

**Financial Results Meeting:
The 1st 6 Months of FY Ending March 2012
(April 1, 2011 – September 30, 2011)**



November 9, 2011

Global Logistics Partner

Kintetsu World Express, Inc.

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Financial Summary

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

Item		Six months ended September 30				1st 6 months of FY ending March 2012 (Forecasts) (Forecasts as of May 11, 2011)
		2010		2011		
		Amount	Yr over Yr (%)	Amount	Yr over Yr (%)	
Weight (Air freight export)		248	55.4	245	△1.2	—
Shipments (Air freight import)		656	19.0	642	△2.1	—
Volume (Ocean export)		133	19.8	141	5.9	—
Shipments (Ocean import)		106	21.9	110	3.6	—
Net sales	Consolidated	132,912	40.3	136,034	2.3	137,000
	Non-consolidated	47,264	38.5	46,794	△1.0	48,637
Gross profit	Consolidated	19,529	16.2	21,543	10.3	—
	Non-consolidated	8,293	4.1	8,852	6.7	—
Operating income	Consolidated	4,942	78.2	6,660	34.8	5,700
	Non-consolidated	742	10.3	1,386	86.8	1,100
Ordinary Income	Consolidated	5,399	84.4	7,086	31.2	5,700
	Non-consolidated	1,307	△24.4	2,065	57.9	1,420
Income before income taxes and minority interests	Consolidated	6,296	138.7	6,984	10.9	—
	Non-consolidated	2,047	42.7	2,049	0.1	—
Net income	Consolidated	3,956	168.0	4,719	19.3	3,500
	Non-consolidated	1,109	△8.3	1,510	36.2	1,105

1st 6 months of FY ended March 2011	¥91.36
FY ended March 2011	¥87.81
1st 6 months of FY ending March 2012	¥82.04



(Yen-Dollar Conversion Rate)

Highlights

Six Months Ended September 30, 2011

1 In spite of volume downturn in Japan, exceeded targets through improving operating cost ratio

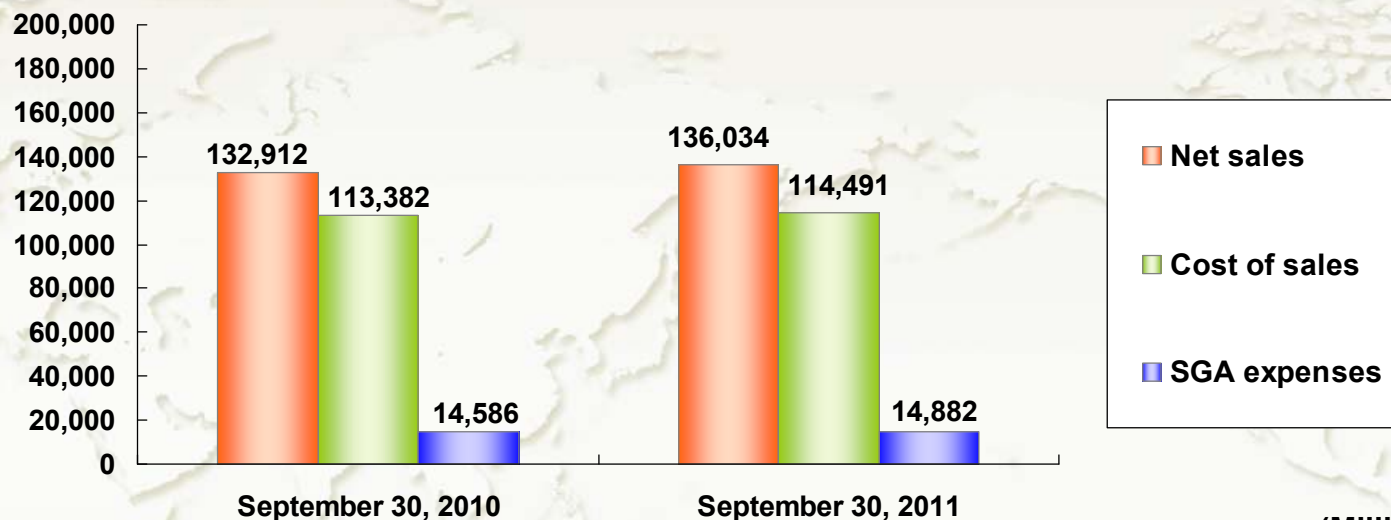
- Operating margin in KWE Japan rose to 3.0% from 1.6% a year earlier.
- Increase in freight costs since the previous fiscal year leveled off and continuing efforts were made to restrain fixed and variable costs while volume declined year on year due to the Great East Japan Earthquake and weak demand for electronics-related items.

2 Ensured income despite downward trend in volume overseas; domestic subsidiaries recorded earnings in line with targets

- Average operating margin in the combined overseas regions rose to 5.7% from 4.7% a year earlier.
- Decrease in freight cost ratio contributed to profit in spite of volume downturn particularly in Asia..
- Domestic subsidiaries struggled in 1Q but recovered in 2Q and recorded earnings in line with targets.

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

(Millions of yen)



(Millions of yen, %)

	Six months ended September 30			
	2010	Ratio to net sales	2011	Ratio to net sales
Net sales	132,912	100.0%	136,034	100.0%
Cost of sales	113,382	85.3%	114,491	84.2%
SGA expenses	14,586	11.0%	14,882	10.9%
Operating income	4,942	3.7%	6,660	4.9%

Freight Cost Ratio for Air Freight Exports Revenue

	Six months ended September 30, 2010	FY 2011 ended March 31, 2011	Six months ended September 30, 2011
KWE Japan	70.4%	70.1%	69.2%
The Americas	60.9%	62.1%	64.7%
Europe, Middle East & Africa	65.5%	68.4%	68.2%
East Asia & Oceania	75.6%	72.8%	64.4%
Southeast Asia	76.5%	77.3%	76.7%
Group as a Whole	71.0%	70.5%	68.0%

Freight cost ratios improved for the entire group due to leveling-off of freight costs and reduced transportation demand.

Consolidated Balance Sheets

(Millions of yen)

	March 31, 2011	September 30, 2011	Change
Assets:			
Current assets	77,864	82,000	4,136
Property and equipment	32,764	32,739	△25
Intangible assets	1,830	1,739	△91
Investments and other assets	7,820	7,571	△249
Total assets	120,280	124,050	3,770
Liabilities:			
Current liabilities	42,329	41,486	△843
Long-term liabilities	6,633	6,790	157
Total liabilities	48,963	48,277	△686
Net assets:			
Total net assets	71,317	75,773	4,456
Total liabilities and net assets	120,280	124,050	3,770

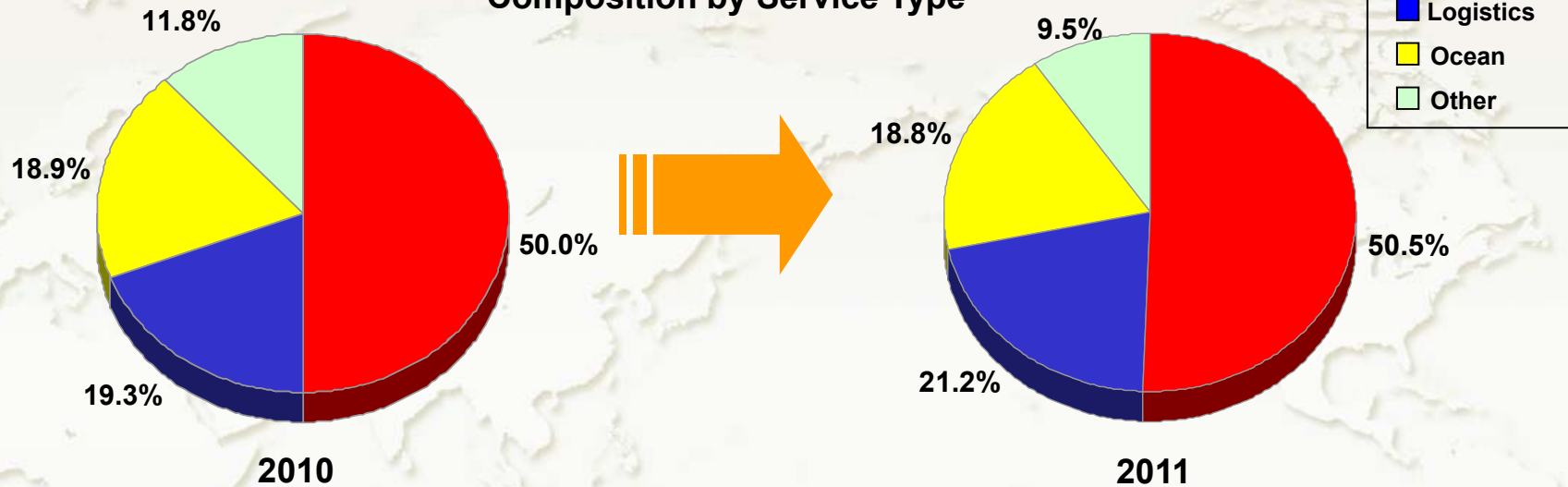
Consolidated Cash Flow Statements

(Millions of yen)

