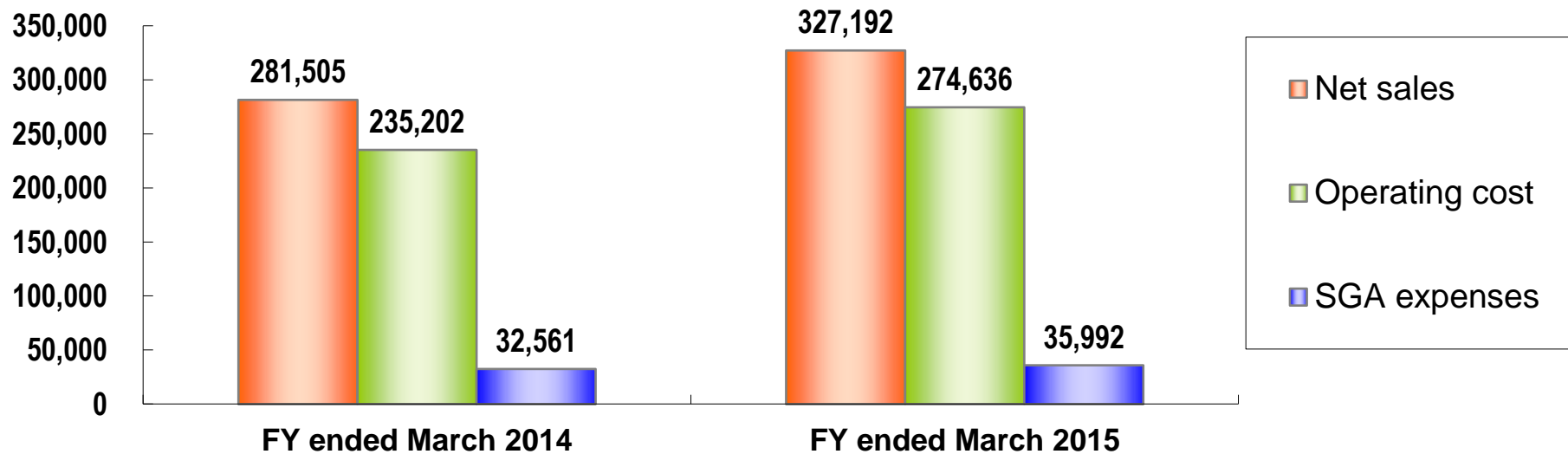
Item		FY ended March 31, 2014		FY ended March 31, 2015		FY ended March 2015 Forecast (※Released on May 8, 2014)
			Yr over Yr (%)		Yr over Yr (%)	
Air freight exports (Weight)		424	(4.1)	478	12.8	—
Air freight imports (Shipments)		1,163	(7.0)	1,232	5.9	—
Sea freight exports (Volume)		362	19.0	396	9.3	—
Sea freight imports (Shipments)		231	1.5	236	2.1	—
Net sales	Consolidated	281,505	13.5	327,192	16.2	310,000
	Non-consolidated	82,170	4.2	98,807	20.2	—
Operating gross profit	Consolidated	46,303	7.8	52,556	13.5	—
	Non-consolidated	18,154	5.2	19,975	10.0	—
Operating income	Consolidated	13,742	3.4	16,563	20.5	16,000
	Non-consolidated	3,383	9.6	4,973	47.0	—
Ordinary income	Consolidated	15,267	7.4	18,429	20.7	16,000
	Non-consolidated	7,727	24.9	9,072	17.4	—
Income before income taxes and minority interests	Consolidated	14,916	5.3	16,372	9.8	—
	Non-consolidated	7,520	23.1	7,029	(6.5)	—
Net income	Consolidated	9,417	3.1	10,489	11.4	10,100
	Non-consolidated	5,954	23.5	5,554	(6.7)	—

Conversion Rate	FY ended March 2014	1st 6 months of FY ended March 2015	FY ended March 2015
U.S. Dollar	¥ 97.65	¥ 102.47	¥ 105.85
EURO	¥ 129.68	¥ 140.43	¥ 140.42

	FY ended March 2014	FY ended March 2015
EPS	¥ 261.60	¥ 291.37
BPS	¥ 3,009.69	¥ 3,500.31
ROE	9.5%	9.0%

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

(Millions of yen)



(Millions of yen)

	FY ended March 31, 2014	Ratio to net sales	FY ended March 31, 2015	Ratio to net sales
Net sales	281,505	100.0%	327,192	100.0%
Operating cost	235,202	83.5%	274,636	83.9%
SGA expenses	32,561	11.6%	35,992	11.0%
Operating income	13,742	4.9%	16,563	5.1%

Balance Sheets (1)

(Millions of yen)

	March 31, 2014	March 31, 2015	Change
Assets			
Current assets	113,680	131,006	17,325
Non-current assets	54,286	63,547	9,260
Property, plant and equipment	35,988	39,831	3,843
Intangible assets	1,408	2,520	1,112
Investments and other assets	16,889	21,194	4,305
Total assets	167,966	194,553	26,586
Liabilities			
Current liabilities	47,443	53,772	6,328
Non-current liabilities	9,291	11,093	1,801
Total liabilities	56,735	64,865	8,130
Net assets			
Total net assets	111,231	129,687	18,456
Total liabilities and net assets	167,966	194,553	26,586

Balance Sheets (2)

■ Interest-bearing debt

(Millions of yen)

FY ended March 2014	FY ended March 2015	Change
14,359	15,134	+775

■ Investments

(Millions of yen)

FY ended March 2014	FY ended March 2015	Change	FY ending March 2016 (Forecast)
4,475	5,417	+942	4,658

◆ Main investments (FY ended March 2015)

- Expanded and maintained logistics facilities, etc.
(Japan, Thailand, Taiwan, and Canada, etc.)
- IT, software, etc.

◆ Main investment plan (FY ending March 2016)

- Expand and maintain logistics facilities, etc.
(Japan, Thailand, etc.)
- IT, vehicles, software, etc.

■ Depreciation

(Millions of yen)

FY ended March 2014	FY ended March 2015	Change
2,583	2,720	+137

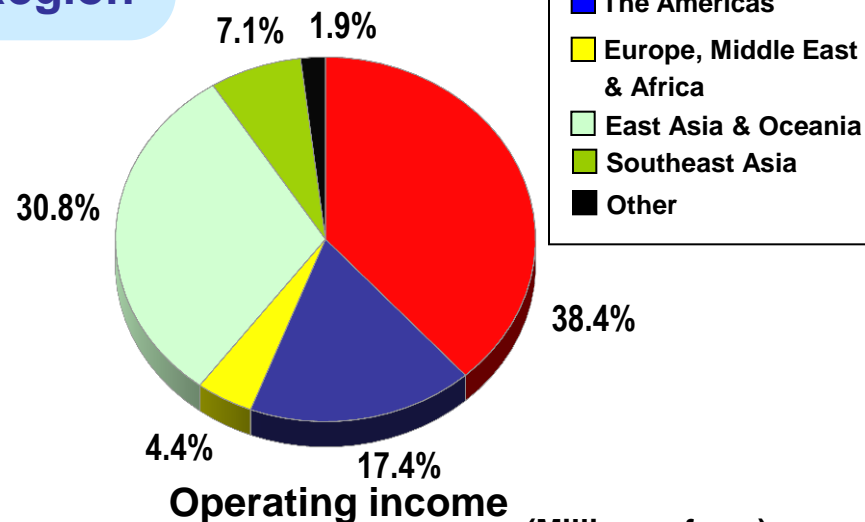
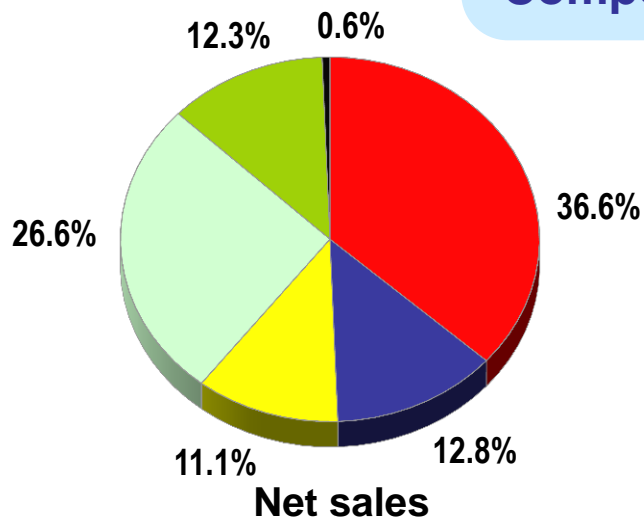
Cash Flow Statements

(Millions of yen)

	FY ended March 31, 2014	FY ended March 31, 2015	Change
Net cash provided by (used in) operating activities	10,756	9,457	-1,299
Net cash provided by (used in) investing activities	(5,016)	(10,870)	-5,854
Net cash provided by (used in) financing activities	(1,864)	(1,424)	440
Effect of exchange rate change on cash and cash equivalents	5,816	3,573	-2,242
Net increase (decrease) in cash and cash equivalents	9,692	736	-8,955
Cash and cash equivalents at beginning of period	38,271	47,963	9,692
Cash and cash equivalents at end of period	47,963	48,700	736

