Annual Report 2004

Year ended March 31, 2004

kintetsu world express

Profile

A global logistics partner, Kintetsu World Express, Inc. had its start in 1948 as a logistics operation division of Kinki Nippon Railway Co., Ltd., and became independent in 1970. In September 2000, KWE was listed on Nasdaq Japan, and on the Second Section of Tokyo Stock Exchange in May 2002, and subsequently on the First Section in September 2003. As of today, KWE has established 42 affiliated companies and 9 overseas offices in 29 countries that comprise KWE's quadrilateral management system of Japan, the Americas, Europe and Africa, and Asia and Oceania, covering 166 major cities and 244 offices around the world. It is a global corporation that ranks among the world's top 10 in sales of international contracts of air carriage, providing a variety of logistics services to customers around the world.

KWE, with about 3,800 employees overseas, generates 90% of its operating income from transactions overseas. This puts KWE in a unique position among Japan's logistics companies. By striving to further integrate its facilities, equipment and other tangible features with its services, technology and other intangible features, KWE aims to become a global logistics partner leading the times as it offers seamless logistics services.

Contents

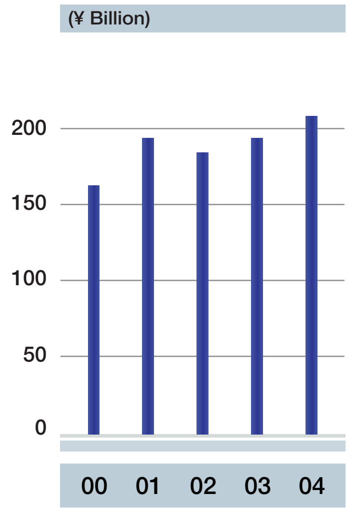
Consolidated Financial Highlights

Kintetsu World Express, Inc. and Consolidated Subsidiaries
Years ended March 31, 2004 and 2003

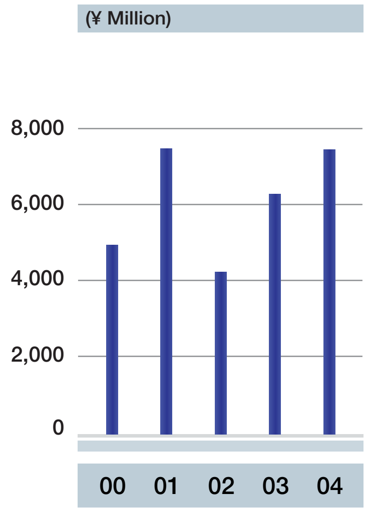
	Yen in millions except per share amounts		% change	Dollars in thousands except per share amounts
	2004	2003	2004/2003	2004
FOR THE YEAR				
Net sales	¥ 202,941	¥ 196,528	3.3 %	$ 1,920,154
Operating income	7,571	6,257	21.0	71,636
Income before income taxes	6,219	5,666	9.8	58,839
Net income	2,887	2,777	4.0	27,316
Per share data				
Net income	¥ 80.72	¥ 78.65	26.3 %	$ 0.76
Cash dividends	12.00	9.00	33.3	0.114
AT YEAR-END				
Shareholders' equity	¥ 34,881	¥ 32,451	7.5 %	$ 330,034
Total assets	93,990	94,603	(1.0)	889,295

Note:
US dollar amounts have been translated from Japanese yen for convenience only, at the rate of ¥105.69=US$ 1, the approximate Tokyo foreign exchange market rate of March 31, 2004.

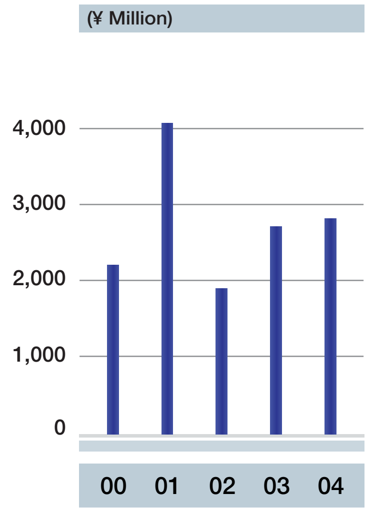
Net Sales



Operating Income



Net Income



Message to Our Shareholders

Toshio Kumokawa
Chairman and Chief Executive Officer

Hirokazu Tsujimoto
President and Chief Operating Officer

On September 1, 2003, the Tokyo Stock Exchange upgraded the listing of KWE shares from its second to the first section. We regard this status as an opportunity for us to heighten our corporate image and gain greater public credibility. Moreover, aided by greater capacity for smooth funds raising, we will work to enhance the corporate value of the KWE Group as a whole based on KWE's Grand Design for the 21st Century.

KWE's Grand Design for the 21st Century is a detailed roadmap designed to help us implement the KWE Group's corporate philosophy: "We at Kintetsu World Express, Inc. shall create new values and optimal environments through our provision of cargo logistics services in order to contribute to the development of a global community together with our clients, shareholders and employees."

The plan also calls for achieving consolidated sales of 500 billion yen in 2011. KWE has four basic business strategies: 1) increase profits from our core operation, which is international airfreight forwarding, 2) provide advanced logistics services, 3) expand our ocean forwarding business, and 4) develop business in the growing Chinese market. In order to execute these strategies, we will implement five reforms: 1) share customer information across the board, 2) enhance planning operations at our world headquarters, 3) train core personnel and various specialists, 4) provide more advanced global information technology functions, and 5) enhance legal compliance.

