

New Medium-Term Management Plan: “Ready for the Next!”
(FY ending March 2011- FY ending March 2013)

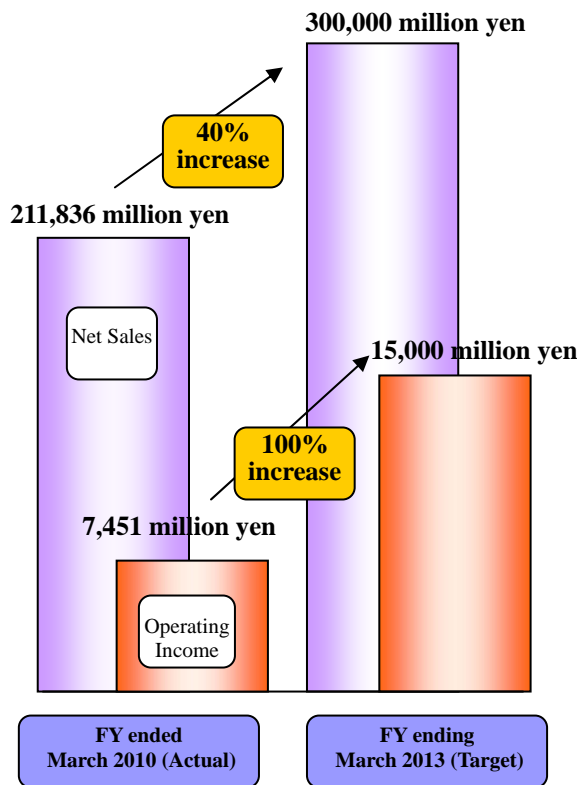
Kintetsu World Express, Inc. (KWE) announces that it has established its New Medium-Term Management Plan — “Ready for the Next!”— for the period from the fiscal year ending March 2011 through the fiscal year ending March 2013.

■ Outline of the New Medium-Term Management Plan ■

Targets by March 2013

Net Sales
300,000 million yen

Operating Income
15,000 million yen



Vision

- 1. Increase corporate and shareholder values by establishing partnerships with customers**
- 2. Provide reliable services and customer satisfaction all over the world as a Global Logistics Partner**

Basic Philosophy

- 1. Construct a balanced management structure**
- 2. Improve competitiveness in the global market**

Management Strategy

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

< Basic Philosophy Underlying New Medium-Term Management Plan >

Considering the management conditions faced by the Group, KWE established a new medium-term management plan titled “Ready for the Next!” which outlines the form the KWE Group should take.

We called on middle management and younger employees to participate in the planning process as we created a roadmap for KWE. This included discussing problems faced on a daily basis and their ideas for the future.

“Ready for the Next!” management plan, which covers from April 2010 to March 2013, is designed to build a strong corporate structure that will enable KWE to compete on an even footing with global competitors in the turbulent economic conditions. We based this plan on corporate traditions which emphasize “the ability to think on one’s feet,” “the ability to work with tenacity and enthusiasm,” and “the pioneer spirit to be the No. 1 in the industry with a positive attitude and speed.” We will also continue to adhere to the idea of “customer intimacy” (providing maximum value to customers), which is a fundamental part of the KWE Grand Design for the 21st Century, the long-term management plan formulated in 2002.

The “Ready for the Next!” management plan involves “Creating a Strong Asia” and “Selling a Strong Asia.”

The first step, “Creating a Strong Asia,” entails focused investment of management resources in improving the functions of our Asian distribution bases and further strengthening of our network. We will implement the following five major policies to do this: First, in China, where we have a well-developed bases and facilities, we will thoroughly improve our bonded logistics functions. Second, we will strengthen our logistics functions in Asia, building a distribution network that covers all of Asia. Third, we will work to get a head start on competitors into emerging countries in response to the “China plus one” strategy adopted by customers. Fourth, by strengthening our logistics functions in the Americas (the largest consuming region in the world), we plan to take the lead in Pacific Rim transportation, which is expected to expand as the economy recovers in earnest. And fifth, we will expand our ocean freight-related services with the goal of making ocean freight forwarding a core business.