Net Sales and Operating Income by Region

FY ended March 31, 2015
Composition by Region



Region	Net sales	Yr over Yr	Operating income	Yr over Yr
Japan	122,908	18.5%	6,355	42.9%
The Americas	43,012	11.7%	2,884	24.6%
Europe, Middle East & Africa	37,355	11.4%	736	(18.1%)
East Asia & Oceania	89,420	13.6%	5,101	10.5%
Southeast Asia	41,433	26.1%	1,175	(3.1%)
Other	1,866	0.3%	307	24.4%
Adjustment	(8,805)	—	3	—
Total	327,192	16.2%	16,563	20.5%

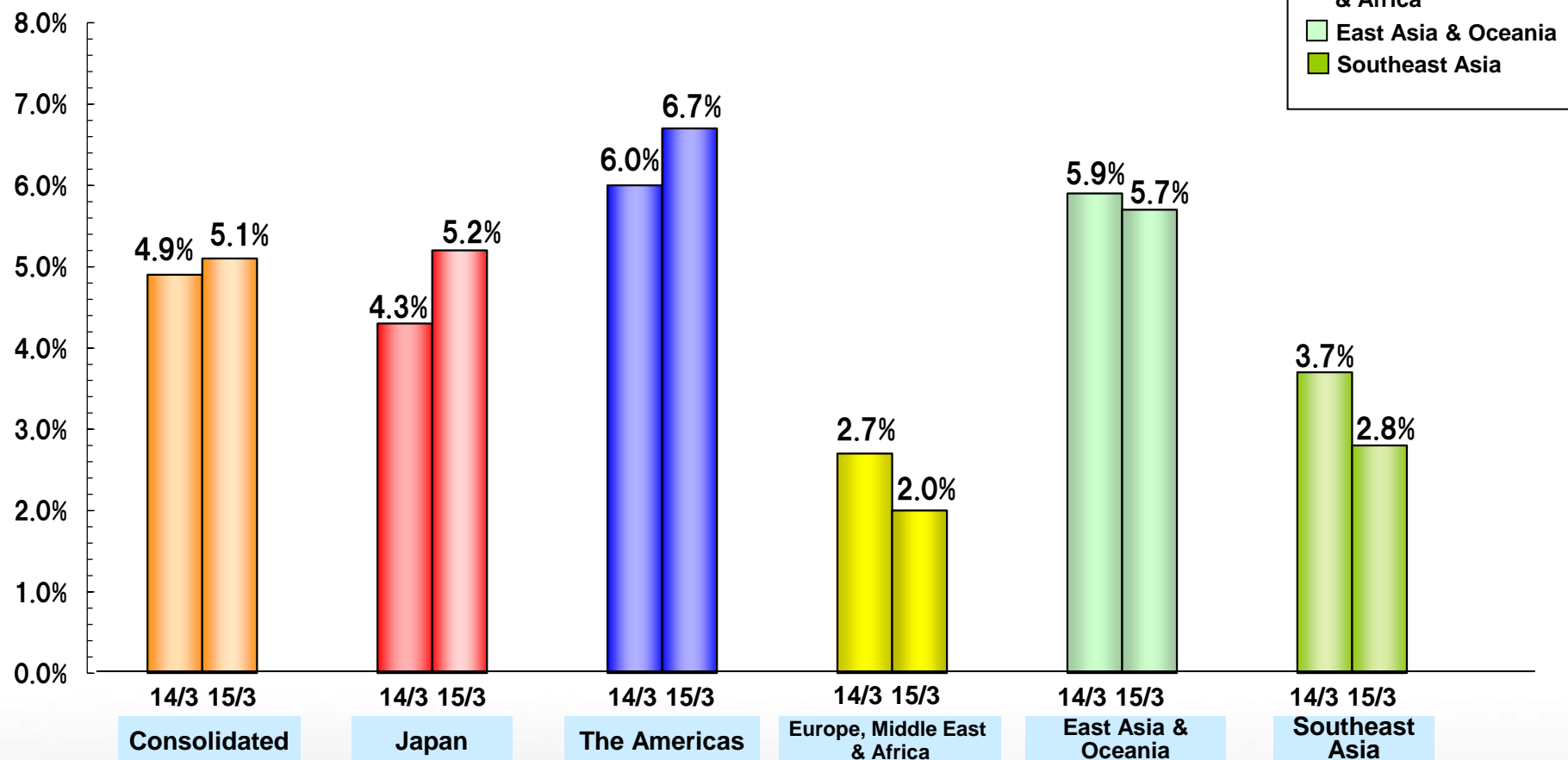
(Millions of yen)

* "Other" refers to business not included in reportable segments and mainly consists of supplementary logistics within the Group.

* Four subsidiaries in Philippine were reclassified from East Asia to Southeast Asia from FY ended March 31, 2015. Figures above are reclassified accordingly.

Operating Margins by Region

FY ended March 31
2014 and 2015



* Four subsidiaries in Philippine were reclassified from East Asia to Southeast Asia from FY ended March 31, 2015. Figures above are reclassified accordingly.

1

Automotive related and electronics increased. But air freight and delivery cost increased. Since January 2015, air freight increased significantly due to the U.S. West Coast port congestion.

- Operating margin of KWE Japan improved to 5.0% from 4.1% a year earlier.
- Subsidiaries in Japan showed favorable growth.

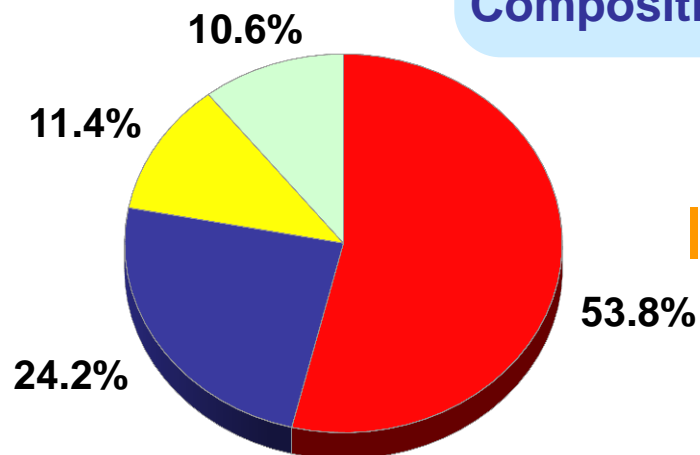
2

Our business in Europe, Middle East & Africa, and Southeast Asia were sluggish.

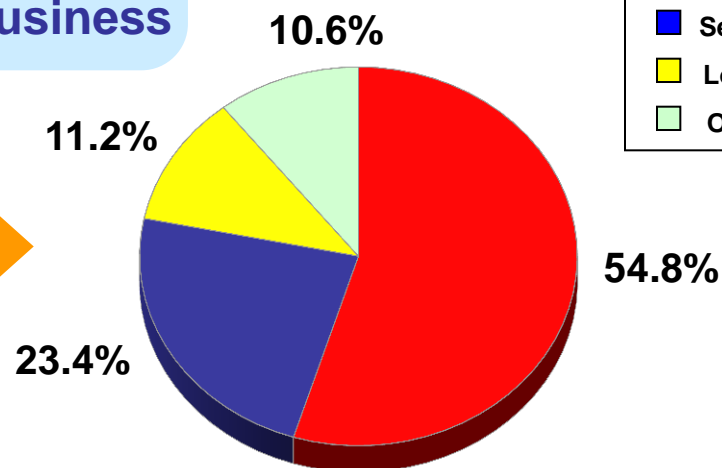
- Average operating margin in overseas decreased to 4.7% from 4.9% a year earlier.
- Europe, Middle East & Africa: Unachieved profit target
- Southeast Asia: After suffering a slump in the first half, profitability improved in the second half.
- The Americas / East Asia & Oceania: Profit increased steadily and achieved targets.

Net Sales by Business

**FY ended March 31
Composition by Business**



FY ended March 31, 2014



FY ended March 31, 2015

(Millions of yen)

Business		FY ended March 31, 2014	FY ended March 31, 2015	
		Net sales	Net sales	Yr over Yr
Freight transportation	Air Freight	151,392	179,236	18.4%
	Sea Freight	68,287	76,678	12.3%
	Logistics	32,039	36,652	14.4%
	Other	29,786	34,625	16.2%
Total		281,505	327,192	16.2%

Gross Margin by Transportation Mode

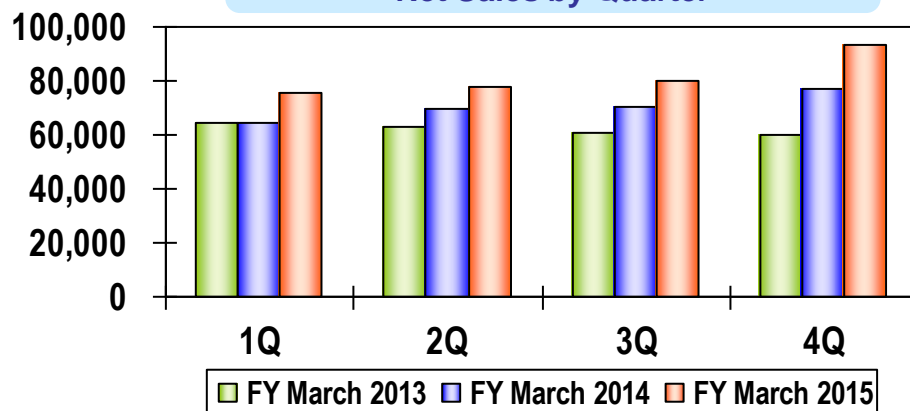
*** Gross profit = Net sales — Direct cost**

	Six months ended September 30, 2013	FY ended March 31, 2014	Six months ended September 30, 2014	FY ended March 31, 2015
Air	29.2%	28.8%	26.7%	26.9%
Sea	23.6%	23.3%	22.5%	22.4%

