

Supplementary Materials for Financial Results:

The 1st 9 Months of FY Ending March 2020
(April 1, 2019 – December 31, 2019)

February 7, 2020



Global Logistics Partner

kintetsu world express

Financial Summary

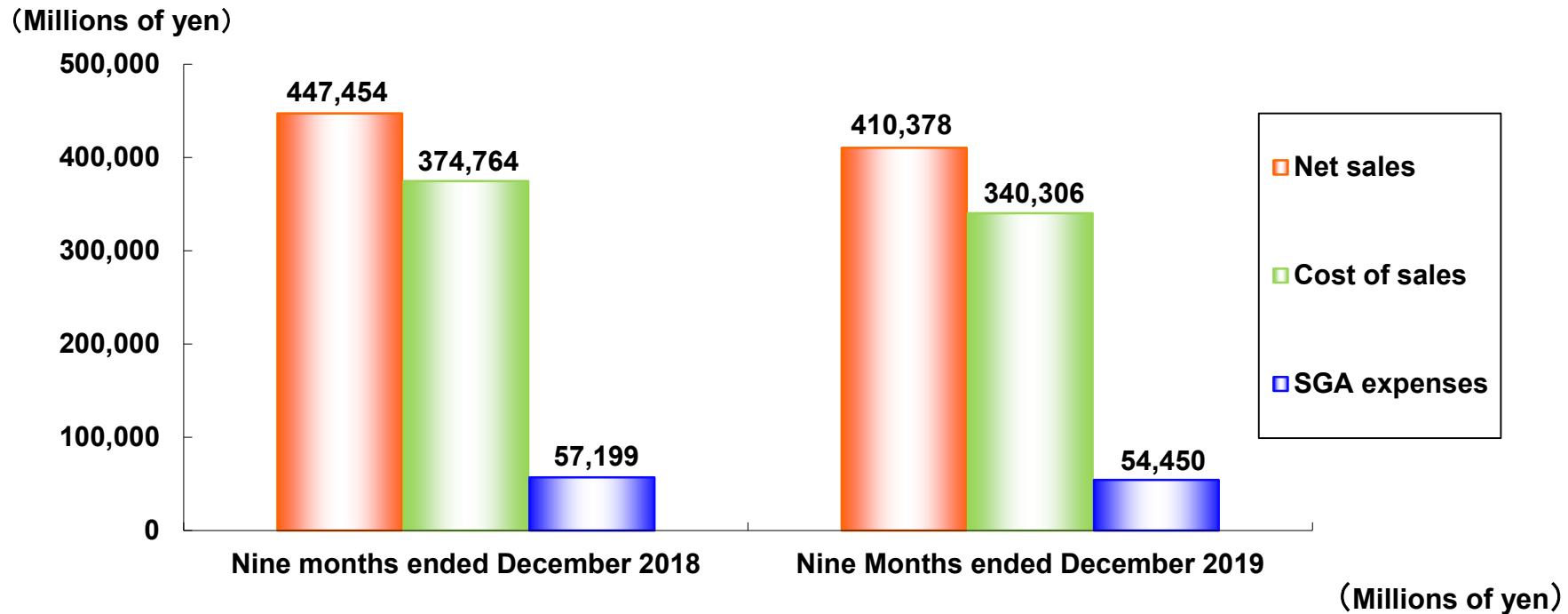
Weight (1,000 tons) Shipments (thousands) Volume (1,000 TEU) Amount (¥ million)

| Item | Nine months ended December | | | |
|---|----------------------------|------------|---------|------------|
| | 2018 | | 2019 | |
| | | YoY change | | YoY change |
| Air freight exports (Weight) | 460 | 6.8% | 422 | (8.3%) |
| Air freight imports (Shipments) | 1,032 | 3.0% | 928 | (10.0%) |
| Sea freight exports (Volume) | 531 | 7.8% | 497 | (6.4%) |
| Sea freight imports (Shipments) | 221 | 5.8% | 211 | (4.4%) |
| Net sales | 447,454 | 9.7% | 410,378 | (8.3%) |
| Operating gross profit | 72,690 | 7.7% | 70,071 | (3.6%) |
| Operating income | 15,490 | 35.4% | 15,621 | 0.8% |
| Ordinary income | 15,781 | 31.8% | 13,344 | (15.4%) |
| Income before income taxes | 15,746 | 38.4% | 13,644 | (13.4%) |
| Net income attributable to owners of the parent | 7,445 | 81.1% | 6,662 | (10.5%) |

| Conversion Rate | 1st 9 months of FY ended March 2019 | FY ended March 2019 | 1st 9 months of FY ending March 2020 |
|-----------------|-------------------------------------|---------------------|--------------------------------------|
| US-Dollar | ¥111.14 | ¥110.91 | ¥108.67 |
| Euro | ¥129.49 | ¥128.41 | ¥121.05 |
| HK-Dollar | ¥14.18 | ¥14.14 | ¥13.87 |
| Chinese yuan | ¥16.61 | ¥16.54 | ¥15.60 |

FOREX impacts (consolidated)
Net sales: ¥(8,605) million
Operating income: ¥(448) million

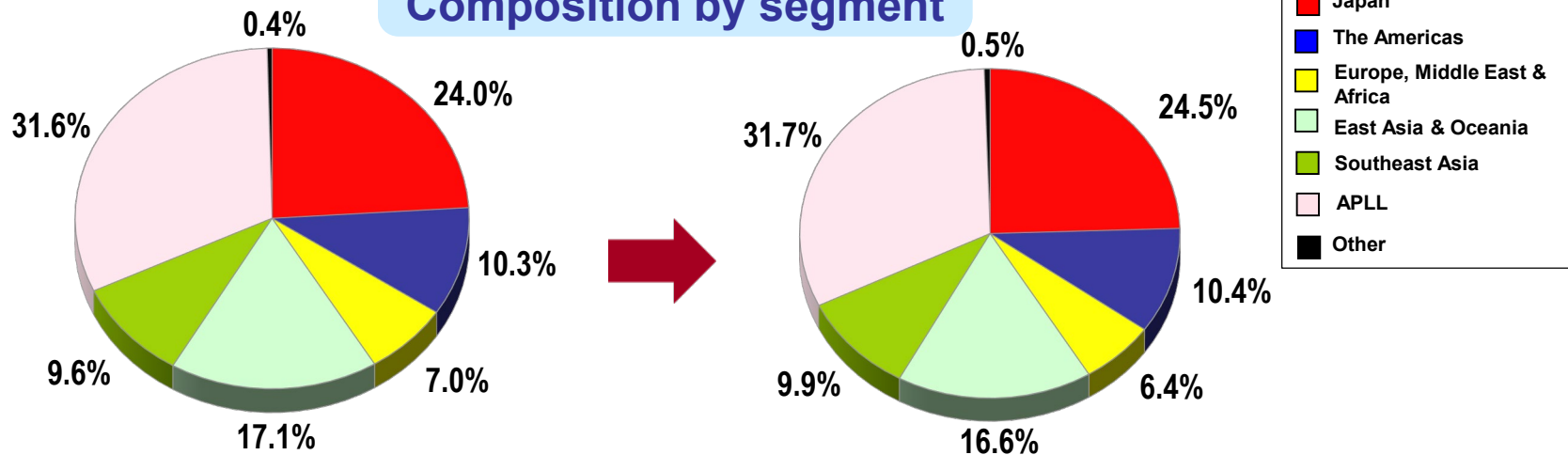
Year over Year Comparisons of Net Sales, Cost of Sales, and SGA Expenses