Implementing KWE's Grand Design for the 21st Century On Schedule

In the first half of the fiscal year through March 2004, multiple factors simultaneously hindered growth in the global logistics industry, including the outbreak of the Iraq war and the spread of SARS in East Asian countries. In the second half, however, business was good. As a result, we were able to achieve favorable results in our annual financial statements: net sales increased 3.3% over the previous year to 202,941 million yen, operating income grew 21.0% to 7,571 million yen, and net income increased 4.0% to 2,887 million yen. We feel these results are in line with the goals of KWE's Grand Design for the 21st Century and with the goals for the second year of our Medium-Term Business Plan.

The most significant factor that contributed to our satisfactory performance was the fact that the export and import airfreight movements were brisk, particularly those of high-tech products. A number of our clients have their manufacturing sites internationally spread out between Japan and other northeast Asian nations. In most cases this means components and materials are exported from Japan to China or other Asian countries for assembly, after which the finished products are exported back to Japan or to the United States. During this term, a sharp surge in sales of digital household appliances, flat-screen television sets, and third-generation mobile phones caused active movements of international airfreight, especially in Northeast Asia.

KWE also expanded its business with domestic automobile manufacturers. All auto makers in Japan are boosting production at their overseas plants, but because of their apparent lack of effective logistics networks overseas, they often turn to a reliable logistics provider like KWE for some of their overseas logistics operations. During this term we succeeded in tapping this type of business, and we handled more forwarding of automotive parts from Japan to overseas, as well as more logistics at our overseas bases.

In addition, during the fiscal term ended March 2004 we worked hard to develop new customers, and met with significant success. The tonnage of consolidated airfreight exports from Japan handled by the industry as a whole increased by 9.5% over the previous term, while the tonnage handled by KWE increased by 20.1%. As a result, our share of consolidated export air forwarded tonnage from Japan increased from 11.9% last term to 13.0% this term.

At the same time, we succeeded in trimming costs. Some of the factors that helped boost our operating income margin this term were more efficient consolidation, which we accomplished through streamlined cargo operations, reduced freight charges achieved by selecting the best airlines and shipping companies, and lower labor costs, achieved through appropriate placement of staff and streamlining of operations.

In October 2003, we dissolved five of our affiliates we had in Central and South America, and contracted our Latin American operations to Kuehne & Nagel, a major European forwarder. The dissolutions resulted in extraordinary expenses amounting to 1,403 million yen, cut into our net income, closing the file on our unprofitable overseas affiliates. We expect the positive effects of those streamlining measures through "select and focus" to be reflected in our future performance.

Five Measures for Beating the Competition

The fiscal year through March 2005 is the final year covered by our Medium-Term Business Plan. In order to meet our goals, we use "the measures for beating the competition" to guide us as we work along.

The first measure is continued expansion of airfreight from Japan. By putting ongoing effort into developing new customers, we intend to raise KWE's share of the market for consolidated air forwarded exports from Japan by at least one percentage point.

The second measure is expanding our sales coverage within Asia. In recent years, the rate of growth in airfreight demand in Asia has exceeded the world average. According to long-term estimates of regional demand, cargo movements are expected to be brisk in Northeast Asia, particularly in China. Therefore, we will invest heavily in China, South Korea, Taiwan and Hong Kong. We treat also India and

Outline of Medium-Term Business Plan

Our vision of KWE

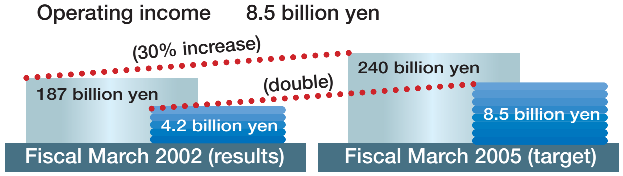
Global Logistics Partner who is a one-stop provider of high-quality services

KWE's Grand Design for the 21st Century: Four Basic Business Strategies

(1) Increase profits from international airfreight forwarding
(2) Provide advanced logistics services
(3) Expand ocean forwarding business
(4) Develop business in China

Target for the fiscal year ending March 2005

Operating revenue 240 billion yen
Operating income 8.5 billion yen



KWE's Grand Design for the 21st Century: Five Reforms

(1) Share customer information across the organization
(2) Establish World Headquarters and enhance Group strategies and project planning
(3) Train core personnel and various specialists
(4) Provide more advanced global IT functions
(5) Enhance legal compliance

Vietnam as important markets. We currently have a representative office in Vietnam, and plan to upgrade it to that of a locally-incorporated company as soon as possible, and proceed with developing its local market.

Third is further promotion of business “select and focus” as a matter of our management policy. As mentioned earlier, we completed the liquidation of our non-performing subsidiaries by dissolving our five Latin American companies during the previous term. Now we intend to engage in pro-active “select and focus” measures. As a first step in that direction we founded a new subsidiary, called Kintetsu World Express (Middle East) Free Zone Establishment (FZE) in Dubai this April. From this base we will focus on developing such markets as the Arabian Peninsula and North Africa.

