



Financial Results Meeting:

The 1st 3 Months of FY Ending March 2017

(April 1, 2016 – June 30, 2016)

August 9, 2016



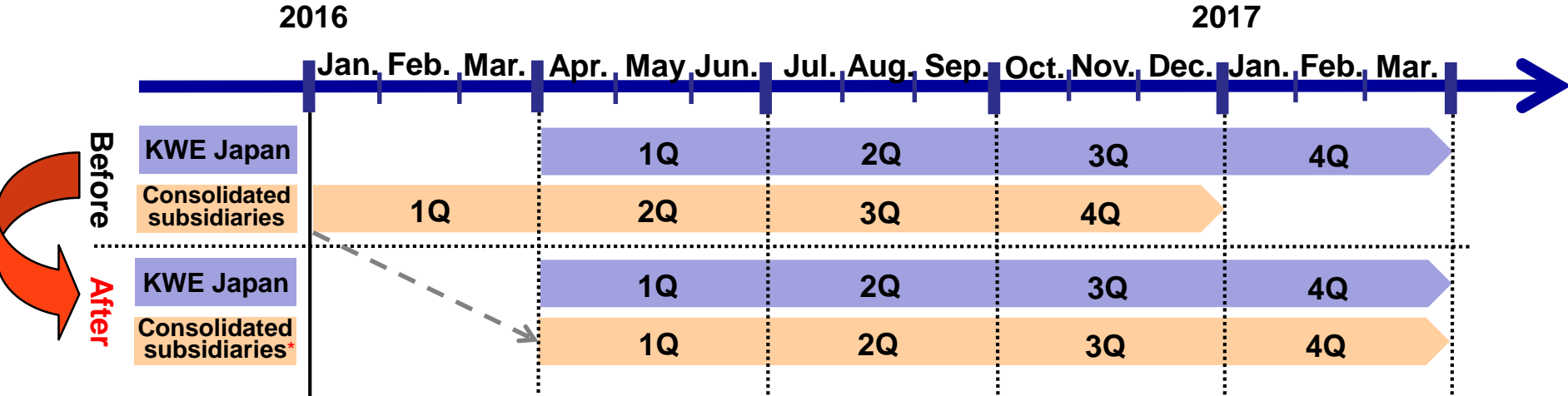
Global Logistics Partner

kintetsu world express

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



*Excluding APLL

Financial Summary

Amount (¥ million)

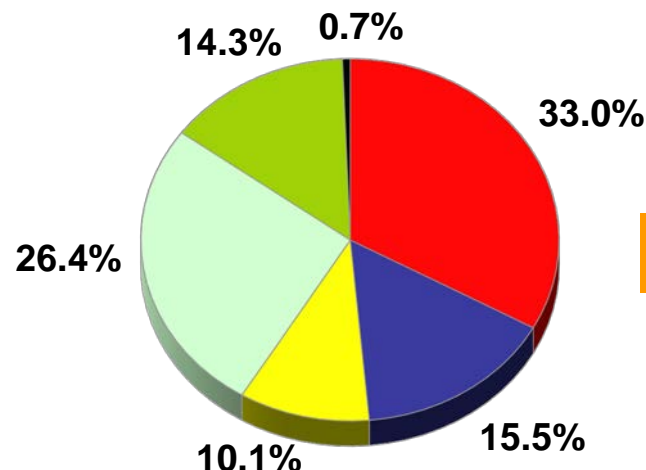
Item	Three months ended June 30				FY ending March 31, 2017 Forecasts (*Revised on August 9, 2016)	
	2015		2016		1st 6 months	Full year
		YoY change (%)		YoY change (%)		
Net sales	82,752	10.0%	114,074	37.9%	232,000	481,000
Operating gross profit	12,564	4.1%	19,665	56.5%	—	—
Operating income	2,564	(19.7%)	1,915	(25.3%)	5,000	12,500
Ordinary income	2,846	(20.4%)	1,981	(30.4%)	5,000	13,000
Income before income taxes	2,843	56.6%	2,407	(15.3%)	—	—
Net income attributable to owners of the parent (formerly "Net income")	1,374	108.5%	69	(95.0%)	1,500	7,000