| | Nine months ended December | | | |
|------------------------|----------------------------|--------------------|---------|--------------------|
| | 2018 | Ratio to net sales | 2019 | Ratio to net sales |
| Net sales | 447,454 | 100.0% | 410,378 | 100.0% |
| Cost of sales | 374,764 | 83.8% | 340,306 | 82.9% |
| Operating gross profit | 72,690 | 16.2% | 70,071 | 17.1% |
| SGA expenses | 57,199 | 12.8% | 54,450 | 13.3% |
| Operating income | 15,490 | 3.5% | 15,621 | 3.8% |

Net Sales by Segment

Composition by segment



Nine months ended December 2018

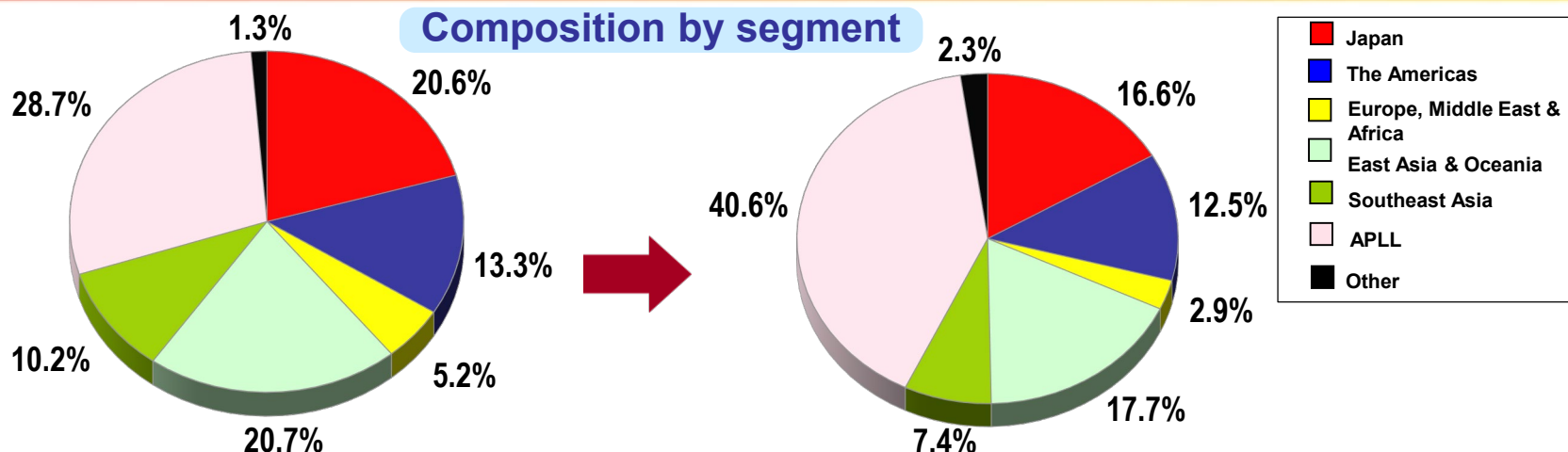
Nine months ended December 2019

(Millions of yen)

| Net Sales by Segment | Nine months ended December | | YoY change | |
|------------------------------|----------------------------|----------------|---------------|-----------------|
| | 2018 | 2019 | % | Amount |
| Japan | 110,411 | 103,480 | (6.3%) | (6,930) |
| The Americas | 47,430 | 43,882 | (7.5%) | (3,548) |
| Europe, Middle East & Africa | 31,893 | 27,016 | (15.3%) | (4,876) |
| East Asia & Oceania | 78,669 | 70,110 | (10.9%) | (8,558) |
| Southeast Asia | 43,892 | 41,712 | (5.0%) | (2,179) |
| APLL | 145,483 | 133,829 | (8.0%) | (11,654) |
| Other | 2,021 | 2,253 | 11.5% | 232 |
| Adjustment | (12,347) | (11,907) | — | — |
| Total | 447,454 | 410,378 | (8.3%) | (37,075) |

* Effective 2nd quarter, reportable segment of 1 consolidated subsidiary is changed to "The Americas" from "APLL." Segment results for the nine months ended December 2018 are presented under the new segmentation (Impacts on results for the nine months ended December 2018: +¥1,187 million in the Americas, ¥(1,187) million in APLL).

