



Financial Results Meeting:

The 1st 6 Months of FY Ending March 2017

(April 1, 2016 – September 30, 2016)

November 9, 2016



Global Logistics Partner

kintetsu world express

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Financial Summary

Amount (¥ million)

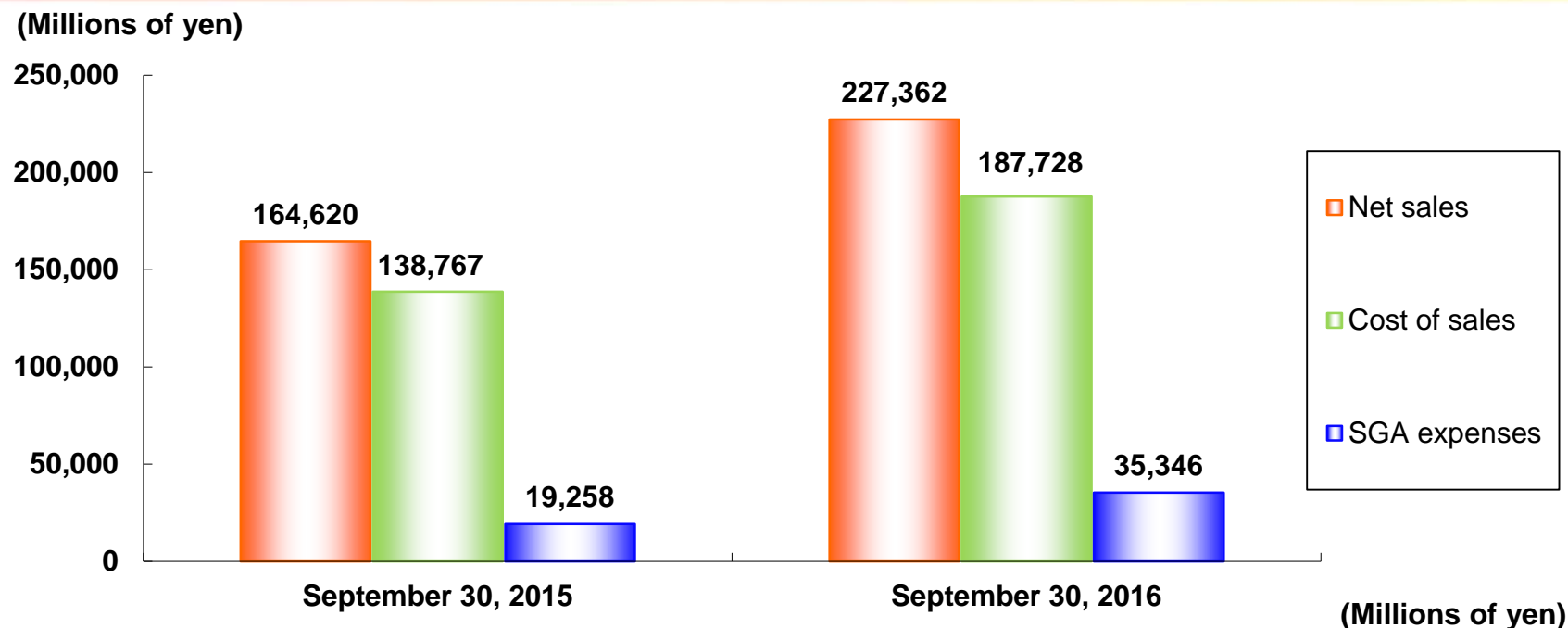
Item	Six months ended September 30			
	2015		2016	
		YoY change		YoY change
Net sales	164,620	7.4%	227,362	38.1%
Operating gross profit	25,853	6.9%	39,633	53.3%
Operating income	6,595	2.0%	4,287	(35.0%)
Ordinary income	7,038	0.6%	4,691	(33.4%)
Income before income taxes	7,034	34.6%	5,076	(27.8%)
Net income attributable to owners of the parent	4,140	40.4%	1,177	(71.6%)

FY ending March 31, 2017 Forecasts (Announced on August 9, 2016)
232,000
—
5,000
5,000
—
1,500

Conversion Rate	1st 6 months of FY ended March 2016	FY ended March 2016	1st 6 months of FY ending March 2017
US-Dollar	¥120.23	¥121.05	¥105.29
EURO	¥134.17	¥134.31	¥118.15
HK-Dollar	¥15.51	¥15.61	¥13.57
Chinese yuan	¥19.32	¥19.22	¥15.94

* APPL was included in the scope of consolidation from the 3Q of FY ended March 31, 2016.

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



	Six months ended September 30			
	2015	Ratio to net sales	2016	Ratio to net sales
Net sales	164,620	100.0%	227,362	100.0%
Cost of sales	138,767	84.3%	187,728	82.6%
SGA expenses	19,258	11.7%	35,346	15.5%
Operating income	6,595	4.0%	4,287	1.9%

Balance Sheets

(Millions of yen)

	March 31, 2016	September 30, 2016	Differences
Assets			
Current assets	178,454	157,332	(21,122)
Non-current assets	207,447	184,317	(23,130)
Property, plant and equipment	45,944	44,195	(1,749)
Intangible assets	134,117	114,573	(19,544)
Total investments and other assets	27,386	25,548	(1,838)
Total assets	385,902	341,649	(44,252)
Liabilities			
Current liabilities	98,406	96,386	(2,019)
Non-current liabilities	152,296	145,007	(7,288)
Total liabilities	250,703	241,394	(9,308)
Net assets			
Total net assets	135,199	100,255	(34,944)
Total liabilities and net assets	385,902	341,649	(44,252)