Conversion Rate	1st 3 months of FY ended March 2016	FY ended March 2016	1st 3 months of FY ending March 2017
US-Dollar	¥ 119.09	¥ 121.05	¥ 108.14
EURO	¥ 134.18	¥ 134.31	¥ 122.02
HK-Dollar	¥ 15.35	¥ 15.61	¥ 13.94
Chinese yuan	¥ 19.08	¥ 19.22	¥ 16.53

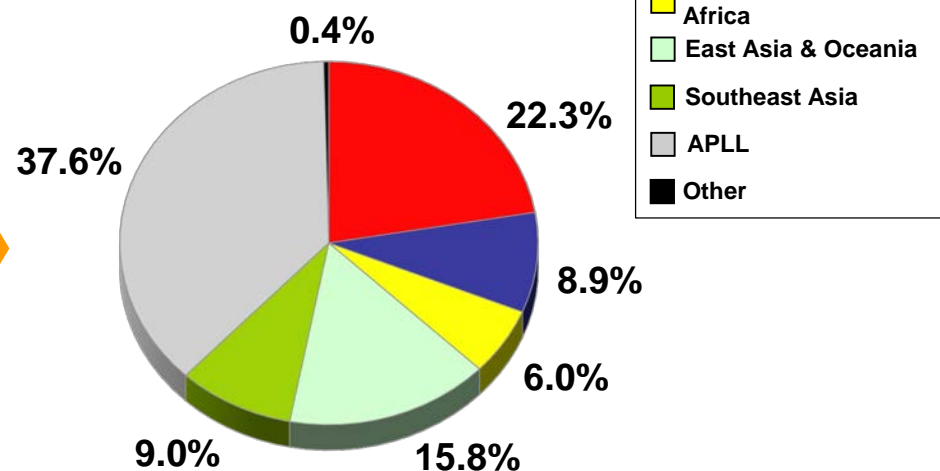
Net Sales and Operating Income by Segment

Composition by segment

Three months ended June 30, 2015



Three months ended June 30, 2016



(Millions of yen)