Operating Income by Segment



Nine months ended December 2018

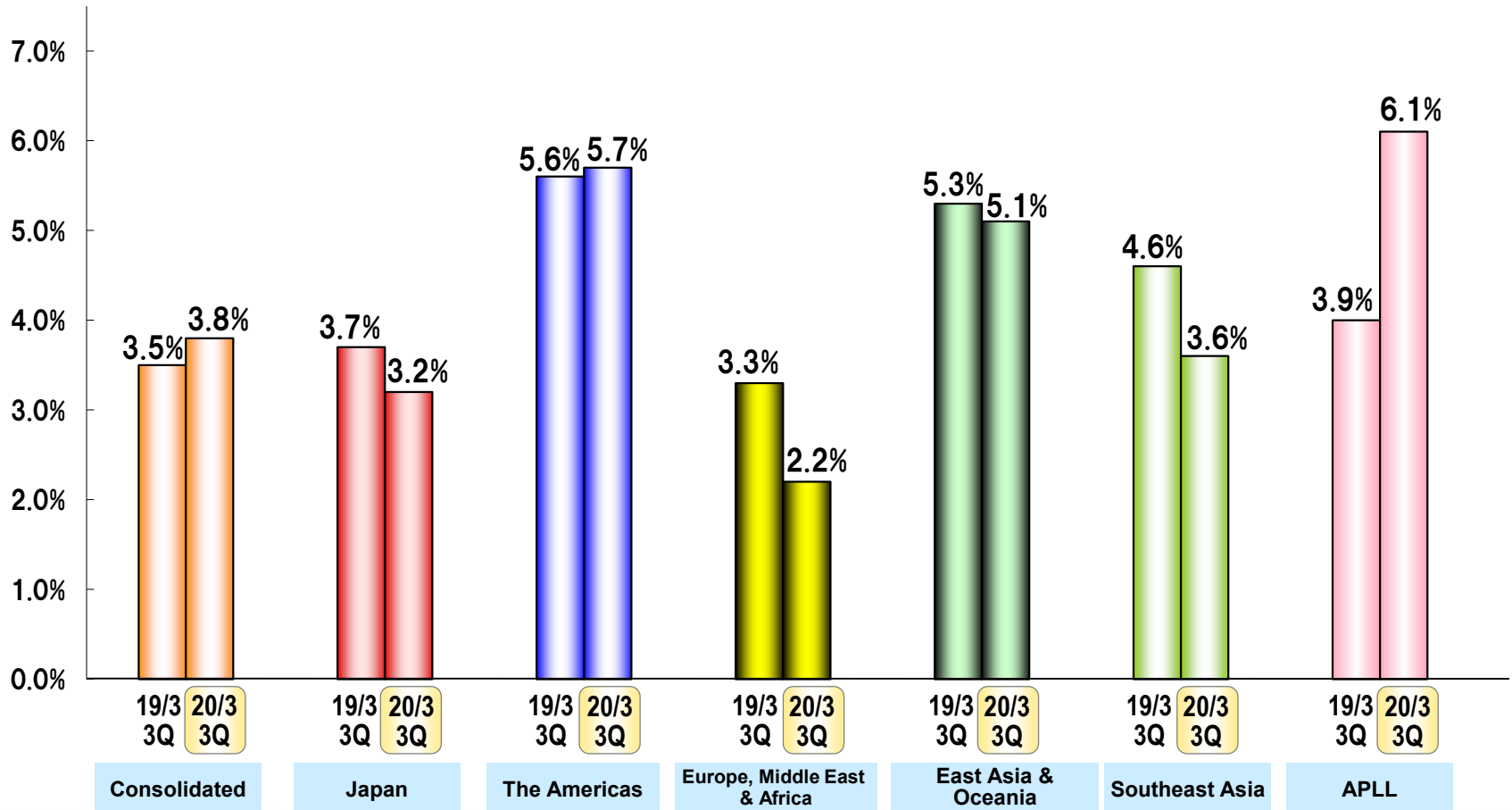
Nine months ended December 2019

(Millions of yen)

| Operating Income by Segment | Nine months ended December | | YoY change | |
|------------------------------|----------------------------|---------------|-------------|------------|
| | 2018 | 2019 | % | Amount |
| Japan | 4,127 | 3,316 | (19.7%) | (811) |
| The Americas | 2,663 | 2,492 | (6.4%) | (171) |
| Europe, Middle East & Africa | 1,046 | 583 | (44.2%) | (462) |
| East Asia & Oceania | 4,130 | 3,549 | (14.1%) | (580) |
| Southeast Asia | 2,035 | 1,482 | (27.2%) | (552) |
| APLL | 5,737 | 8,135 | 41.8% | 2,506 |
| Amortization of goodwill | 4,517 | 4,408 | — | — |
| Other | 250 | 456 | 82.2% | 205 |
| Adjustment | 15 | 14 | — | — |
| Total | 15,490 | 15,621 | 0.8% | 131 |

* Effective 2nd quarter, reportable segment of 1 consolidated subsidiary is changed to "The Americas" from "APLL." Segment results for the nine months ended December 2018 are presented under the new segmentation (Impacts on results for the nine months ended December 2018: +¥126 million in the Americas, ¥(126) million in APLL).

Operating Margins by Segment



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

Review of Operations

Japan

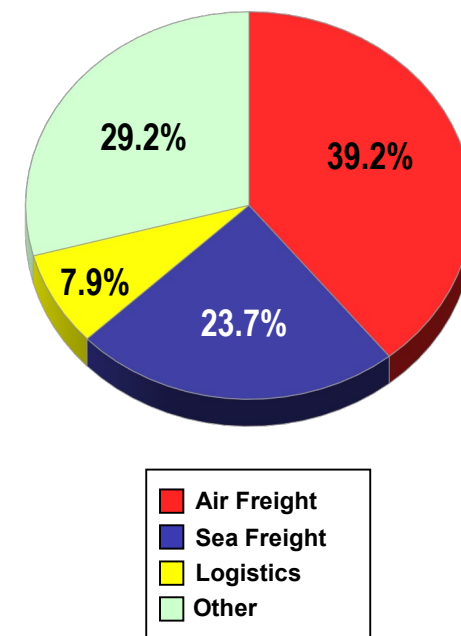
(Millions of yen)

| | Nine months ended December 2018 | Nine months ended December 2019 | YoY change | |
|------------------|------------------------------------|------------------------------------|------------|---------|
| | | | Amount | % |
| Net sales | 110,411 | 103,480 | (6,930) | (6.3%) |
| Operating income | 4,127 | 3,316 | (811) | (19.7%) |

| Freight volume | Nine months ended December 2018 | Nine months ended December 2019 | YoY change |
|---------------------------------|------------------------------------|------------------------------------|---------------|
| Air freight exports (tons) | 123,912 | 103,413 | (16.5%) |
| Air freight imports (shipments) | 276,963 | 261,594 | (5.5%) |
| Sea freight exports (TEUs) | 115,843 | 103,225 | (10.9%) |
| Sea freight imports (Shipments) | 89,148 | 83,973 | (5.8%) |

- Profit declined significantly due to a continuous decrease in air/sea freight exports
- Domestic subsidiaries had good results due to a favorable growth of logistics

Net Sales by Business*



* From the second quarter ended September 2019, "Net Sales by Business" represents the composition ratio by business for the entire Japan segment including domestic subsidiaries, which was previously shown in non-consolidated basis. (Ref.) Results for the six months ended September 2018

| | | | |
|-------------|-------|-------------|-------|
| Air freight | 44.2% | Sea freight | 23.4% |
| Logistics | 6.4% | Other | 25.8% |

