



Financial Results Meeting:

FY Ended March 2016

(April 1, 2015 - March 31, 2016)

May 12, 2016



Global Logistics Partner

kintetsu world express

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Consolidation of APLL

- The impact on financial results in the FY ended March 2016
(The deemed acquisition date was June 30 2015.)

◆ Balance Sheets (B/S)

- APLL's fiscal year ends December 31 and B/S as of December 31, 2015 were consolidated.

◆ Income statement (P/L)

- APLL's performance from July to December 2015 was consolidated.
- Acquisition-related costs of ¥0.8 billion was recorded in the first quarter.
- Amortization of goodwill, etc. of ¥3.3 billion was recorded for the six months from July to December 2015.

*“APLL” was added in the reportable segments from FY ended March 2015.

Balance Sheets (1)

(Millions of yen)

	March 31, 2015	March 31, 2016	Differences	Note
Assets				
Current assets	131,006	178,454	47,448	Due to consolidation of APLL (increases in cash and deposits, notes and operating accounts receivable)
Non-current assets	63,547	207,447	143,900	
Property, plant and equipment	39,831	45,944	6,112	Due to consolidation of APLL
Intangible assets	2,520	134,117	131,596	Recording of goodwill, etc. arising from acquisition of APLL
Investments and other assets	21,194	27,386	6,191	Due to consolidation of APLL
Total assets	194,553	385,902	191,348	
Liabilities				
Current liabilities	53,772	96,406	44,634	Due to consolidation of APLL (increases in operating accounts payable- trade, etc.)
Non-current liabilities	11,093	152,296	141,202	Bank loans for acquisition of APLL
Total liabilities	64,865	250,703	185,837	
Net assets				
Total net assets	129,687	135,199	5,511	
Total liabilities and net assets	194,553	385,902	191,348	

Balance Sheets (2)

■ Interest-bearing debt (Millions of yen)

FY ended March 2015	FY ended March 2016	Differences
15,134	165,510	+150,376

■ Capital investments (Millions of yen)

FY ended March 2015	FY ended March 2016	Differences	FY ending March 2017 (Forecast)
5,417	7,112	+1,694	10,139

- ◆ Main capital investments (FY ended March 2016)
 - Logistics facilities (Japan, Thailand, etc.), IT/software, vehicles, etc.
- ◆ Main capital investment plan (FY ending March 2017)
 - IT (hardware, software, maintenance, and system development)
 - Logistics facilities (warehouse, warehouse equipment), Office
 - Vehicles (trucks, trailers, etc.)

■ Depreciation (Millions of yen)

FY ended March 2015	FY ended March 2016	Differences
2,720	5,255	+2,534

Cash Flow Statements

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016	Differences
Net cash provided by (used in) operating activities	9,457	20,143	10,685
Net cash provided by (used in) investing activities	(10,870)	(147,207)	(136,336)
Net cash provided by (used in) financing activities	(1,424)	144,744	146,168
Effect of exchange rate change on cash and cash equivalents	3,573	(2,476)	(6,050)
Net increase (decrease) in cash and cash equivalents	736	15,203	14,467
Cash and cash equivalents at end of period	48,700	63,903	15,203

Financial Summary

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

Item	FY ended March 31, 2015		FY ended March 31, 2016		FY ending March 31, 2017 (Forecasts) (*Released on May 11, 2016)
		YoY change (%)		YoY change (%)	
Air freight exports (Weight)	478	12.8	457	(4.4)	—
Air freight imports (Shipments)	1,232	5.9	1,208	(2.0)	—
Sea freight exports (Volume)	396	9.3	463	16.9	—
Sea freight imports (Shipments)	236	2.1	238	1.0	—
Net sales	327,192	16.2	420,252	28.4	534,000
Operating gross profit	52,556	13.5	71,762	36.5	—
Operating income	16,563	20.5	15,356	(7.3)	16,400
Ordinary income	18,429	20.7	17,907	(2.8)	17,000
Income before income taxes	16,372	9.8	17,847	9.0	—
Net income attributable to owners of the parent (formerly "Net income")	10,489	11.4	9,773	(6.8)	9,800

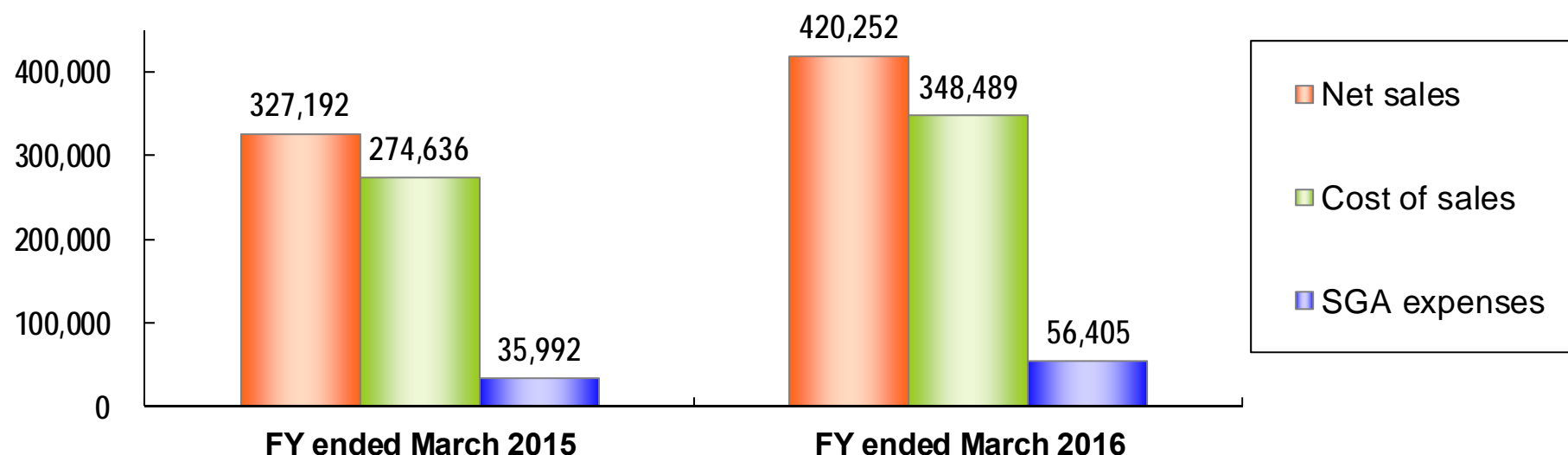
Conversion Rate	FY ended March 2015	1st 6 months of FY ended March 2016	FY ended March 2016
U.S. Dollar	¥ 105.85	¥ 120.23	¥ 121.05
EURO	¥ 140.42	¥ 134.17	¥ 134.31

	FY ended March 2015	FY ended March 2016
EPS	¥ 145.68	¥ 135.74
BPS	¥ 1,750.16	¥ 1,741.44
ROE	9.0%	7.9%

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



(Millions of yen)

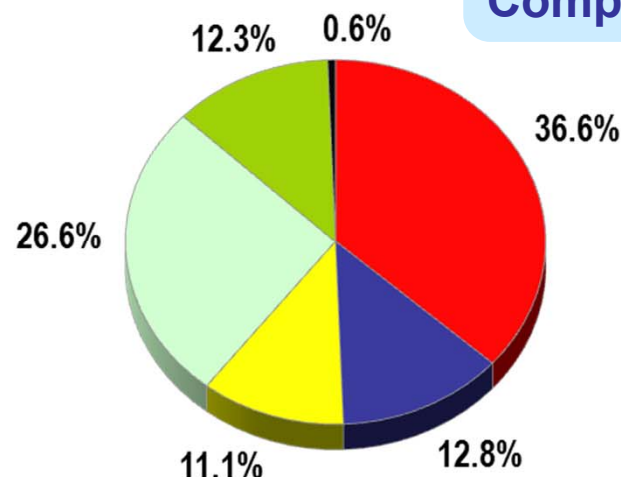


(Millions of yen)

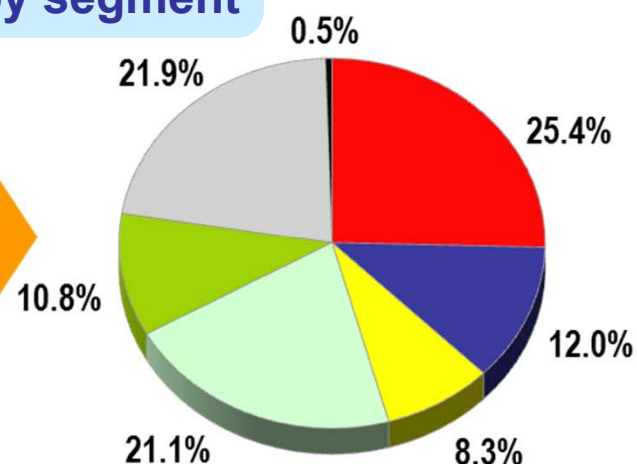
	FY ended March 31, 2015	Ratio to net sales	FY ended March 31, 2016	Ratio to net sales
Net sales	327,192	100.0%	420,252	100.0%
Cost of sales	274,636	83.9%	348,489	82.9%
SGA expenses	35,992	11.0%	56,405	13.4%
Operating income	16,563	5.1%	15,356	3.7%

Net Sales and Operating Income by Segment

Composition by segment



FY ended March 31, 2015



FY ended March 31, 2016

(Millions of yen)

Segments	Net Sales	YoY change (%)	Operating Income	YoY change (%)
Japan	109,427	(11.0)	4,127	(35.1)
The Americas	51,914	20.7	3,778	31.0
Europe, Middle East & Africa	35,975	(3.7)	992	34.8
East Asia & Oceania	91,286	2.1	5,621	10.2
Southeast Asia	46,797	12.9	1,928	64.1
APLL	94,401	-	(1,404)	-
Other	2,109	13.0	308	0.5
Adjustment	(11,659)	-	4	-
Total	420,252	28.4	15,356	(7.3)

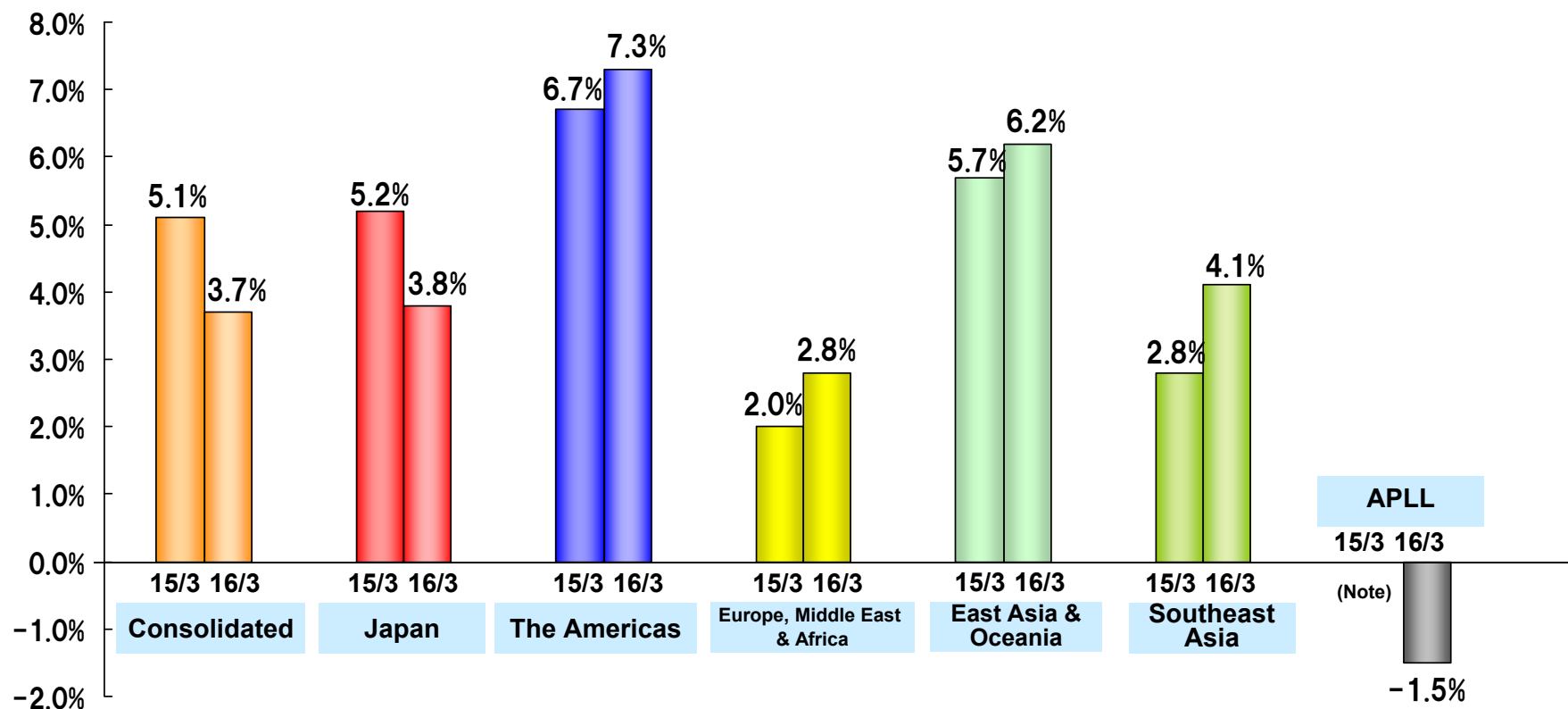
* "Other" refers to business not included in reportable segments and provides incidental logistics related services within the Group.