Operating Results by Quarter

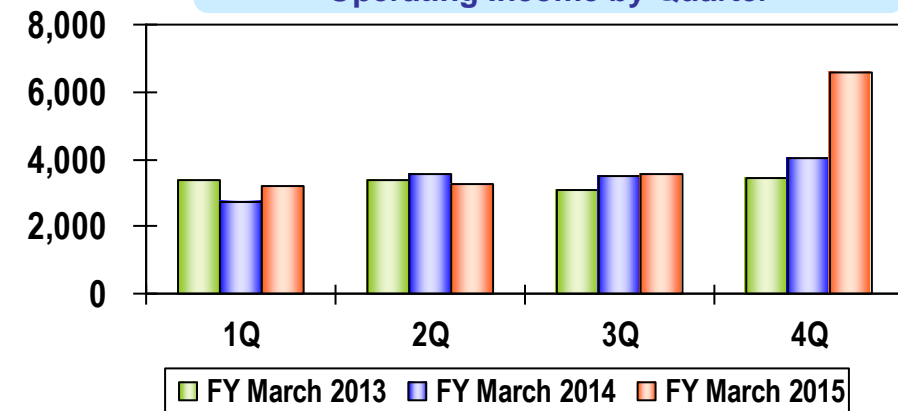
(Millions of yen)

Net Sales by Quarter



(Millions of yen)

Operating Income by Quarter



(Millions of yen)

Ordinary income	1Q	2Q	3Q	4Q
FY ended March 2013	64,192	63,011 (127,203)	60,664 (187,867)	60,110 (247,977)
FY ended March 2014	64,644	69,477 (134,121)	70,635 (204,756)	76,749 (281,505)
FY ended March 2015	75,240	78,057 (153,297)	80,309 (233,606)	93,586 (327,192)
Operating income	1Q	2Q	3Q	4Q
FY ended March 2013	3,361	3,383 (6,744)	3,090 (9,834)	3,461 (13,295)
FY ended March 2014	2,710	3,528 (6,238)	3,472 (9,710)	4,032 (13,742)
FY ended March 2015	3,193	3,271 (6,464)	3,539 (10,003)	6,560 (16,563)
Ordinary income	1Q	2Q	3Q	4Q
FY ended March 2013	3,676	3,685 (7,361)	2,868 (10,229)	3,979 (14,208)
FY ended March 2014	2,925	3,879 (6,805)	3,628 (10,433)	4,834 (15,267)
FY ended March 2015	3,573	3,421 (6,994)	4,038 (11,032)	7,397 (18,429)

* Numbers inside () are cumulative figures from the first quarter.

Earnings Forecast for FY Ending March 2016

–The Final Year of the Medium-Term Management Plan

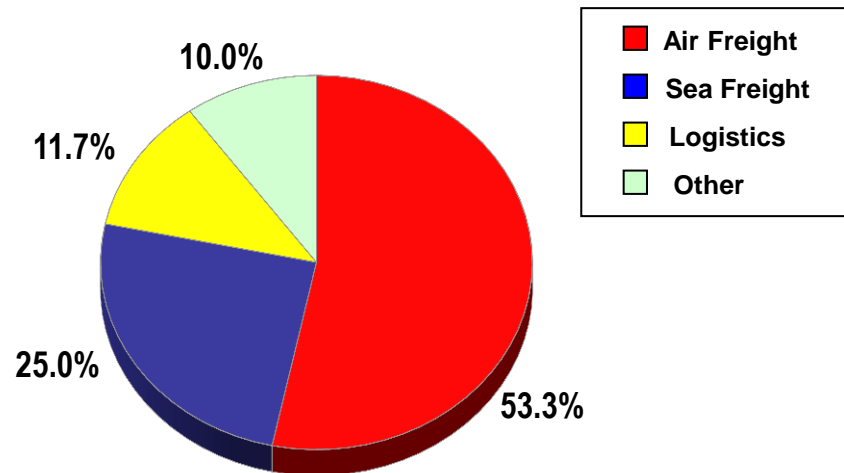
(Millions of yen)

Item	FY ended March 2015 (Results)		FY ending March 2016 (Forecasts)	
		Yr over Yr (%)		Yr over Yr (%)
Net sales	327,192	16.2	350,000	7.0
Operating gross profit	52,556	13.5	54,918	4.5
Operating income	16,563	20.5	18,000	8.7
Ordinary income	18,429	20.7	17,500	(5.0)
Income before income taxes and minority interests	16,372	9.8	17,500	6.9
Net income	10,489	11.4	11,700	11.5

(Note) We announced the acquisition of the shares of APL Logistics Ltd in February 2015, but the acquisition date is yet to be determined as it is subject to approval from the relevant competition authorities in China and other countries that require it. Therefore, earnings forecasts for the fiscal year ending March 31, 2016 do not include the effect of the acquisition.

Net Sales Forecast by Business & Region for FY Ending March 2016

Net Sales by Business

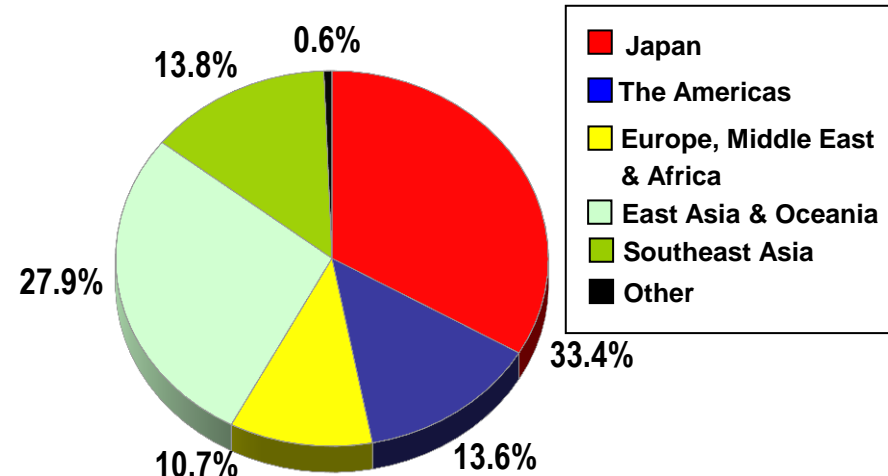


FY ending March 2016 (Forecast)
(Millions of yen)

Business		FY ending March 2016 (Forecast)	
		Net sales	Composition
Freight transportation	Air Freight	186,500	53.3%
	Sea Freight	87,500	25.0%
	Logistics	41,000	11.7%
	Other	35,000	10.0%
Total		350,000	100.0%

(Note) As the acquisition date of the shares of APL Logistics Ltd is yet to be determined, earnings forecasts do not include the effect of the acquisition.

Net Sales by Region



FY ending March 2016 (Forecast)
(Millions of yen)

Region	FY ending March 2016 (Forecast)	
	Net sales	Operating income
Japan	120,000	5,700
The Americas	48,800	3,000
Europe, Middle East & Africa	38,600	1,200
East Asia & Oceania	100,300	5,900
Southeast Asia	49,700	1,900
Other	2,100	300
Adjustment	(9,500)	—
Total	350,000	18,000

Corporate Business Strategies

**The Final Year of
the Medium-Term Management Plan
(FY Ended March 2014 - FY Ending March 2016)**

Outline of the Medium-Term Management Plan (FY Ended March 2014 – FY Ending March 2016)

— Aims to build a solid corporate structure that will enable us to compete successfully against even the strongest players —