	Six months ended		Change
	March 31, 2011	September 30, 2011	
Cash flows from operating activities	3,117	4,576	1,459
Cash flows from investing activities	△580	△1,186	△606
Cash flows from financing activities	△1,019	△560	459
Effect of exchange rate changes on cash and cash equivalents	△1,035	468	1,503
Net increase in cash and cash equivalents	482	3,298	2,816
Cash and cash equivalents at beginning of period	25,045	30,966	5,921
Cash and cash equivalents at end of period	25,527	34,264	8,737

Consolidated Net Sales by Service Type

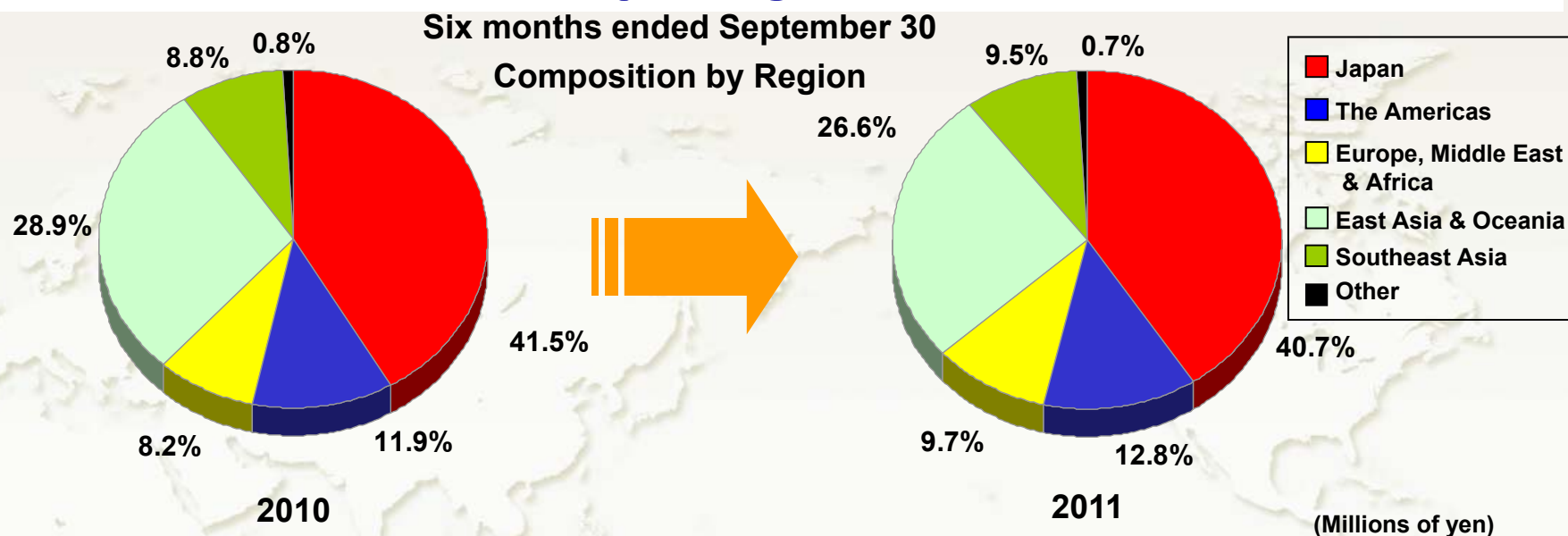
Six months ended September 30
Composition by Service Type



(Millions of yen, %)

Service Type		Six months ended September 30			
		2010		2011	
		Net sales	Yr over Yr	Net sales	Yr over Yr
Freight transportation	Forwarding	66,418	67.8%	68,722	3.5%
	Logistics	25,595	24.3%	28,850	12.7%
	Ocean	25,170	27.4%	25,495	1.3%
	Other	15,727	6.2%	12,966	△17.6%
Total		132,912	40.3%	136,034	2.3%

Consolidated Net Sales and Operating Income by Region



Region	Six months ended September 30			
	2010		2011	
	Net sales	Operating income	Net sales	Operating income
Japan	56,585	1,193	56,718	1,895
The Americas	16,172	969	17,825	1,063
Europe, Middle East & Africa	11,145	258	13,492	359
East Asia & Oceania	39,296	1,811	37,171	2,499
Southeast Asia	11,959	631	13,259	759
Other	1,046	106	962	153
Adjustment	△3,293	△27	△3,395	△71
Total	132,912	4,942	136,034	6,660

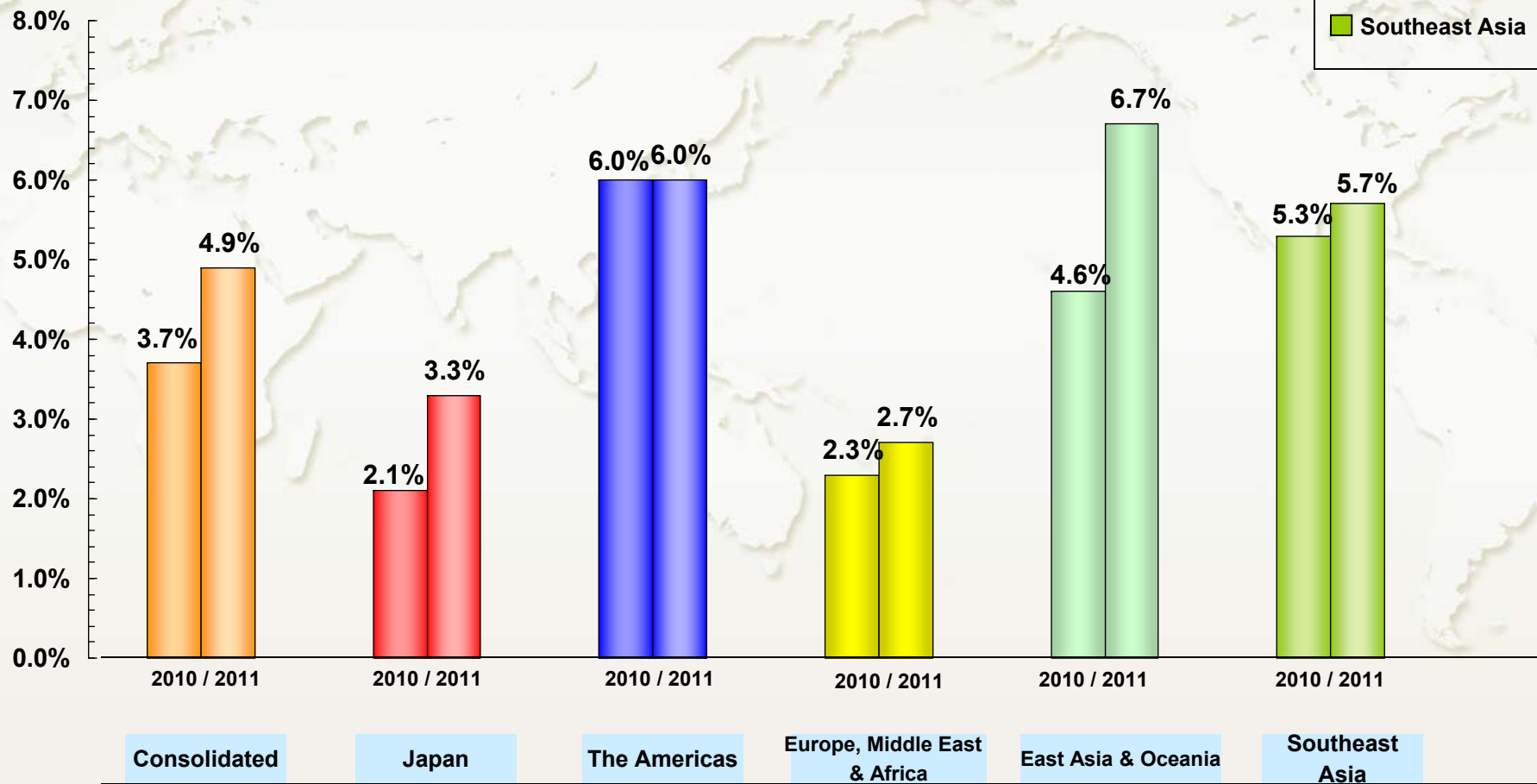


※ The "1st 6 months of FY" refers to the April-September results for KWE Japan and the January-June figures for all other Japanese and overseas subsidiaries.

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

Operating Margins by Region

Six months ended September 30
2010 and 2011



Highlights by Region

■ Japan

- Year over year, air freight exports declined 13.7% and imports fell 4.7%.
- Negative impact of fuel surcharges increased to ¥270 million from prior period of ¥210 million.
- Earnings for domestic subsidiaries were in line with targets.

■ The Americas

- Contributions from shipments of electronics- and medical-related products held steady, greater expansion of sea freight forwarding, and solid earnings from Canadian subsidiary.

■ Europe, Middle East & Africa

- Solid air freight exports in combination with minimal increase in freight costs. Sales of sea freight and logistics rose.

■ East Asia & Oceania

- Decline in cost ratio resulting from reduced demand for freight services more than offset lower volume of air exports.