* APLL's performance from July to December 2015 was consolidated.

- 1 Japan affected by low export air freight volume**
 - KWE/Japan: Operating margin decreased from 5.0% to 3.2%
 - Subsidiaries in Japan saw signs of improvement in their profit
- 2 Oversea (excl. APLL) affiliates showed steady growth**
 - Four regions' operating margin increased from 4.7% to 5.5%
 - Americas: Fair result with high air freight volume due to the West Coast ports congestion
 - EMEA: Distinct recovery of KWE/Germany
 - East Asia & Oceania: Operating margin improved, despite of lower freight volume
 - Southeast Asia: Further recovery measures worked
- 3 APLL's performance has slumped**
 - Business growth slowed down and increased administrative expenses

Operating Margins by Segment

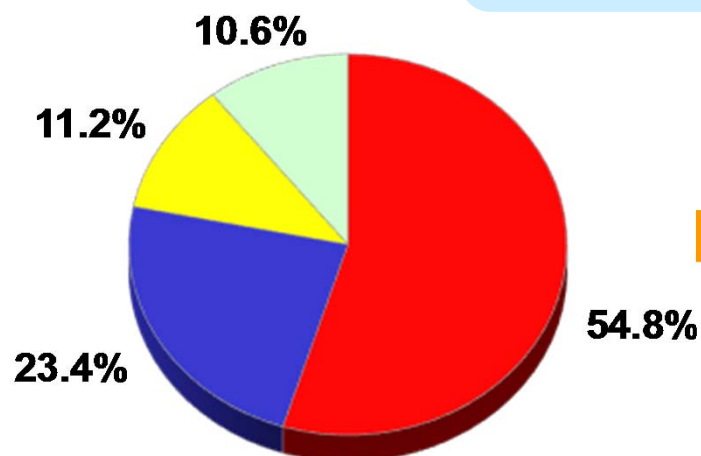
FY ended March 31
2015 and 2016



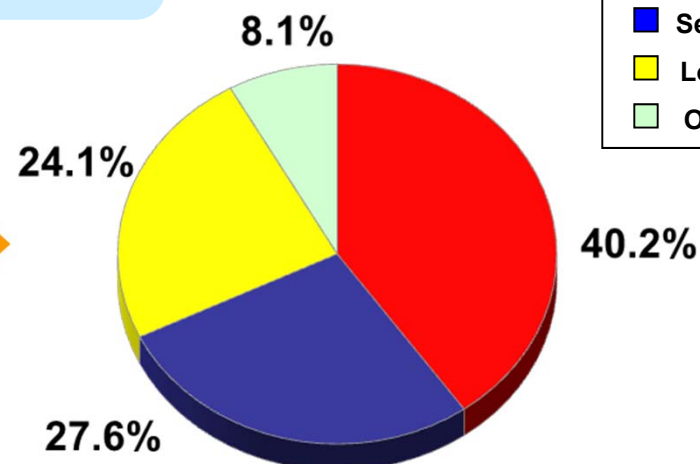
(Note) Operating margin of APLL 15/3 is not been described as APLL is consolidated since 16/3.

Net Sales by Business

Composition by Business



FY ended March 31, 2015



FY ended March 31, 2016

(Millions of yen)

Business		FY ended March 31, 2015 (Results)	FY ended March 31, 2016 (Results)	
		Net sales	Net sales	YoY change
Freight transportation	Air Freight	179,236	168,768	(5.8%)
	Sea Freight	76,678	115,961	51.2%
	Logistics	36,652	101,380	176.6%
	Other	34,625	34,141	(1.4%)
Total		327,192	420,252	28.4%

Gross Margin by Transportation Mode

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

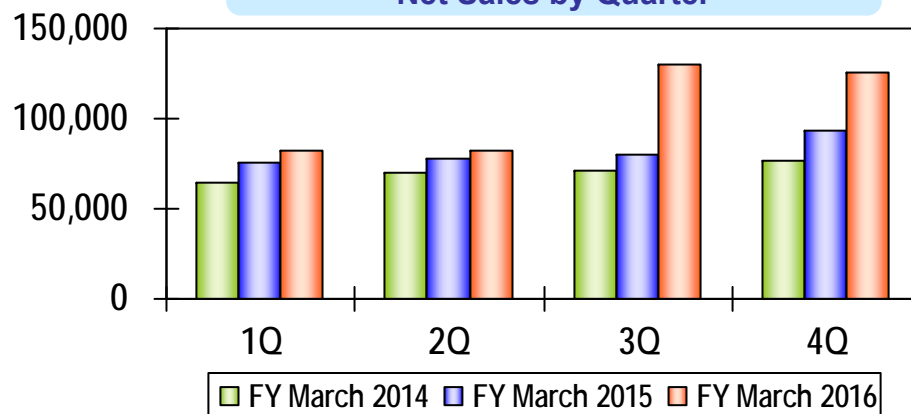
	Six months ended September 30, 2014	FY ended March 31, 2015	Six months ended September 30, 2015	FY ended March 31, 2016
Air	26.7%	26.9%	28.5%	29.3%
Sea	22.5%	22.4%	22.1%	*27.8%

*Gross margin increased due to addition of PO Management and Buyer's Consolidation related to APLL's sea freight operation.

Operating Results by Quarter

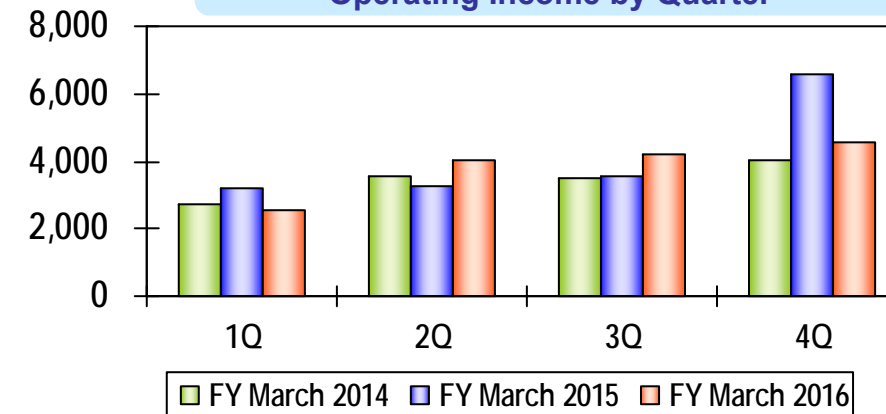
(Millions of yen)

Net Sales by Quarter



(Millions of yen)

Operating Income by Quarter



(Millions of yen)

Net sales	1Q	2Q	3Q	4Q
FY ended March 2014	64,644	69,477 (134,121)	70,634 (204,756)	76,748 (281,505)
FY ended March 2015	75,240	78,056 (153,297)	80,309 (233,606)	93,585 (327,192)
FY ended March 2016	82,752	81,868 (164,620)	130,538 (295,159)	125,092 (420,252)
Operating income	1Q	2Q	3Q	4Q
FY ended March 2014	2,710	3,528 (6,238)	3,472 (9,710)	4,031 (13,742)
FY ended March 2015	3,193	3,271 (6,464)	3,538 (10,003)	6,560 (16,563)
FY ended March 2016	2,564	4,031 (6,595)	4,185 (10,781)	4,575 (15,356)
Ordinary income	1Q	2Q	3Q	4Q
FY ended March 2014	2,925	3,879 (6,805)	3,628 (10,433)	4,833 (15,267)
FY ended March 2015	3,573	3,420 (6,994)	4,037 (11,032)	7,397 (18,429)
FY ended March 2016	2,846	4,192 (7,038)	5,303 (12,342)	5,565 (17,907)

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

Earnings Forecast for FY Ending March 2017

The First Year of the New Medium-Term Management Plan

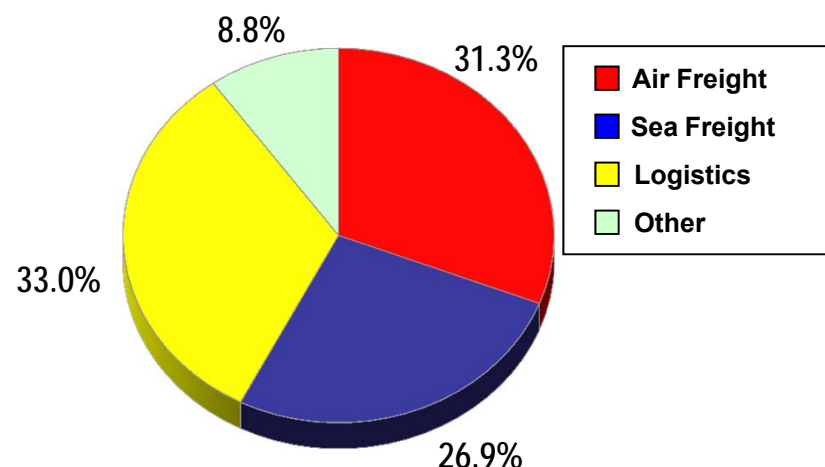


(Millions of yen)

Item	FY ended March 2016 (Results)		FY ending March 2017 (Forecasts)	
		YoY change (%)		YoY change (%)
Net sales	420,252	28.4%	534,000	27.1%
Operating gross profit	71,762	36.5%	91,964	28.2%
Operating income	15,356	(7.3%)	16,400	6.8%
Ordinary income	17,907	(2.8%)	17,000	(5.1%)
Income before income taxes	17,847	9.0%	17,000	(4.7%)
Net income attributable to owners of the parent	9,773	(6.8%)	9,800	0.3%