On May 8, 2015, revised net sales and ordinary income targets

Targets by March 2016

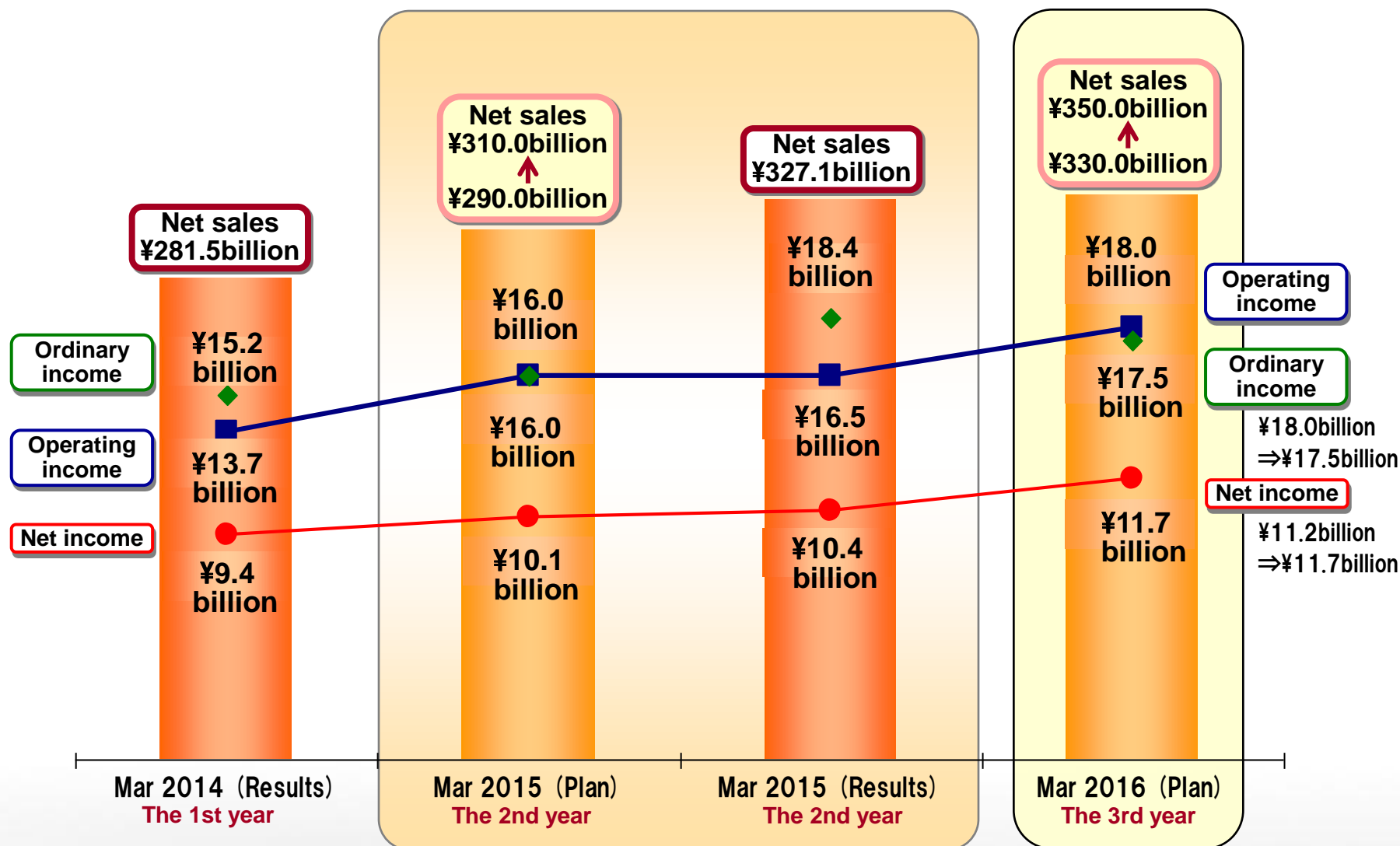
Net sales: 350.0 billion yen (+40% from FY ended March 2013)
Operating income: 18.0 billion yen (+40% from FY ended March 2013)
Ordinary income : 17.5 billion yen (+30% from FY ended March 2013)
Operating margin : 5.1% (5.4% in FY ended March 2013)



Key Strategies

1. Optimize overall revenue portfolio through a more balanced portfolio of business domains and commodities handled
2. Expand KWE's presence in emerging countries
3. Strengthen off-shore sales structure and activities; establish best in class operations to maximize operational effectiveness and high quality services

Medium-Term Management Plan Numerical Targets



1. Review of the Second Year of the Medium-Term Management Plan

1) Optimize overall revenue portfolio through a more balanced portfolio of business domains and commodities handled

- Volume growth with automotive-related business. Focus on healthcare and retail
- Air freight export: +12.8% (Weight)
- Sea freight export: +9.3% (TEU)
- Logistics: +14.4% (Net sales)

New facilities in Singapore, Taiwan, Russia, Indonesia, China



Singapore Logistics Center (65,800m²)
January 2014



Taiwan
Taoyuan FTZ Terminal (39,000m²)
July 2014



Indonesia
Marunda Logistics Center (10,000m²)
September 2014

1. Review of the Second Year of the Medium-Term Management Plan

2) Conspicuous presence in emerging countries

● India



- ◆ Gati-Kintetsu Express steadily expanded business with European, US, and Japanese customers (electronics, automotive and aircraft, etc.)

- Import agency services



Gati-KWE Headquarters
(Hyderabad)

● New offices in Laos (June), Myanmar (June), and Cambodia (July)

● Full-scale operation in Mexico and Brazil

- Expanded automotive-related business



1. Review of the Second Year of the Medium-Term Management Plan

3) Positive sales activities to secure off-shore (trilateral) volume:
Establish operational excellence

◆ Off-shore business with Japanese customers grew steadily both in air and sea (air: +35% / sea: +8%)



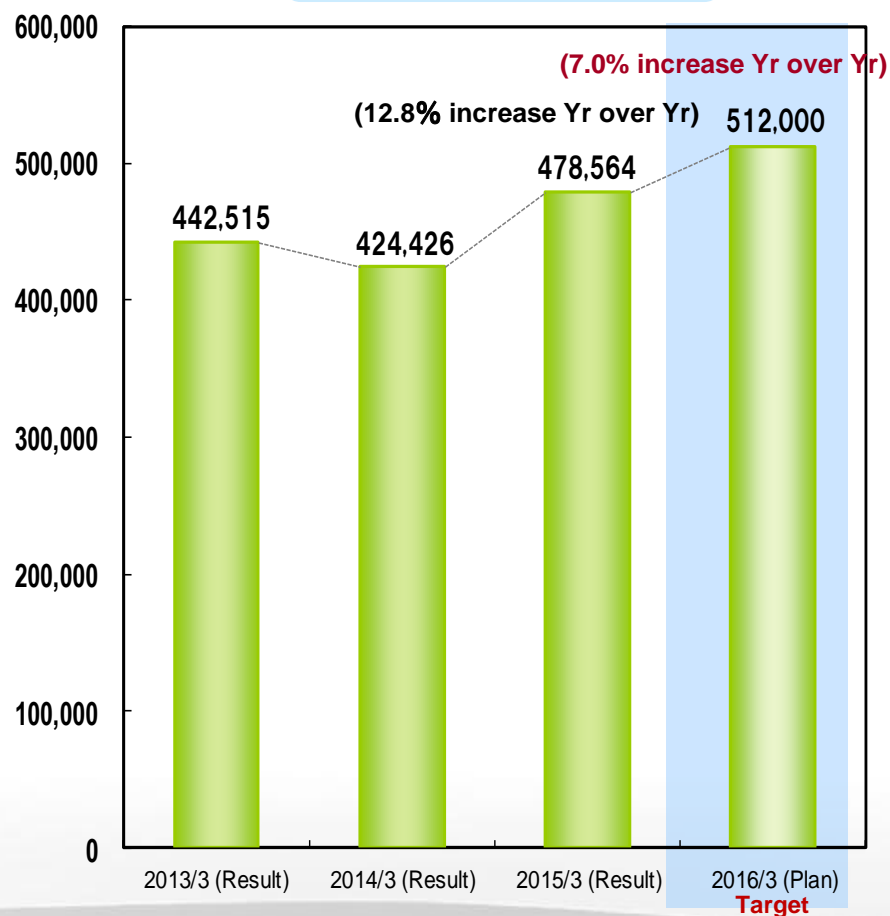
Further expansion in handling off-shore volume

Air and Sea / Volume Targets

Targets for FY2016/3 remain unchanged

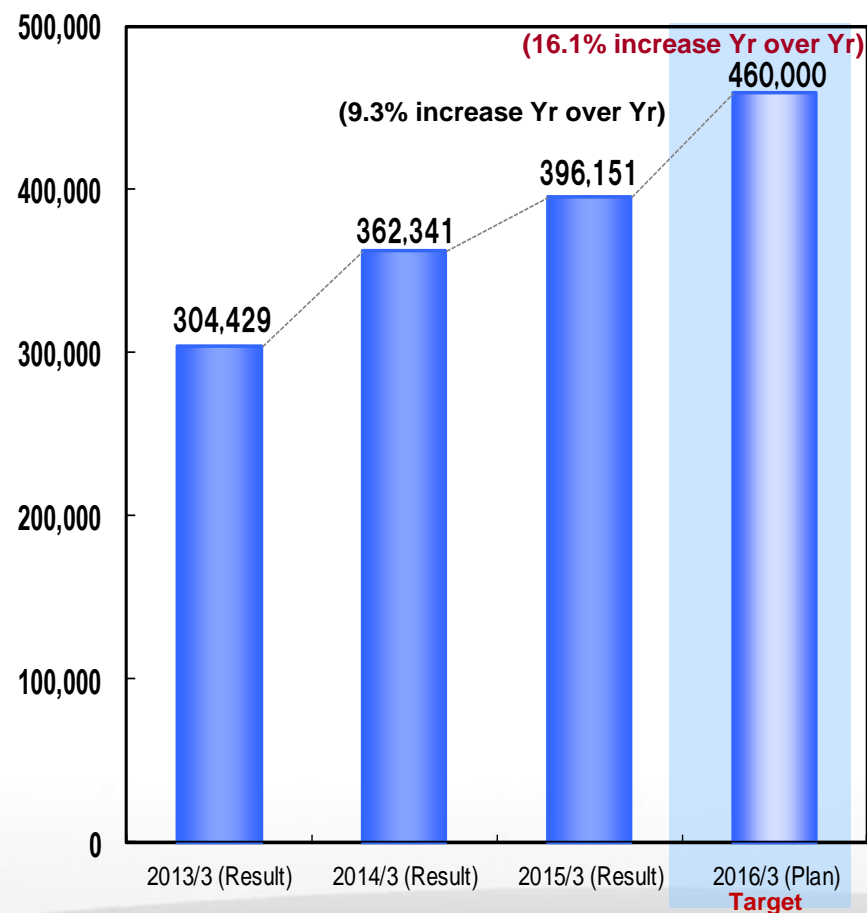
Weight (tons)

Air Freight (Export)



Volume (TEU)

Sea Freight (Export)



2. Priorities for the Final Year

(1) Develop business with more Corporate Accounts

(2) Volume growth in “Power Lanes” (Intra - Asia, Asia - Americas and Asia - Europe lanes) and expand import sales in key consumer markets

(3) Off-shore (trilateral) business traffics

(4) Further expanding of our network in growing markets (Cambodia, Myanmar, Latin America, India, and China, etc.)