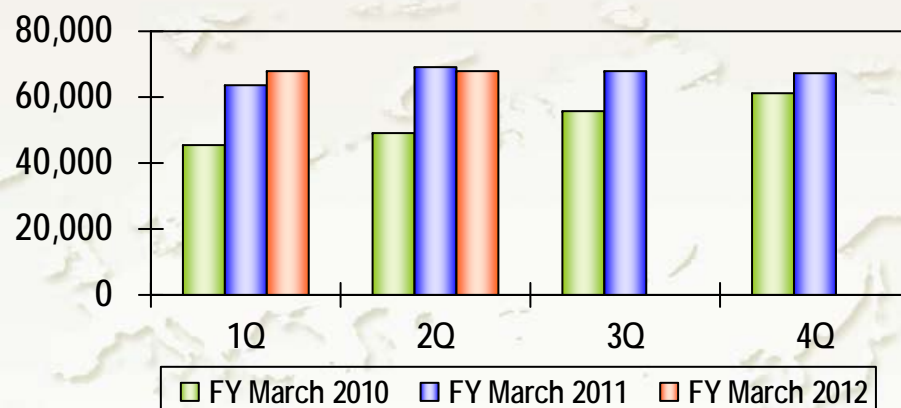
■ Southeast Asia

- The volume of spot freight for flat-screen TVs increased in the first three months, but has leveled off.

Consolidated Operating Results by Quarter

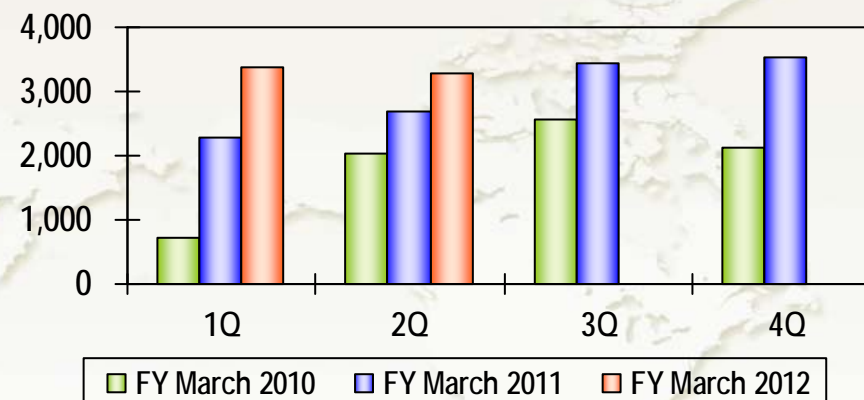
(Millions of yen)

Consolidated Net Sales by Quarter



(Millions of yen)

Consolidated Operating Income by Quarter



(百万円)

Net sales	1Q	2Q	3Q	4Q
FY ended March 2010	45,468	49,273 (94,741)	55,993 (150,734)	61,102 (211,836)
FY ended March 2011	63,587	69,324 (132,912)	67,772 (200,684)	67,004 (267,688)
FY ending March 2012	67,923	68,111 (136,034)	- (-)	- (-)
Operating income	1Q	2Q	3Q	4Q
FY ended March 2010	727	2,046 (2,773)	2,565 (5,338)	2,113 (7,451)
FY ended March 2011	2,266	2,675 (4,942)	3,427 (8,369)	3,530 (11,898)
FY ending March 2012	3,382	3,278 (6,660)	- (-)	- (-)
Ordinary income	1Q	2Q	3Q	4Q
FY ended March 2010	816	2,111 (2,927)	2,749 (5,676)	2,356 (8,032)
FY ended March 2011	2,461	2,938 (5,399)	3,580 (8,979)	3,852 (12,831)
FY ending March 2012	3,668	3,418 (7,086)	- (-)	- (-)

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

Consolidated Earnings Forecast for FY Ending March 2012

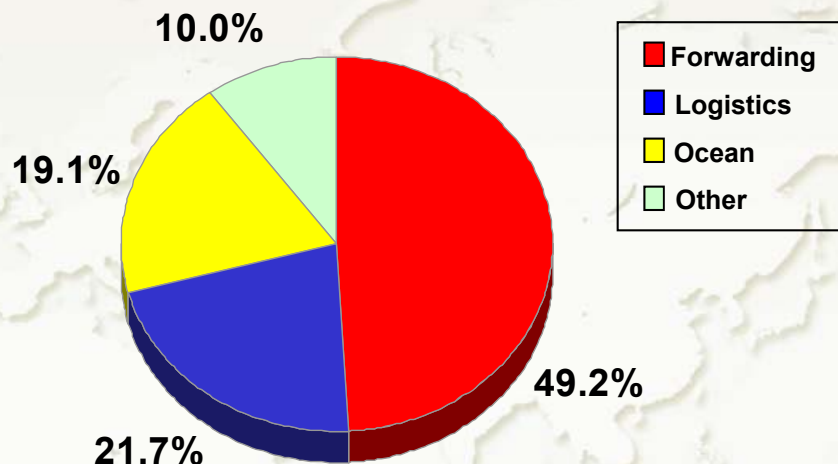
– The Second Year of the Medium-Term Management Plan

(Millions of yen)

Item	FY ended March 2011 (Results)		FY ending March 2012 (Forecasts)	
		Yr over Yr (%)		Yr over Yr (%)
Net sales	267,688	26.4	272,000	1.6
Gross profit	40,842	13.1	44,713	9.5
Operating income	11,898	59.7	13,300	11.8
Ordinary income	12,831	59.7	14,000	9.1
Income before income taxes and minority interests	12,676	66.9	13,870	9.4
Net income	7,880	72.4	9,200	16.7

Consolidated Net Sales Forecast by Service Type & Region for FY Ending March 2012

Net Sales by Service Type

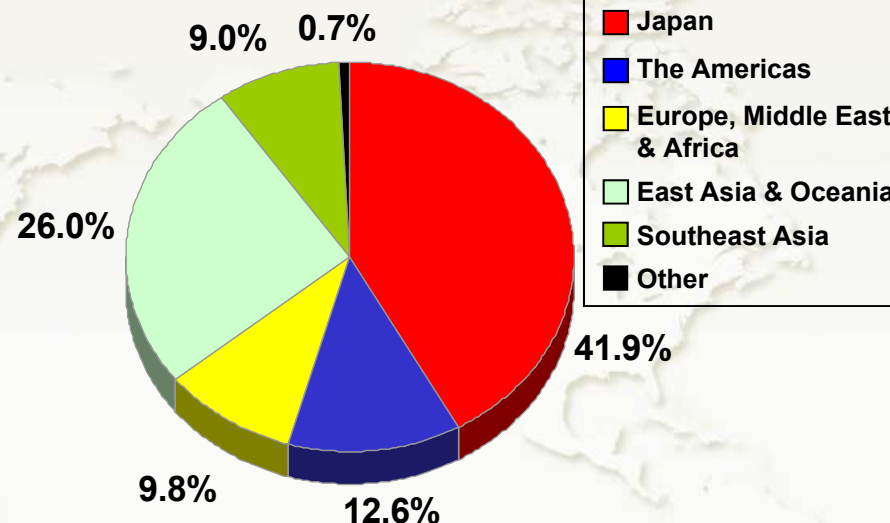


FY ending March 2012 (Forecast)

(Millions of yen, %)

Service Type		FY ending March 2012 (Forecast)	
		Net sales	Composition
Freight transportation	Forwarding	133,800	49.2%
	Logistics	59,000	21.7%
	Ocean	52,000	19.1%
	Other	27,200	10.0%
Total		272,000	100.0%

Net Sales by Region



FY ending March 2012 (Forecast)

(Millions of yen)

Region	FY ending March 2012 (Forecast)	
	Net sales	Operating income
Japan	116,000	3,880
The Americas	35,000	2,170
Europe, Middle East & Africa	27,000	650
East Asia & Oceania	72,000	4,980
Southeast Asia	25,000	1,400
Other	2,000	250
Adjustment	△5,000	△30
Total	272,000	13,300