Likewise in April 2004, we established Kintetsu Eurasia Express, Inc. in Tokyo to target markets in Russia and the other former nations of the Soviet Union. Most of the CIS nations are located in Central Asia, and some of them even produce petroleum or natural gas. They are building telecommunications and power generation systems using Official Development Assistance (ODA) funds from Japan, and we are handling logistics related to such projects. As the Russian economy develops, private-sector demand steadily grows. Japanese automobile and appliance makers are building new plants in Russia, and we are able to handle the resulting new logistics demands.

The fourth measure is timely completion of our group-wide information systems. The KWE Group is currently developing a comprehensive information system to link Group companies worldwide. The system is already operating in the United States, Canada, and Singapore. The network is scheduled to be expanded to encompass 22 countries around the globe, including Japan, by December 2005.

Regardless of the type of business, global companies manage their supply chains at the global level nowadays. In order to provide high-quality services that can address their needs, an integrated information system that links locations worldwide is indispensable. We are convinced that the system KWE is currently developing will be a valuable tool that will help us strategically distinguish ourselves from the competition.

The fifth measure is the Total Quality Management (TQM), to enhance the skills of our employees. We started to hold our TQM training sessions for 330 managers in Japan in April 2004, to increase their abilities in problem-solving and analysis. In the future we plan to expand this training to cover younger employees as we continue to work at employee education.

Preparing a Foundation for Long-Term Growth

At the same time that KWE is implementing measures aimed at beating the competition, we are also working on the preparation of a foundation for our long-term growth. One way to do this is further reinforcement of our Global Quadrilateral Management System in its regional empowerment and application. We will keep each of our regional headquarters as strong as they should be– in Japan, the Americas, Europe and Africa, and Asia and Oceania, to enhance the functions of each region and strengthen the foundation of KWE’s global operations.

We are also actively working to obtain more certifications from the International Organization for Standardization (ISO). In 11 nations including Japan, KWE has been certified as meeting the requirements of the International Quality Management System Standard, ISO 9001. In addition, our Tokyo and Narita terminals received ISO 14001 certification for meeting international standards for environmental protection measures. Lately much attention has been given to international security standards set by the Technology Asset Protection Association (TAPA). KWE has already received TAPA certification for 11 locations worldwide, including Narita Terminal, and we plan to actively pursue certification for other locations in order to add to customers’ trust in us.

In order to further strengthen our logistics business, we will focus our capital spending on logistics-related facilities. One of the facilities we are currently building, the No. 4 Baraki Terminal in Ichikawa, Chiba Prefecture, is slated for completion this November. Another is the Central Japan International Airport Terminal (in Nagoya area), which is scheduled to be completed by the end of this year, in time for the opening of the new Central Japan International Airport.

Aiming for Sustainable Growth and a Spot Among the World’s Top 5

KWE will use the measures described above to push ahead and realize our vision of what we want to be ten years from now, as outlined in KWE’s Grand Design for the 21st Century. We aim to establish ourselves as the Trans-Pacific leader in logistics and use the Pacific region as the axis from which we provide services to the whole world as a global logistics partner to our customers.

At the same time, in order to maintain KWE on a long-term growth track, we believe we must always take a global point of view and fulfill our corporate responsibilities from a comprehensive standpoint that considers the environment, society, and the economy. Based on this belief, we will strengthen the company’s legal compliance and promote rational, transparent corporate management. By increasing value for all stakeholders connected to KWE’s operations, we aim for sustainable growth.

Toshio Kumokawa
Chairman and Chief Executive Officer

Hirokazu Tsujimoto
President and Chief Operating Officer

KWE's Strengths and Operational Strategies in China, the World's Largest Growing Market

Leading the Market by Pioneering in Operational Expansion

In 1985, KWE became one of the first Japanese-affiliated airfreight specialists having a representative office in Beijing. Ever since, KWE has viewed China's potential to develop into the world's factory as an important business opportunity, so we have been making aggressive investments there and expanding operations in the areas of Japan-to-China export airfreight and domestic logistics. We have established ourselves as a "comprehensive logistics consultant" for customers who have started doing business in China. The Chinese market shows promise for continuous strong growth in the future, and in order to further solidify our revenue base there, we are reinforcing our sales and other operational systems.

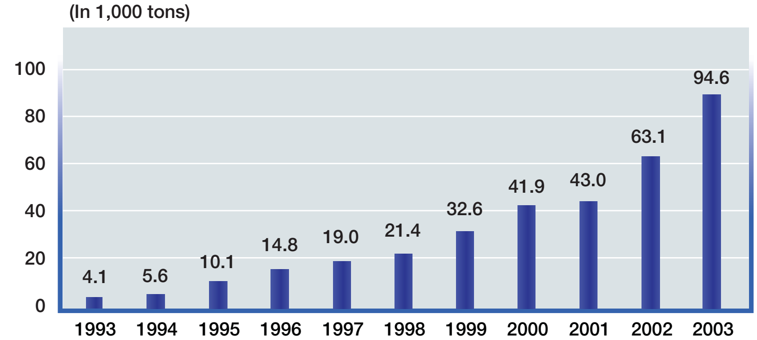
KWE Now Claims the No. 1 Share of Export Airfreight from Japan to China

In 2003, total export shipments of consolidated airfreight from Japan to China amounted to 94,600 tons. This figure represents very rapid growth of more than 23 times the volume of ten years earlier. The main items being exported from Japan are such high-tech products as, semiconductor production equipment, electronic components used in the production of household appliances, and telecommunications-related items. In 2003, KWE handled 18,600 tons of such exports, or roughly 20%, making us the number one player in the industry.