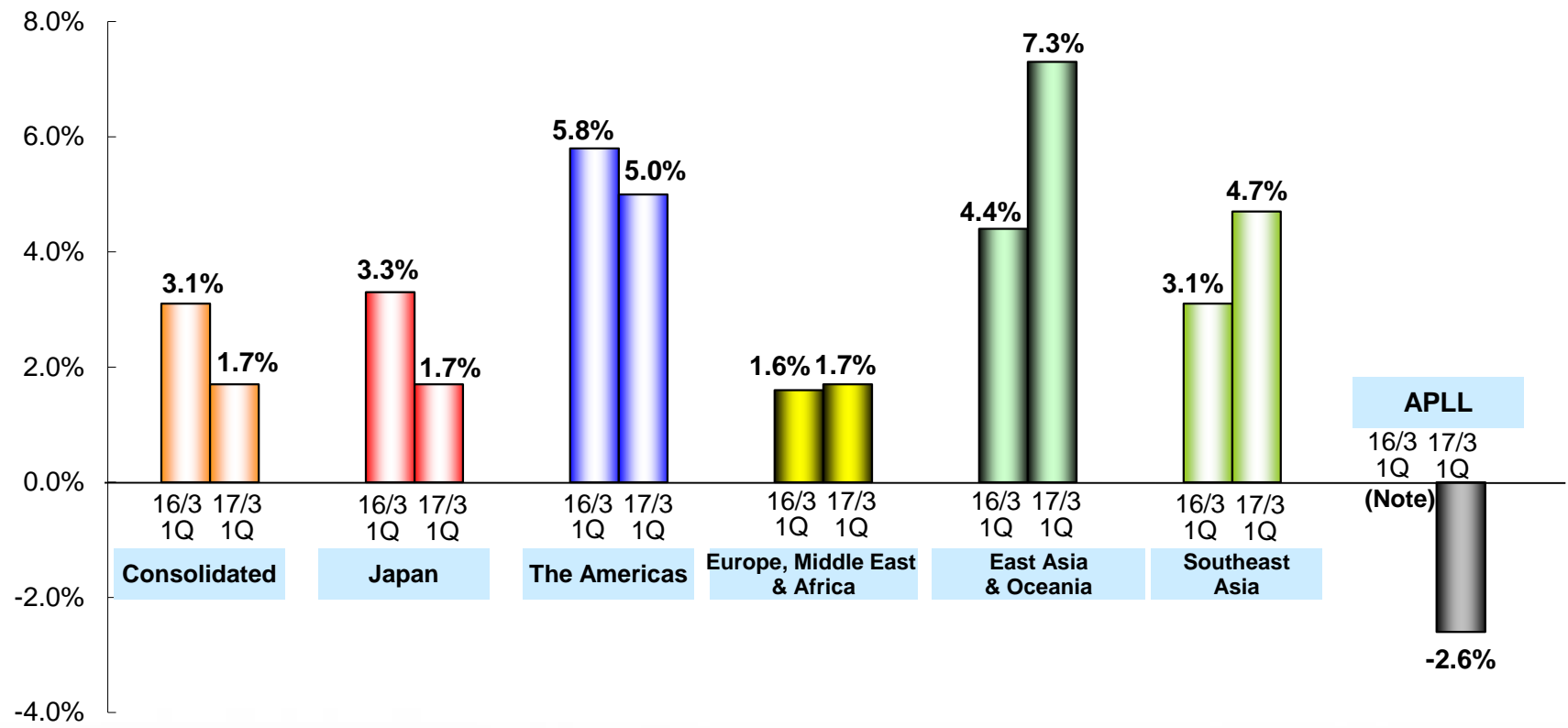
Segment	Net Sales	YoY change (%)	Operating Income	YoY change (%)
Japan	25,951	(8.2%)	452	(51.8%)
The Americas	10,416	(21.7%)	522	(32.5%)
Europe, Middle East & Africa	7,031	(19.1%)	119	(13.2%)
East Asia & Oceania	18,419	(18.8%)	1,340	34.5%
Southeast Asia	10,449	(14.8%)	496	30.9%
APLL	43,879	—	(1,125)	—
Other	517	(14.2%)	108	(29.5%)
Adjustment	(2,590)	—	0	—
Total	114,074	37.9%	1,915	(25.3%)

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

* APLL was included in the scope of consolidation from the 3Q of FY ended March 31, 2016, and therefore there are no year-on-year comparisons.

Operating Margins by Segment

1Q of FY ended March 2016/
1Q of FY ending March 2017



(Note) * Results for the 1st quarter of FY ended March 2016 for the Americas, Europe, Middle East & Africa, East Asia & Oceania, Southeast Asia include those for the three months from January to March 2015.

* APLL was included in the scope of consolidation from the 3Q of FY ended March 31, 2016, and therefore there are no year-on-year comparisons.

1 KWE Japan affected by net sales decrease in air freight which resulted in lower profitability

- KWE/Japan: Operating margin decreased from 2.2% to 0.7%
- Subsidiaries in Japan: Results remain unchanged

2 Weak business in the U.S. and Europe, steady in East and Southeast Asia

- Four regions' operating margin increased from 4.0% to 5.3% (excluding APLL)
- Americas: A backlash from an increased air freight volume bound for the West Coast in 2015
- Europe, Middle East & Africa : Sluggish in Russia and Ireland, etc.
- East Asia & Oceania: Profitability improved despite a decrease in air freight volume
- Southeast Asia : Remained on a recovery trend from the previous year

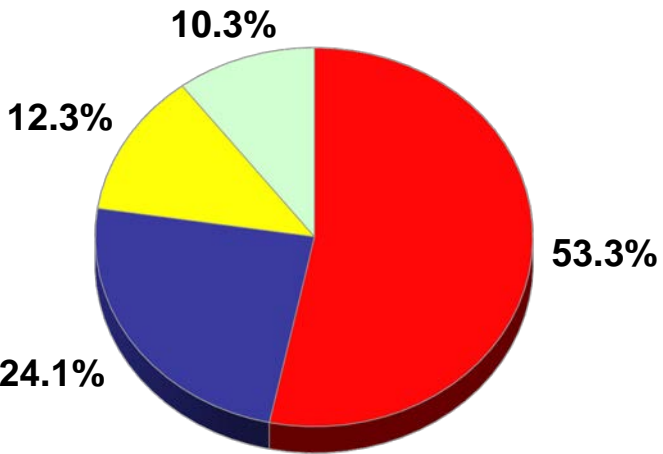
3 APLL's profit fell below the expectation