Cash Flow Statements

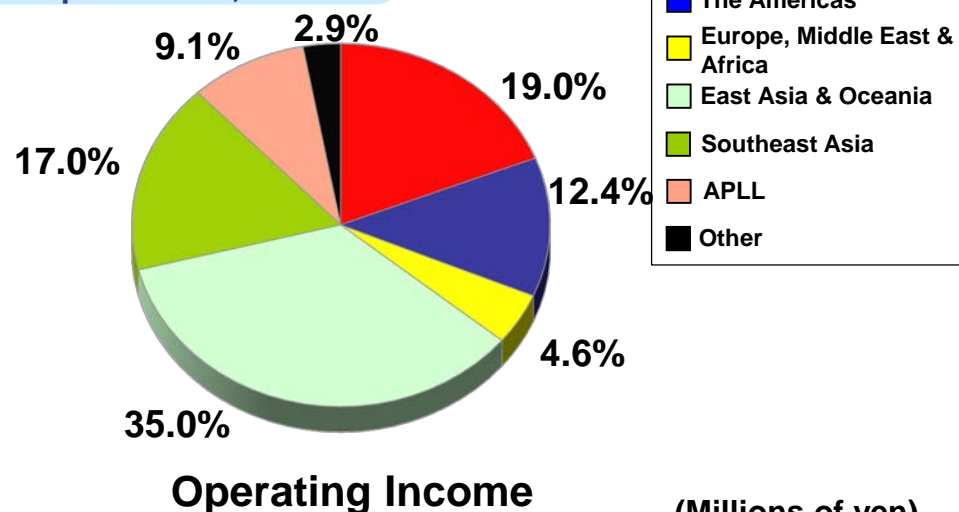
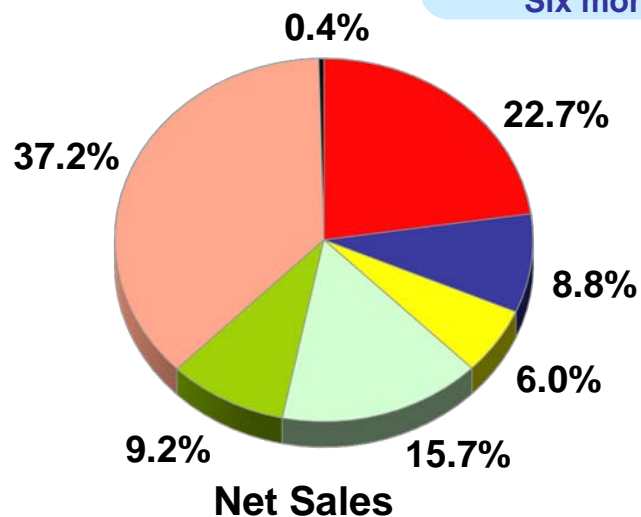
(Millions of yen)

	Six months ended September 30		Differences
	2015	2016	
Net cash provided by (used in) operating activities	5,983	7,498	1,514
Net cash provided by (used in) investing activities	(142,149)	(2,784)	139,365
Net cash provided by (used in) financing activities	145,844	(1,654)	(147,499)
Effect of exchange rate change on cash and cash equivalents	283	(6,200)	(6,483)
Net increase (decrease) in cash and cash equivalents	9,962	(3,710)	(13,672)
Cash and cash equivalents at beginning of period	48,700	63,903	15,203
Cash and cash equivalents at end of period	58,662	60,193	1,531

* Net decrease in cash and cash equivalents of the six months ended September 30, 2016 includes a decrease of 569 million yen resulting from change in fiscal year-end of consolidated subsidiaries.

Net Sales and Operating Income by Segment

Composition by segment
Six months ended September 30, 2016

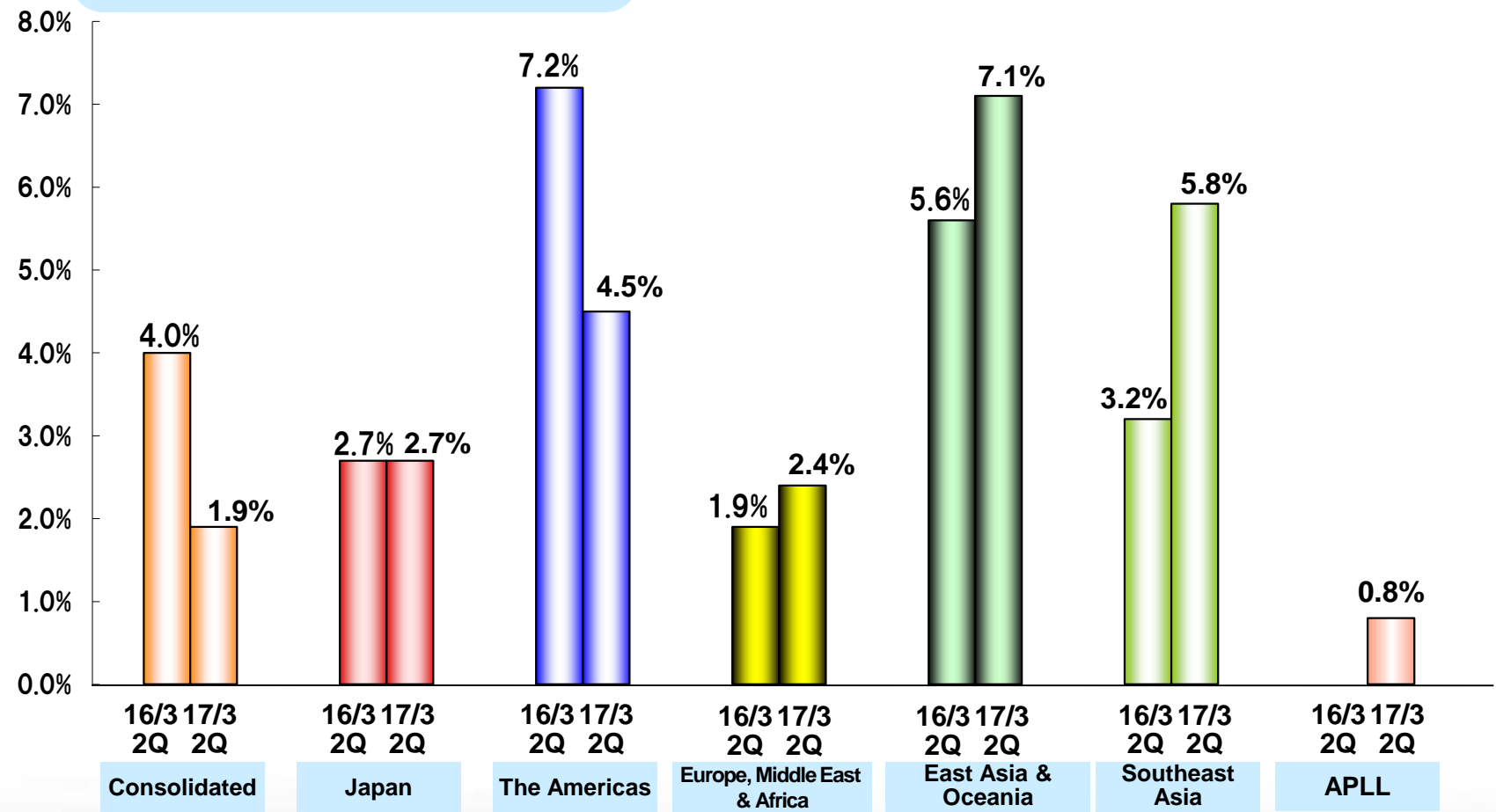


Segment	Net Sales	YoY change	Operating Income	YoY change
Japan	52,778	(3.8%)	1,402	(6.5%)
The Americas	20,369	(24.7%)	913	(53.0%)
Europe, Middle East & Africa	14,022	(21.1%)	337	2.0%
East Asia & Oceania	36,354	(20.4%)	2,575	0.7%
Southeast Asia	21,437	(10.4%)	1,254	65.8%
APLL	86,545	—	666	—
Amortization of goodwill	—	—	(3,081)	—
Other	1,007	(17.3%)	217	(32.3%)
Adjustment	(5,153)	—	4	—
Total	227,362	38.1%	4,287	(35.0%)

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

Operating Margins by Segment

Six months ended September 30
2015 and 2016



*Results for the 2nd quarter of FY ended March 2016 for the Americas, Europe, Middle East & Africa, East Asia & Oceania, Southeast Asia include those for the six months from January to June 2015.