Review of Operations

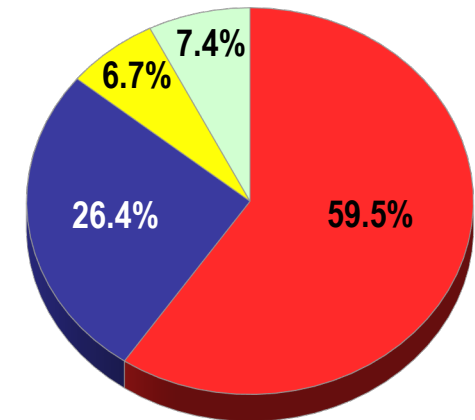
The Americas

(Millions of yen)

| | Nine months ended December 2018 | Nine months ended December 2019 | YoY change | |
|------------------|------------------------------------|------------------------------------|------------|--------|
| | | | Amount | % |
| Net sales | 47,430 | 43,882 | (3,547) | (7.5%) |
| Operating income | 2,663 | 2,492 | (171) | (6.4%) |

| Freight volume | Nine months ended December 2018 | Nine months ended December 2019 | YoY change |
|---------------------------------|------------------------------------|------------------------------------|---------------|
| Air freight exports (tons) | 84,476 | 80,976 | (4.1%) |
| Air freight imports (shipments) | 104,047 | 90,882 | (12.7%) |
| Sea freight exports (TEUs) | 36,893 | 34,529 | (6.4%) |
| Sea freight imports (shipments) | 27,471 | 28,981 | 5.5% |

Net Sales by Business



- Profit declined due to decreases in air freight exports and imports and sea freight exports
- FOREX impact Net sales: ¥(1,163) million Operating income: ¥(68) million

*Effective 2nd quarter, reportable segment of 1 consolidated subsidiary is changed to "The Americas" from "APLL." Segment results for the nine months ended December 2018 are presented under the new segmentation (Impacts on results for the nine months ended December 2018: +1,187million in net sales, +126 million in operating income).

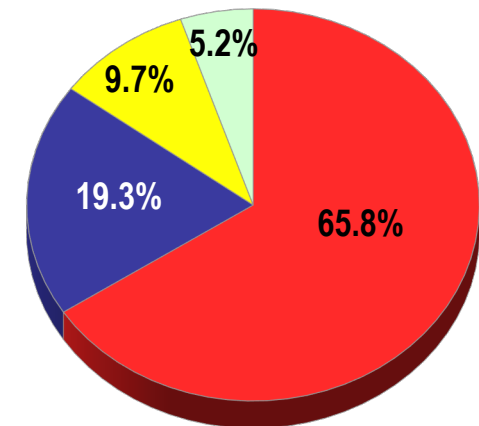
Europe, Middle East & Africa

(Millions of yen)

| | Nine months ended December 2018 | Nine months ended December 2019 | YoY change | |
|------------------|------------------------------------|------------------------------------|------------|---------|
| | | | Amount | % |
| Net sales | 31,893 | 27,016 | (4,876) | (15.3%) |
| Operating income | 1,046 | 583 | (462) | (44.2%) |

| Freight volume | Nine months ended December 2018 | Nine months ended December 2019 | YoY change |
|---------------------------------|------------------------------------|------------------------------------|---------------|
| Air freight exports (tons) | 51,472 | 47,943 | (6.9%) |
| Air freight imports (shipments) | 100,763 | 79,221 | (21.4%) |
| Sea freight exports (TEUs) | 14,272 | 13,531 | (5.2%) |
| Sea freight imports (shipments) | 12,449 | 12,979 | 4.3% |

Net Sales by Business



- Profit decreased due to sluggish growth in South Africa, the U.K., and Benelux, etc.
- FOREX impact Net sales: ¥(2,037) million Operating income: ¥(75) million

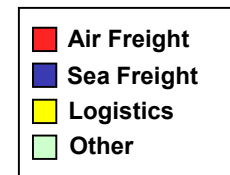
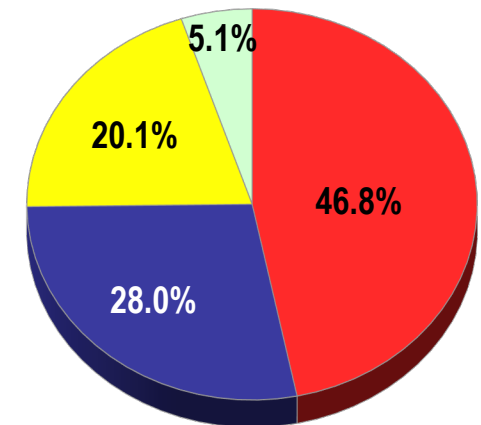
East Asia & Oceania

(Millions of yen)

| | Nine months ended December 2018 | Nine months ended December 2019 | YoY change | |
|------------------|------------------------------------|------------------------------------|------------|---------|
| | | | Amount | % |
| Net sales | 78,669 | 70,110 | (8,558) | (10.9%) |
| Operating income | 4,130 | 3,549 | (580) | (14.1%) |

| Freight volume | Nine months ended December 2018 | Nine months ended December 2019 | YoY change |
|---------------------------------|------------------------------------|------------------------------------|---------------|
| Air freight exports (tons) | 116,097 | 110,736 | (4.6%) |
| Air freight imports (shipments) | 380,295 | 345,752 | (9.1%) |
| Sea freight exports (TEUs) | 174,112 | 174,067 | (0.0%) |
| Sea freight imports (shipments) | 48,877 | 45,990 | (5.9%) |

Net Sales by Business



- Profit declined due to stagnant demand for logistics in China in addition to decreases in air/sea freight volume
- FOREX impact Net sales: ¥(4,408) million Operating income: ¥(261) million

Southeast Asia

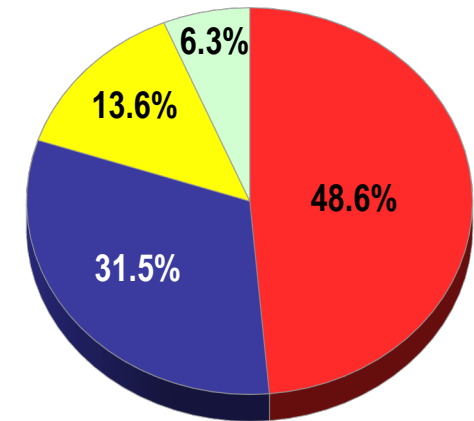
(Millions of yen)

| | Nine months ended December 2018 | Nine months ended December 2019 | YoY change | |
|------------------|------------------------------------|------------------------------------|------------|---------|
| | | | Amount | % |
| Net sales | 43,892 | 41,712 | (2,179) | (5.0%) |
| Operating income | 2,035 | 1,482 | (552) | (27.2%) |

| Freight volume | Nine months ended December 2018 | Nine months ended December 2019 | YoY change |
|---------------------------------|------------------------------------|------------------------------------|---------------|
| Air freight exports (tons) | 84,220 | 79,097 | (6.1%) |
| Air freight imports (shipments) | 169,958 | 151,024 | (11.1%) |
| Sea freight exports (TEUs) | 125,555 | 124,184 | (1.1%) |
| Sea freight imports (shipments) | 43,270 | 39,484 | (8.7%) |