- Steady growth in automotive-related. Retail, consumer, and industrial field lacked active movements overall.
- Soft demand in sea freight forwarding
- Operating loss of 1,125 million yen due mainly to costs for enhancement of business base and goodwill amortization, associated with the separation from the former parent company

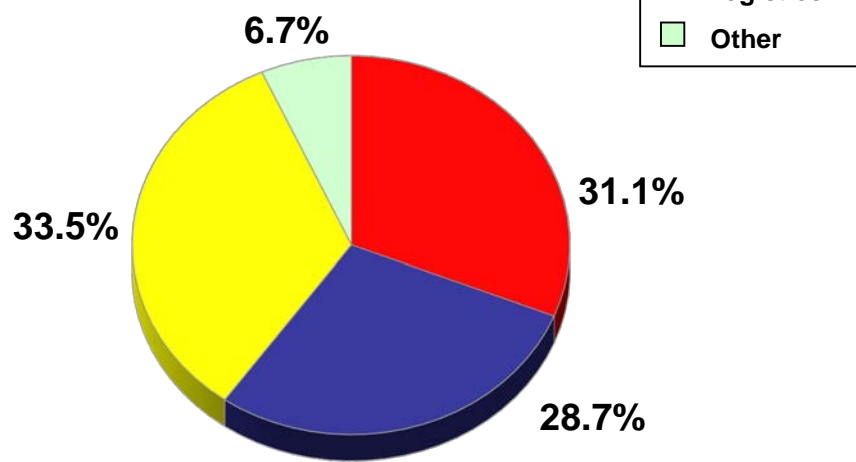
Net Sales by Business

Composition by Business

Three months ended June 30, 2015



Three months ended June 30, 2016



- Air Freight
- Sea Freight
- Logistics
- Other

(Millions of yen)

Business		Three months ended June 30		
		2015	2016	
		Net sales	Net sales	YoY change (%)
Freight transportation	Air Freight	44,071	35,489	(19.5%)
	Sea Freight	19,928	32,779	64.5%
	Logistics	10,191	38,193	274.7%
	Other	8,560	7,612	(11.1%)
Total		82,752	114,074	37.9%

Performance Forecast for FY Ending March 2017

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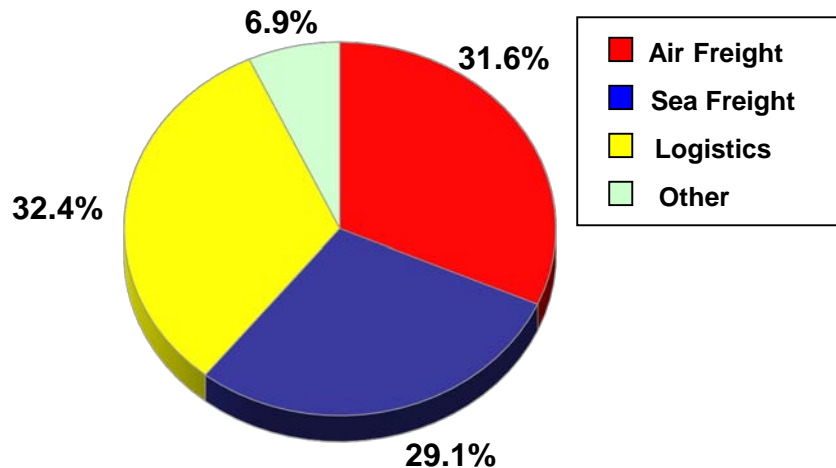
<Revised on August 9, 2016>

(Millions of yen)

Item	FY ending March 2017 (Initial forecast)		FY ending March 2017 (Revised forecast)	
		YoY change (%)		YoY change (%)
Net sales	534,000	27.1%	481,000	14.5%
Operating gross profit	91,964	28.2%	86,097	20.0%
Operating income	16,400	6.8%	12,500	(18.6%)
Ordinary income	17,000	(5.1%)	13,000	(27.4%)
Income before income taxes	17,000	(4.7%)	13,500	(24.4%)
Net income attributable to owners of the parent	9,800	0.3%	7,000	(28.4%)