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

1 KWE Japan affected by profitability decline in air freight export

- KWE/Japan: Operating margin decreased from 2.2% to 1.4%
- Subsidiaries in Japan: Steady growth

2 Southeast Asia continuously performed well

- Four regions' operating margin increased from 4.9% to 5.5% (excluding APLL)
- Americas: A backlash from an increased air freight volume bound for the West Coast in 2015
- Europe, Middle East & Africa: Sluggish in Germany and Russia, but favorable in the U.K.
- East Asia & Oceania: Profitability improved despite a decrease in air freight volume
- Southeast Asia: Steady volume growth in air and sea freight forwarding

3 APLL's performance on previous year level

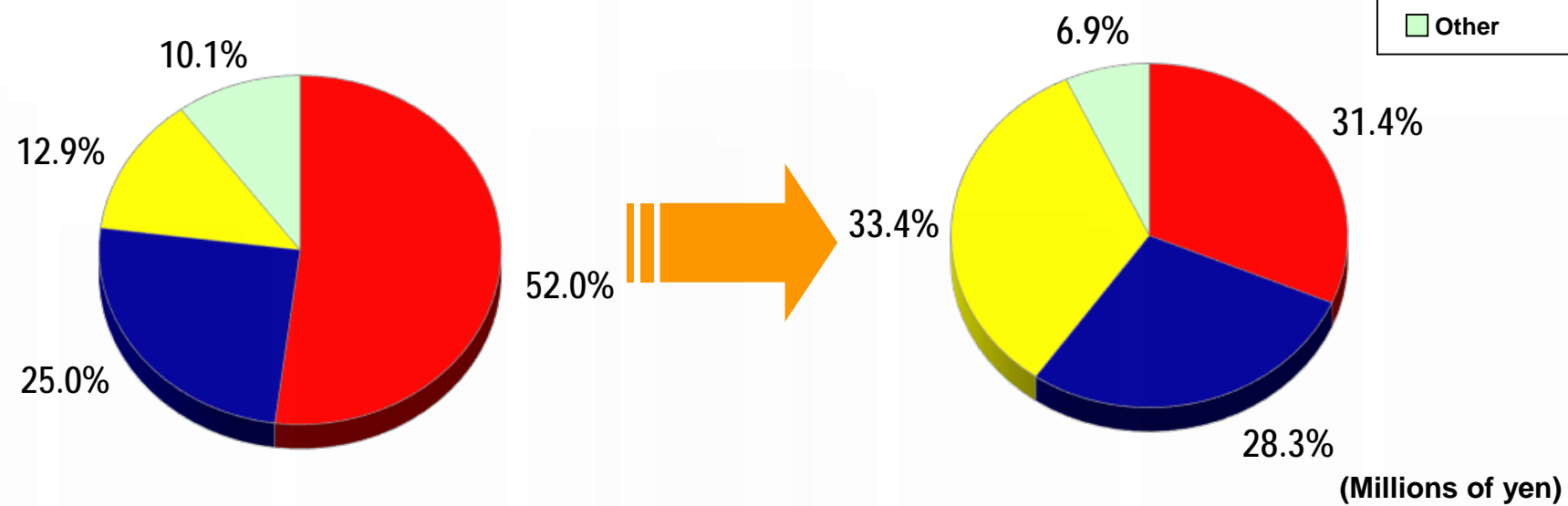
- Steady growth in automotive-related. Retail, consumer, and industrial field lacked active movements overall due to soft demand
- Soft demand in sea freight forwarding
- Operating income of 666 million yen before amortization of goodwill, however, recorded operating loss of 2,416 million yen after goodwill amortization

Net Sales by Business

Composition by business

Six months ended September 30 2015

Six months ended September 30 2016



Business		Six months ended September 30		
		2015	2016	
		Net sales	Net sales	YoY change
Freight transportation	Air Freight	85,594	71,476	83.5%
	Sea Freight	41,086	64,419	156.8%
	Logistics	21,247	75,837	356.9%
	Other	16,692	15,628	93.6%
Total		164,620	227,362	138.1%

Gross Margin by Transportation Mode

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

	FY ended March 31, 2015	Six months ended September 30, 2015	FY ended March 31, 2016	Six months ended September 30, 2016
Air	26.9%	28.5%	29.3%	30.2%
Sea	22.4%	22.1%	* 27.8%	* 30.8%

*Added APLL's sea freight forwarding (including PO Management and Buyer's Consolidation related to sea freight operation) from the 3Q of FY ended March 31, 2016.

Performance Forecast for FY Ending March 2017

***Not changed from the figures released on August 9, 2016**

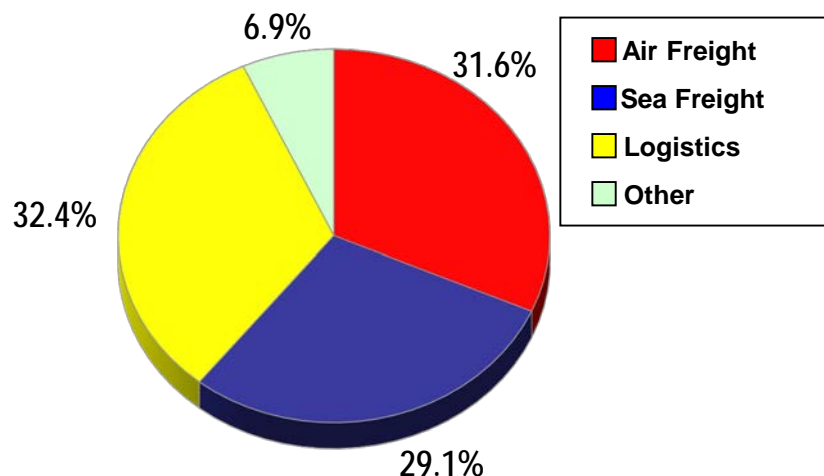
(Millions of yen)