(5) Tighter partnerships with preferred air/sea carriers

(6) Maximize synergies of M&As

2. Priorities for the Final Year

◆ Develop business with more Corporate Accounts

- FY2015/3 results

Air freight export: +9% (Weight), sea freight export: +15% (TEU)

⇒ FY2016/3 targets

Air freight export: +15%, sea freight export: +10%

Customer portfolio management balanced with industry verticals

◆ Off-shore (trilateral) business traffics

Expanded business with Japanese customers

⇒ Focus on non-Japanese customers

2. Priorities for the Final Year

◆ **Expand network and business in growing markets (Cambodia, Myanmar, Latin America, India, and China, etc.)**

- **Cambodian subsidiary (January 2015)
Myanmar subsidiary planned**

- **Prachinburi Logistics Center (Thailand)
Phase 1 (April 2015), Phase 2 (FY2017/3)**

- **Focus on Latin America (Mexico, Brazil)
Drive the Group-wide development of automotive-related business**

- **Business expansion in India**
Further growth of KWE India and Gati-Kintetsu
New organization in Tokyo to develop business in India
(February, 2015)



KWE Cambodia



**Thailand
Prachinburi Logistics Center**



Mexico City Office

2. Priorities for the Final Year

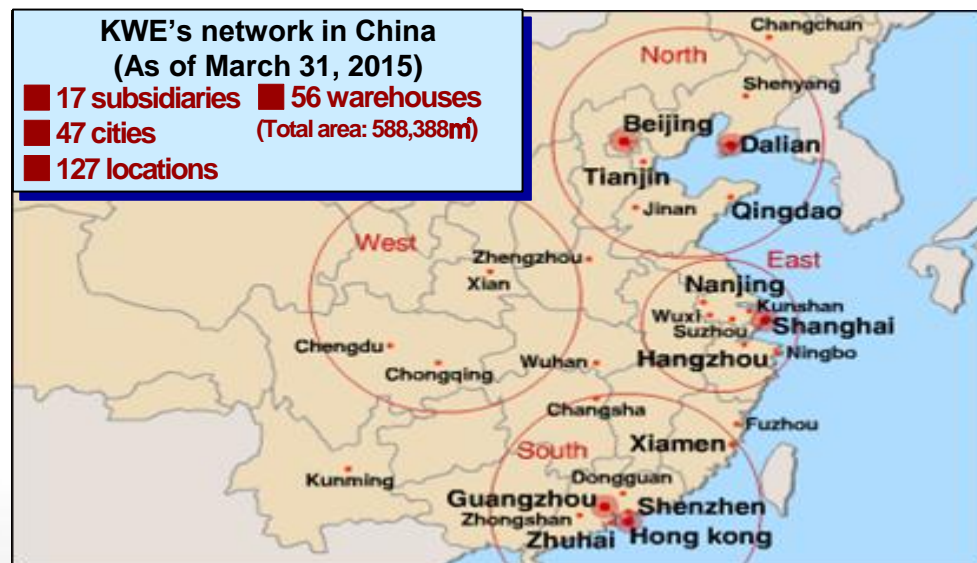
Further expansion in China

● Meet the increasing demand for domestic transportation

- Enhance domestic delivery and logistics services in addition to international and bonded logistics
- Focus on Industry Verticals
Food (Wuhan), medical products (Shanghai)



Wuhan Domestic Warehouse
(15,500m²⇒31,500m²)
Expanded in October 2014



2. Priorities for the Final Year

Maximize Synergies of M&As

- **Kintetsu Panasonic Trading Service Co., Ltd.**
(Acquired 65% shares in April 2014)

⇒ Synergy of its trading operation together with KWE's logistics

- **Trans Global Logistics Group Ltd. (TGLG)**
(Acquired 49% shares in April 2014)



- Air freight co-loading out of Hong Kong
- Joint sales mainly in retail-related markets

2. Priorities for the Final Year

Maximize Synergies of M&As

Consolidation of APL Logistics Ltd (APLL)



Announced in February 2015

◆ **Purpose:** Establish a management base speedily that can compete with major players in the global market

◆ **Expected synergy:**

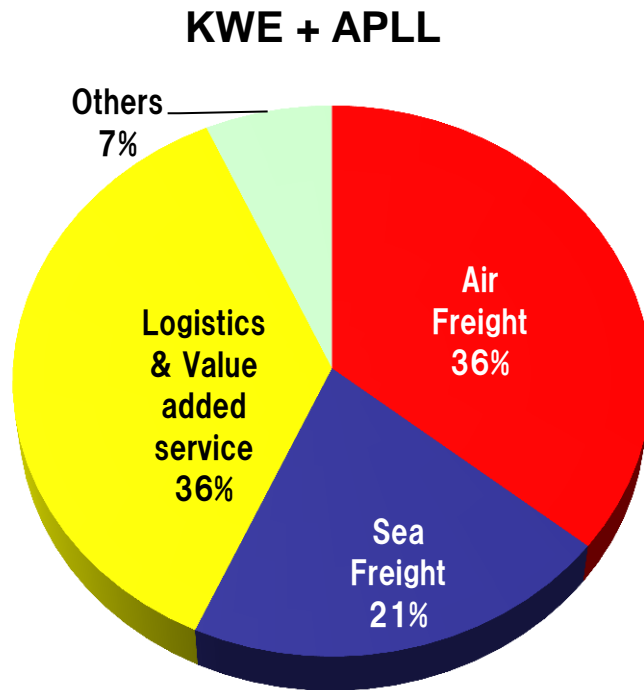
(1) Expand and optimize revenue portfolio through a more balanced portfolio of industry verticals, customer base, and business domains

(2) Joint sales to both customers with each other

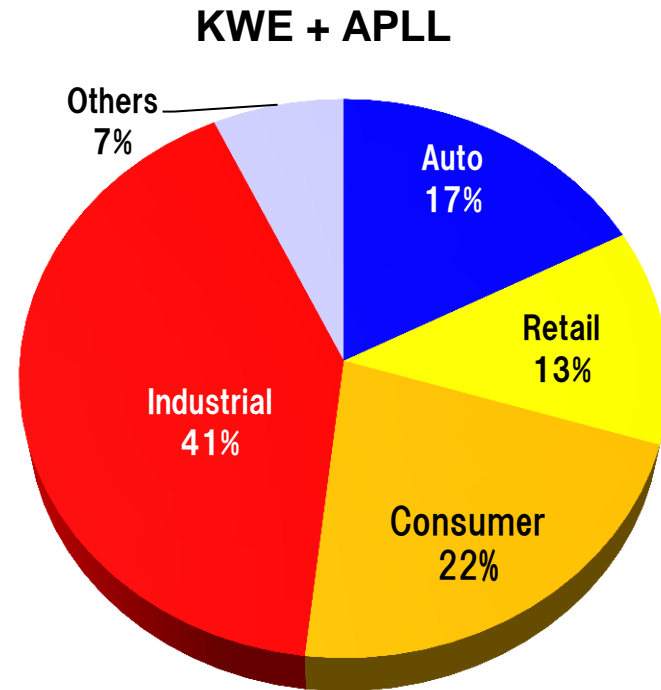
◆ Established a project team to generate synergies promptly

2. Priorities for the Final Year Maximize Synergies of M&As

◆ Sales composition after consolidation



By business



By industries

2. Priorities for the Final Year Maximize Synergies of M&As

◆ Management of APLL

1. Date of acquisition: June 2015 (planned)

(Subject to approval from the relevant competition authorities in each country that require it)