Performance Forecast by Business & Segment for FY Ending March 2017

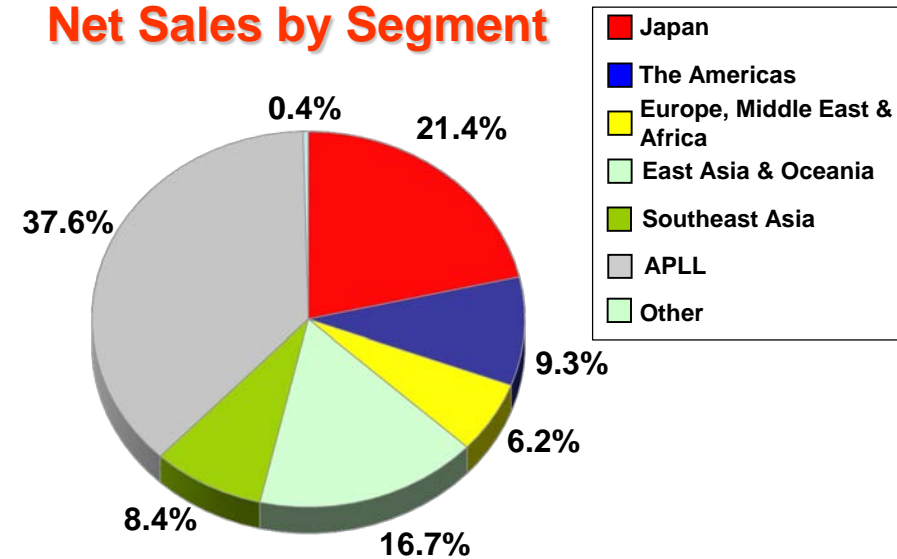
Net Sales by Business



(Millions of yen, %)

Business		FY ending March 31, 2017 (Forecasts)	
		Net sales	Composition
Freight transportation	Air Freight	152,100	31.6%
	Sea Freight	139,700	29.1%
	Logistics	155,900	32.4%
	Other	33,300	6.9%
Total		481,000	100.0%

Net Sales by Segment



(Millions of yen)

Segment	FY ending March 31, 2017 (Forecasts)	
	Net sales	Operating income
Japan	105,300	4,000
The Americas	46,000	2,900
Europe, Middle East & Africa	30,400	900
East Asia & Oceania	82,000	5,200
Southeast Asia	41,100	2,000
APLL	184,600	(2,800)
Other	2,000	300
Adjustments	(10,400)	0
Total	481,000	12,500