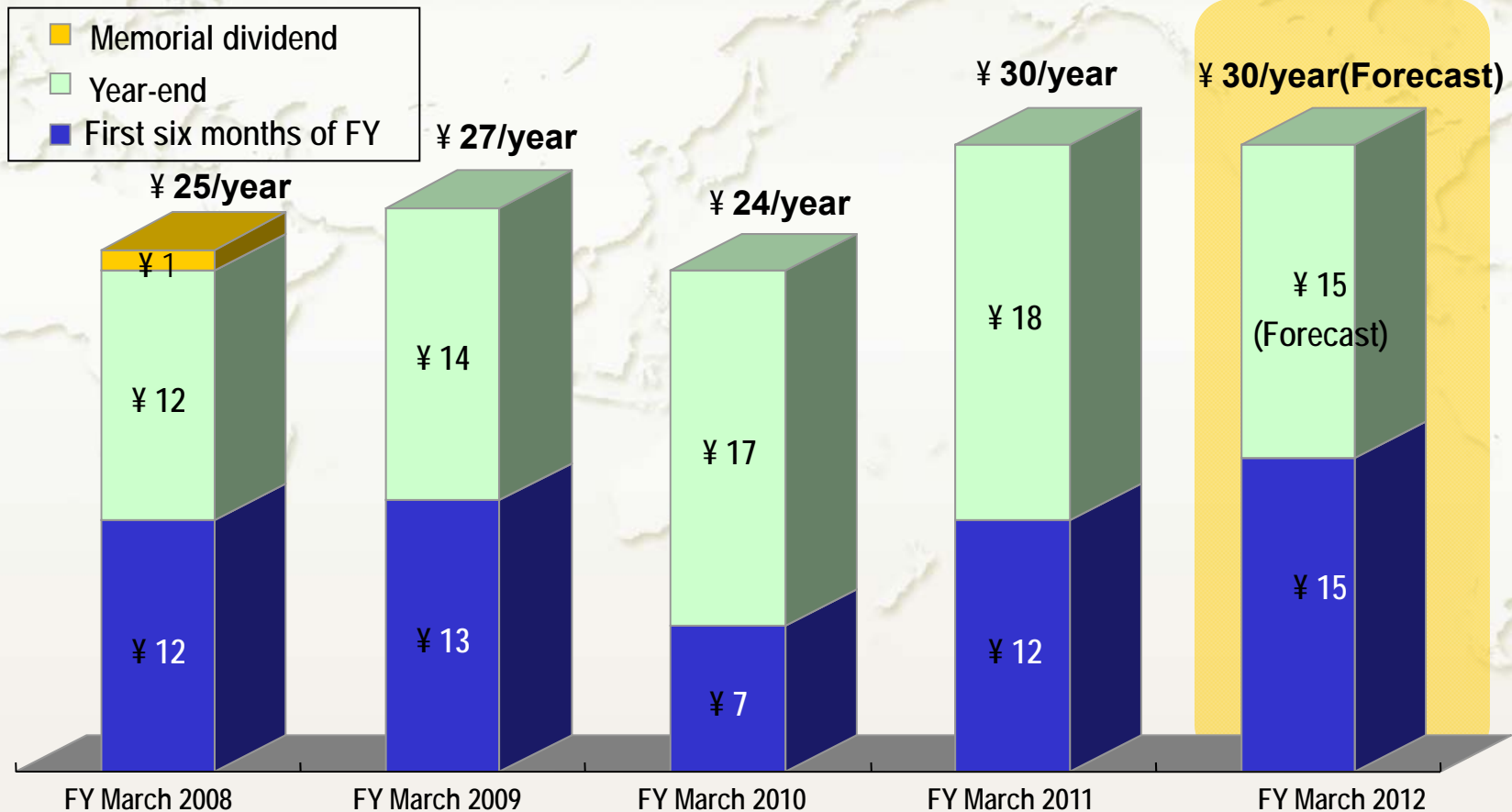
Dividends

Current goal is 30% of non-consolidated net income



Future goal is 20% of consolidated net income

Stable dividend for shareholders



* Memorial Dividend for FY ended March 2008 was in celebration of the company's 60th year in business.



Business Expansion Strategies

(Measures for sustaining future growth)

- 1. Business Development in China**
- 2. Expand Business in Emerging Countries**
- 3. Volume Trends**
- 4. Global Business Leadership Training**

Outline of “Ready for the Next!”

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

Targets by March 2013

Consolidated net sales: 322 billion yen (+50% from FY ended March 2010)

Revised from the original target on May 11, 2011

Consolidated operating income: 15 billion yen (+100% from FY ended March 2010)

Consolidated ordinary income: 15 billion yen (+90% from FY ended March 2010)

Consolidated operating margin: 4.7% (1.2% improvement over FY ended March 2010)

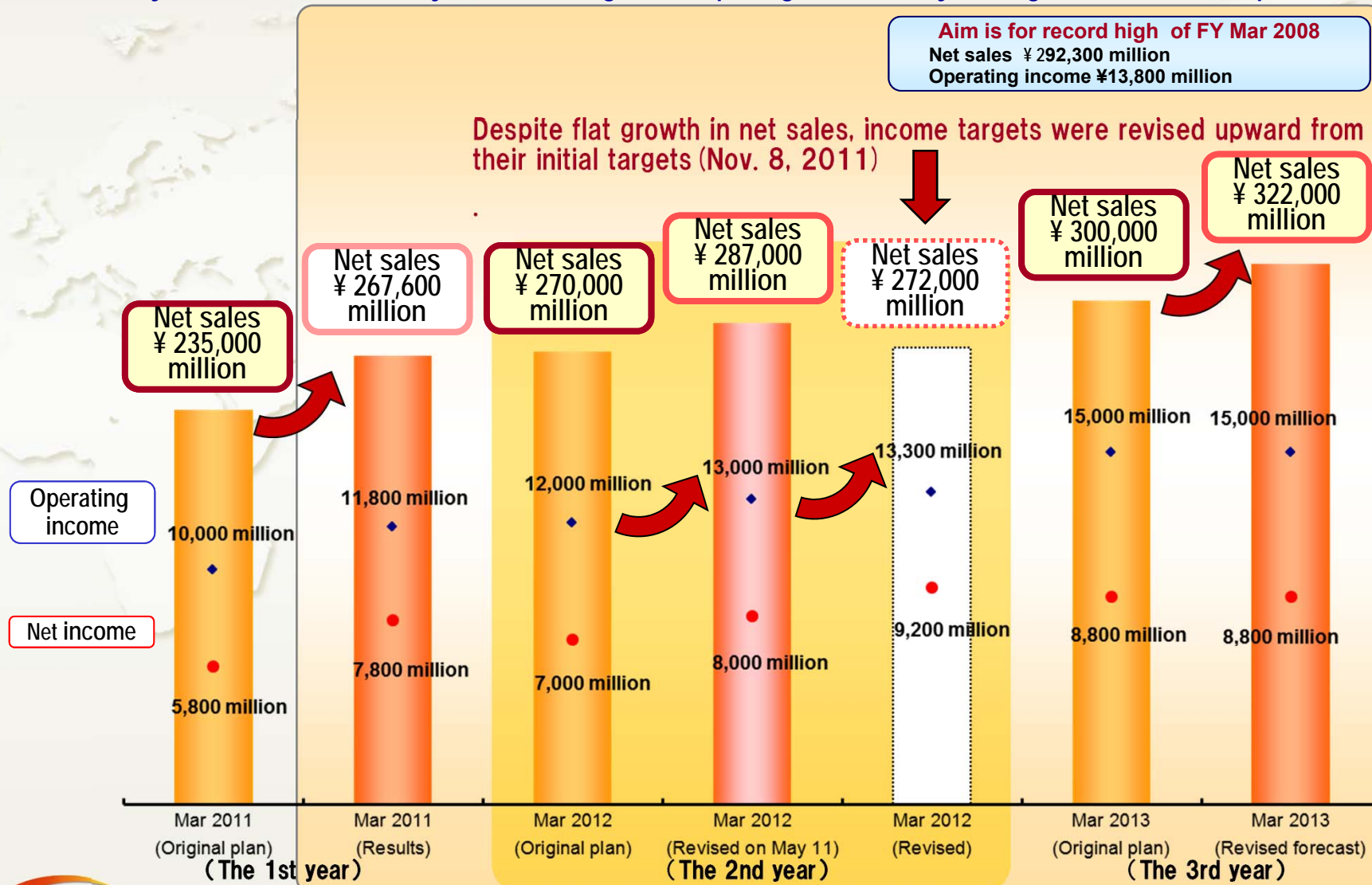
Management Strategy

1. Create a Strong Asia (focused investment of management resources)
2. Sell a Strong Asia (create a sales structure that fosters competition)
3. Strengthen core competencies (human resources, quality, IT)
4. Ensure thorough compliance and strengthen a management system for the environment

Outline of “Ready for the Next!”

Basic Numerical Targets (Consolidated, Three Years)

- The first-year results substantially exceeded targets, compelling the second year targets to be revised upward.