A Network of 75 Bases; Among the Largest in the Industry

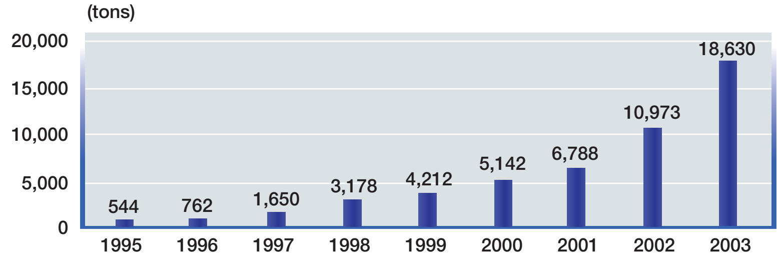
KWE's service network in China is one of the largest in the industry. As of June 2004, it comprised eight corporations (including two established for the purpose of investing in China), with 75 offices in 30 cities. We made important distribution hubs in the Hua Bei region whose major cities are Beijing and Dalian, in the Hua Dong region that includes Shanghai, and in the Hua Nan region that covers Hong Kong and Shenzhen. In addition, we made inland bases in China's western region.

Airfreight Export from Japan to China
All Relevant Forwarders

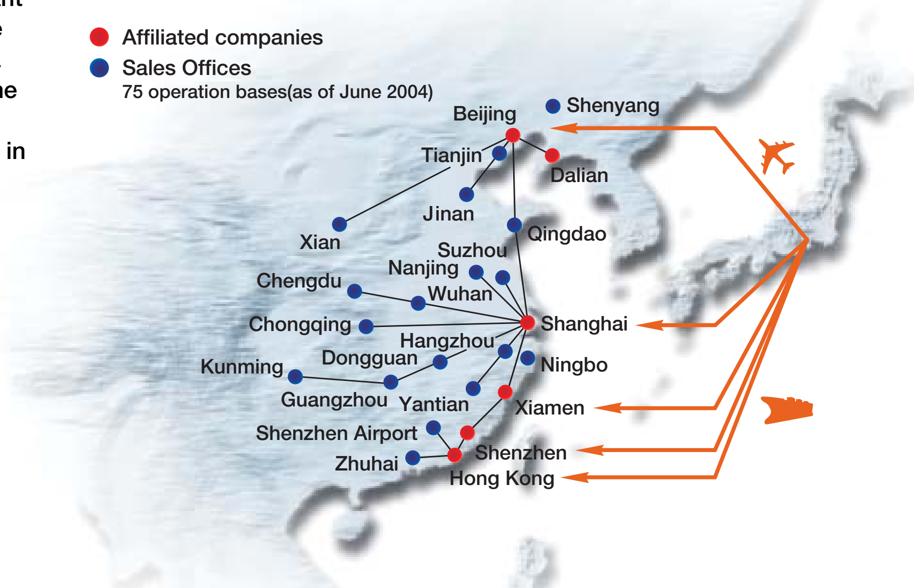


Source: JAFA (Japan Aircargo Forwarders Association)

KWE



KWE China Network



Reinforcing KWE's Comprehensive Distribution System

We have established corporations in Dalian, Shanghai, and Shenzhen that each specializes in logistics and has distribution facilities there. To customers who have started doing business in China, we offer a distribution management service that coherently integrates international transport with supply chain management.

Expanding KWE's Own Scheduled Trucking Network for Consolidated Freight

KWE is aggresively building its own trucking network, operating regularly scheduled runs transporting consolidated freight. We regard it as our top priority to lay the ground work for smooth domestic procurement of goods by companies that have started manufacturing in China. As of June 2004, KWE had 470 trucks (120 of its own and 350 operating under exclusive contract) making regular runs between China's major cities. Forty percent of KWE's own trucks in this network are equipped with GPS (Global Positioning System) satellite tracking, we can thus quickly update customers on the location of their cargo.

GPS (Global Positioning System)

Acquisition of Primary Airfreight License

KWE is one of a handful of freight forwarders operating in China that have acquired a primary airfreight license. This license allows us to put together our own consolidated shipments (i.e., to issue master airway bills) and to expand our operations in a wide variety of ways. Three of our affiliates, in Beijing, Dalian, and Shanghai, have acquired this type of license. In addition, we have acquired the class A license (which permits only the issuance of house airway bills) for 17 locations including Beijing, Shanghai, Dalian, Xiamen, and Shenzhen.

VMI: A Tool for Reducing Inventories and Enabling Just-in-time Transport

KWE aims to provide the optimal total logistics services. We are working to highlight the KWE brand by offering high-speed logistics services that make the most of our data network. One of these services is Vendor-Managed Inventory (VMI). KWE's logistics center makes it possible to exchange a variety of information, including inventory information from vendors within China and overseas, based on production plans for assembly plants. This in turn makes it possible to reduce inventories and implement just-in-time deliveries.

Warehouse No.1 of Kintetsu Logistic (Shenzhen) Co., Ltd.

Staff members of Kintetsu Logistic (Shenzhen) Co., Ltd.

Interview with President Tsujimoto

Q: How do you view the growth potential of the Chinese market in the future?