Business Strategies and Measures

Outline of 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>

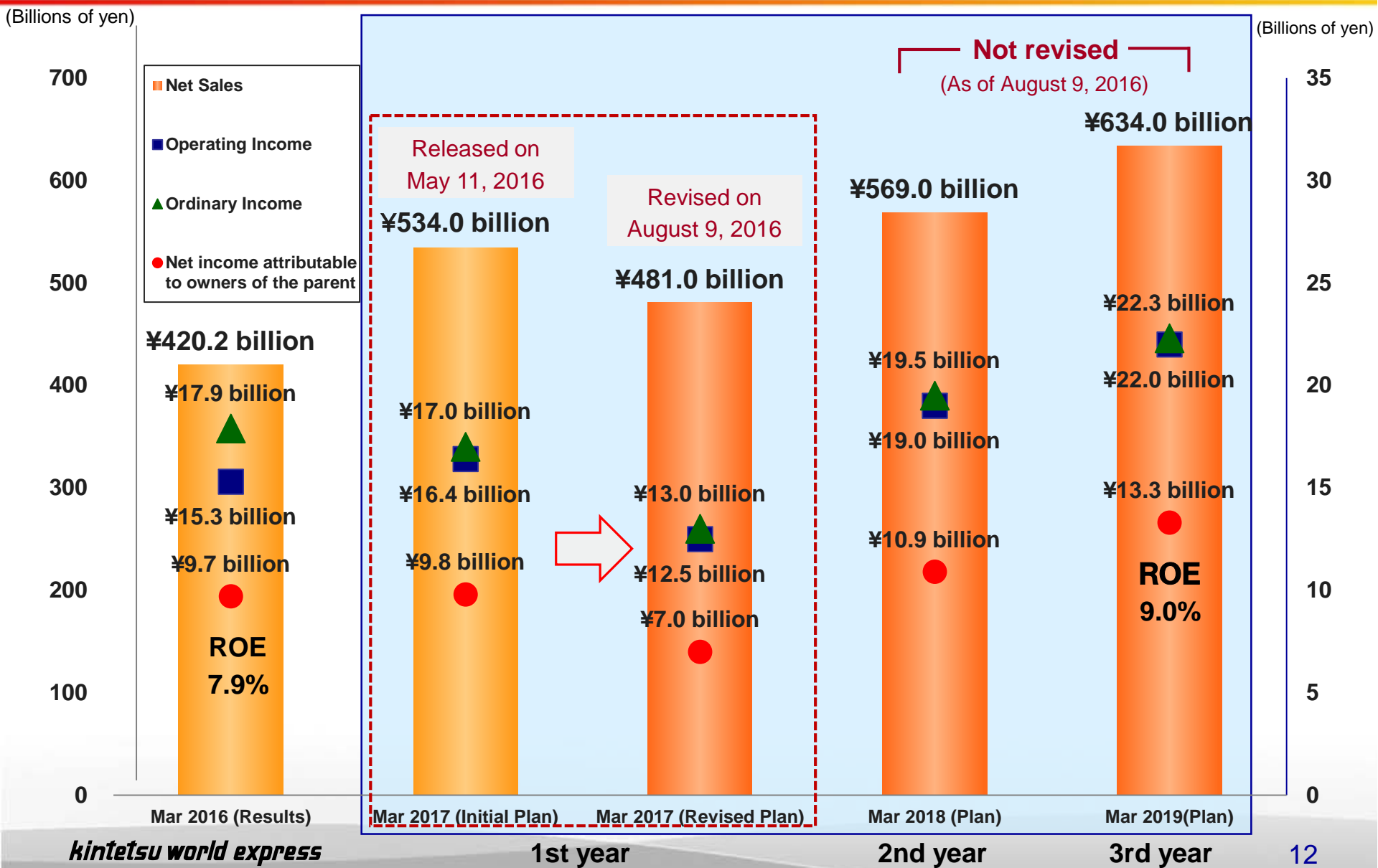
Maximize efficient utilization
of corporate resources