Net Sales Forecast by Business & Segment for FY Ending March 2017

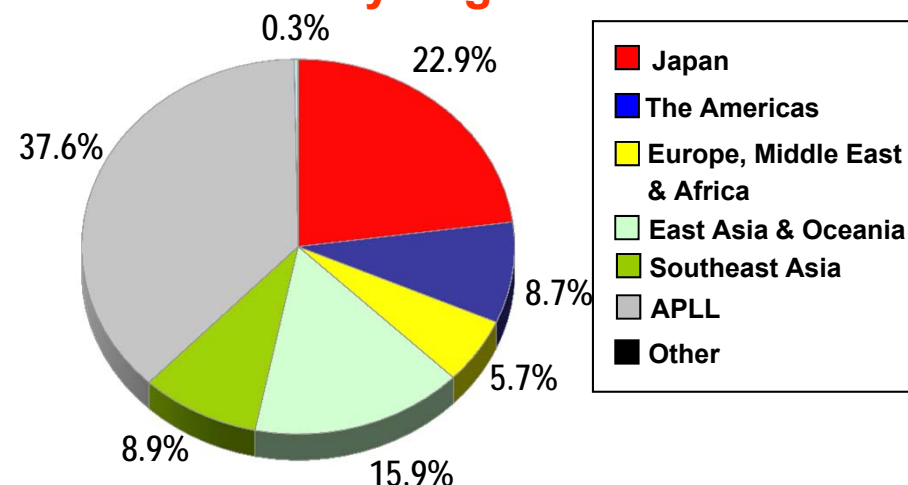
Net Sales by Business



FY ending March 2017 (Forecast)
(Millions of yen, %)

Business		FY ending March 2017 (Forecast)	
		Net sales	Composition
Freight transportation	Air Freight	167,000	31.3
	Sea Freight	144,000	26.9
	Logistics	176,000	33.0
	Other	47,000	8.8
Total		534,000	100.0

Net Sales by Segment



FY ending March 2017 (Forecast)
(Millions of yen)

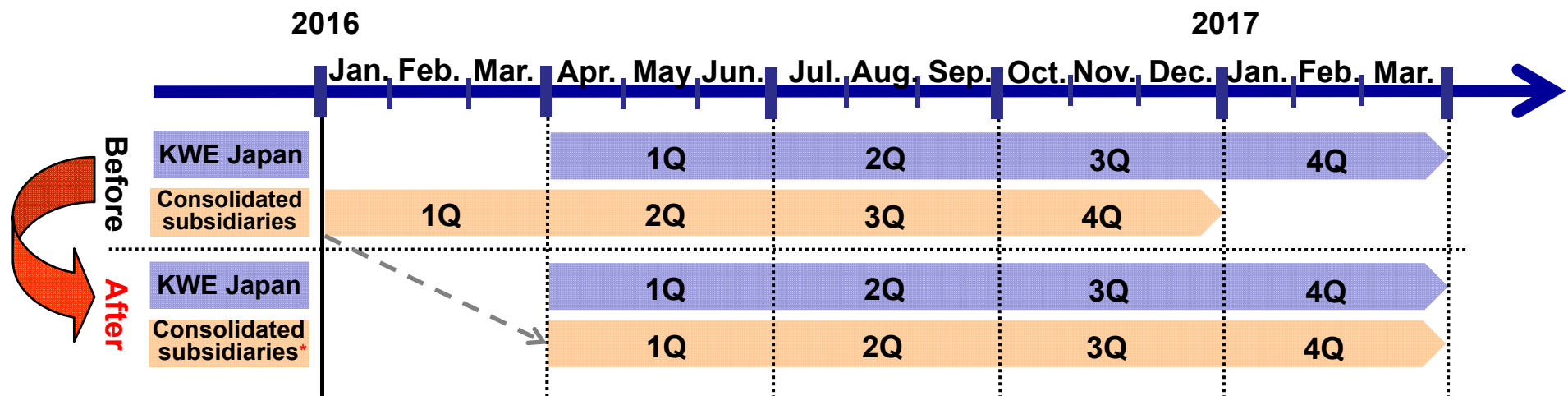
Segment	FY ending March 2017 (Forecast)	
	Net sales	Operating income
Japan	129,000	4,800
The Americas	49,000	3,200
Europe, Middle East & Africa	32,000	1,100
East Asia & Oceania	90,000	5,400
Southeast Asia	50,000	2,100
APLL	212,000	(400)
Other	2,000	200
Adjustment	(30,000)	—
Total	534,000	16,400

Unification of Accounting Period

- Unify accounting period (financial reporting period) of consolidated subsidiaries(excluding APLL)from FY ending March 2017

【Purpose】

- Catch financial results in a timely manner
- Timely disclosure



New Medium-Term Management Plan

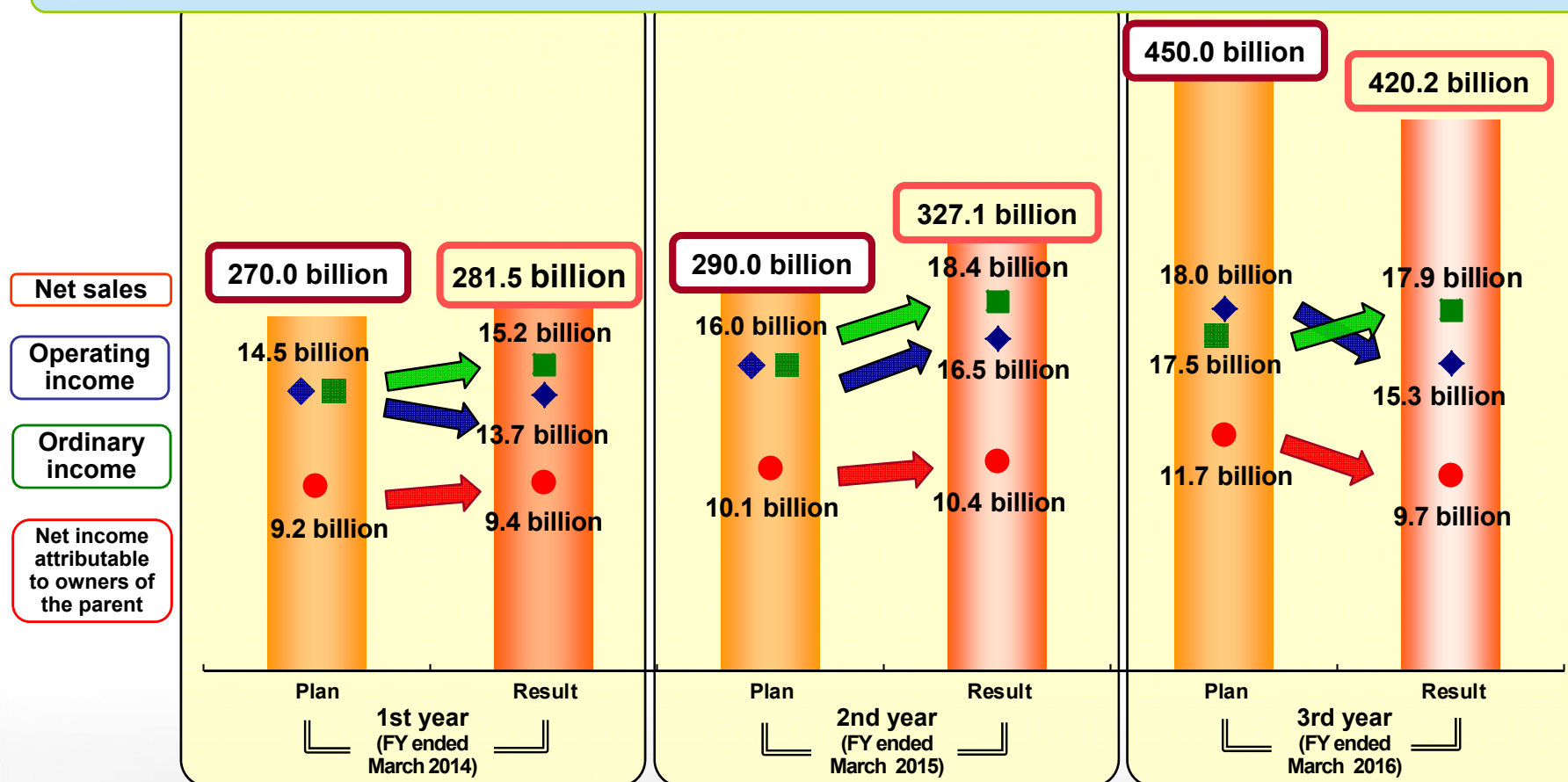
"Going to the Next Phase !"

(FY Ending March 2017 - FY Ending March 2019)

Review of the Previous Medium-Term Management Plan (FY Ended March 2014 – FY Ended March 2016)

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.

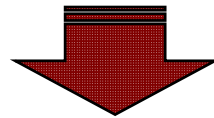


Goals and Background of the New Medium-Term Management Plan (FY Ending March 2017 - FY Ending March 2019)



Business Environment : Slowdown of the world economy, Volatile currency, Intensifying competition

Challenge : Business growth based on volume growth



Goals of the New Medium-Term Management Plan

- ◆ Deeper understanding of customers' point of view
- ◆ Operational excellence to keep customers satisfied
- ◆ Larger business scale with APLL
- ◆ Timely response to business environmental changes

Outline of the New Medium-Term Management Plan



Vision

A superior business partner supporting customers' strategic objectives and activities by providing comprehensive innovative supply chain solution

Slogan

“Going to the Next Phase !”

Target by March 2019

Net Sales: 634 billion yen

Operating Income: 22 billion yen

Volume Targets: Air Freight export 700,000 tons Sea Freight export 700,000 TEUs

<Key Strategies>

Become an industry leader providing comprehensive services

Actively respond to customers' logistics needs at production locations and consumer markets