Item	FY ended March 31, 2016 (Results)		FY ending March 31, 2017 (Forecasts)	
		YoY change		YoY change
Net sales	420,252	28.4%	481,000	14.5%
Operating gross profit	71,762	36.5%	86,097	20.0%
Operating income	15,356	(7.3%)	12,500	(18.6%)
Ordinary income	17,907	(2.8%)	13,000	(27.4%)
Income before income taxes	17,847	9.0%	13,500	(24.4%)
Net income attributable to owners of the parent	9,773	(6.8%)	7,000	(28.4%)

Performance Forecast by Business & Segment for FY Ending March 2017

*Not changed from the figures released on August 9, 2016

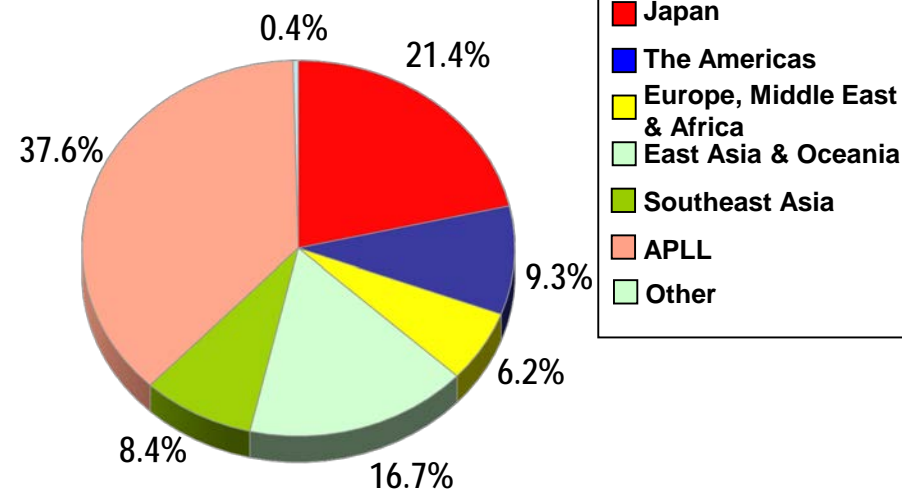
Net Sales by Business



(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	3,300
Amortization of goodwill	—	(6,100)
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>

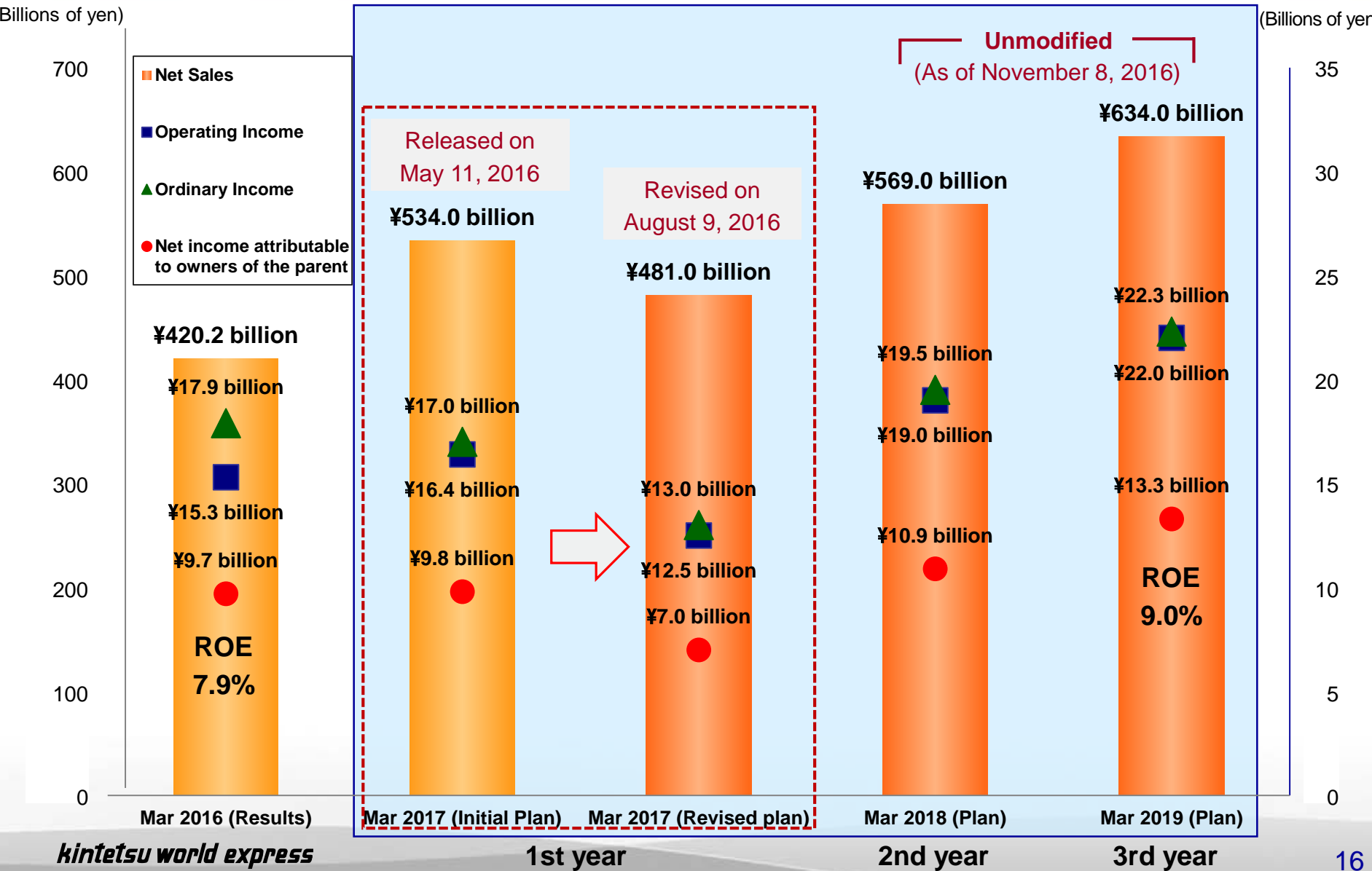
Maximize efficient utilization
of corporate resources

Strengthen corporate risk
management capabilities

Heighten quality of
operational performance

Medium-Term Management Plan

Numerical Targets



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 the global players. "Going back to our roots."**
- 3. APLL will ensure to early establish a solid management system following the separation from the former parent company.**