2. Brand: Unchanged

3. Executive officers and employees: Maintain current organization



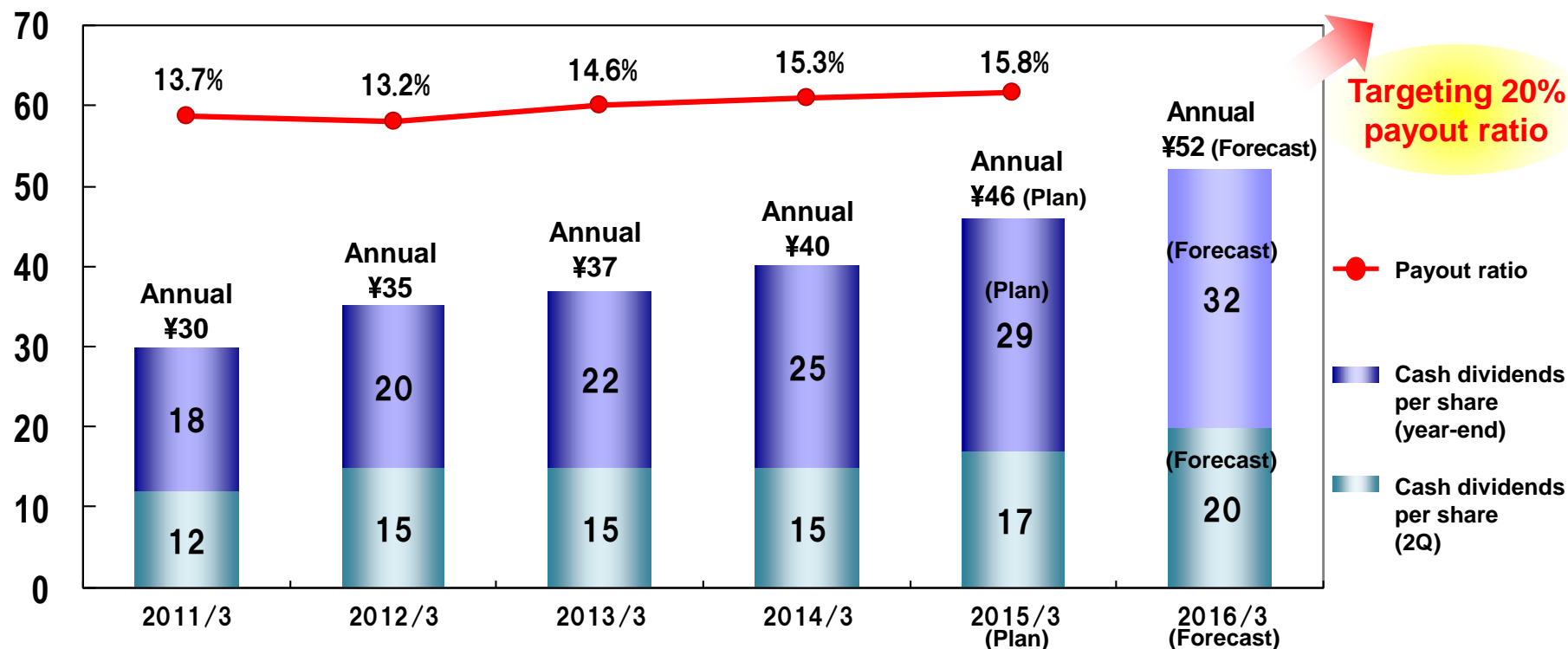
Beat Simon
President, APL Logistics



3. Dividends

Cash dividends per share, payout ratio

Annual dividends (yen)

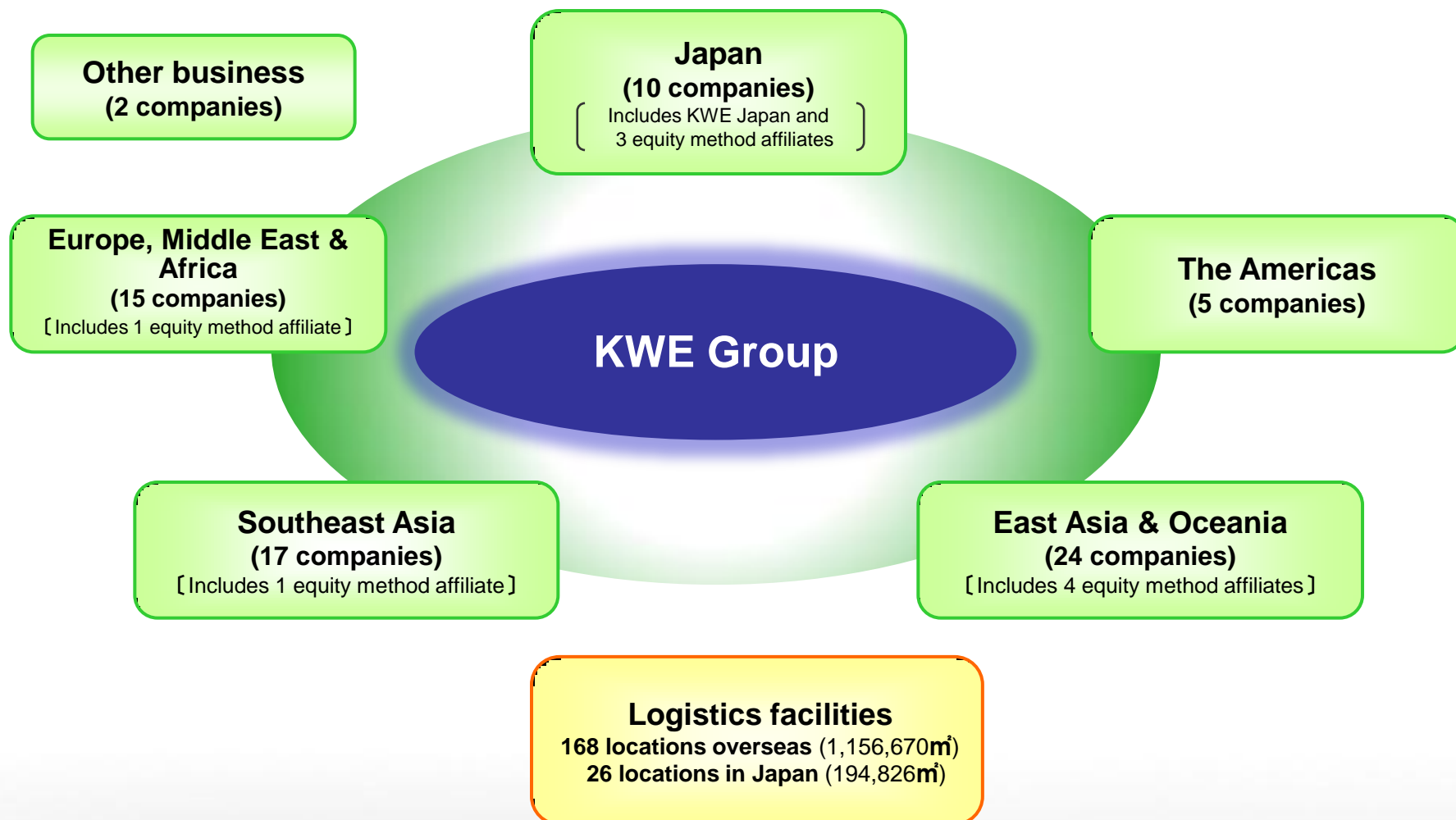


Increased dividends for five consecutive years

Supplemental Materials

KWE Group's Global Network

34 overseas countries, 226 cities, 374 locations (as of March 31, 2015)

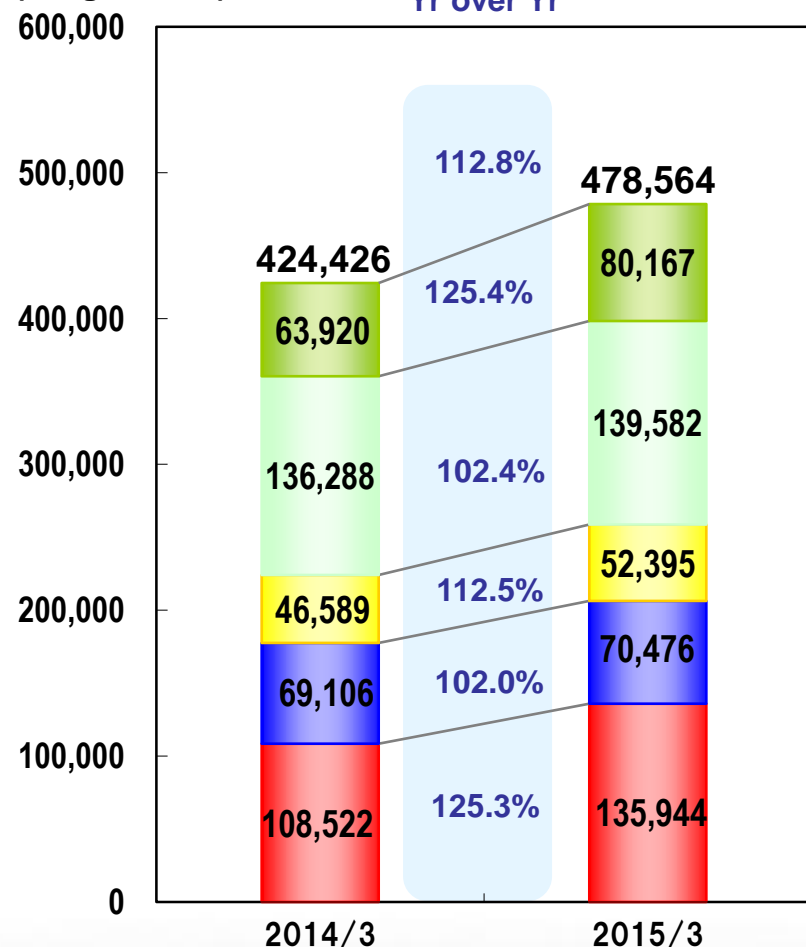


Freight Volume by Region (Air Freight)

Air Freight Exports

(Weight: tons)