Improve productivity by leveraging corporate capabilities

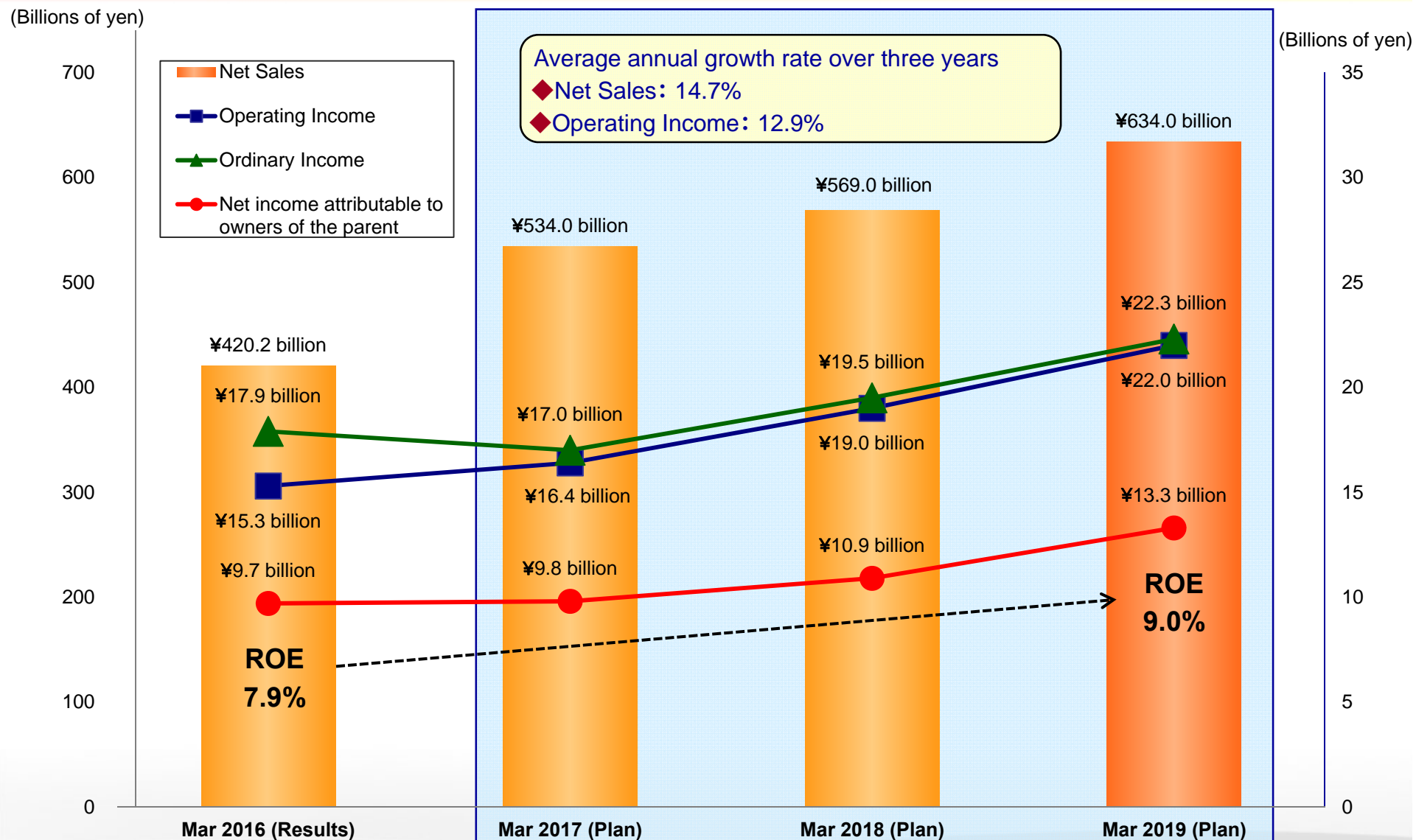
<Core Competences>

Maximize efficient utilization
of corporate resources

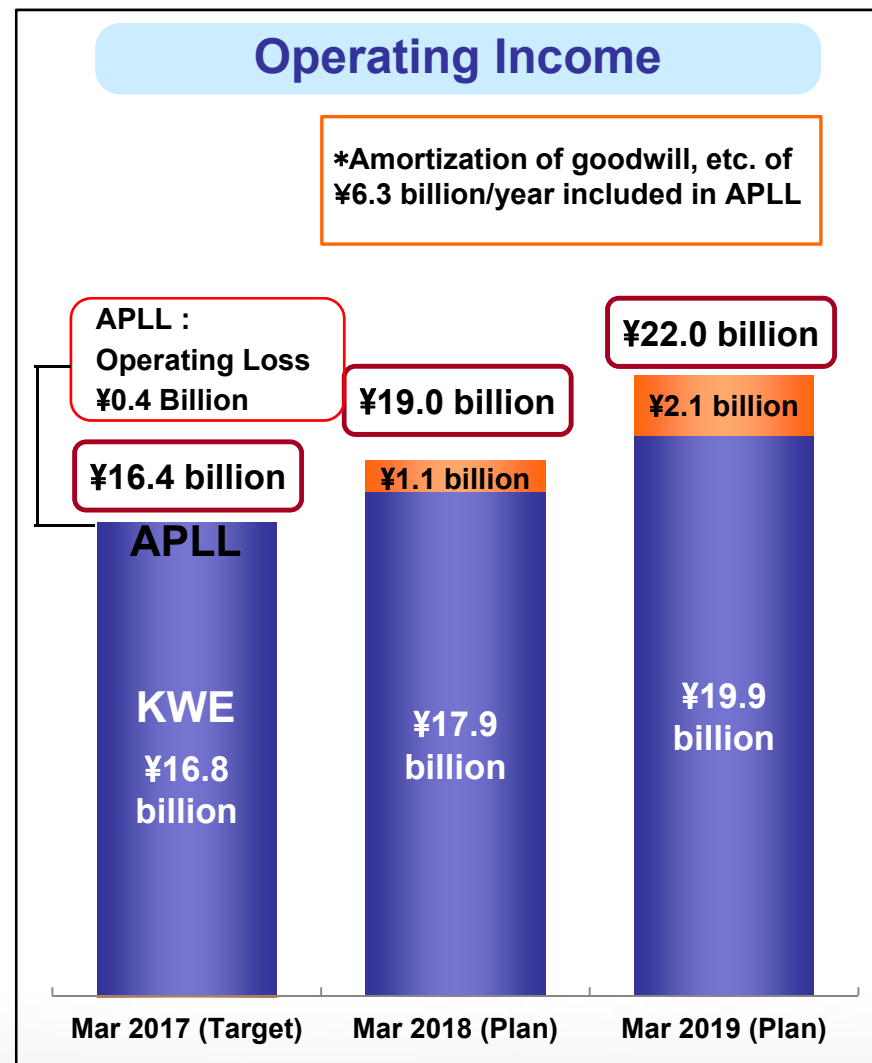
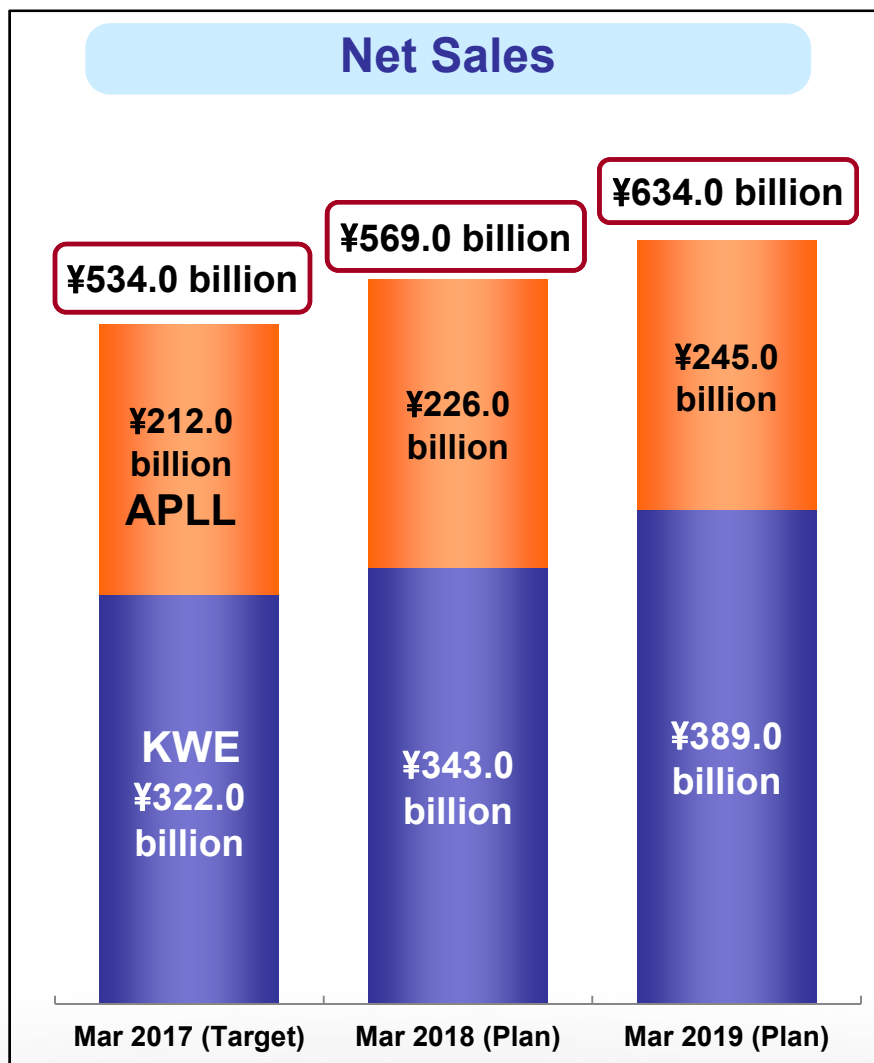
Strengthen corporate risk
management capabilities

Heighten quality of
operational performance

New Medium-Term Management Plan Numerical Targets

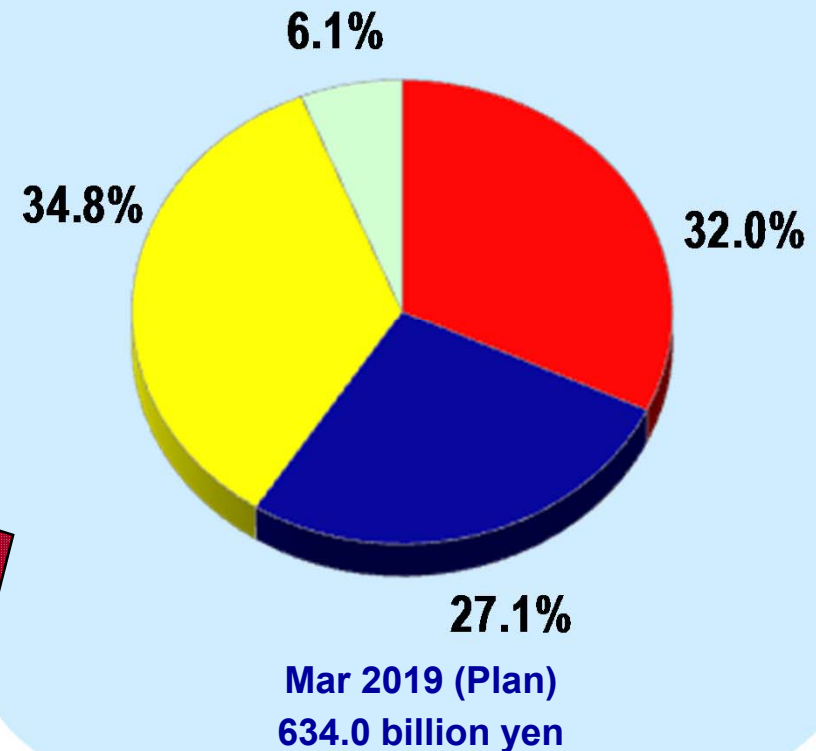
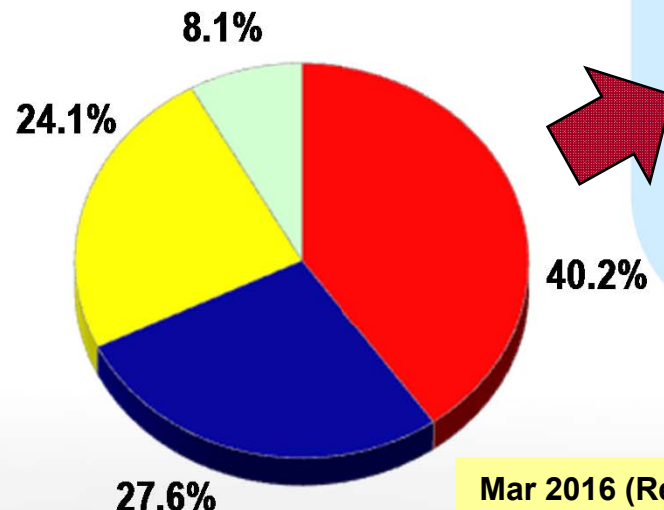
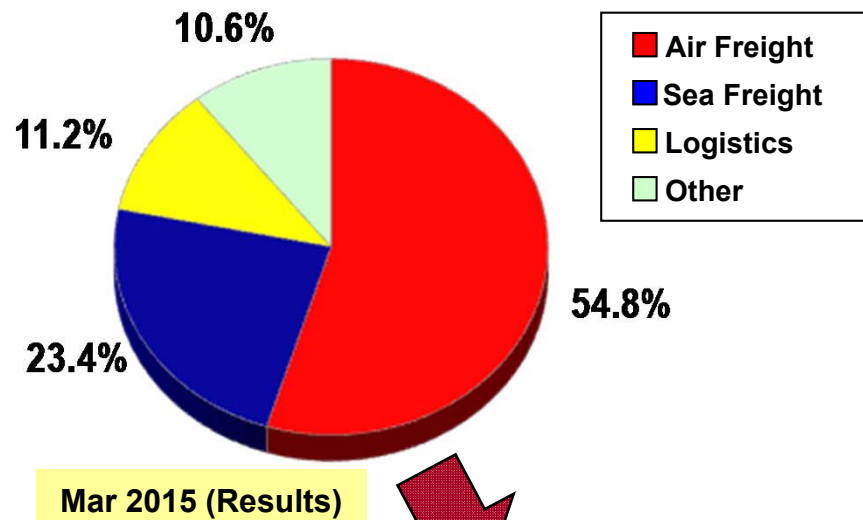


New Medium-Term Management Plan Numerical Targets (by KWE and APLL)