- Profit declined due to a decrease in air freight exports and a rise in direct cost ratio
- FOREX impact Net sales: ¥(336) million Operating income: ¥(11) million

Net Sales by Business



Review of Operations

APLL

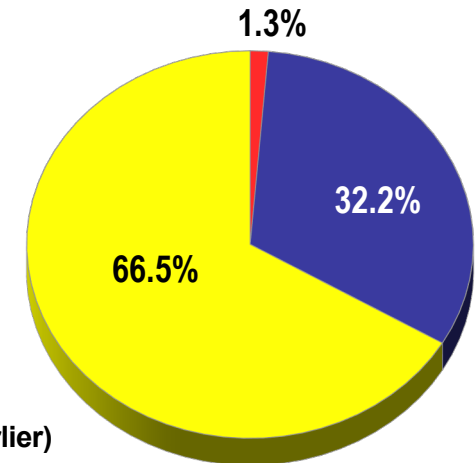
(Millions of yen)

| | Nine months ended December 2018 | Nine months ended December 2019 | YoY change | % |
|------------------|------------------------------------|------------------------------------|------------|--------|
| Net sales | 145,483 | 133,829 | (11,654) | (8.0%) |
| Operating income | 1,219 | 3,726 | 2,506 | 205.5% |

- Significant profit growth due to improvement in operating gross profit margin and curbing SG&A expenses, etc., despite a volume decrease in major customers
- Operating income of ¥8,135 million before amortization of goodwill (¥5,737 million a year earlier)
- FOREX impact Net sales: ¥(615) million Operating income: ¥(24)million

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Net Sales by Business

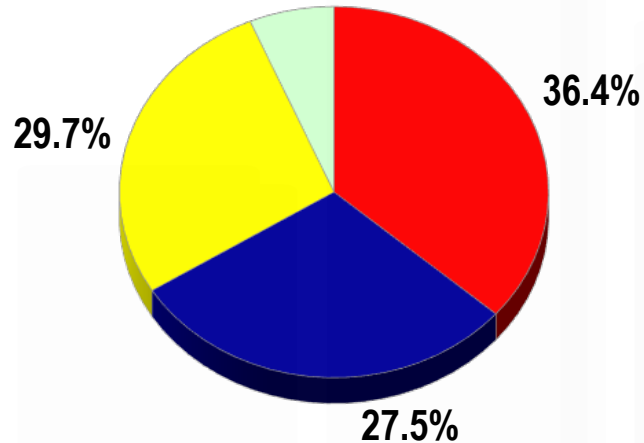


Net Sales by Business

Composition by Business

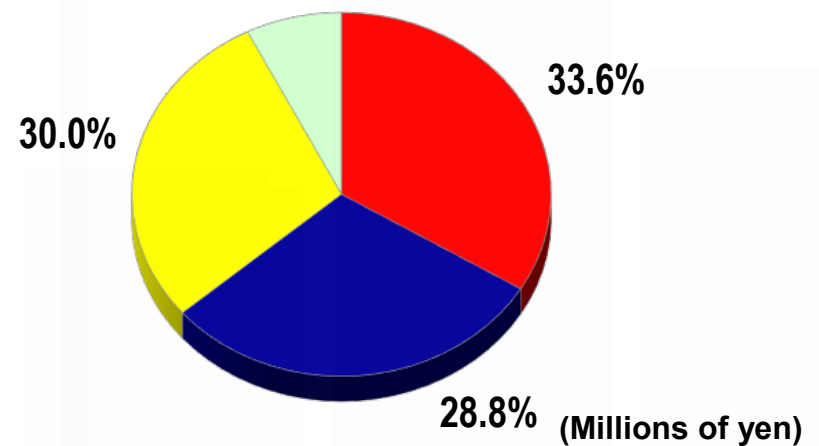
Nine months ended
December 2018

6.4%



Nine months ended
December 2019

7.6%



- Air Freight
- Sea Freight
- Logistics
- Other

| Business | | Nine months ended December | | |
|------------------------|-------------|----------------------------|-----------|------------|
| | | 2018 | 2019 | |
| | | Net sales | Net sales | YoY change |
| Freight transportation | Air Freight | 162,759 | 138,043 | (15.2%) |
| | Sea Freight | 122,906 | 118,229 | (3.8%) |
| | Logistics | 132,972 | 123,114 | (7.4%) |
| | Other | 28,817 | 30,991 | 7.5% |
| Total | | 447,454 | 410,378 | (8.3%) |

Gross Margin by Transportation Mode

* Gross profit=Net sales – Direct cost

| | FY ended March 2019 | | | | FY ending March 2020 | | |
|------------|---------------------|----------------|----------------|-----------|----------------------|----------------|----------------|
| | First 3 months | First 6 months | First 9 months | Full year | First 3 months | First 6 months | First 9 months |
| Air | 25.1% | 25.0% | 24.7% | 25.1% | 26.0% | 26.5% | 26.6% |
| Sea | 27.4% | 27.3% | 27.7% | 27.6% | 27.9% | 27.9% | 28.0% |

Performance Forecast for FY Ending March 2020

Global Logistics Partner

(Millions of yen)

| Item | FY ended March 2019 (Results) | | FY ending March 31, 2020 (Forecasts) <i>(Revised on February 7, 2020)</i> | |
|---|----------------------------------|------------|---|------------|
| | | YoY change | | YoY change |
| Net sales | 592,009 | 7.0% | 545,000 | (7.9%) |
| Operating gross profit | 96,957 | 4.6% | 92,722 | (4.4%) |
| Operating income | 20,797 | 18.5% | 18,500 | (11.0%) |
| Ordinary income | 19,939 | 15.0% | 15,500 | (22.3%) |
| Income before income taxes | 19,978 | 18.4% | 15,719 | (21.3%) |
| Net income attributable to owners of the parent | 9,857 | 40.8% | 7,000 | (29.0%) |

Performance Forecast by Business & Segment for FY Ending March 2020



(Revised on February 7, 2020)