A: We expect the Chinese economy to continue to grow rapidly until around 2010, when the World Expo is held in Shanghai, and we can expect to see continuous growth in the Chinese market in the future. There is likely to be continued expansion of the international division of labor whereby parts and materials are shipped from Japan to China, assembled in China, and the finished products are then exported to Japan or the U.S. This is especially true for high-tech products. Lately Japanese automobile manufacturers have been forming joint ventures and building new factories in China. Because of this, there has been an increase in shipments of components and materials from Japan to China, as well as in distribution between bases within China. We expect this growth in China-bound freight from Japan to keep growing by about 20-30% per year.

In the future, there will probably be significant growth not only in airfreight, but in ocean freight as well. According to the Japan China Marine Transportation Council, round-trip container traffic between the two countries during 2003 amounted to 2,252,383 TEU, representing a 123.3% increase compared with five years earlier.

Q: What strategies will you implement in order to further bolster KWE's operational base in the kind of growth market you've just described?

A: With China's acceptance into the WTO, foreign-affiliated companies will gradually be allowed to operate more freely within the country. I think that competition will become tougher than ever by 2005, when logistics and transportation industries are to be completely liberalized. KWE sees China as the most important area for our sales strategy now and in the future. In order to beat the kind of competition we will face, we will continue to distinguish ourselves strategically, by even further strengthening our integrated distribution system, including beefing up ocean freight services, and by expanding our service network. We already have one of the largest networks among foreign-affiliated providers operating in China, and we aim to expand our network to 100 bases within five years. In order to give impetus to our sales in the Chinese markets, we formed a "Greater China Logistics Sales Team." We are pulling ahead of the competition by being the first to provide customers with information about shifting into the Chinese market, addressing the client's future logistics needs related to China. About 60% of KWE's customers in China are Japanese, while the other 40% are mostly affiliated with companies from the U.S., Taiwan, or elsewhere. In order to handle international distribution involving China, operations on the other end of import/export transactions are likewise important. That is why KWE initiated our China Development Project, through which KWE Group offices or affiliates located in countries that do business with China, such as Japan, the U.S., Taiwan, South Korea, and Singapore, exchange detailed client information and engage in activities that may assist clients.

Hirokazu Tsujimoto
President and Chief Operating Officer

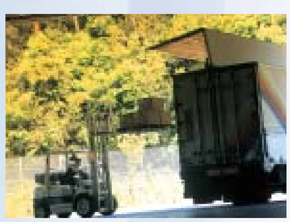
Q: What do you think is the key factor behind KWE's competitive strength?

A: I think it is the cultivation of our human resources. Development of human resources is indispensable to the execution of sales and operations. As of the end of March, 2004, we had 1,380 local employees of other nationalities for every 39 Japanese employees worldwide, testifying that KWE is advanced in localization. As part of our overall efforts to develop overseas staff, we began holding six-month training programs in Japan for employees from other parts of Asia this year. At the same time, we provide ample Chinese and English training in languages for our Japanese employees posted in China, and we are getting employees to learn more about automotive, high-tech, and other specific product fields. We will continue these educational projects and focus on developing a large number of competent staff.

Outline and Strategy by Quadrilateral Region

Japan

Global Quadrilateral Management System



Outline of Business and KWE's Strengths

Kintetsu World Express, Inc. is the core company of the KWE Group. As of March 31, 2004, the Group operated through 244 offices located in 166 cities in 29 nations around the world. KWE's main business is international air freight forwarding through carriage by airlines and shipping companies. The company also engages in international ocean freight forwarding, logistics services, customs clearance, break-bulking of consolidated import freight, trucking, and other businesses related to our specialty of freight forwarding.

KWE ranks among the largest freight forwarders in Japan. In the fiscal year ended March 31, 2004, we were number two in Japan in terms of air export tonnage, and also number two in the number of air import shipments that we cleared through customs. KWE was the first Japanese company in the industry to receive ISO 9001 certification. Following the certification of our Tokyo Terminal, in January 2003 we received ISO 14001 certification for our Narita Terminal, which is our hub, according to our international distribution strategy. In addition, we received Class A certification from TAPA (Technology Asset Protection Association). These are just some examples of how KWE has always been a pioneer in the freight forwarding industry.

On a non-consolidated basis, KWE's sales consisted mainly of airfreight exports (61.6%), airfreight imports (24.1%), and ocean freight exports (14.0%). About 70% of the cargo that we handled consisted of high-tech items such as semiconductors and other electronic components, production equipment for making such components, telecommunications devices, and LCD-related components. Another characteristic of our company is that a number of our clients are foreign-affiliated companies.

This fiscal term, we handled larger volumes, year on year, of digital household appliances bound for the United States and Europe, and of electronic components, semiconductors, semiconductor production equipment, and LCD-related items bound for China and other parts of East Asia. We worked hard to win new customers in the automotive sector, which is expected to generate stable shipments with relatively little vulnerability to economic ups and downs. As a result of our efforts, we were able to post results that far exceeded those of the previous term. In Japan, we have actively moved ahead of the competition in our approach to logistics services, an area where demand has rapidly increased due to changes and increasing diversification in the international distribution market in recent years.

This term we began building our No. 4 Baraki Terminal on land that we purchased at the site of the old Tokyo Air Cargo City Terminal (TACT). The new terminal is to have total floor space of 21,300 square meters. And we began building a 7,000 square-meter distribution terminal for handling import and export airfreight at Central Japan International Airport (in Nagoya area).

At the Narita Terminal, we increased our direct handling of single containers and pallets. We succeeded in preventing damage and loss of cargo, and improved both the quality and the efficiency of cargo logistics operations.