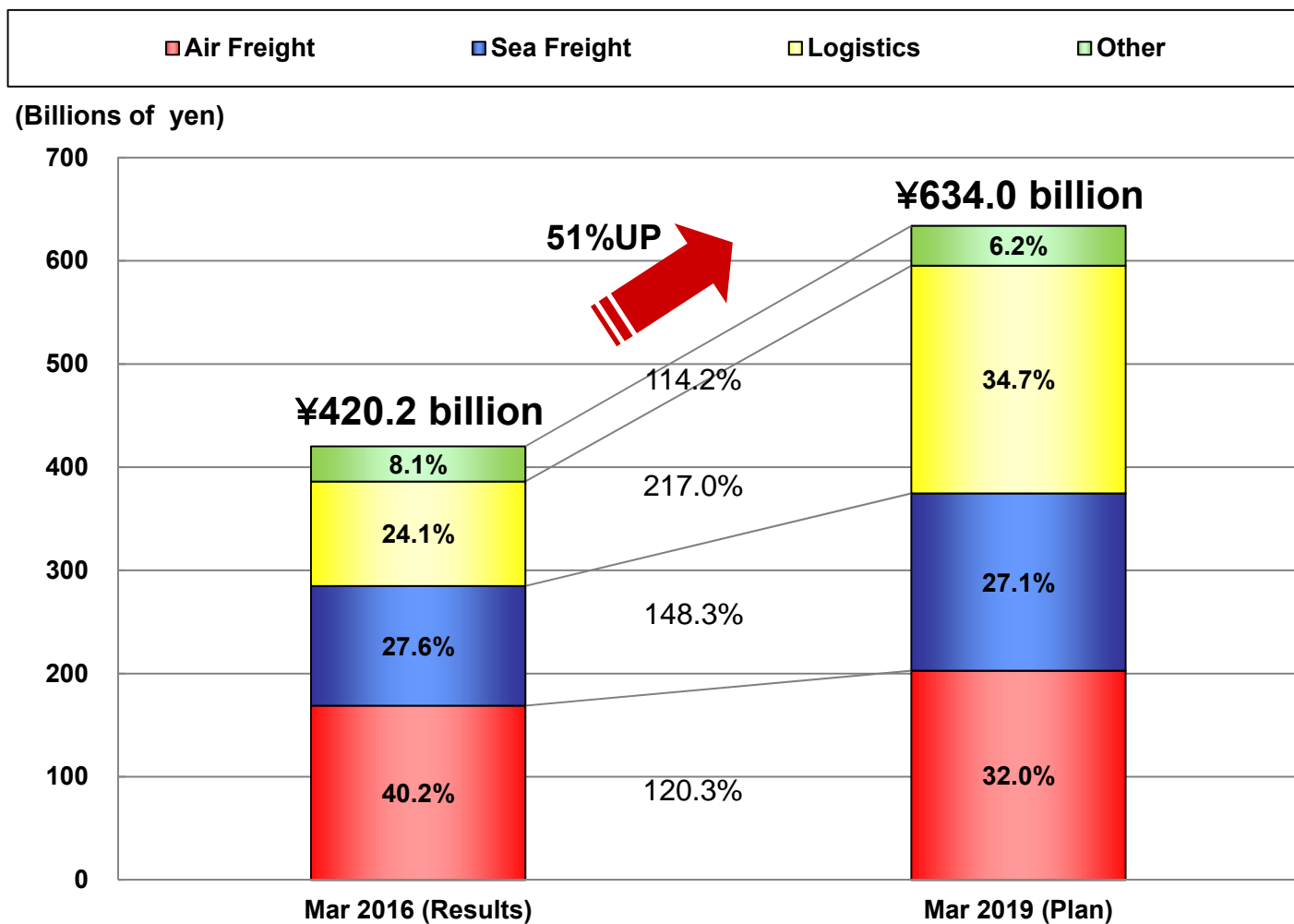
New Medium-Term Management Plan

Transition of Net Sales by Business



New Medium-Term Management Plan

Net Sales Targets by Business

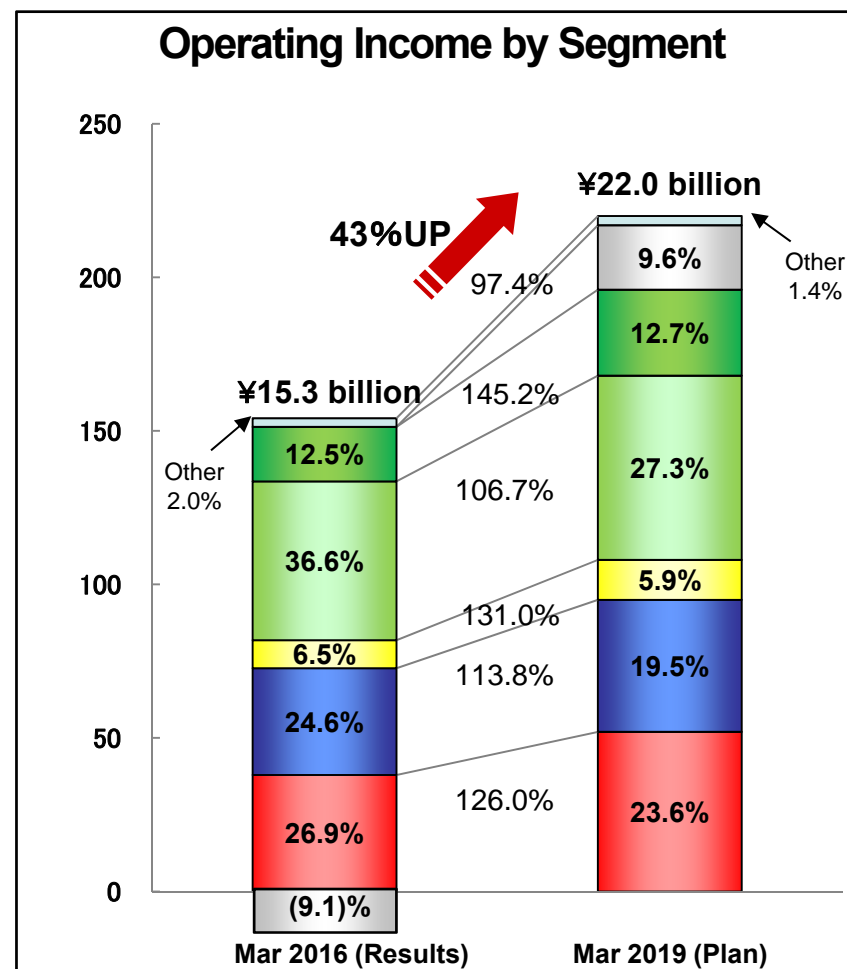
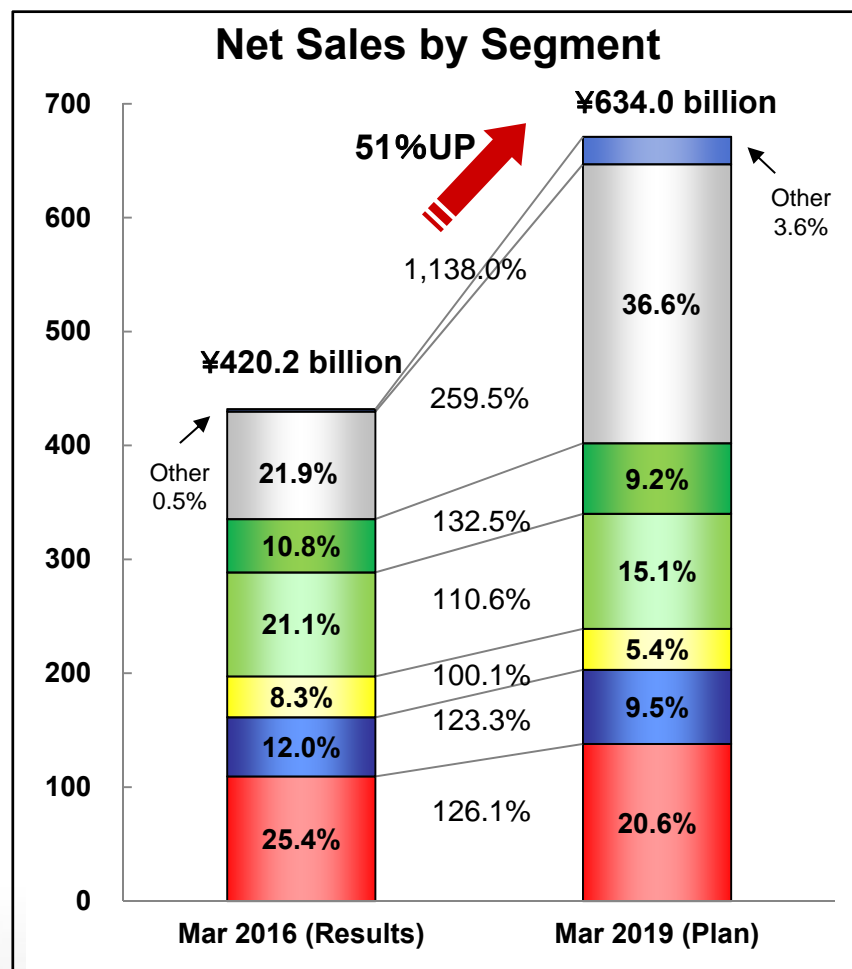


New Medium-Term Management Plan

Net Sales and Operating Income Targets by Segment

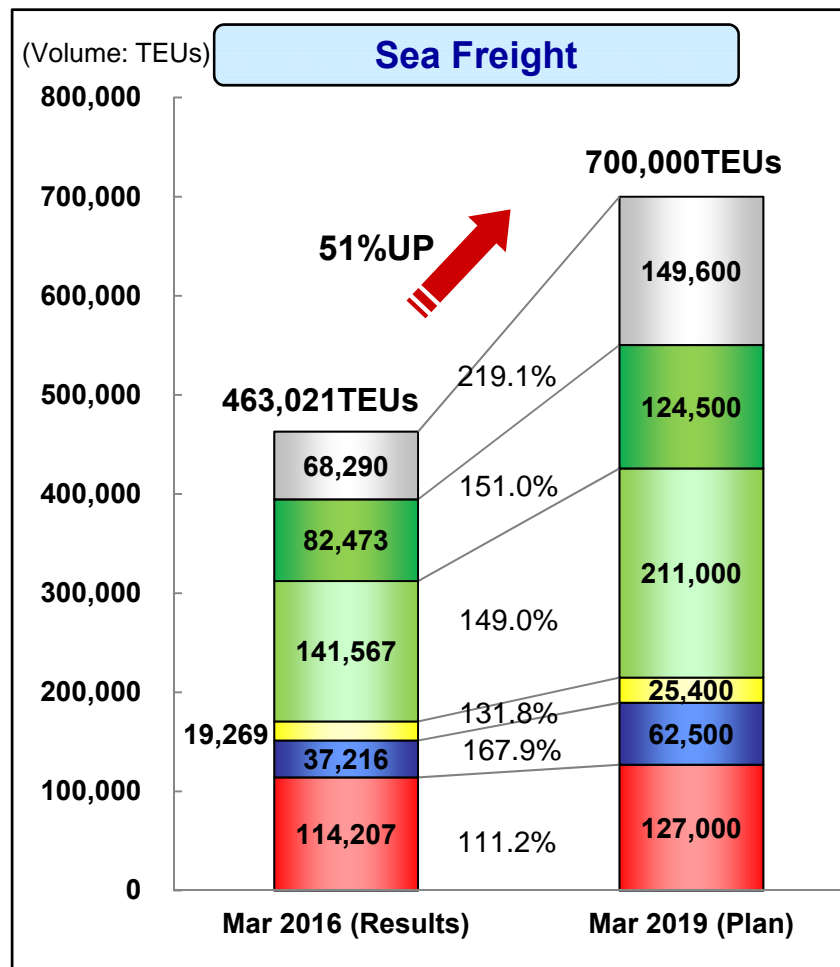
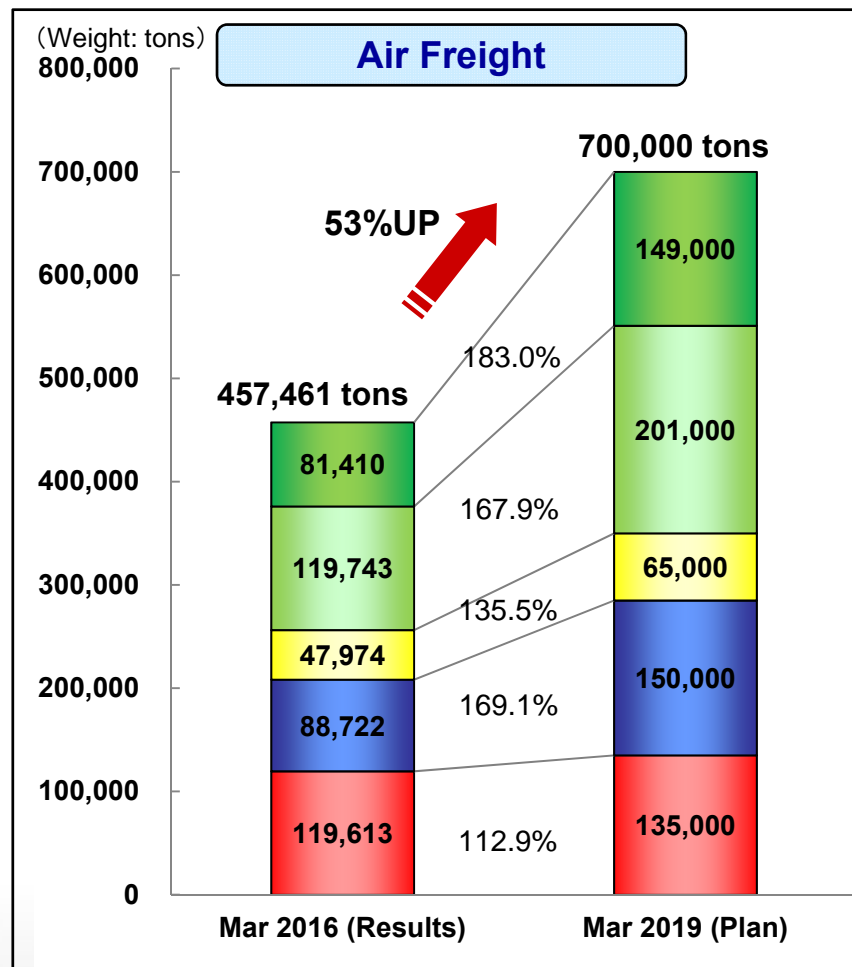