Net Sales by Business

(Millions of yen)

| Business | FY ending March 2020 (Forecasts) | | | |
|--------------|----------------------------------|---------------|----------------------------|--|
| | Net sales | YoY change | Change before revision (%) | Forecasts before revision (Announced on July24, 2019) |
| Air Freight | 183,000 | (13.4%) | (4.2%) | 191,100 |
| Sea Freight | 157,000 | (5.2%) | (3.9%) | 163,300 |
| Logistics | 164,000 | (6.9%) | (1.8%) | 167,000 |
| Other | 41,000 | 5.3% | 6.2% | 38,600 |
| Total | 545,000 | (7.9%) | (2.7%) | 560,000 |

Net Sales and Operating Income by Segment

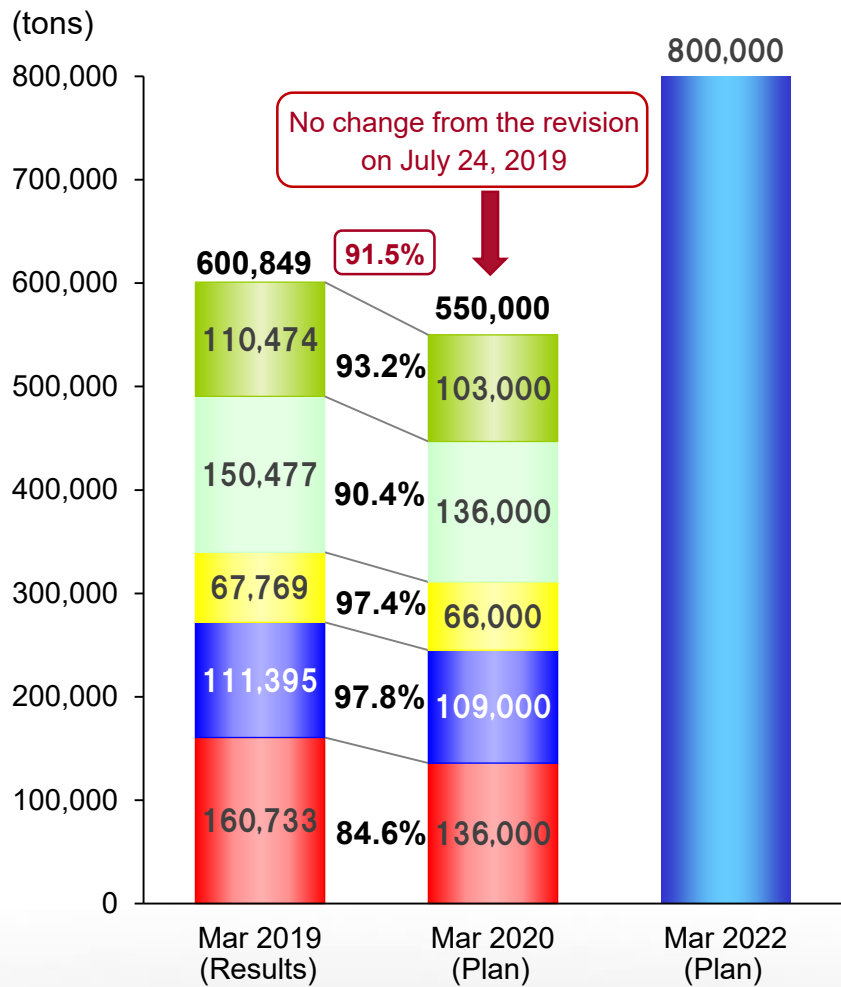
(Millions of yen)

| Segment | FY ending March 2020 (Forecasts) | | | | | | | |
|------------------------------|----------------------------------|---------------|----------------------------|--|---------------|----------------|----------------------------|--|
| | Net sales | YoY change | Change before revision (%) | Forecasts before revision (Announced on July24, 2019) | Net sales | YoY change | Change before revision (%) | Forecasts before revision (Announced on July24, 2019) |
| Japan | 135,000 | (7.3%) | (1.5%) | 137,000 | 4,200 | (27.3%) | 18.3% | 3,550 |
| The Americas | 59,000 | (4.1%) | 1.0% | 58,400 | 3,300 | (2.7%) | 3.1% | 3,200 |
| Europe, Middle East & Africa | 36,000 | (14.2%) | (6.7%) | 38,600 | 700 | (50.1%) | (41.7%) | 1,200 |
| East Asia & Oceania | 91,000 | (10.1%) | (1.0%) | 91,900 | 4,400 | (15.3%) | 22.2% | 3,600 |
| Southeast Asia | 56,000 | (3.4%) | 1.1% | 55,400 | 2,200 | (17.3%) | 22.2% | 1,800 |
| APLL | 179,000 | (9.1%) | (6.5%) | 191,500 | 3,500 | 58.8% | 1.4% | 3,450 |
| Other | 3,000 | 11.7% | 36.4% | 2,200 | 200 | 37.4% | 0.0% | 200 |
| Adjustment | (14,000) | — | — | (15,000) | — | — | — | — |
| Total | 545,000 | (7.9%) | (2.7%) | 560,000 | 18,500 | (11.0%) | 8.8% | 17,000 |

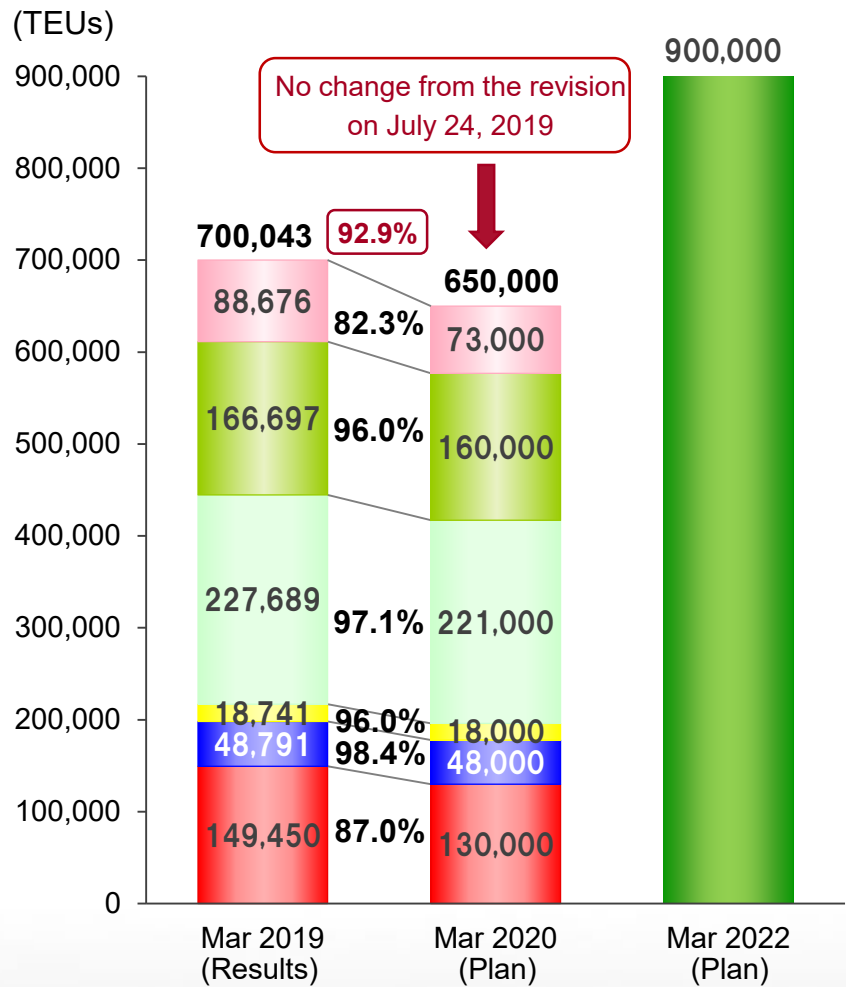
Medium-Term Management Plan Volume Targets