KWE's biggest strength is our ability to draw on our corporate resources - a well-developed international service network, outstanding information systems and infrastructure, and capable staff - to provide integrated distribution services, including not just international airfreight forwarding, but also international ocean forwarding and logistics services that make use of our distribution facilities. By region, our strength lies in the Asia-Pacific region that has Japan and the rest of Asia at its center and includes the west coast of the United States. In recent years, we have succeeded at expanding-especially in China, Taiwan, and other parts of East Asia - ahead of the competition and we are adding to our lead in this region.

On September 1, 2003, KWE was listed on the first section of the Tokyo Stock Exchange.

Outline of the Fiscal Term Through March 2004

This term, the most notable trends in the Japanese economy were continued strength in exports and improved business conditions primarily in the manufacturing sector, thanks to increased capital spending in the United States and China along with recovery in individual consumption, especially of digital household appliances and other consumer durables. This was the environment in which we worked to expand our operations in line with the basic strategies, as set forth in KWE's Grand Design for the 21st Century, which we drew up in November 2002.

Every month this term, airfreight export tonnage exceeded previous-year levels. There were especially big increases in exports of digital household appliances to the U.S. and Europe, and of electronic components, semiconductors, semiconductor production equipment, machine tool components, and LCD-related items bound for China and other parts of East Asia. Our tonnage grew rapidly, increasing 20.1% over the previous year, mostly in areas in which KWE excels, such as high-tech-related cargo, and Asia-bound exports. This was one reason for KWE's good performance this term.

On the airfreight import side, volume from the U.S. did not grow, but there was good volume coming in from Europe and Asia. The overall result was little change from the previous year. Thanks to our sales efforts, including the formation of project teams dedicated to specific items, the number of shipments that we handled increased by 14.6% over the previous term. From the U.S. we brought in semiconductor production equipment, various types of measuring equipment, telecommunications devices and medical devices, etc.; from Europe we brought a variety of machines, automotive parts, etc., and from within Asia we imported goods such as mid- and high-level appliances, semiconductors, LCD-related items and computers. Meanwhile, demand for logistics services remained strong and storage and distribution processing space

became so tight at our Narita Terminal that we have become in need of a new facility.

Looking at marine freight, export volume (cubic ton) grew 20.2% while imports increased 42.6%. This term, demand remained strong for relocation of factories and transport of semiconductor production equipment, LCD manufacturing equipment, etc. KWE made use of our specialized transport know-how to win several new customers in this area.

Affiliated companies in Japan worked hard to win sales in their respective areas of specialty and achieved an impressive increase in net sales of 55.4% over the previous year. Net sales exceeded those of the Americas Region and the Europe and Africa Region. This was because of the major contribution made by sales from Kintetsu Logistics Systems, Inc., which was established as a spin-off from KWE's domestic division.

KWE has a strong interest in security and has addressed this issue positively. In December 2003, our Narita Terminal was certified by TAPA as having met the security requirements for Class A storage management, making KWE the first Japanese forwarder to receive this certification for a facility in Japan. KWE facilities have already been certified by TAPA in Seattle and nine other major cities in the Asia and Oceania Region.

Issues Confronting KWE for the Future

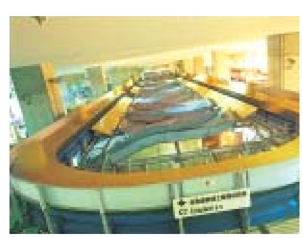
In the field of freight forwarding and logistics, we expect to see continued growth in demand for air and marine freight forwarding, storage, distribution processing and related services, primarily for the same items we have been handling to date, such as digital household appliances, semiconductors, semiconductor production equipment, electronic components and automotive-related items. There is particular focus on growth in the trading triangle of the U.S., China, and Japan, and the KWE Group will concentrate its management resources into these areas.

We will actively pursue the four basic business strategies indicated in KWE's Grand Design for the 21st Century -- 1) increase profits from our core operation, which is international airfreight forwarding, 2) provide advanced logistics services, 3) expand our ocean forwarding business, and 4) expand ahead of the competition in the growing Chinese market - and work hard to improve our performance. Next fiscal year will be the third and final year of our Mid-Term Business Plan. We will promote "select and focus" from a positive perspective, as in expanding our airfreight and ocean freight forwarding business in China, the hub of Asian economic development, moving further into the Middle East, and boosting sales efforts in the CIS (former members of the USSR). Furthermore, we will continue to expand our service network through global operations.

As part of the operational strategy of the Grand Design, we changed the name of our Export Department to Forwarding Department, and that of our Import Department to Logistics Department, indicating that we are strategically starting from scratch. In addition, we are implementing measures aimed at bolstering sales expansion, including quick completion of an integrated global information system to improve the quality and productivity of our operations, and intensive training of our managers in order to upgrade the quality of our staff.