■ Japan
 ■ The Americas
 ■ Europe, Middle East & Africa
 ■ East Asia & Oceania
 ■ Southeast Asia
 ■ APLL
 ■ Other



New Medium-Term Management Plan Freight Volume Targets

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



New Medium-Term Management Plan

Corporate Key Strategies



1. Become an industry leader providing comprehensive services

Customer-centric culture:

Solution-oriented, with variety of service options and quality enhancement by KWE & APLL group, seek for customer's satisfaction and trust.

2. Actively respond to customers' logistics needs at production locations and consumer markets

Make further contribution to customer's diversified and sophisticated needs:
Provide end-to-end solutions to customers in various industries and commodities.

3. Improve productivity by leveraging corporate capabilities

Steady success in business:

To increase cargo volume handled, promote joint procurement with group companies.

Future consideration:

Implementation of an outsourcing the operation by APLL group to apply to KWE group.

New Medium-Term Management Plan

Corporate Key Strategies



KWE's Fortes
Production Logistics
Air Freight Sea Freight
Hi-Tech Electronics
Japan / Asia

APLL's Fortes
Procurement & Sales Logistics
PO Management Buyer's Consolidation
Retail Automotive
North America, Latin America



Expected Synergy Effect

- ◆ Providing “End to End Solution”
- ◆ Cross-selling (e. g. Air, Japanese account, KWE corporate account)

New Medium-Term Management Plan

Strengthen Core Competences



1. Maximize efficient utilization of corporate resources

Rationalization of Corporate IT infrastructure
Establish programs for global recruitment and human resource development

2. Strengthen corporate risk management capabilities

Promote group risk management system

3. Heighten quality of operational performance

Promote operational standardization

New Medium-Term Management Plan

KWE Group Strategies



1. Focus on selected industry verticals

Automotive, Industrial, Consumer, Healthcare, Retail

2. Further volume growth in Trans-Pacific traffics and stable service with sufficient space capability

Promote from Asia to America / Europe businesses

3. Offshore (trilateral) business traffics

Focus on non-Japanese customers

4. Rapidly expand presence in emerging countries

ASEAN countries, India, Latin America and Eastern Europe

5. Maximize Synergy Effect

Cross-selling, Joint procurement for Sea Freight

New Medium-Term Management Plan

APLL Group Strategies



1. Vertical Centric Approach

Automotive: Focus on finished vehicle logistics and after markets

Consumer: Focus on high-growth markets and Value- Added-Services

Industrials: Leverage proven solutions in Retail / Auto to drive growth

Retail : Innovate PO management and expand sales coverage outside of the U.S.

2. Specialized Solutions Provider

Enhance tool box (service menus) to provide end-to-end solutions

Commercialize IT solutions and supply chain solutions

3. Synergies with KWE

Cross-selling, Joint procurement for Sea Freight

Main capital investment

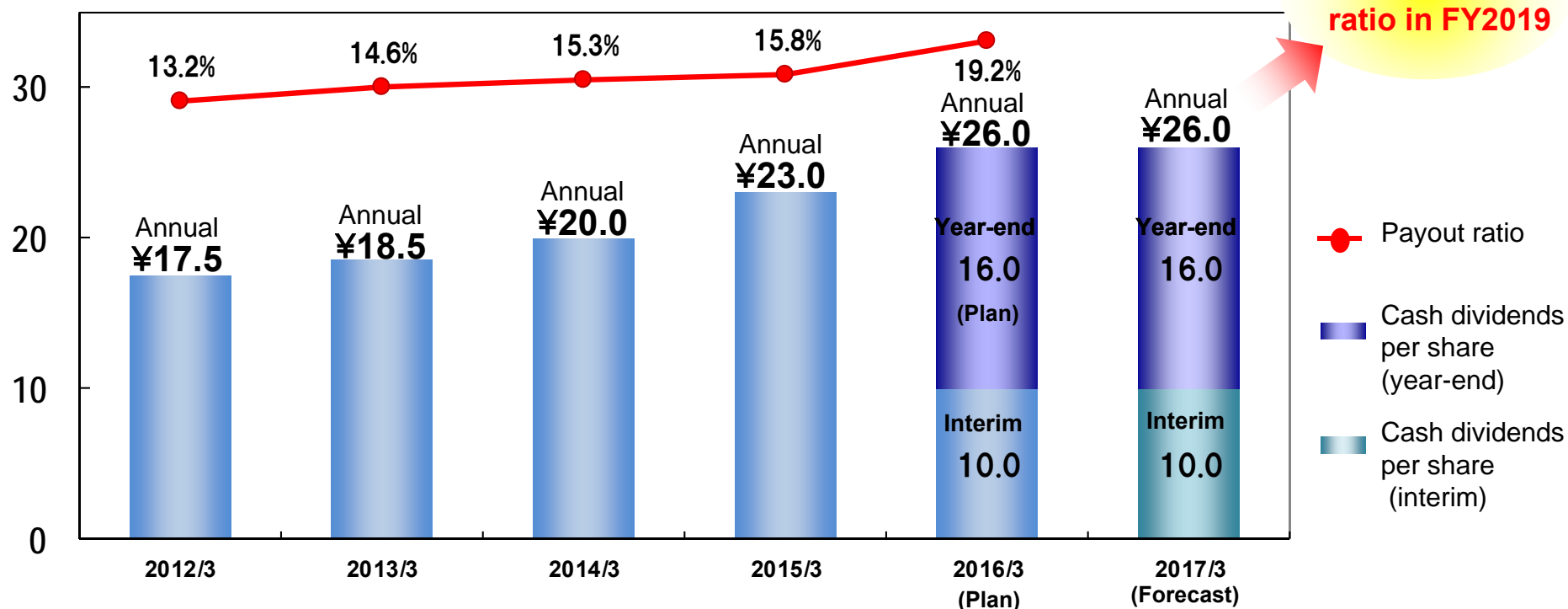
- ◆ IT (hardware, software, system development),
Logistics facilities (warehouse, warehouse equipment),
Office, and Vehicles (trucks, trailers, etc.)

Capital investment plan (3 years): Approx. ¥17.5 billion

Dividends

Cash dividends per share, payout ratio

Annual dividends (yen)



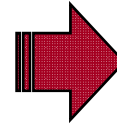
(Note) The company conducted a stock split at a ratio of 1:2 of common stock on October 1, 2015.

Cash dividends per share is calculated based on the assumption that the stock split was conducted on April 1, 2011.

New Medium-Term Management Plan



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"Global Logistics Partner"