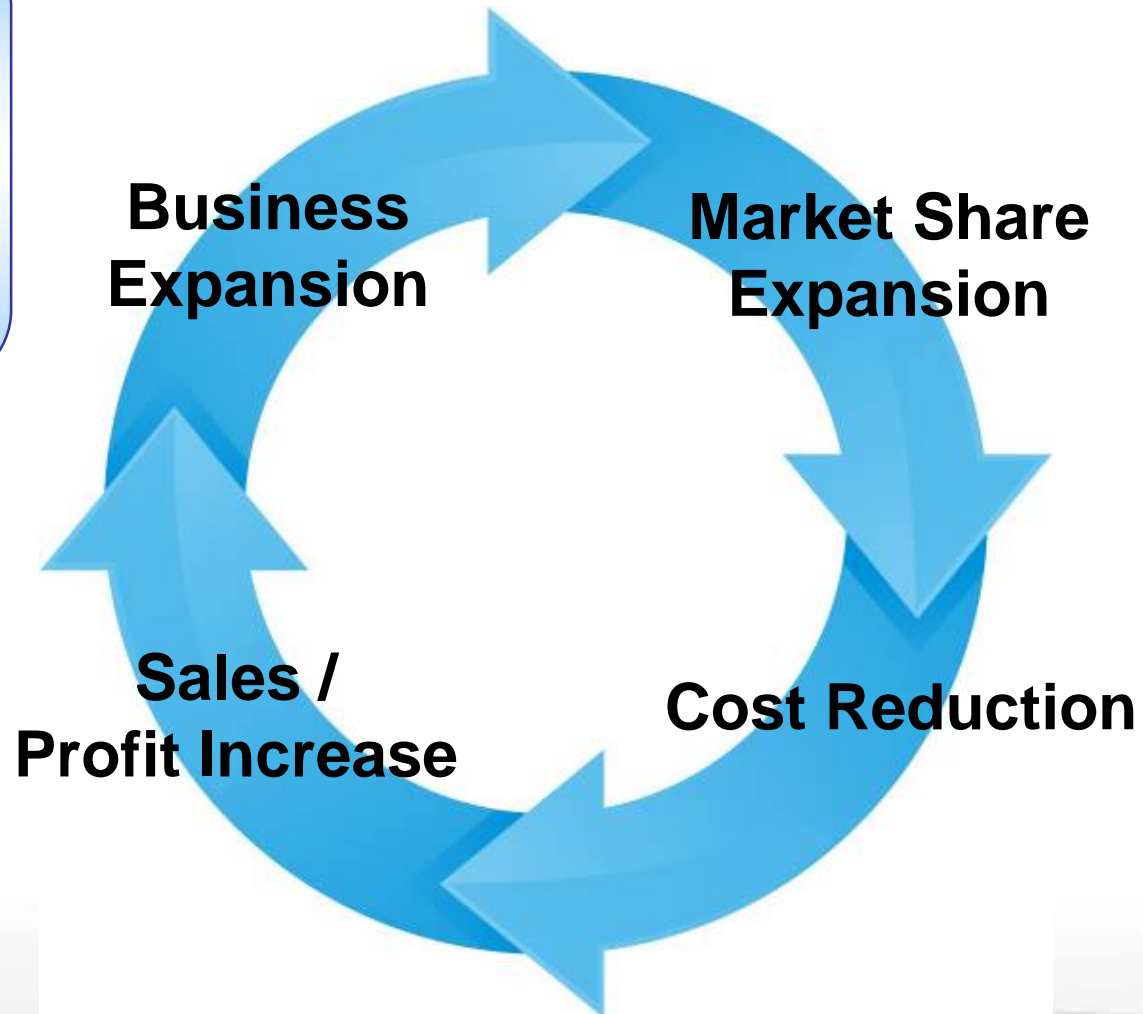
KWE and APLL refine each business, and collaborate in sales operations



Enhancing Freight Forwarding Business

Volume Growth = Increased Competitiveness

**Definite Targets:
700,000 tons Air Freight /
700,000 TEU Sea Freight
Minimum Requirements
As a Global Player**



1. TPEB(Trans-Pacific East Bound) Volume Growth

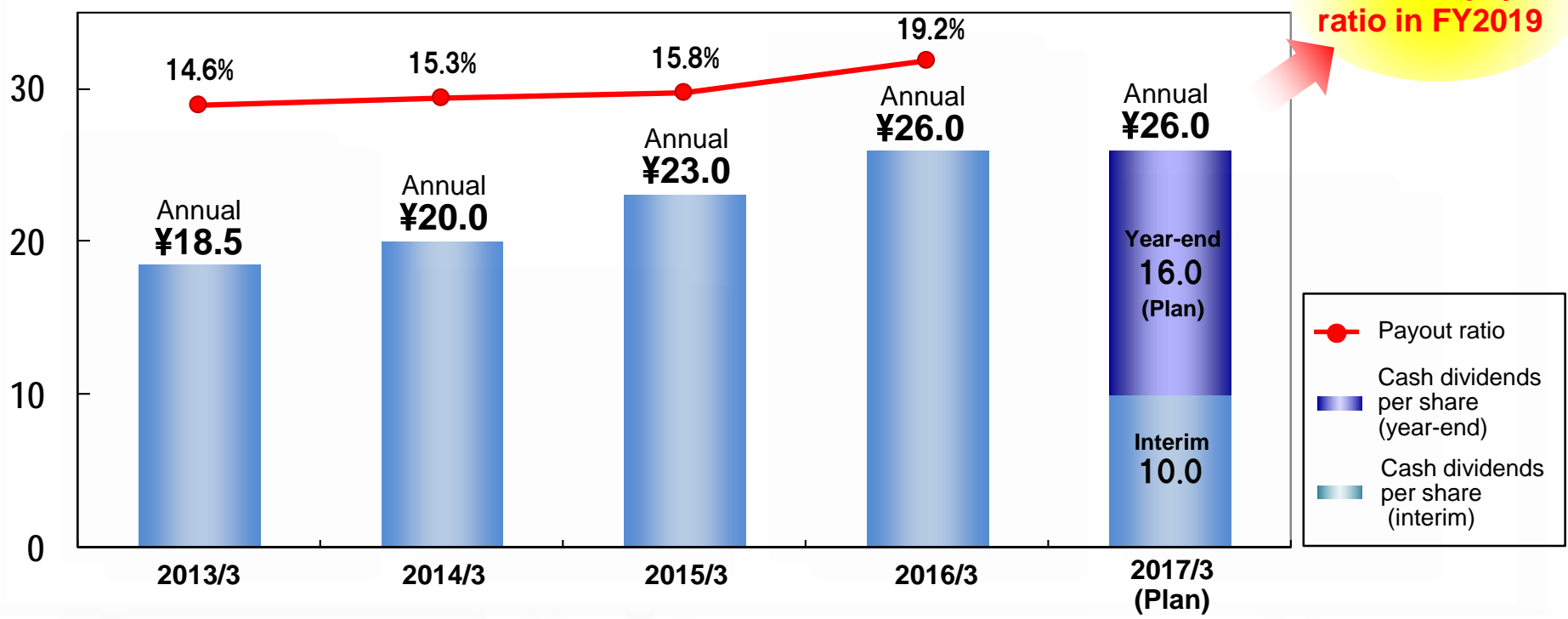
2. Expand Business with non-Japanese Companies