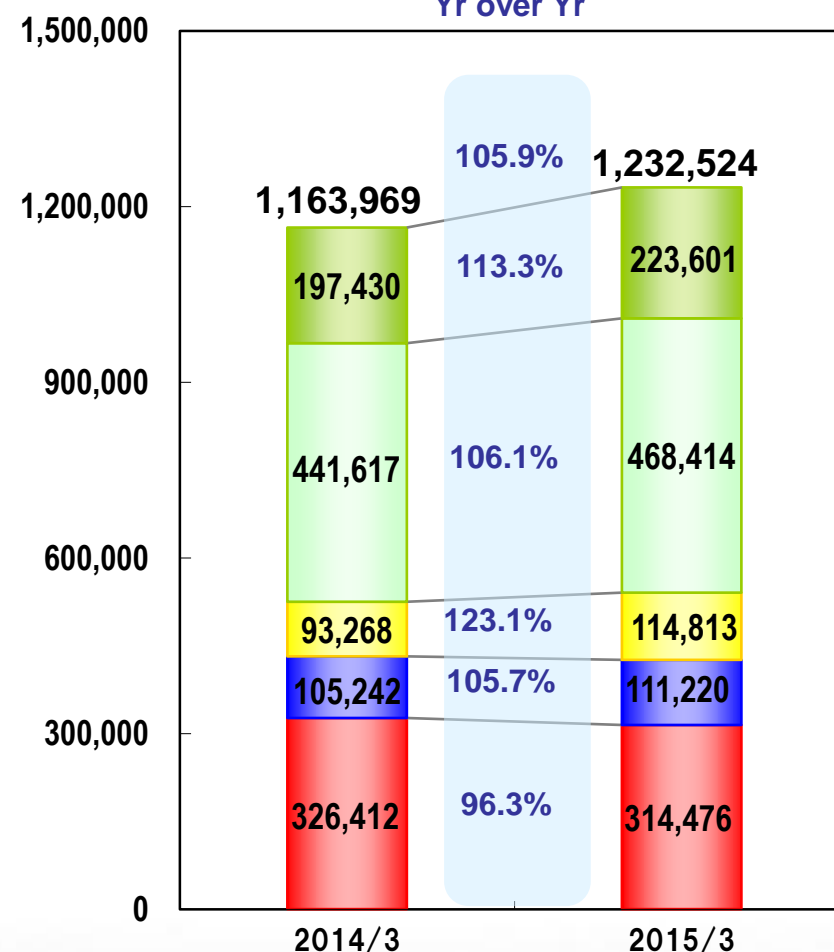
Yr over Yr



Air Freight Imports

(Shipments)

Yr over Yr



■ Japan
 ■ The Americas
 ■ Europe, Middle East & Africa
 ■ East Asia & Oceania
 ■ Southeast Asia

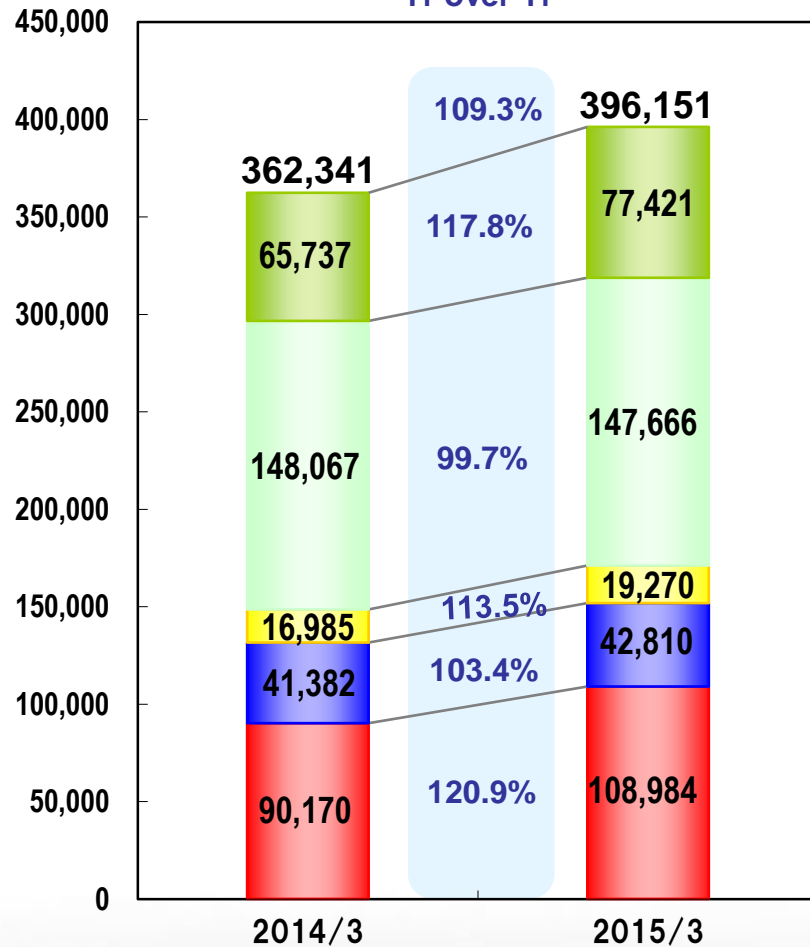
* For FY ending March 2015, four Philippine subsidiaries were reclassified from East Asia & Oceania to Southeast Asia. Figures above are after the reclassification.

Freight Volume by Region (Sea Freight)

Sea Freight Exports

(Volume: TEU)

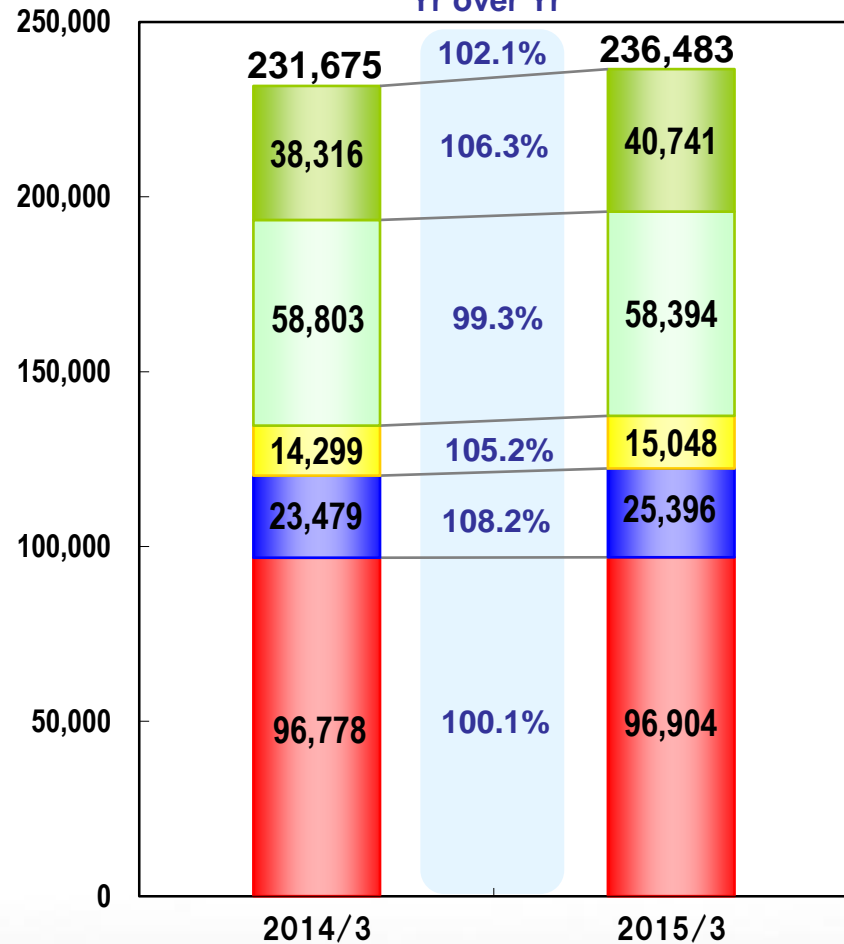
Yr over Yr



Sea Freight Imports

(Shipments)

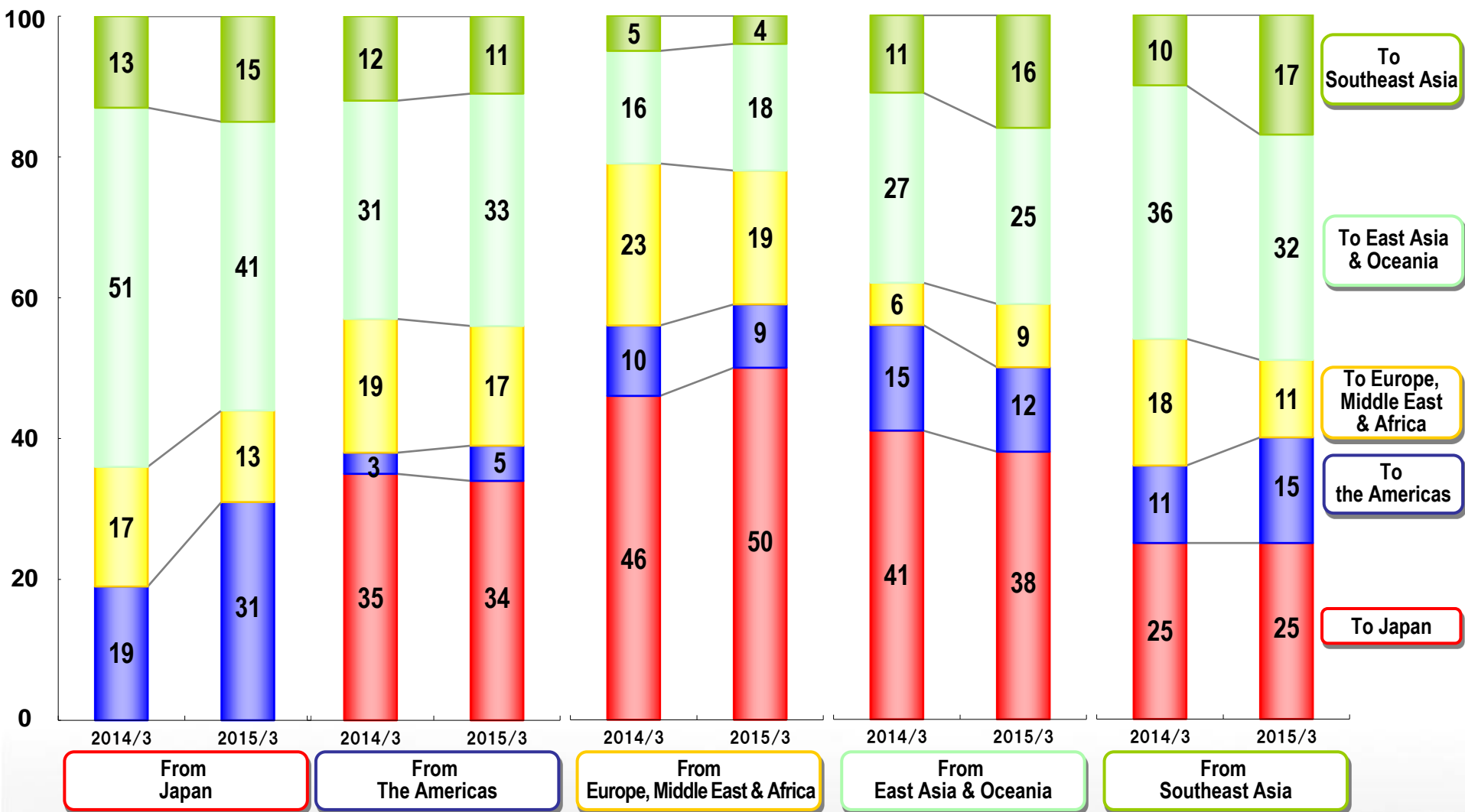
Yr over Yr



■ Japan
 ■ The Americas
 ■ Europe, Middle East & Africa
 ■ East Asia & Oceania
 ■ Southeast Asia