**"Going to the
Next Phase !"**

**KWE Group } Corporate Key
APLL Group } Strategies**

FY2011 - FY2013

FY2014 - FY2016

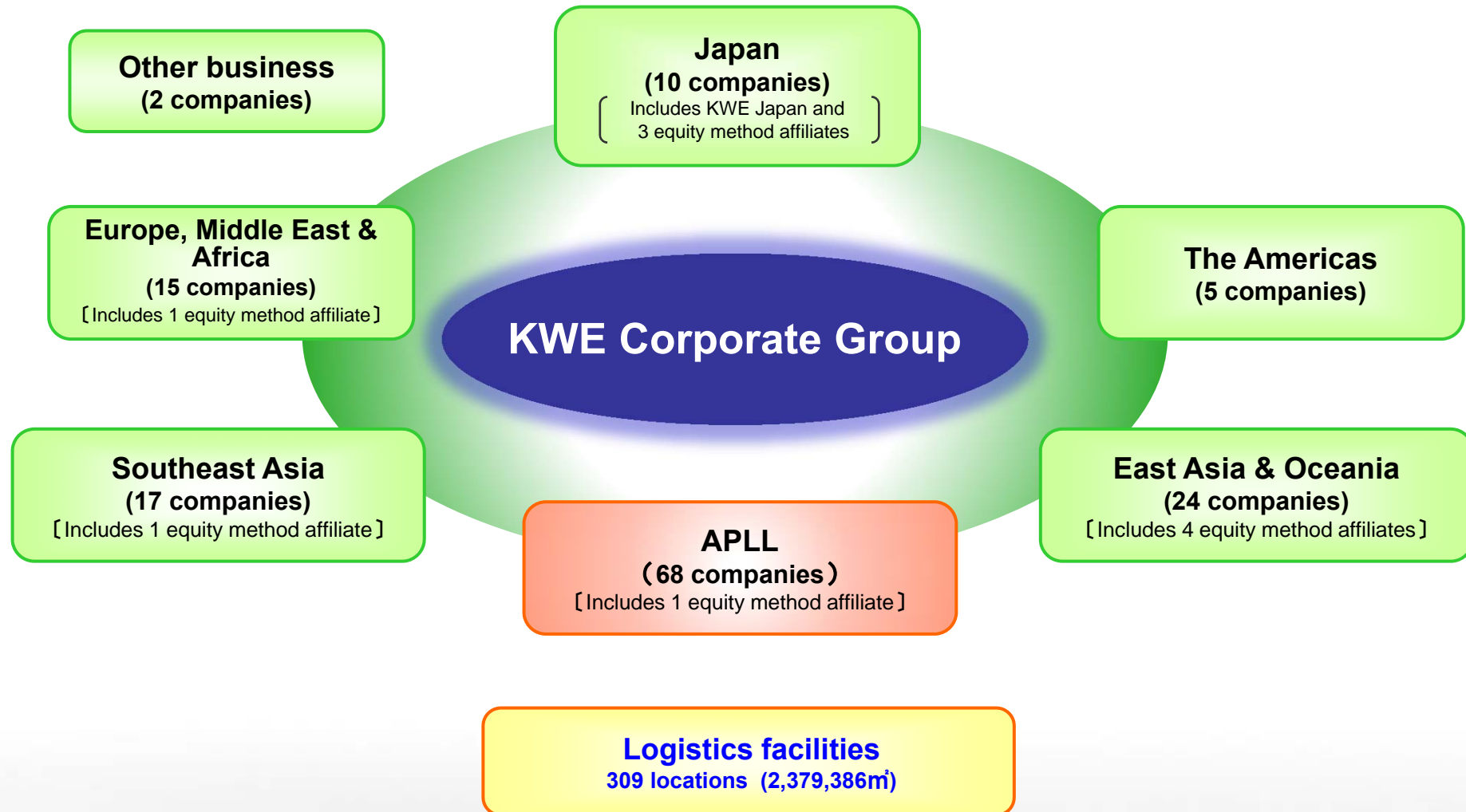
FY2017 - FY2019

FY2020 -

Supplemental Materials

Our Global Network

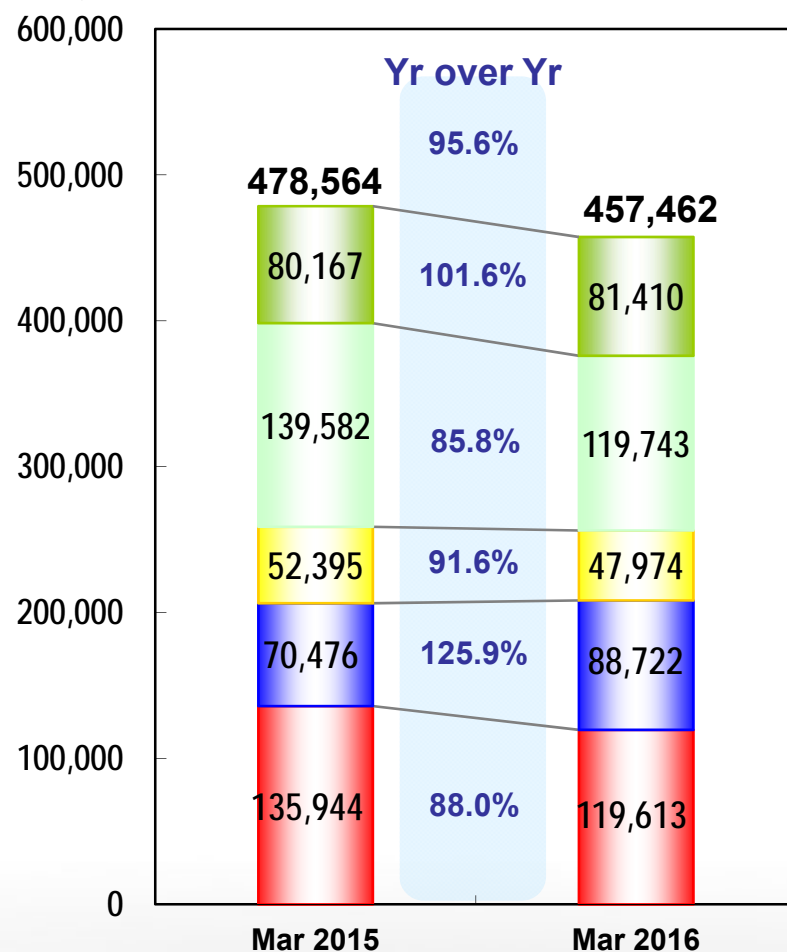
44 countries, 322 cities, 717 locations (as of March 31, 2016)



Freight Volume by Segment (Air Freight)

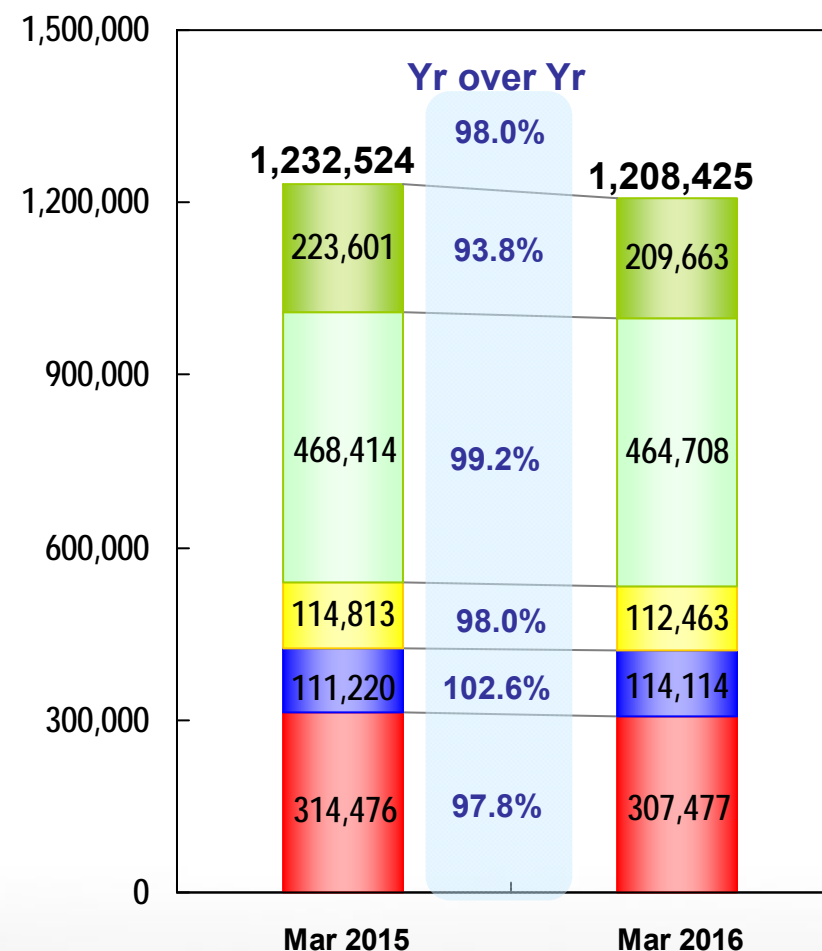
Air Freight Exports

(Weight: tons)



Air Freight Imports

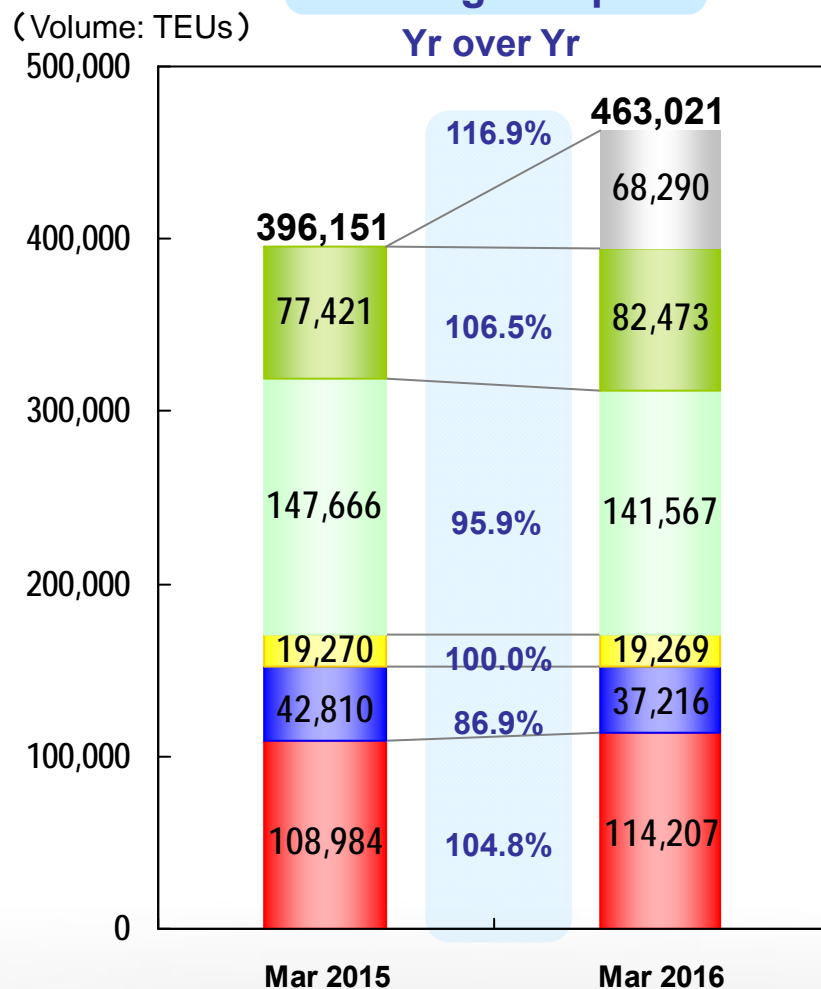
(Shipments)



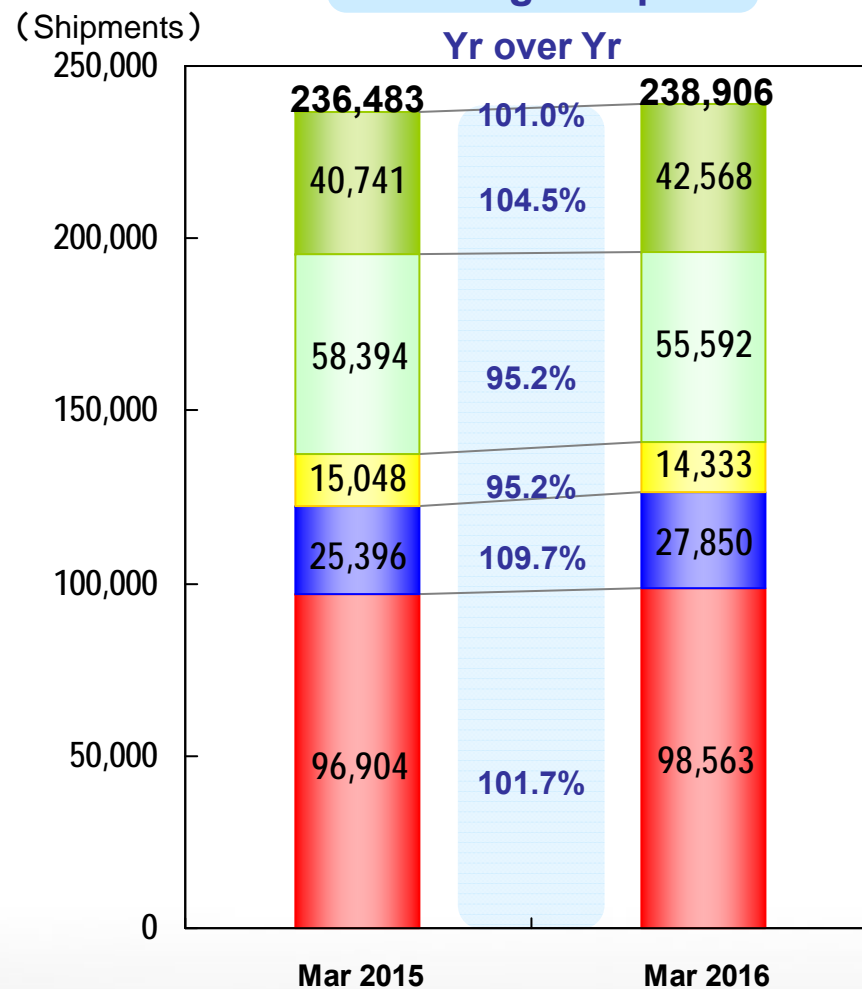
■ Japan
 ■ The Americas
 ■ Europe, Middle East & Africa
 ■ East Asia & Oceania
 ■ Southeast Asia

Freight Volume by Segment (Sea Freight)