Business Development in China (1)

– Creating a Strong Asia, Selling a Strong Asia –

Accelerate expansion of service infrastructure in China including inland areas

◆ Establish administrative headquarters in China: Kintetsu World Express (China) Co., Ltd., (KWE China)

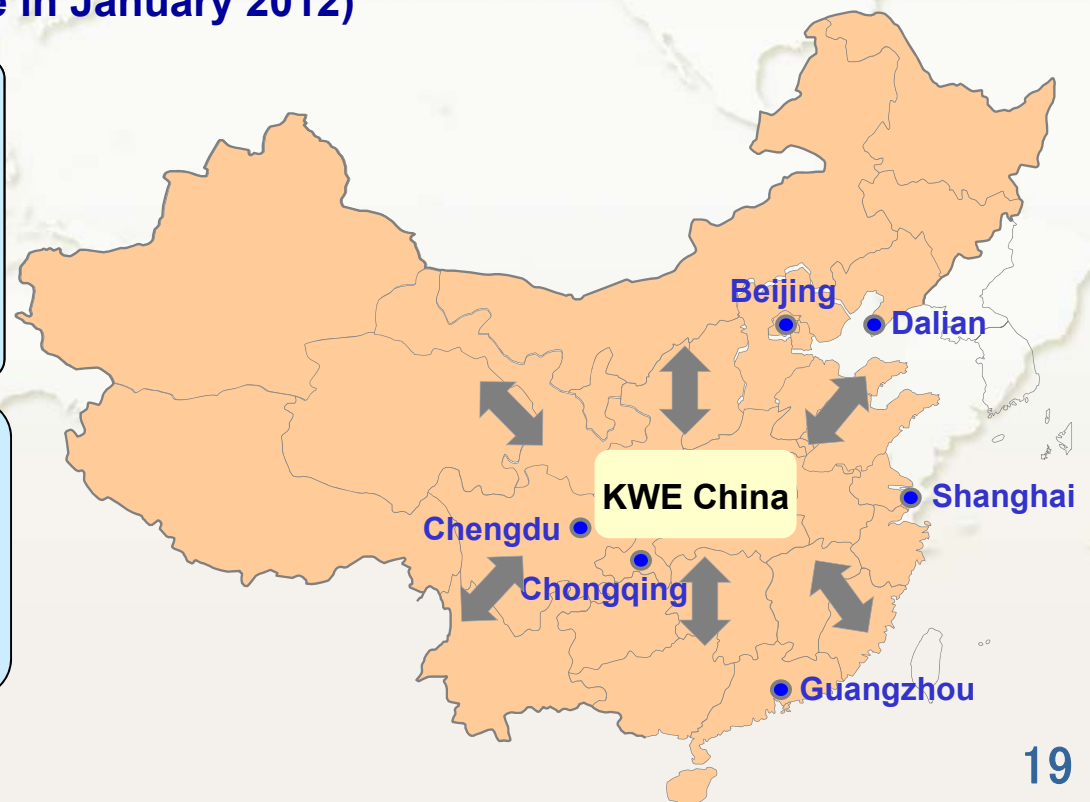
Shanghai Kintetsu World Express Co., Ltd., which was founded in May 2010, was renamed Kintetsu World Express (China) Co., Ltd., and will control major Chinese subsidiaries except in Hong Kong. (Expected starting date in January 2012)

– Objective –

Handle further growth in the number of local subsidiaries as the group's network expands inland and the company enters other bonded areas in China

KWE China
(As of September 30, 2011)

■ 17 subsidiaries	■ 58 warehouses
■ 47 cities	(Total area 387,874m ²)
■ 113 locations	■ 961 trucks



Business Development in China (2)

– Creating a Strong Asia, Selling a Strong Asia –

◆ Inland Expansion

Move forward with the transfer of production bases from coastal areas to inland

⇒ Establish joint ventures in both Chongqing and Chengdu

Provide a wide range of logistics services, such as regular bonded truck shipments connecting coastal areas with inland area logistics.

● Chongqing :

Chongqing KG International Logistics Co., Ltd. (established June 2011)

Shareholders' Ratio :

Chongqing Highway Transportation Group Co., Ltd. 51%

Kintetsu World Express, Inc. 49%

● Chengdu :

Chengdu Jinda Logistics Co., Ltd (established July 2011)

Shareholders' Ratio :

Shanghai Kintetsu World Express Co., Ltd. 50%

Qingdao Bondex Logistics Co., Ltd. 50%

◆ Strengthen expansion in southern China

Kintetsu World Express (Guangzhou) Limited has started.
(November 2011)

- Create an integrated management structure for southern Chinese subsidiaries (Shenzhen, Xiamen, Zhongshan, etc.) in order to provide greater flexibility for our customers' needs, particularly those related to logistics.



Expand Business in Emerging Countries (1)

— Creating a Strong Asia, Selling a Strong Asia —

Strengthen logistics sales in Asia

India

Expand and upgrade existing service infrastructure to support increases in logistics business

- May 2011: Opened **Noida Warehouse** (7,618 m²)
- Oct. 2011: Opened **Manesar Warehouse** (6,694 m²)

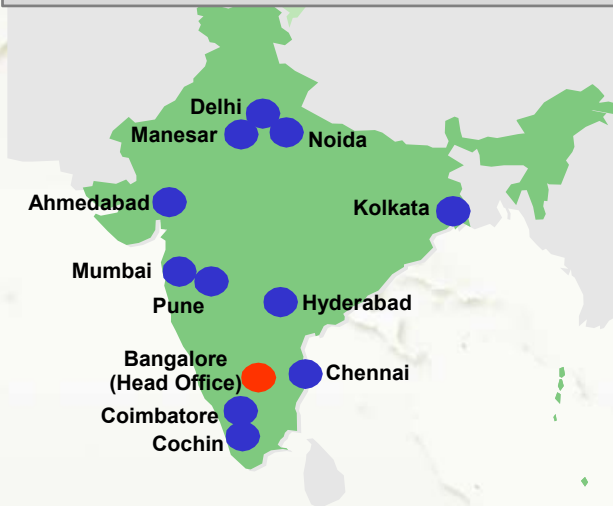
Both warehouses mainly handle automobile-related products



Noida Warehouse



KWE India : 20 locations
7 warehouses (Total area 22,700m²)



Thailand

• **Kintetsu Logistics (Thailand)Co.,Ltd** (established February 2011, started June)
A logistics company which handles mainly electronics and automobile-related products

• **KWE-Kintetsu World Express(Thailand)Co.,Ltd**

A new company established in June 2011 through the merger of KWE Thailand and TKK Logistics to capitalize on the synergy created by them.



Navanakorn Warehouse

Expand Business in Emerging Countries (2)

— Creating a Strong Asia, Selling a Strong Asia —

Indonesia

- **PT.Kintetsu Logistics Indonesia** established (September 2011)
- ⇒ **Scheduled to begin logistical operations in April 2012**



PT.Kintetsu World Express Indonesia

Riyadh HQ, KWE Saudi Arabia



Middle East

- **KWE Saudi Arabia** (established May 2010)
- **Project Cargo Japan, Inc.** (established July 2011)



⇒ **Aims to expand the freight business in the petroleum industry**

Volume Trends

Forecast demand for air freight by International Air Transportation Association (IATA) and KWE results

● International Air Transportation Association (IATA) revised downward its forecast of demand for air cargo in September 2011

• 5.5% year over year (initial forecast)  1.4%

● KWE results

Preliminary figures for overseas (Jan. — Sept.) and KWE Japan (Apr. — Sept.)

• Air freight exports: -2.0% year over year (initial forecast: 20%)

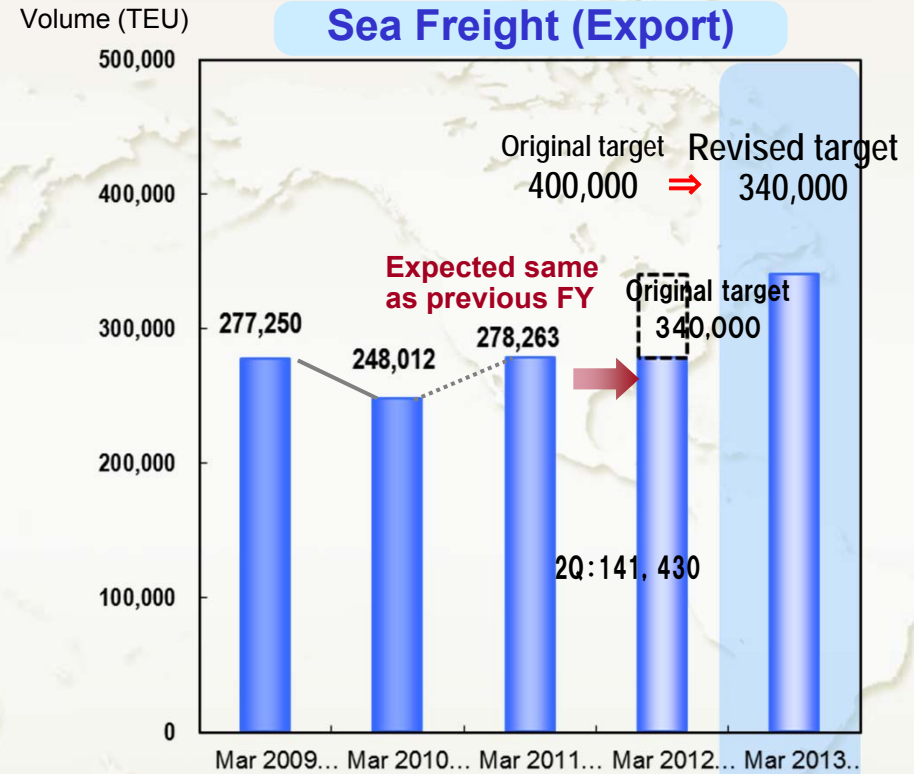
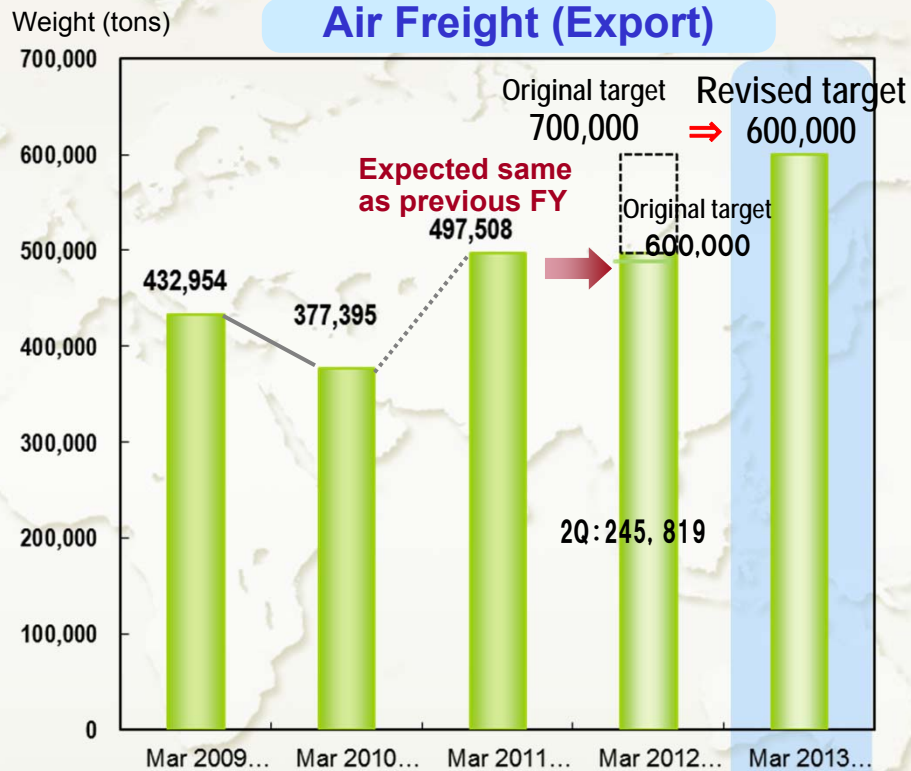
• Sea freight exports: 7.0% year over year (initial forecast: 22%)