Strengthen corporate risk
management capabilities

Heighten quality of
operational performance

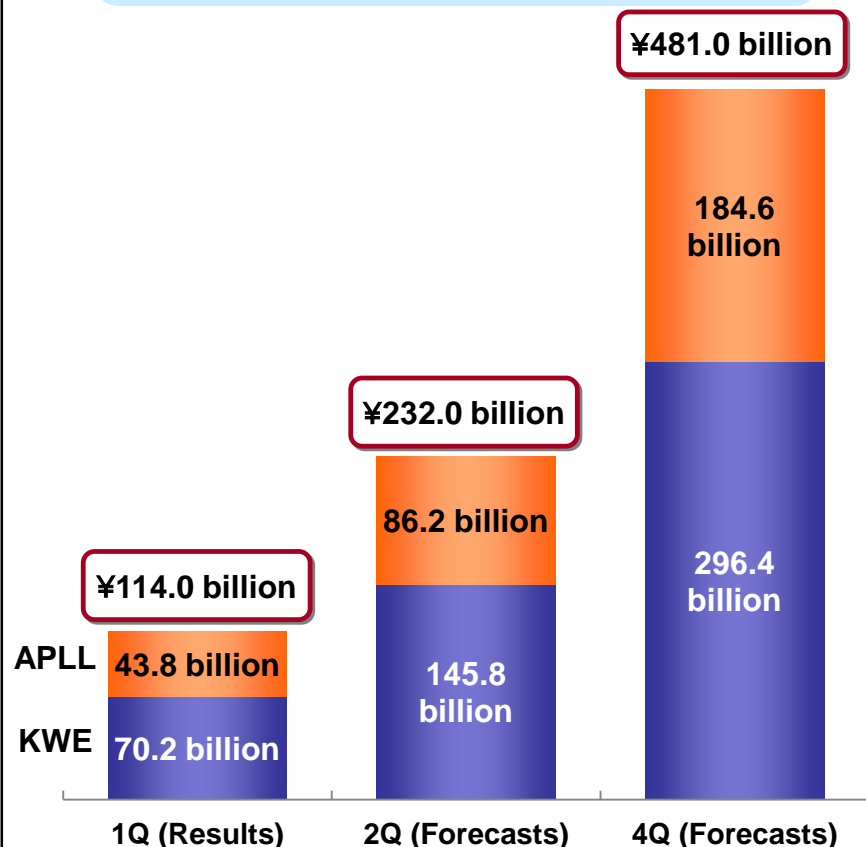
Medium-Term Management Plan

Numerical Targets



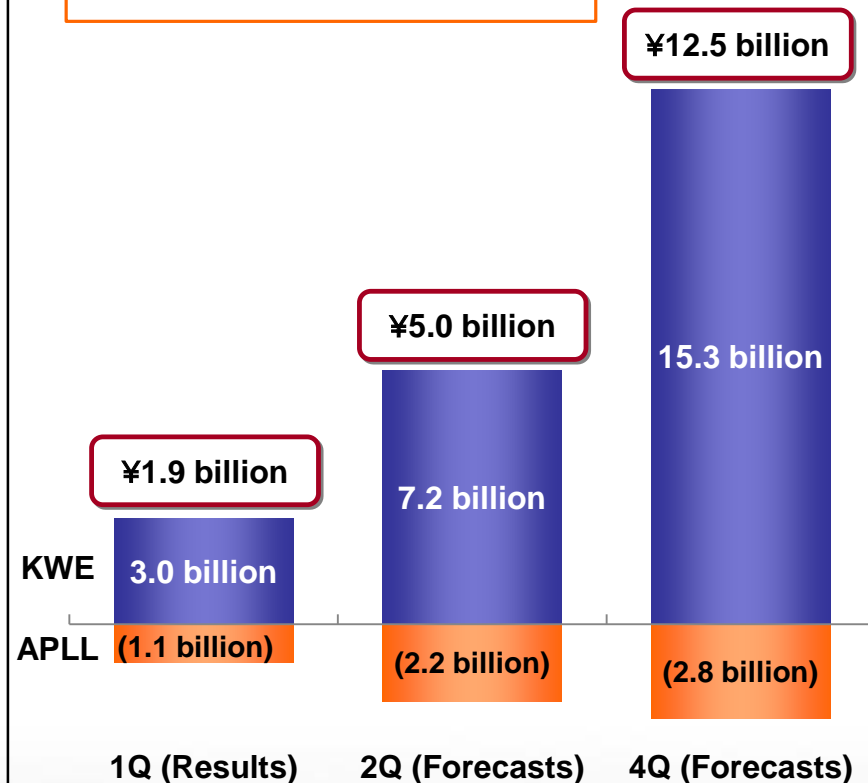
Performance Forecasts for FY Ending March 2017 (by KWE and APLL)

Net sales



Operating income

* Amortization of goodwill, etc. of ¥6.1 billion/year included in APLL



Priority Measures in FY Ending March 2017

1. Enhance profitability of KWE/Japan

Focus on profitability

2. Strengthen management base of APLL

Strengthen management base following separation from the former parent company

3. Strengthen sea freight forwarding business

Further expansion of off-shore business

Tighter partnerships with preferred carriers through global contracts

4. Keep improving profitability of logistics business

During the three years of Mid-Term Management Plan, KWE and APLL will establish a management system to take a leap toward the future.

- 1. KWE is to focus on its core business, freight forwarding, while APLL on logistics solutions. Thus, we are going to expand business domains through collaboration.**
- 2. KWE puts highest priority on volume growth both in air freight and sea freight.
We believe it is indispensable for us to be recognized as one of global players. "Going back to our roots."**
- 3. APLL will ensure to establish a solid management system by managing the costs associated with the separation from the former parent company.**



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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.**