

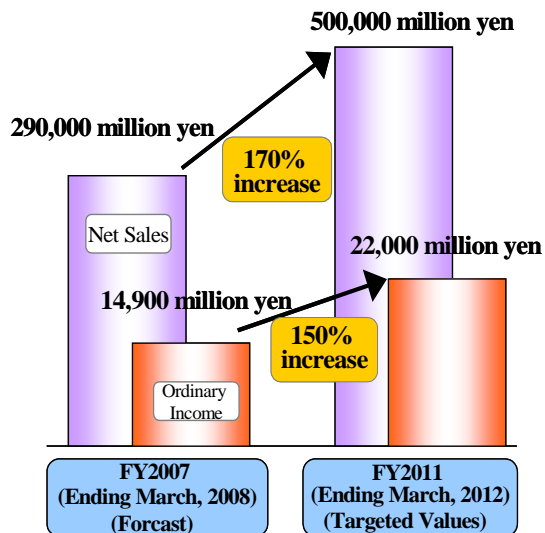
< Phase III Medium Term Management Plan (4-Years) >

Kintetsu World Express, Inc.(KWE) announces that it has established its Phase III Medium Term Management Plan for a 4-year period from FY2008 (ending March,2008) until FY2011(ending March,2012).

■ Outline of Phase III Medium Term Management Plan ■

Achievement Targets by FY2011

Net Sales
500,000 million yen
Ordinary Income
22,000 million yen



Target Corporate Image

1. A Global Logistics Partner providing high-quality, one-stop services.
2. Establishing ourselves as the Trans-Pacific Leader

Basic Policies

1. Expand freight volume within Asia and Pacific Rim.
2. Strengthen functions as a comprehensive freight forwarder.
3. Expand into emerging markets.
4. Business Alliance and M&A implementation to support growth strategies.
5. Transform into a truly global company.

< Basic Philosophy Behind the Phase III Medium Term Management Plan >

KWE, to ensure its superior position among industry competitors for global markets established “The KWE Grand Design for the 21st Century” in November 2002. This design sets forth the group’s envisaged corporate image, business visions and growth scenarios. In FY2008 the Third Stage Medium Term Management Plan will be launched with the ultimate aim of achieving business revenues of 500,000 million yen.

This plan, as an ongoing embodiment of the basic principles stated in the “The KWE Grand Design for the 21st Century”, aims to firmly establish KWE’s position as a “Global Logistics Partner” that provides high-quality, one-stop services and establishes KWE as the “Trans-Pacific Leader” within the industry. To realize these aims, the following basic strategies will be implemented.

Through optimum utilization of the strengths of the KWE group, KWE will expand the volume of freight within Asia and Pacific Rim. Aiming to be a comprehensive freight forwarder that reliably and fully satisfies any client’s needs, KWE will further strengthen both its logistics services as well as its ocean and overland transport operations. Further, by expansion into rapidly emerging markets such as Russia, Central and Eastern Europe, India and others, KWE will ensure that it has a revenue base for future growth. In addition those strategies, for the purposes of both pursuing business synergies and expanding operational content, KWE will actively involve itself in both business tie-ups and other M&A activities. Finally, with the aim of transforming into a truly global company, KWE will create a corporate culture that is unique.

To increase corporate value the KWE group is endeavoring to situate itself as a “Global Logistics Partner” that is able to fully satisfy all of our clients present and future needs. In addition KWE, to establish business strategies and management infrastructure for next generation growth in order to achieve the targets it has set forth for the final fiscal year of the “The KWE Grand Design for the 21st Century”.

Achievement Targets

1. Plan Period

Four years from FY2008 (ending March, 2009) to FY2011 (ending March 2012).

2. Basic Targets (By FY2011 (ending March 2012))

- 1) Net Sales : 500,000 million yen (Within this figure, 50,000 million yen growth is forecast from M&A)
- 2) Operating Income : 22,000 million yen (Within this figure, 2,000 million yen growth is forecast from M&A)
- 3) Ordinary Income : 22,000 million yen (Within this figure, 2,000 million yen growth is forecast from M&A)

(Note) In respect of the forecast growth from M&A, as net sales of 50,000 million yen, and operating income and ordinary income of 2,000 million yen, the forecast figures are only included in the last fiscal year (ending March, 2012).

Unit: Million yen	FY2007	FY2008	FY2009	FY2010	FY2011	Growth average over 4 years
Net Sales	290,000	320,000	360,000	400,000	450,000	11.6%
Operating Income	14,300	16,000	18,000	19,000	20,000	8.7%
Ordinary Income	14,900	16,000	18,000	19,000	20,000	7.6%
Net Profits	8,700	9,300	10,500	11,000	11,600	7.5%

< Basic Strategies and Important Measures >

1. Expand of Freight Volume Within Asia and the Pacific Rim

1) Further expansion of business in the Chinese market

Ongoing expansion of distribution facilities and KWE's independently owned domestic truck network with a vision to establishing a network of 200 business locations.

2) Expansion of freight volume transported from Asia to North America (Trans-Pacific development promotion)

Strategic response to global tenders.

3) Construction of a logistics model to expand air and ocean freight imports to the U.S.A

Strengthening of 3PL sales, construction of a truck transportation network, growth of its customs clearance department.

2. Strengthen functions as a Comprehensive Freight Forwarder

1) Strategic investment in reliable and high quality logistics facilities, specialized human resource and IT

2) Construction of new business models

Development of a global VMI model, expansion of rail transport services (Particularly in Russia and China).

3) Expand and diversify the range of items handled

Aiming for a composition of 50% electronics-related freight and 50% other freight.

3. Expand into Emerging Markets

- 1) Expansion in the freight volume transported to or through Russia and other CIS countries, through utilization of the Trans-Siberian railway.
- 2) Business expansion in Central and Eastern Europe
Business expansion into Czech Republic, Poland, Hungary, Romania and Slovakia.
- 3) Further business expansion into growing markets
Expansion of networks in India, Vietnam and similarly emerging countries.
- 4) Expansion of business sites in South-East Asia
Expansion into Cambodia, Bangladesh, Laos, Myanmar, Pakistan.

4. Business Alliance and M&A Implementation to Support Growth Strategies

- 1) Expansion of M&A target corporations to include not only Japanese companies but also superiors companies located abroad
- 2) Achievement of net sales of 50,000 million yen by the final year of the Phase III Medium Term Management Plan through M&A
- 3) Ongoing re-construction of operations to response to clients' needs
Develop international express operations within Asia.

5. Transform into a Truly Global Company

- 1) Ongoing promotion of Human Resource globalization
Active education and fostering of KWE's international Human resource and advancement of those personnel who will form the backbone of KWE's overseas subsidiaries.
- 2) Establishment of business strategies and management infrastructure for next generation growth
Strengthening of governance function, promotion of CSR management, expansion of global networks.
- 3) Develop of a diverse KWE corporate culture