 Volume target for the entire group was revised downward taking into consideration current conditions.

Group-wide Volume Targets

—Group-wide volume targets—

※FY Mar 2013 targets were revised downward after taking into consideration the volume results of 1st six month of FY Mar 2012



Air freight forwarding

- ◆ Intensify arrangements with major air freight companies
⇒ Lower operating costs
- ◆ Expand offshore business (forwarding services between countries other than Japan)
- ◆ Seek new customers among European, the U.S., Asian and Japanese global companies

Sea freight forwarding

- ◆ Expand freight volume to/from Asia
- ◆ Seek new customers among European, the U.S., Asian and Japanese global companies
- ◆ Bolster global procurement and control transporting cargo space
- ◆ Effectively leverage external resources (M&As, business alliances, etc.)

Global Business Leadership Training

Train executive candidates selected from Group-wide pool; promote diversity

- The first-ever Global Business Leadership Training was held in Tokyo in July 2011. Eleven people from nine countries participated and understood KWE's DNA and learned practical management methods such as strategy, marketing, and financial accounting. Continue to regularly conduct the training

⇒ Aims to put the right person in the right place in the group by making human resources visible and pooling information.



Headquarters Relocation

Relocation Objectives

- Eliminate cramped office space
- Reduce costs
- Improve internal communication
- Create a work environment befitting a global company

First day of use: November 28, 2011



Headquarters location:

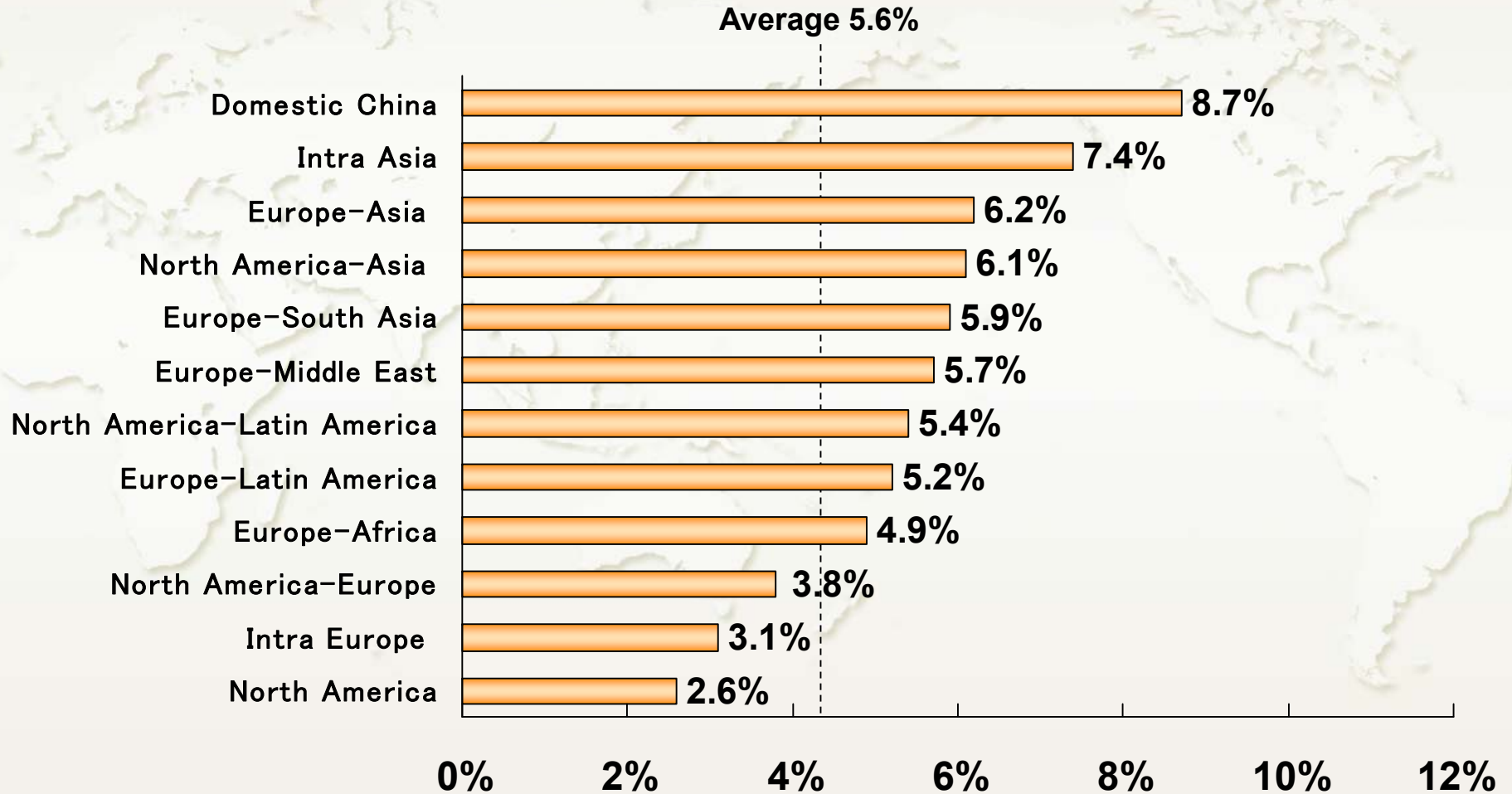
**Shinagawa Intercity (Building A, 24F), 2-15-1 Konan, Minato-ku, Tokyo,
108-6024 (direct connection to the Konan exit of Shinagawa Station)**