Based on the strategies mentioned above, we will work hard to accomplish the following five goals:

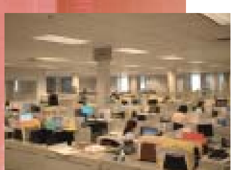
1) Continued expansion of airfreight originating in Japan
2) Expanding sales coverage in China and the rest of the Asia region
3) Further promotion of "select and focus" in order to improve corporate performance
4) Timely completion of integrated group-wide information system
5) Introduction of Total Quality Management (TQM) training

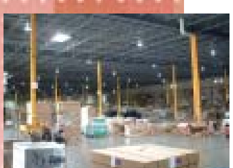


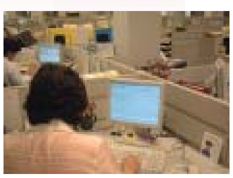
The Americas

Outline of Business and KWE's Strengths

The United States is the nucleus of the Americas Region. In the wake of opening its representative office in New York and Los Angeles each, KWE established a local affiliate, Kintetsu World Express (U.S.A.) Inc. ("KWE/USA"), in May of 1969 and began full-fledged marketing efforts in the U.S. At first its headquarters was in Chicago and as we built a foundation for its expansion, sales efforts focused not on local units of Japanese firms, but on exports from American companies. Since then, we have expanded the scope of our operations as an international forwarder specializing in Trans-Pacific business, especially between the U.S. and Japan, and between the U.S. and other Asian nations. KWE currently has seven subsidiaries in the U.S. and Canada. We are strengthening our presence in the region as we engage in a wide variety of logistics businesses, with import and export freight forwarding at the core, and marine freight forwarding, customs clearance, warehousing, and distribution as examples of other business domains that we handle in this region.







KWE ranks among a handful of companies that move the largest volumes of imports and exports between the U.S. and Asia. The main items that we transport are electronic components, computer peripherals, semiconductor production equipment, mobile communications equipment, and items related to medical care. We also have a rather unique company that specializes in exporting racehorses.

There are a number of multi-national companies in the U.S., and our growth there has centered around those large-volume shippers, but we have also won a great deal of trust from satisfied Japanese customers, thanks to our high-quality, detail-oriented service and outstanding information system.

The U.S. is also the home of Kintetsu Global I.T. Inc., based in Dallas, Texas. It handles research and development, maintenance, and operation of information systems for the entire KWE Group.

The Fiscal Term Ended March 31, 2004

The U.S. economy is the most influential in the Americas Region. Overall, it was marked by recovery this term, thanks to increased capital spending and recovery in individual consumption. However, U.S. manufacturing industries, including the high-tech sector, are continuing their shift to overseas. As a result, the tonnage of airfreight exports handled by KWE/USA this term fell short of last year's by 4.6%. Airfreight import tonnage was affected in the first half of this fiscal year by the Iraq War and SARS, but for the year as a whole, it grew by 1.2% compared to the previous year, thanks to increased imports in the second half from Japan and the rest of Asia. We implemented our "select and focus" strategy in the Americas Region by liquidating five non-performing companies in Central and South America: one each in Brazil, Mexico, and Venezuela, and two in Peru. As of October 2003, we contracted our operations in these countries out to a major European forwarder Kuehne & Nagel International AG.

In the Americas in general, we continued with cost-cutting measures initiated last year, starting with rationalization of personnel expenses. Airfreight tonnage handled in the Americas Region, compared with the previous fiscal year, fell 6.4% for exports and 6.7% for imports. Cubic volume of the marine freight shipments that KWE handled in the region increased by 26.2% for exports and declined by 2.5% for imports.

Strategies for the Future

In the fiscal year through March 2005, we expect that the U.S. economy will be helped by such factors as growth in capital spending and public works, and a stable trend in individual consumption. Our Americas regional headquarters will actively reinforce sales while stepping up the pace of "select and focus," continuing to restrain personnel costs, and promoting streamlining efforts, which will include the consolidation of satellite sales offices. In the fiscal year through March 2004, airfreight export tonnage fell 6.4% from the previous year. We will respond by exchanging even more detailed sales information between all the group companies and focusing sales efforts on items that KWE specializes in transporting, such as computer peripherals, medical and pharmaceutical goods, and semiconductor production equipment. The U.S. also serves as a base for sales to multi-national companies. For the most part, we are working to win new customers for air and marine transport and logistics by maintaining close communications with Asia, which serves as the production base for these companies.

In the airfreight import market, we will work on expanding sales of electronic components, semiconductor production equipment, and automotive- related items. In the area of marine cargo imports and exports, we will focus our sales efforts on acquiring business to and from China's Hua Dong and Hua Nan regions.

Europe and Africa

Outline of Business and KWE's Strengths

The KWE Group joined the European market with the opening of its representative office in London in 1977. In 1985, the Group began full-fledged expansion in the Europe and Africa Region by forming a U.K. subsidiary in February, and a German subsidiary in July. Subsequently, KWE expanded its service network, mostly in Western European countries, so that its Europe and Africa Regional Headquarters now consists of 12 KWE companies. Among the 12 is an affiliate in Russia, established in 1995, and one in South Africa, founded in 1996. KWE is the only Japanese freight forwarder that has locally-incorporated affiliates in these countries. In its Europe and Africa Region, KWE engages in a wide variety of distribution operations, with import and export airfreight forwarding at the core, and including marine freight forwarding, customs clearance, warehousing and logistics operations. The headquarters for the Europe and Africa Region is currently located in Amsterdam.

The main items that KWE forwards from this region vary depending on the country, including automotive-related items, various types of machinery, electronic components, office equipment, mobile communications equipment, books, and perishables. On the import side, the main cargo includes electronic components and other high-tech goods, automotive and audio-related items, and game machines.

The affiliates that make up this regional headquarters are relatively younger than affiliates in other regions, and they hold promise for future growth, as their lines of business expand. Their strength lies in the business lane to Japan and Southeast Asia. The region can be expected to make a valuable contribution to the Group thanks to its high-quality distribution services that make use of our network.