3. Sales Force by Industry Verticals
(Automotive, Healthcare, Retail, Consumer, Electronics)

4. Forward-Looking Investments in IT & HR

Cash dividends per share, payout ratio

Annual dividends (yen)



Targeting more than 20% payout ratio in FY2019

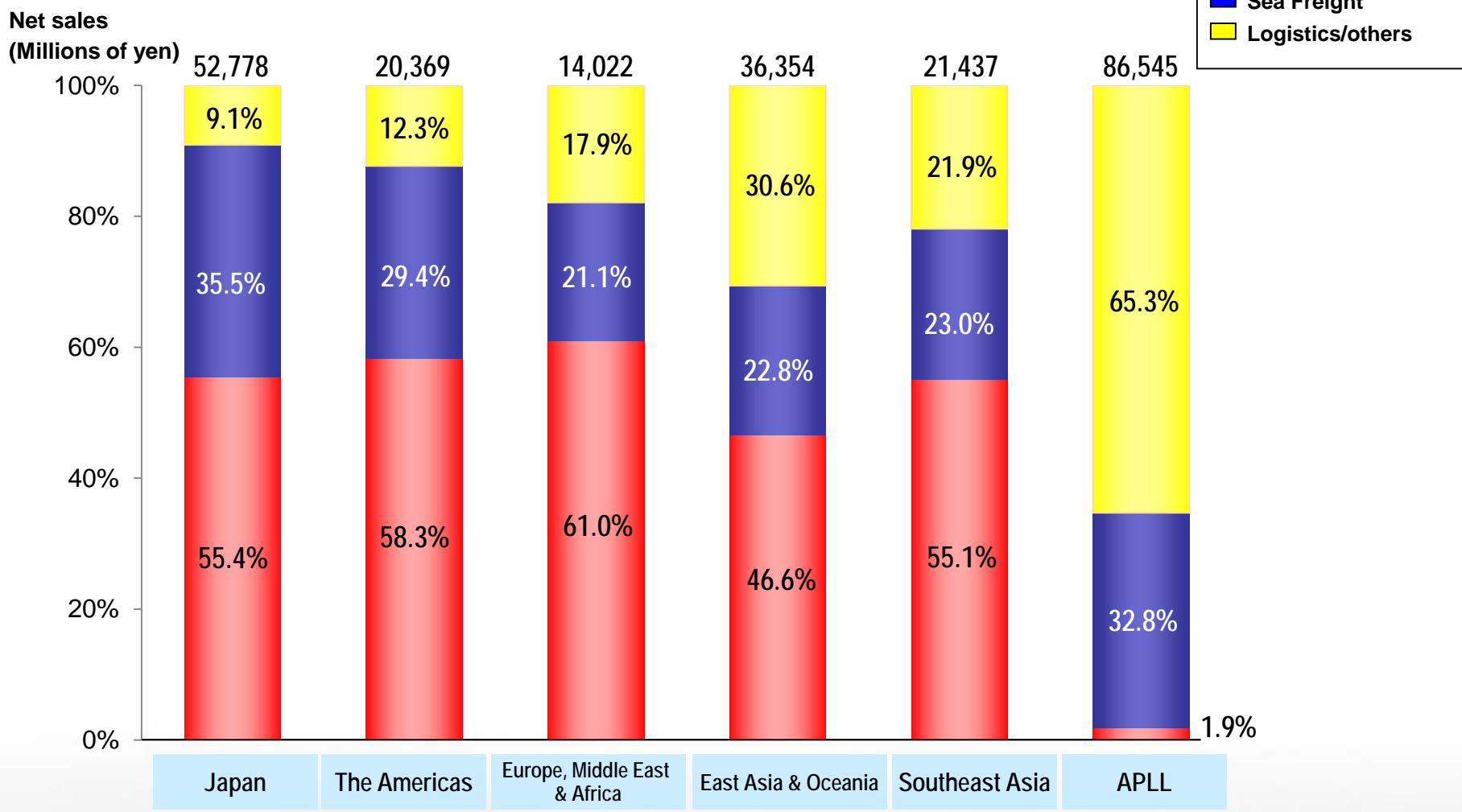
(Note) The company conducted a stock split at a ratio of 1:2 of common stock on October 1, 2015.
Cash dividends per share is calculated based on the assumption that the stock split was conducted on April 1, 2012.

Supplemental Materials

Business Composition of Net Sales by Segment



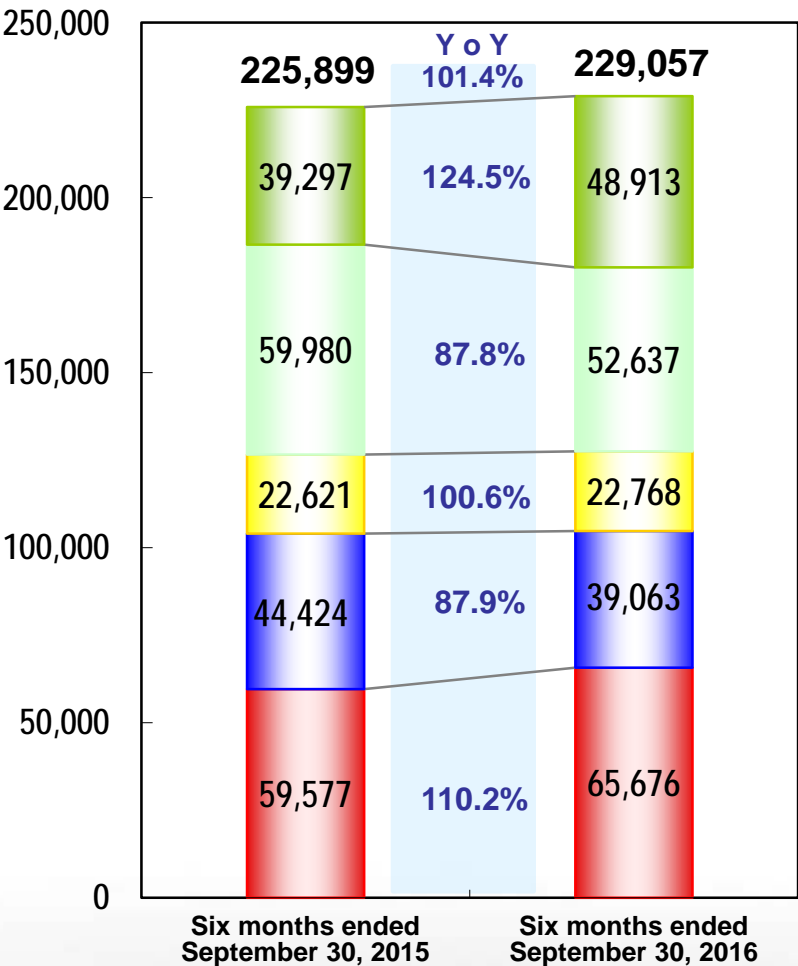
Six months ended September 30, 2016



Freight Volume by Segment (Air Freight)