Supplemental Materials

World Air Cargo Demand Forecasts

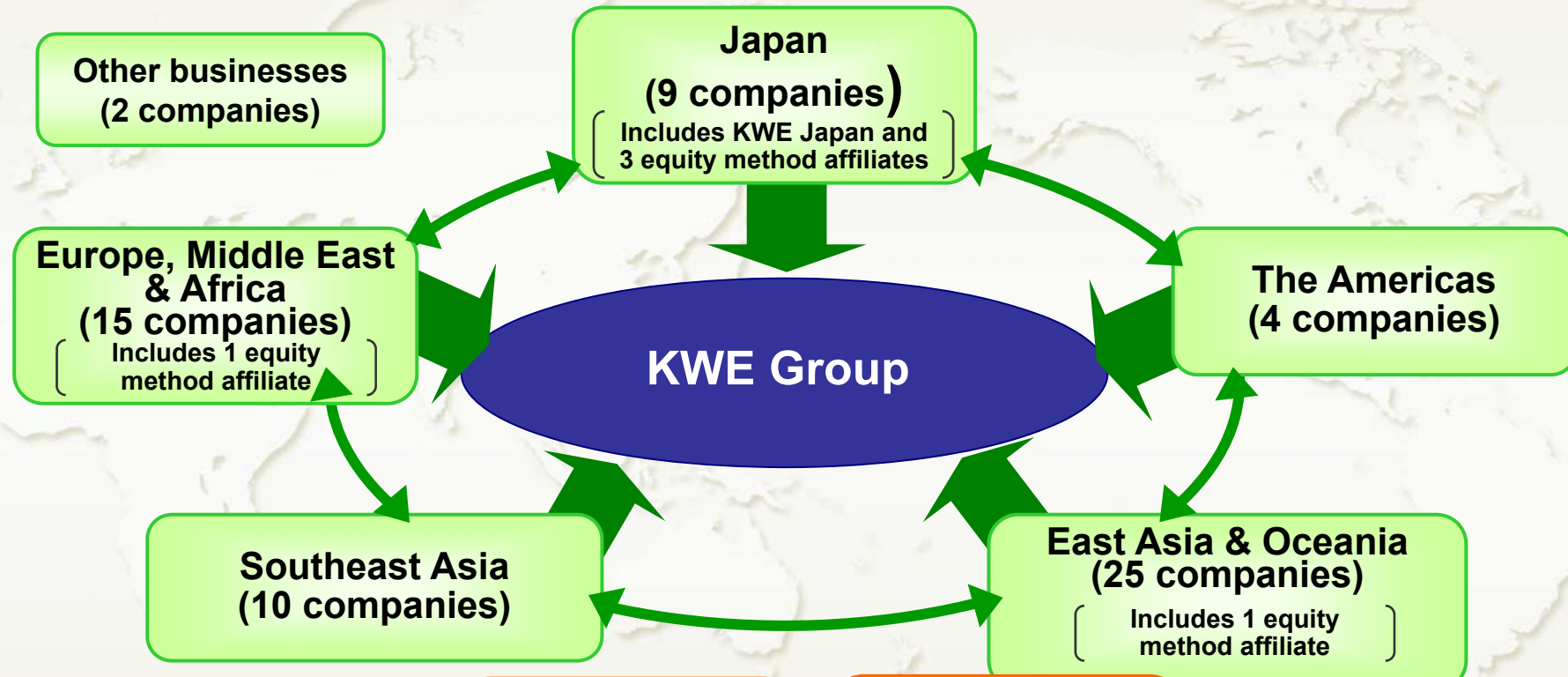
Annual Growth Forecast (2011 – 2030)



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KWE Group's Worldwide Five Regional Management System

32 overseas countries, 195 cities, 315 locations (as of September 30, 2011)



Logistics facilities
144 locations overseas (922,534 m²)
33 locations in Japan (207,474 m²)

Acquired ISO 9001 certification
(21 subsidiaries including Japan)

Acquired ISO 14001 certification
(13 locations worldwide including the Narita Terminal)

Acquired TAPA certification
(18 locations worldwide including the Narita Terminal)

Recent Events

New companies

- June** Established joint venture with Chongqing KG International Logistics Co., Ltd., in Chongqing, China
- July** Established joint venture with Chengdu Jinda Logistics Co., Ltd., in Chengdu China
- September** Established PT. Kintetsu Logistics Indonesia, in Indonesia

Overseas service structure

- May** India subsidiary opened the Noida warehouse
- September** Ireland subsidiary obtained AEO certification
- October** India subsidiary opened the Manesar warehouse

Other

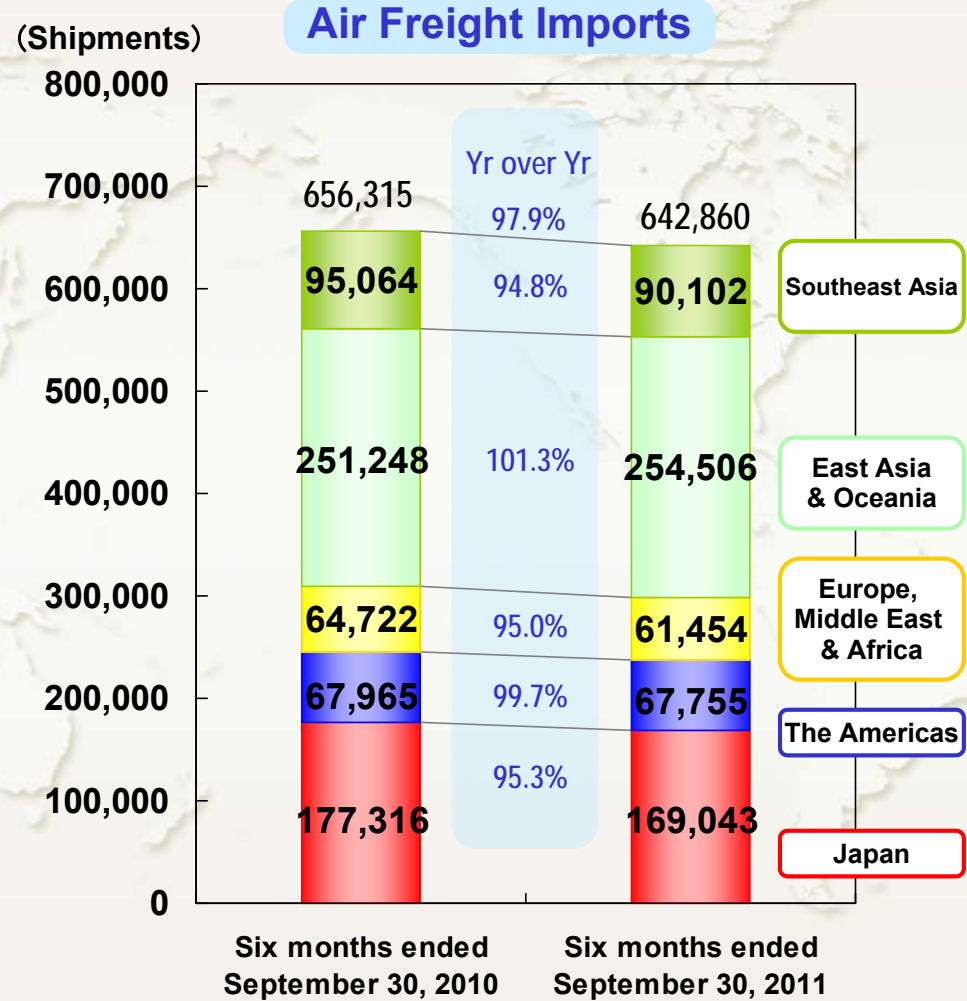
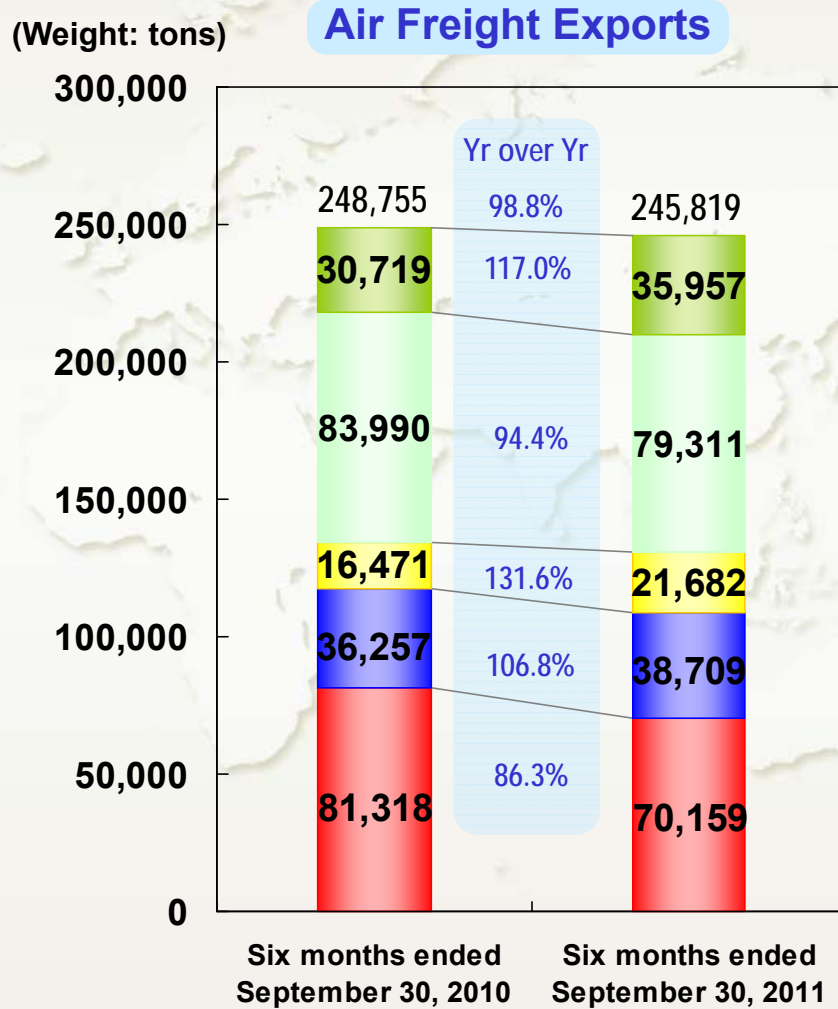
- July** Established Project Cargo Japan, Inc. (PCJ), a joint venture with Hitachi Transport System
- August** Issued CSR Report 2011
- October** Shanghai Kintetsu World Express Co., Ltd. name changed to Kintetsu World Express (China) Co., Ltd., controlling 11 KWE Group subsidiaries in China excluding Hong Kong.
- November** Headquarters relocated to Shinagawa (November 28)