Air Freight Exports



Sea Freight Exports

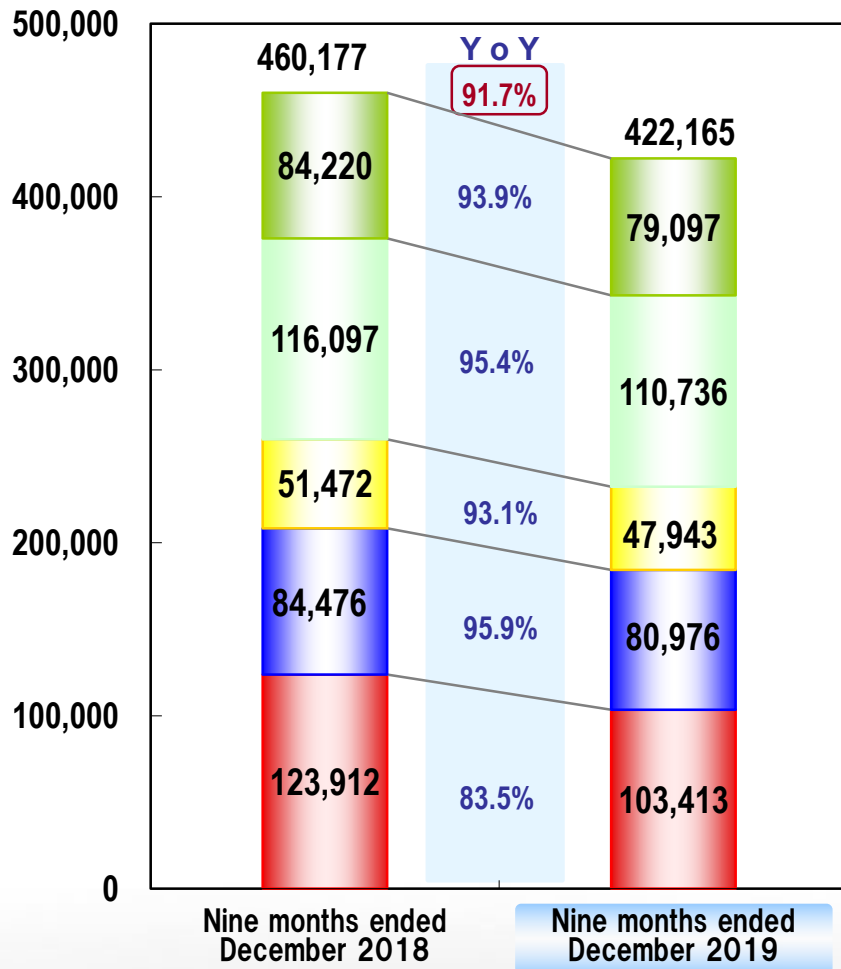


■ Japan
 ■ The Americas
 ■ Europe, Middle East & Africa
 ■ East Asia & Oceania
 ■ Southeast Asia
 ■ APLL

Freight Volume by Segment (Air Freight)

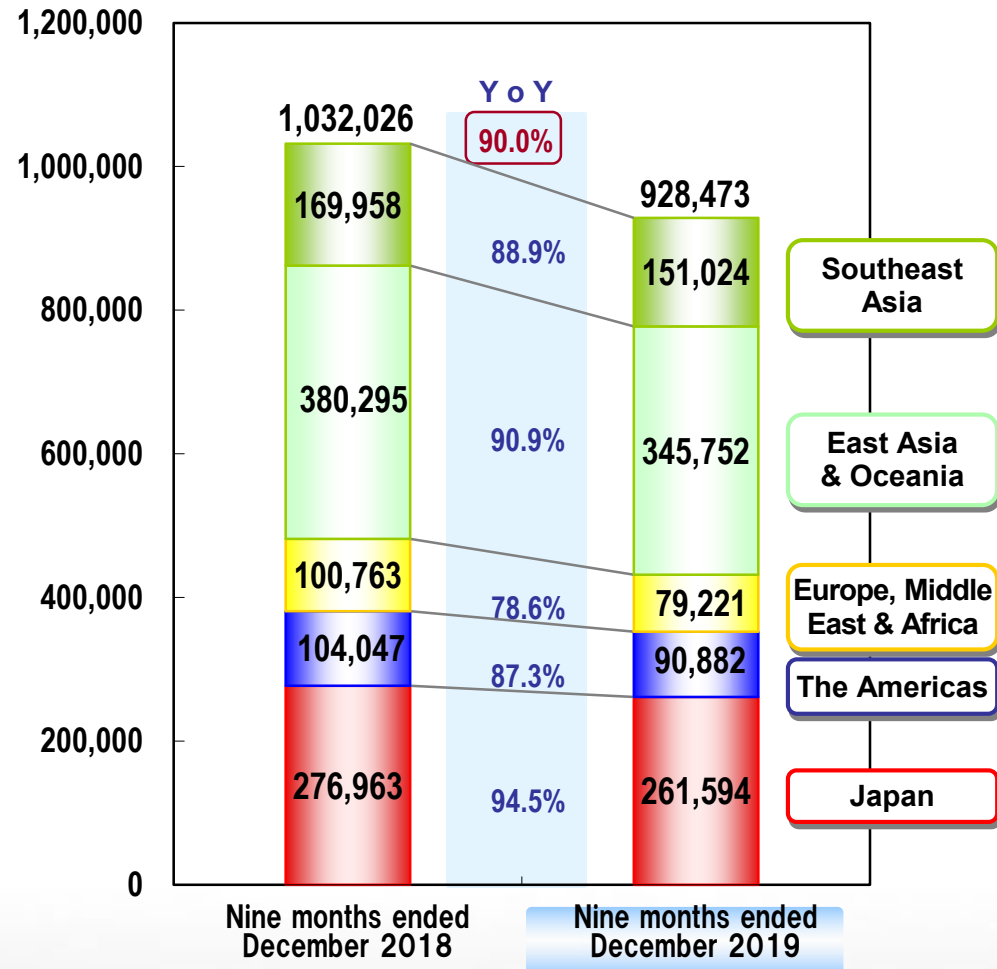
Air Freight Exports

(Weight: tons)