Sea Freight Exports

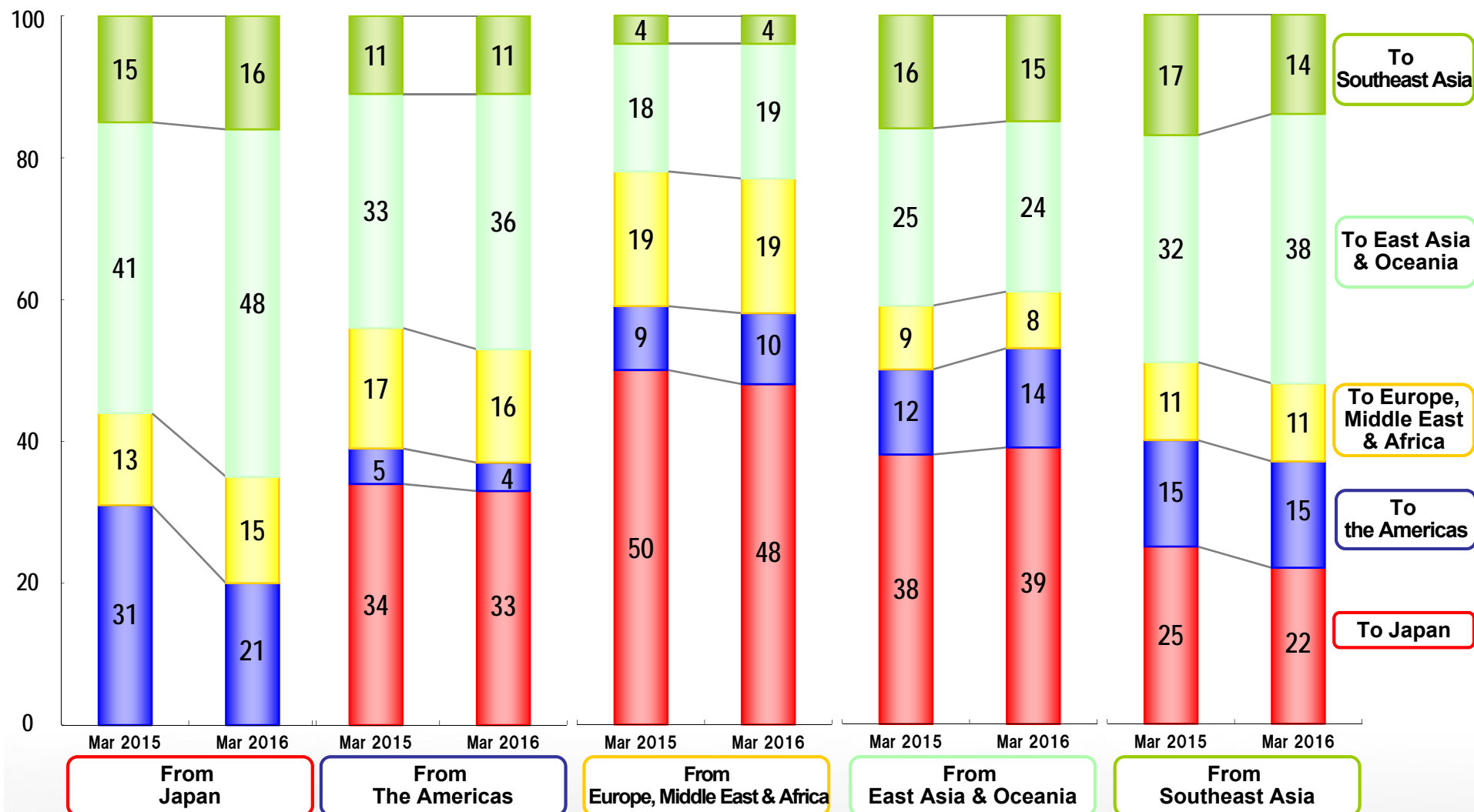


Sea Freight Imports



Air Freight Export Volume by Destination

(Composition ratio: %)

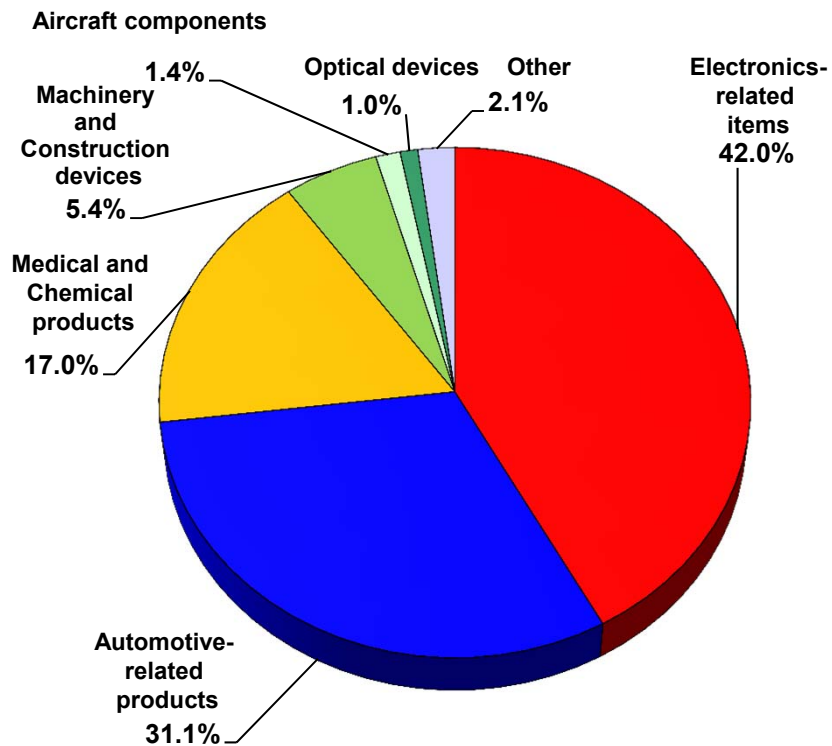


Industry Verticals (1)

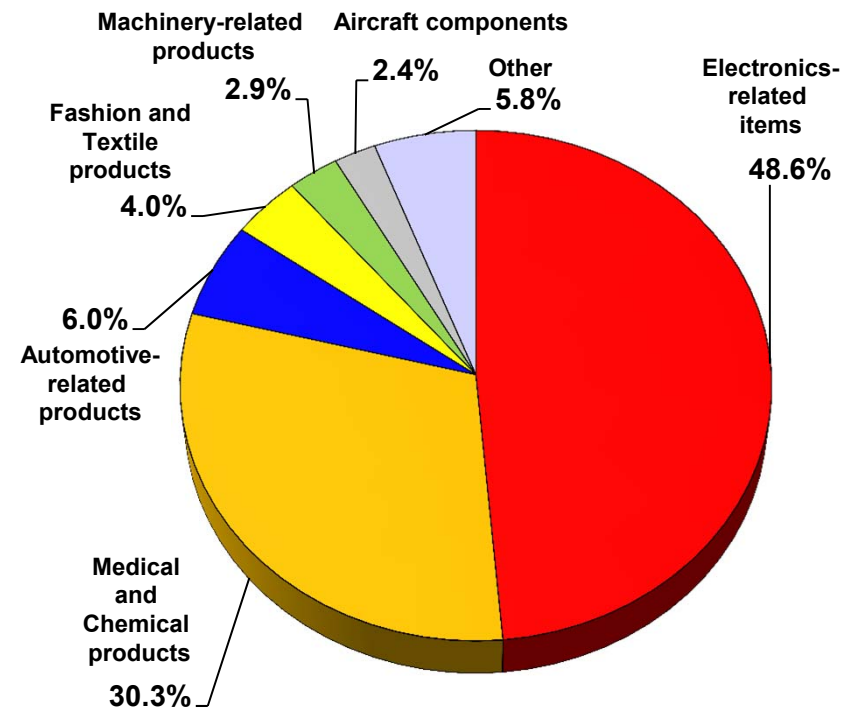
KWE Japan: Air Freight

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

**KWE Japan's Air Freight Export
Composition, FY Ended March 31, 2016**



**KWE Japan's Air Freight Import
Composition, FY Ended March 31, 2016**

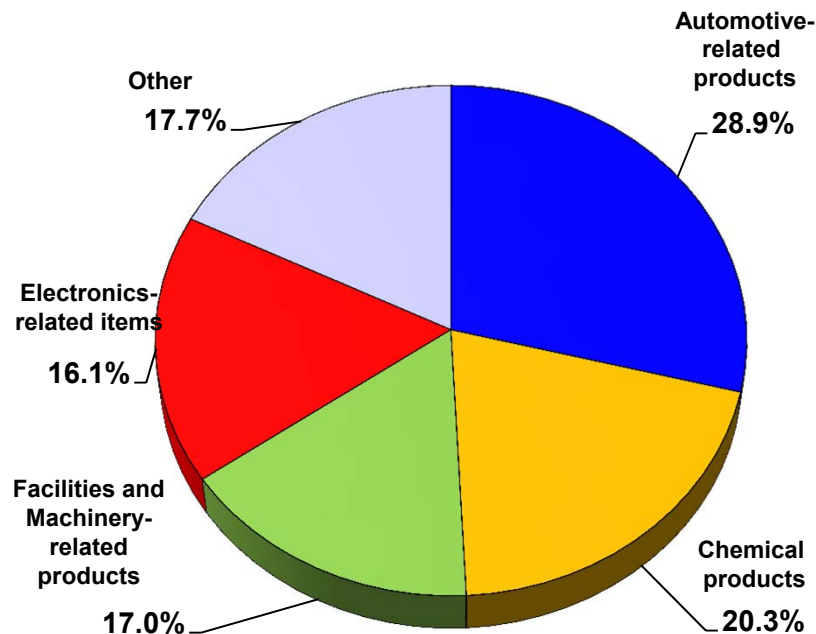


Industry Verticals (2)

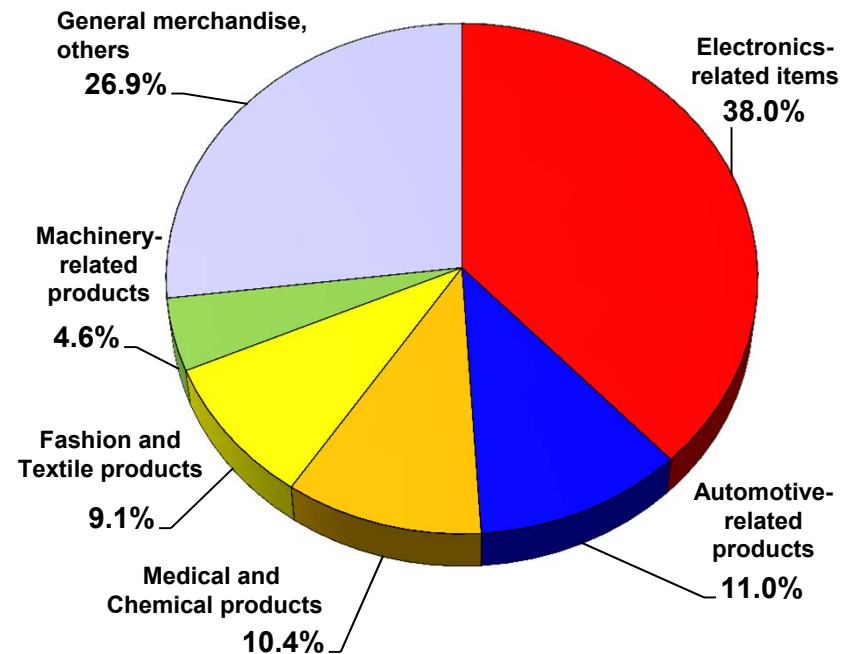
KWE Japan: Sea Freight

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

**KWE Japan's Sea Freight Export
Composition, FY Ended March 31, 2016**



**KWE Japan's Sea Freight Import
Composition, FY Ended March 31, 2016**





Global Logistics Partner

Kintetsu World Express, Inc.

Website: <https://www.kwe.co.jp/>

* 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.