Air Freight Export Volume by Destination

(Composition ratio: %)

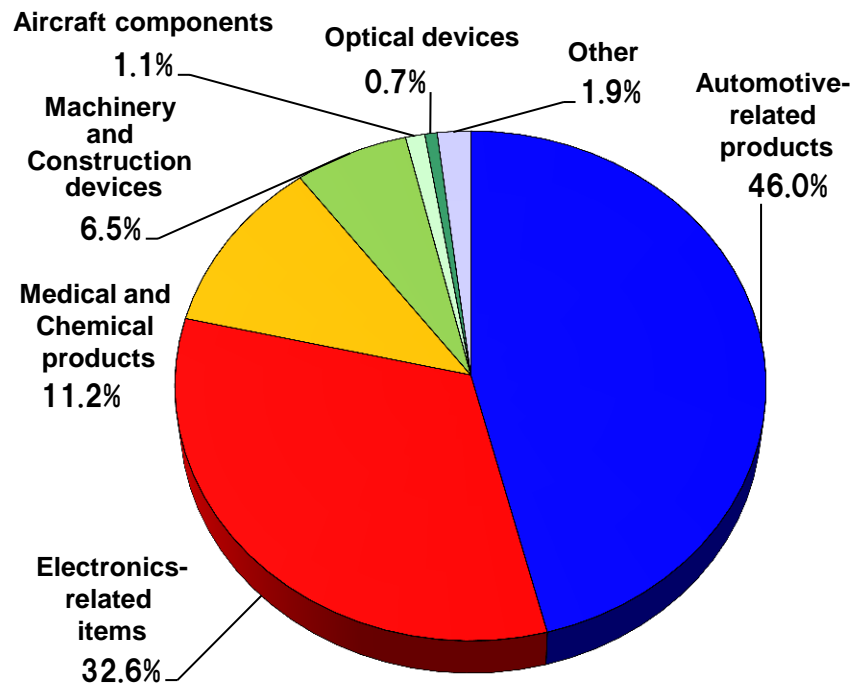


Industry Verticals (1)

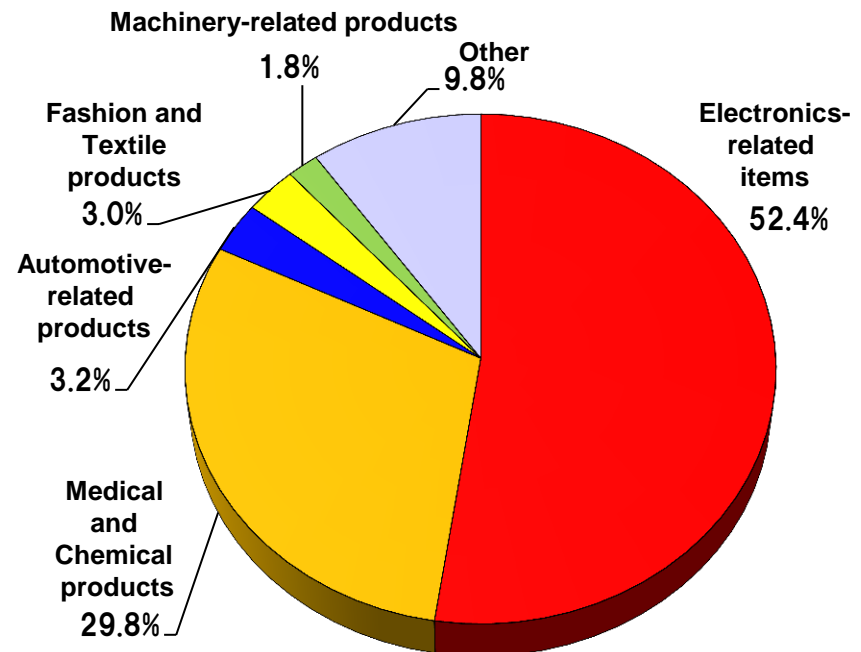
KWE Japan: Air Freight

— Based on net sales of top 100-ranked customers —

**KWE Japan's Air Freight Export Composition,
FY Ended March 31, 2015**



**KWE Japan's Air Freight Import Composition,
FY Ended March 31, 2015**

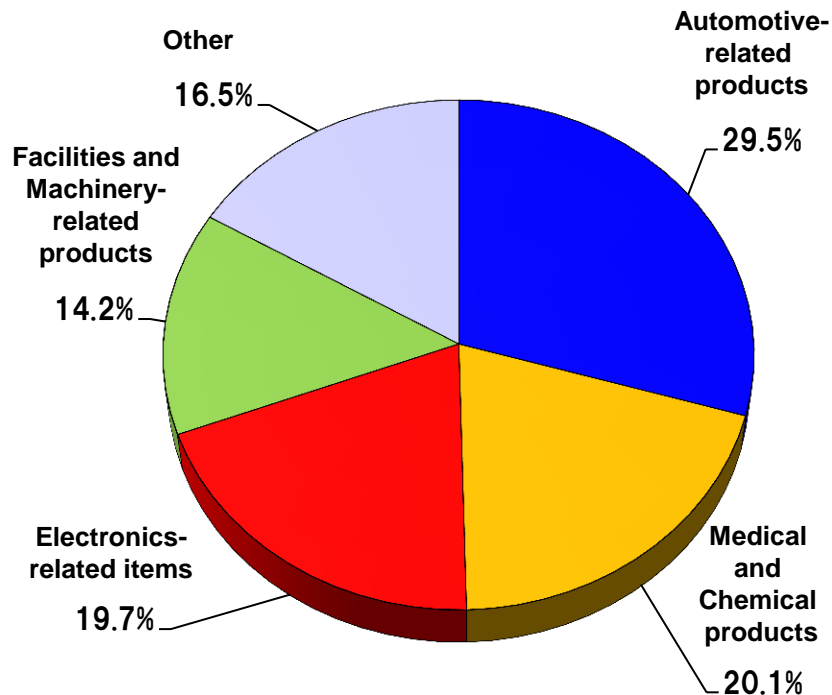


Industry Verticals (2)

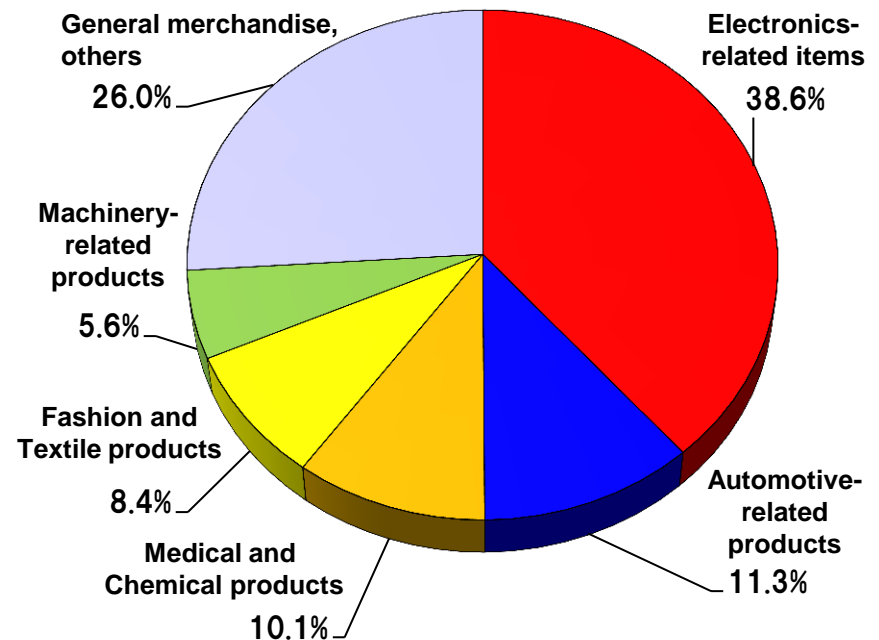
KWE Japan: Sea Freight

— Based on net sales of top 100-ranked customers —

**KWE Japan's Sea Freight Export
Composition, FY Ended March 31, 2015**



**KWE Japan's Sea Freight Import
Composition, FY Ended March 31, 2015**





Global Logistics Partner

Kintetsu World Express, Inc.
Website: <http://www.kwe.com>

* 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.