Air Freight Imports

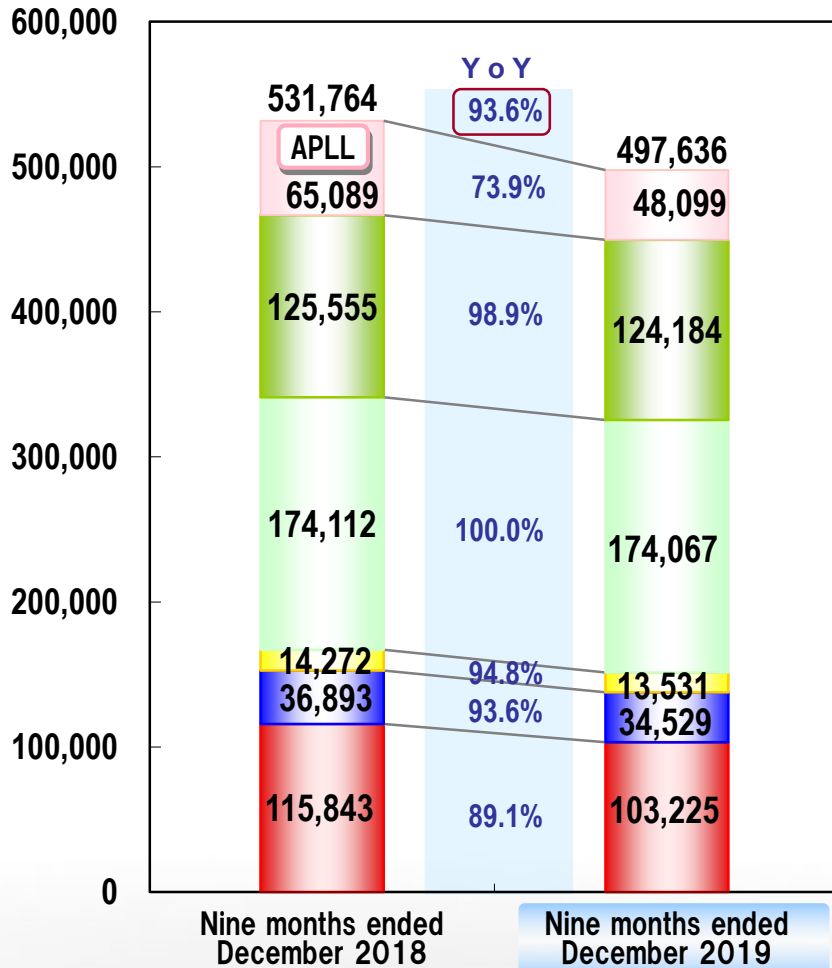
(Shipments)



Freight Volume by Segment (Sea Freight)

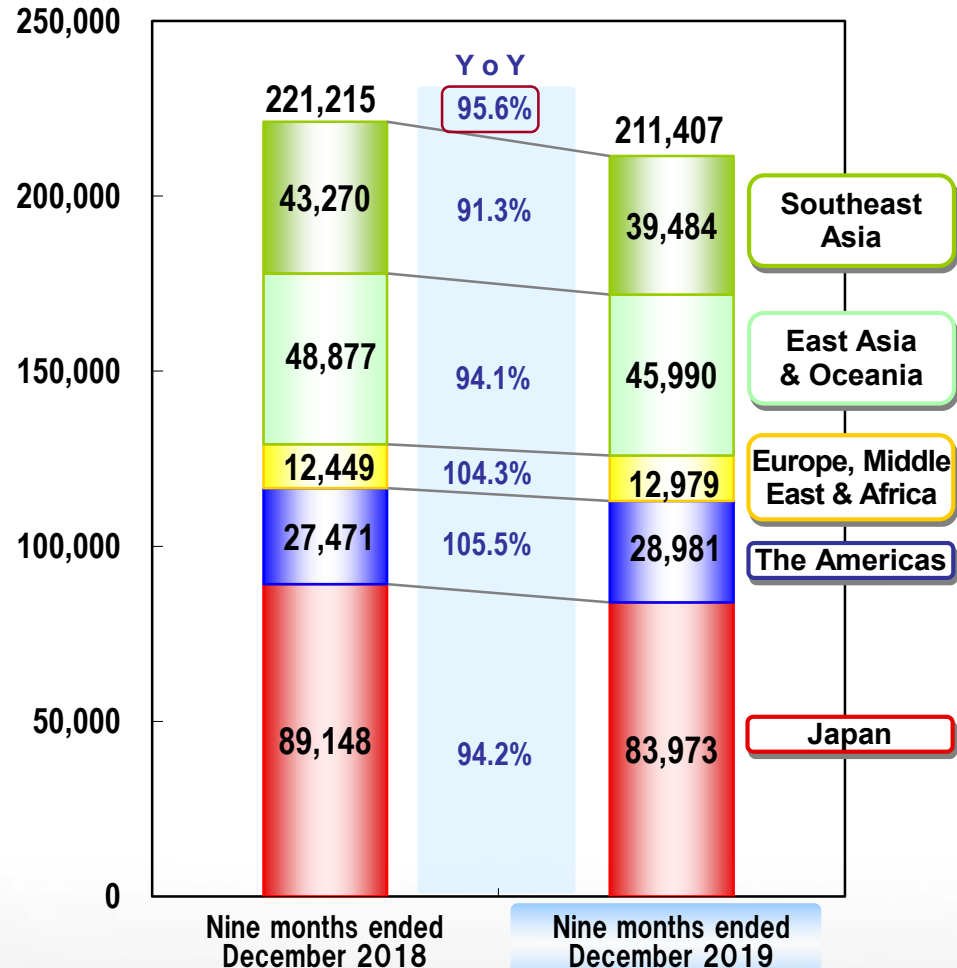
Sea Freight Exports

(Volume: TEUs)



Sea Freight Imports

(Shipments)





Global Logistics Partner

Kintetsu World Express, Inc.

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

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