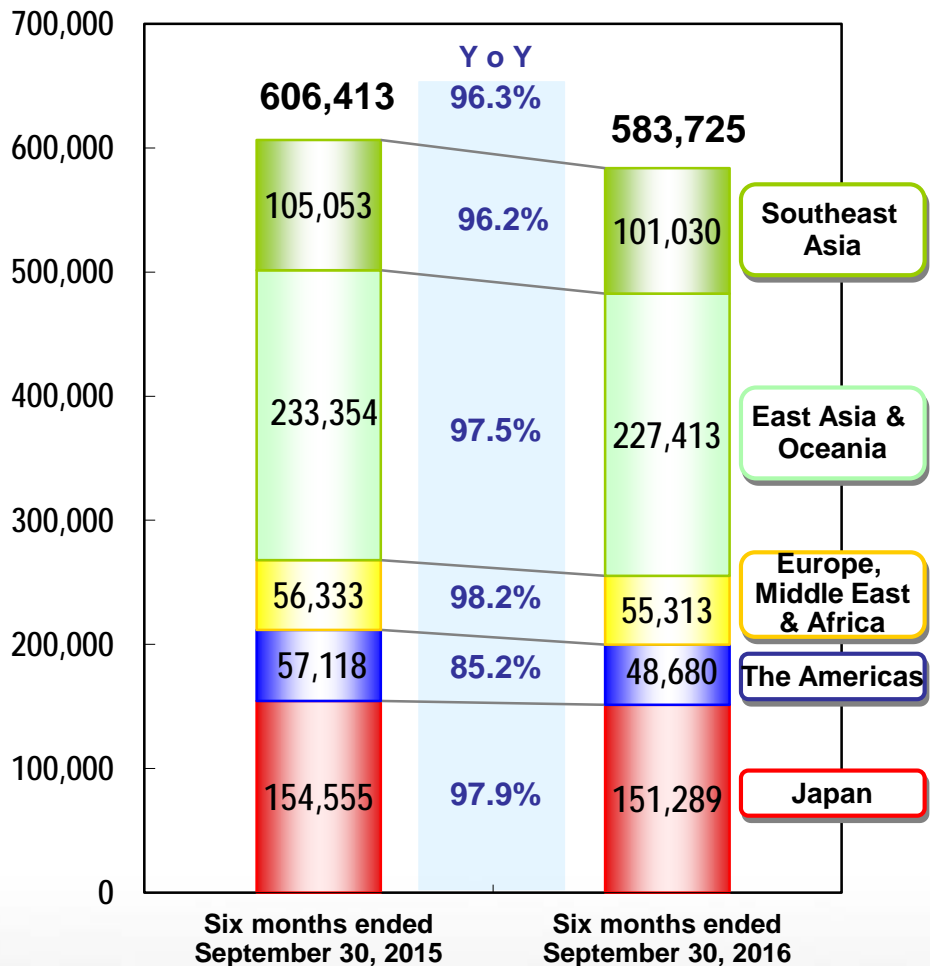
Air Freight Exports

(Weight: tons)



Air Freight Imports

(Shipments)

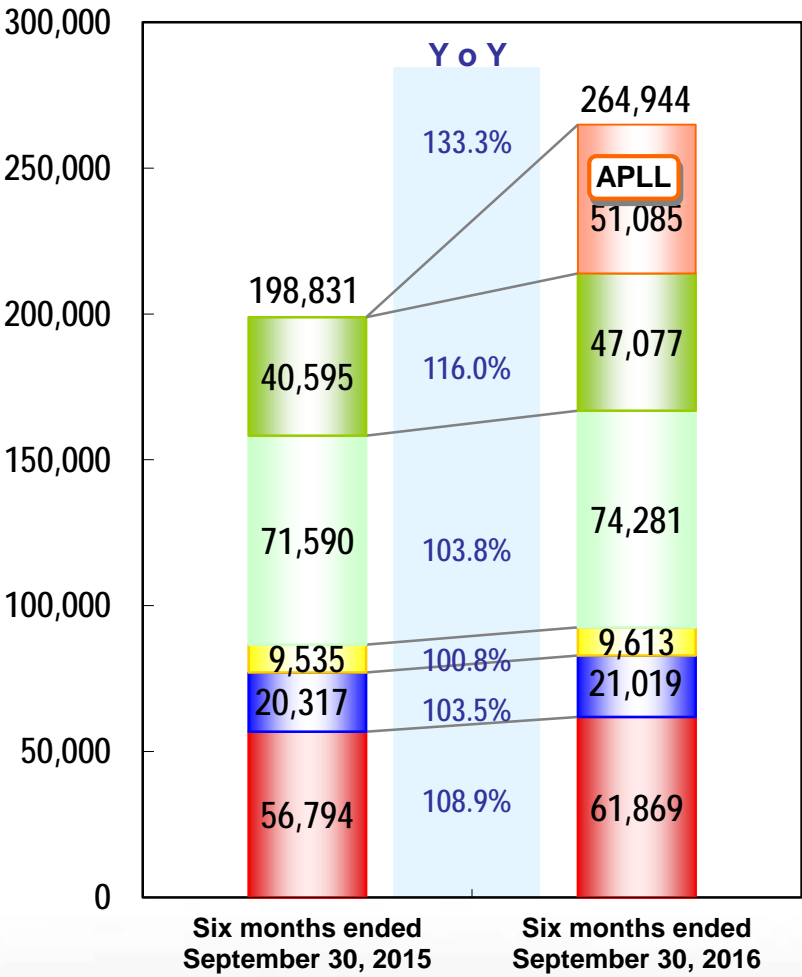


*The YoY (%) above represents a comparison of the figures for April to September 2015 and April to September 2016.