Next, “Selling a Strong Asia” involves expanding our air and ocean freight volume between Asia and Japan, Asia and the Americas, and Asia and Europe, as well as within Asia. This will create a structure for the entire Group to sell our “Strong Asia” on the global market.

The KWE Group considers human resources, quality, and IT to be its core competencies when pursuing these management strategies. We will continuously work to improve them to establish a competitive edge.

In addition, a Group-wide effort will be made to ensure thorough compliance and to strengthen management systems for the environment.

The “Ready for the Next!” plan, which outlines an Asia-based global strategy, seeks to create a more balanced management system through improving the business portfolio of the Group. The plan also seeks to optimize the entire KWE Group as a whole to strengthen the Group competitiveness in

the global market. As outlined in the KWE Grand Design for the 21st Century, our goals are to increase corporate and shareholder values by establishing partnerships with customers and to provide reliable services and customer satisfaction all over the world as a Global Logistics Partner.

Achievement Targets

1. Plan Period

Three years from April 2010 to March 2013

2. Targets of Final Year (Fiscal year ending March 2013)

Net Sales: 300,000 million yen

Operating Income: 15,000 million yen

(Millions of yen, except for the growth rate)

	2010/3	2011/3	2012/3	2013/3	Average annual growth rate over three years
Net Sales	211,836	235,000	270,000	300,000	12.3%
Operating Income	7,451	10,000	12,000	15,000	26.3%
Ordinary Income	8,032	10,000	12,000	15,000	23.1%
Net Income	4,570	5,800	7,000	8,800	24.4%

<Management Strategy and Major Policies>

1. Create a Strong Asia (focused investment of management resources)

Improve Asian distribution bases to further strengthen our network. Strengthen logistics and ocean freight forwarding businesses in Asia for a balanced business portfolio of the Group as a whole.

(1) Secure a position of absolute advantage in bonded logistics business in China

- Aggressive investment in bonded areas in China
- Establish a new subsidiary in the Shanghai Pudong International Airport Comprehensive Bonded Area
- Greater South China Concept: Expand business through integrated operation of subsidiaries in Southern China

(2) Construct a distribution network that covers all of Asia

- Strengthen warehouse businesses and logistics functions in Korea, Taiwan, the Philippines, India, and Thailand

(3) Get a head start on competitors to enter into emerging countries (coping with our customers' "China plus one" strategies)

- Begin operating in Bangladesh
- Consider entering Cambodia and Myanmar

(4) Improve logistics functions in the American consumer market

- Strengthen logistics functions
- Create a structure for expanding Pacific Rim transportation

(5) Make ocean freight forwarding a core business

- In addition to the NVOCC business, work on supplementary services such as CFS, warehousing, and buyer's consolidation, etc.

2. Sell a Strong Asia (create a sales structure to compete with global competitors)

Create a structure for the Group as a whole to sell a "Strong Asia" in the global market with the goal of expanding our air and ocean freight volume between Asia and Japan, Asia and the Americas, and Asia and Europe, as well as within Asia.

(1) Expand freight volume by strengthening logistics functions

- Expand the freight volume between Asia and Japan, Asia and the Americas, and Asia and Europe
- Expand the freight volume within Asia

(2) Strengthen competitiveness by raising productivity

- Strengthen buying power
- Standardize operations

(3) Engage in sales in a way that accurately reflects customer needs

- Have personnel exchanges based on sales strategies
- Conduct proactive efforts in logistics services between countries other than Japan

(4) Share customer information across the entire Group organization

- Construct long-term stable relationships with customers

3. Strengthen core competencies (human resources, quality, IT)

Position human resources, quality, and IT as our core competencies as pursuing overall management strategies. Work continuously to improve them to establish a competitive edge.

(1) Construct and implement a global personnel system

- Select, train, and hire executive candidates on a Group-wide basis, and promote diversity
- Implement global hiring for specified purposes

(2) Improve service quality all over the world

- Use numerically-based quality control to increase employee awareness of quality and to increase customer satisfaction

(3) Strengthen global IT functions

- Enrich and strengthen internal infrastructure supporting global sales

4. Ensure thorough compliance and strengthen a management system for the environment

- Instill a keen awareness of compliance throughout the Group
- Strengthen a Group management system for the environment