Non-consolidated Balance Sheets

(Millions of yen)

	March 31, 2011	September 30, 2011	Change
Assets:			
Current assets	29,371	29,791	420
Property and equipment	22,631	22,303	△327
Intangible fixed assets	689	665	△24
Investments and other assets	13,702	13,067	△635
Total assets	66,394	65,828	△566
Liabilities:			
Current liabilities	20,609	19,177	△1,432
Long-term liabilities	4,284	4,268	△15
Total liabilities	24,894	23,445	△1,448
Net assets:			
Total net assets	41,500	42,382	881
Total liabilities and net assets	66,394	65,828	△566

Freight Volume by Region

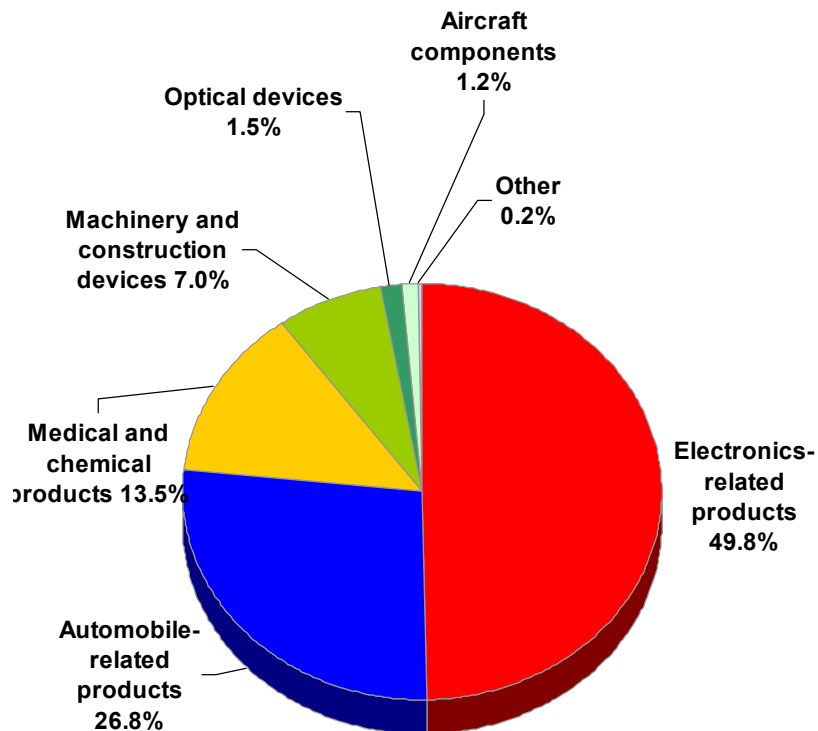


* The interim reporting period ended September 30 comprises the April through September results for KWE Japan and the January through June results for all other Japanese and overseas subsidiaries.

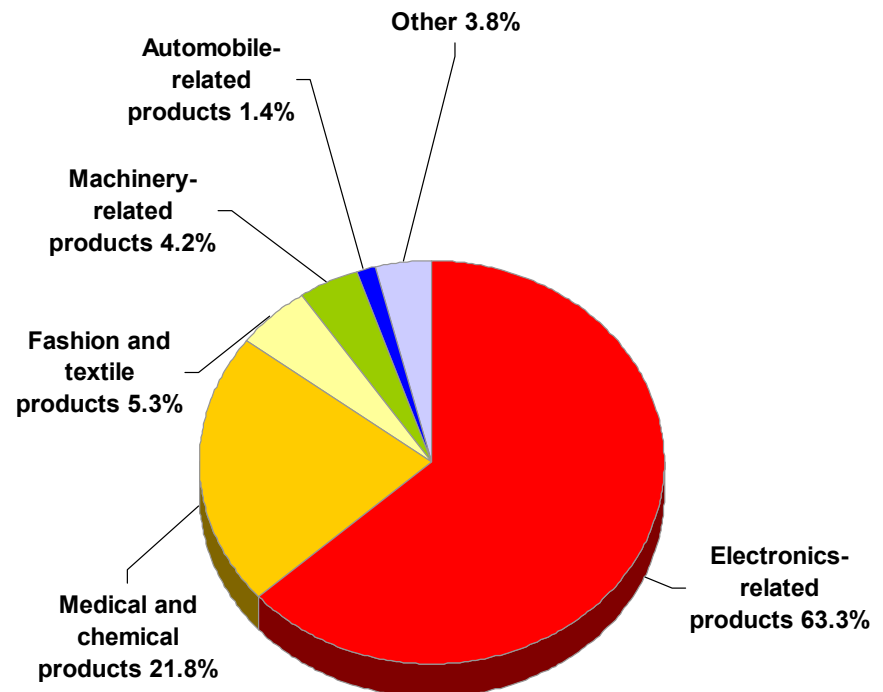
Items Handled – (1) (Non-Consolidated: Air Freight)

— Based on net sales of top 100-ranked companies —
Air freight composition

KWE Japan's Air Freight Export Composition,
Six months ended September 30, 2011



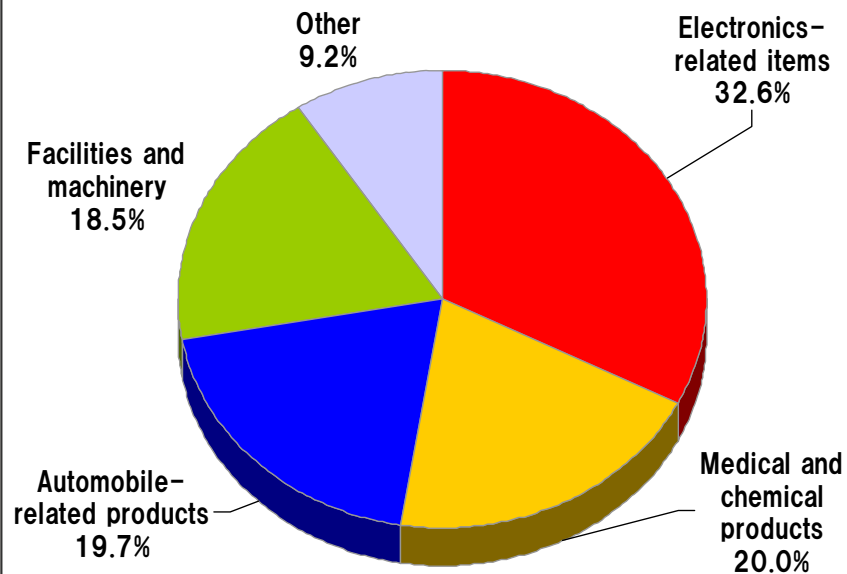
KWE Japan's Air Freight Import Composition,
Six months ended September 30, 2011



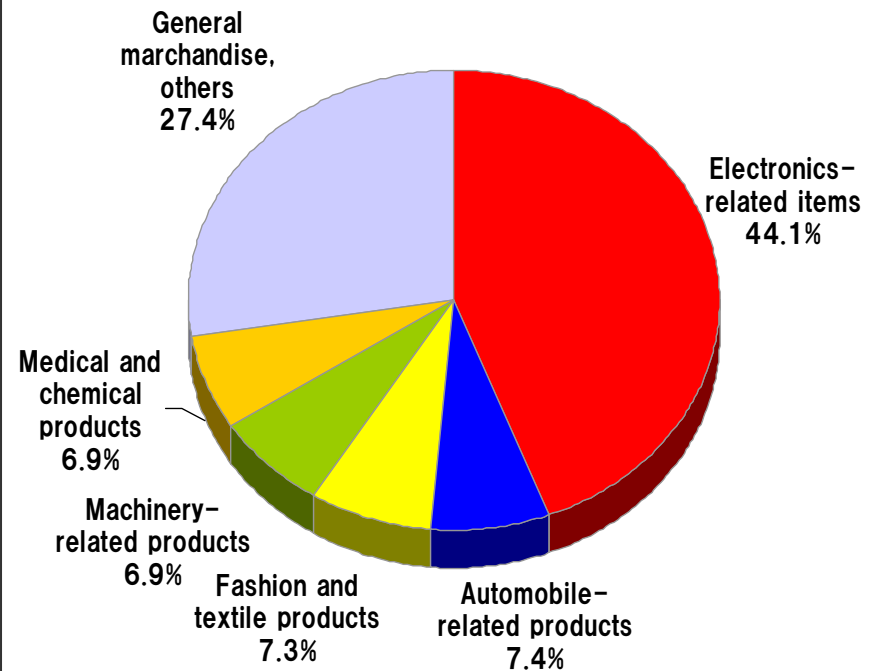
Items Handled – (2) (Non-Consolidated: Sea Freight)

— Based on net sales of top 100-ranked companies —
Sea freight composition

KWE Japan's Sea Freight Export Composition,
Six months ended September 30, 2011



KWE Japan's Sea Freight Import Composition,
Six months ended September 30, 2011





Global Logistics Partner

Kintetsu World Express, Inc.

Website: <http://www.kwe.co.jp/en/index.html>

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