Freight Volume by Segment (Sea Freight)

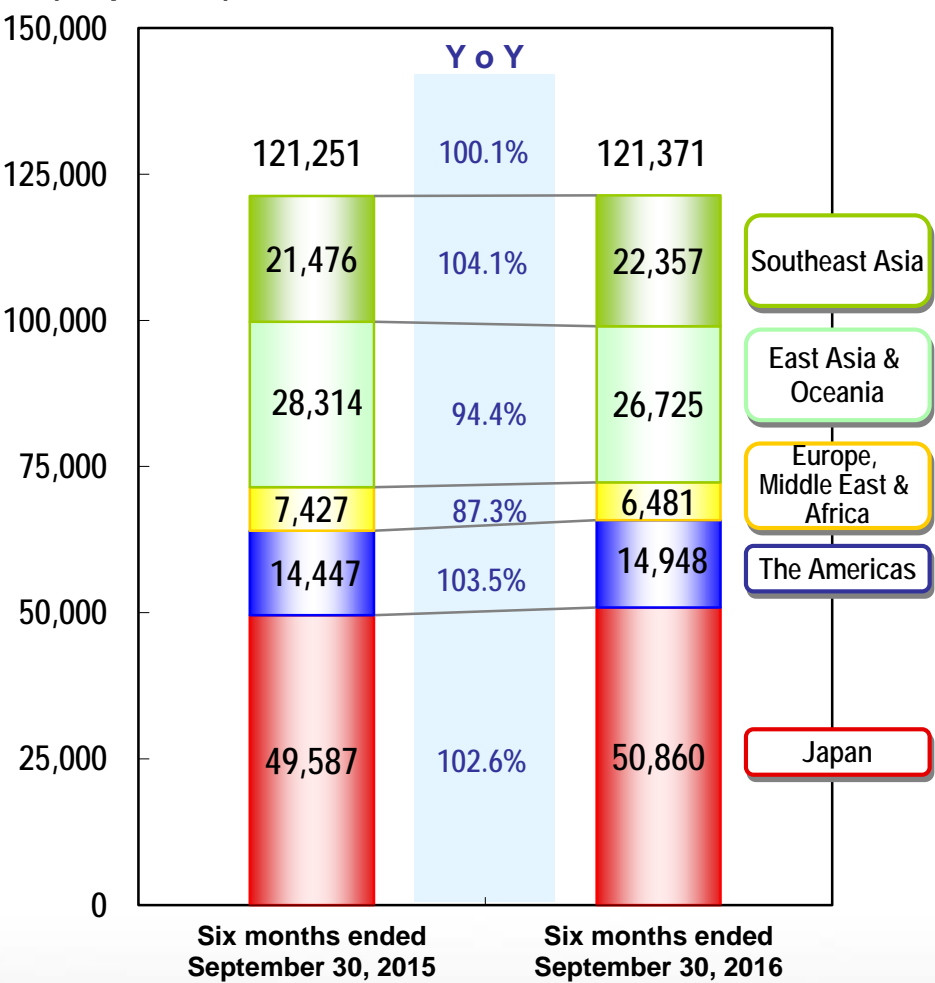
Sea Freight Exports

(Volume: TEUs)



Sea Freight Imports

(Shipments)

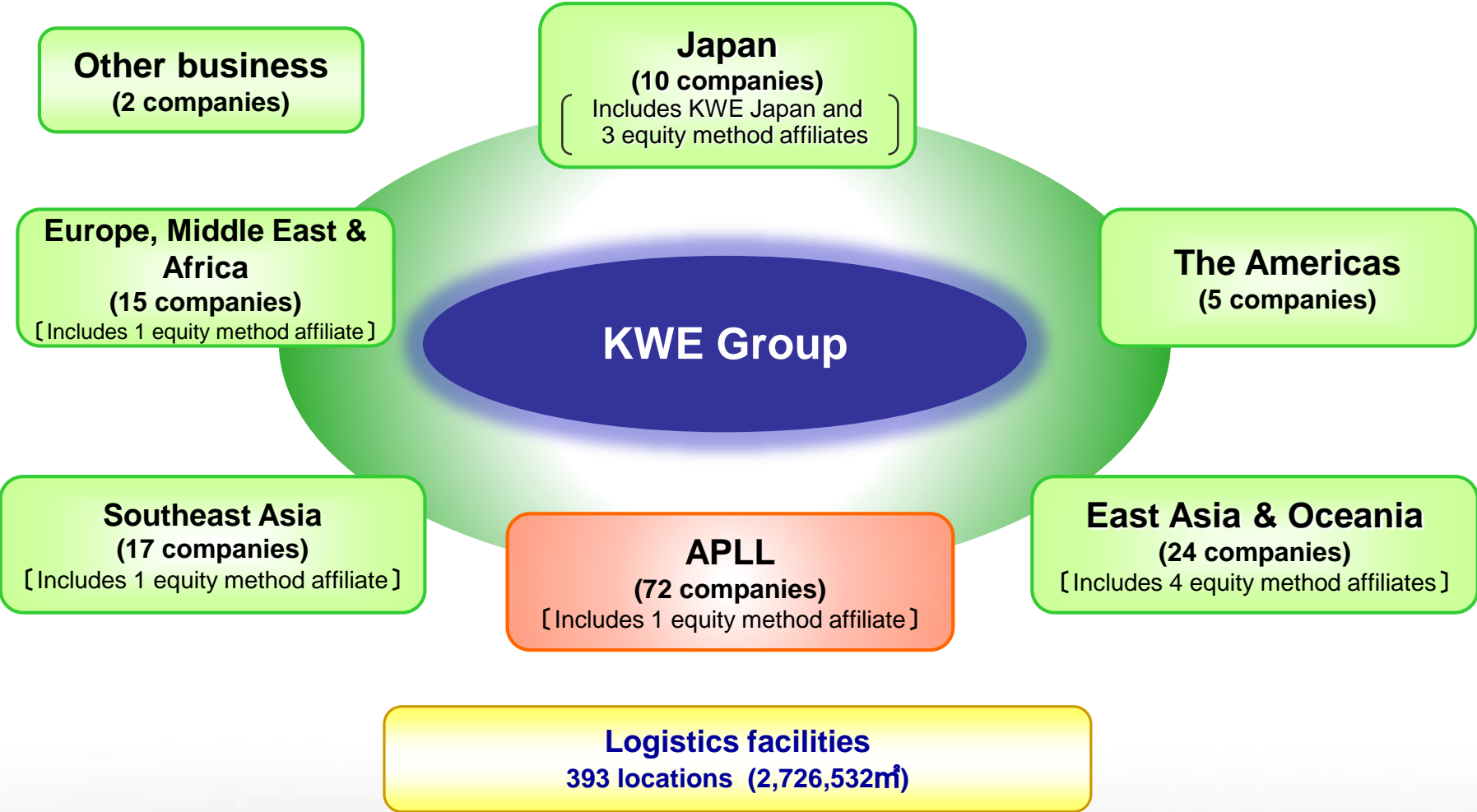


*The YoY (%) above represents a comparison of the figures for April to September 2015 and April to September 2016.

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

Our Global Network

45 countries, 346 cities, 823 locations (as of September 30, 2016)





Global Logistics Partner

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.