The Fiscal Term Ended March 31, 2004

Import and export airfreight is at the core of this region's business, and export tonnage grew by 2.1% while import tonnage grew 12.9%. Cubic volume of export marine freight shrank 22.3% while imports grew 15.7% from the previous year.

The regional headquarters has been implementing structural reforms in order to move away from the region's prior dependence on imports and shift to a stronger, export-driven operation. The affiliates with the best performance this term were the one in South Africa, where the logistics business enjoyed significant growth, and those in Western European nations such as Germany, Italy, and France, which achieved excellent results.

At the same time, due to the shift of manufacturing industries from the U.K. to Central and Eastern Europe and elsewhere, our U.K. affiliate's export and import volumes fell. Our affiliates in Switzerland and Russia also had a difficult year.

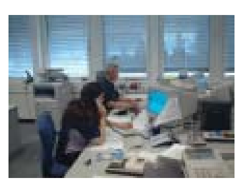
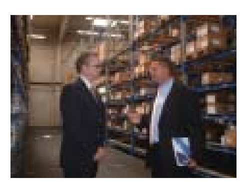
Regarding our service network, we opened a sales office in San Remo, Italy, and, in order to address expanding client's needs in Central and Eastern Europe, we upgraded our representative office in the Czech Republic, making it a branch of our German affiliate. And in order to reinforce sales in the Middle East, we established Kintetsu World Express (Middle East) FZE in Dubai, United Arab Emirates.

Strategies for the Future

While maintaining export-driven organizations, we will accelerate reform of our business management and reinforcement of sales, at the core of our strategy which will be even further development of logistics. Toward these ends, we will bolster joint sales among the companies of the KWE Group and move ahead in cultivating business with local exporters in the region. Demand for logistics is growing, and it is also important for us to strengthen this area of our business. We need to improve our one-stop service by enhancing our distribution facilities and linking them to our import business.

By region, we will expand our presence in the Central/Eastern European market, and enhance our service network in the Middle East and West Asia. We will focus especially on Saudi Arabia, Kuwait, Iran, Turkey, etc., from our base in Dubai, and on the CIS republics.



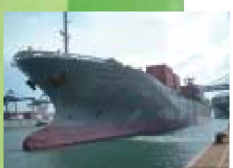




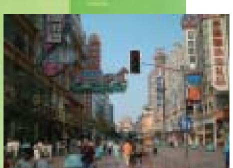
Asia and Oceania

Outline of Business and KWE's Strengths

The KWE Group's first serious move overseas was the establishment of a locally-incorporated affiliate in Hong Kong, in April 1969. Subsequently, we expanded our service network primarily in Southeast Asian countries. The Asia and Oceania Region plays a central role among KWE's regional groups outside of Japan. Its headquarters covers 22 Group affiliates in China whose economy is rapidly growing, India, the Philippines, Australia, etc. As in the other regional groups, it engages primarily in export and import airfreight forwarding, along with marine freight forwarding, customs clearance, warehousing, trucking, and other transport-related businesses, but this region is notable for its strength in third-party and other logistics operations.

KWE Asia and Oceania Regional headquarters was quick to act on the strong demand and growth potential for warehousing and logistics in Asian countries. After KWE started moving into each Asian country, it was quick to establish distribution facilities and successfully offer its services to a wide variety of customers. In order to meet the needs of a variety of customers for deliveries within the region, KWE affiliates there have worked closely together to combine various optimal shipping methods in order to arrange finished product shipments and smooth movement of semi-finished goods between factories.





As it stands, demand for air and marine transport and other logistics services is expected to grow more in Asian nations than in other regions, and China in particular is seen as having very high growth potential. In 1985, KWE became one of the first specialized air freight forwarders having a representative office in Beijing. Ever since, KWE has remained ahead of the competition as it joined the Chinese market and built a service network there. KWE currently has six companies in China, not counting two investment companies, and a network of 75 offices in 30 cities. This network by itself is one of the important strengths of the KWE Group. With its strong presence in Asia, the KWE Group will keep growing as a true partner that earns the trust of and provides satisfaction to a wide variety of customers, as a global, integrated forwarder.

The Fiscal Term Ended March 31, 2004

Overall, demand for distribution was strong in the Asia and Oceania Region. Especially in China, our investment increased from both inside and outside the country, and the shifting of production to China accelerated during this term. Growth in our export and import volumes was larger than in other regions, and this region together with Japan provided the basis for achieving KWE's favorable results in fiscal 2003. Export airfreight tonnage grew 9.1% over the previous year while import airfreight tonnage grew 14.6%. Export airfreight tonnage from China alone shot up 48.4% year on year, and the tonnage of export airfreight that KWE handled from Japan to China increased by 69.8%. (Note that these figures for China do not include Hong Kong.)

Export and import volumes are expected to grow in the Asia and Oceania Region due to continued investment in China and shifting of production there, and due to increased distribution aimed at the domestic market. In order to further increase our sales capacity in this market, in 2003 we opened branch offices in Hangzhou (in April) and Fuzhou (May), and a satellite office in Qingdao (October). In addition, we opened a logistics center in Suwon, Korea in April, and established a corporation in Indonesia in July.

Strategies for the Future

We see the Asia and Oceania Region as the driving force for establishing the KWE brand as a Trans-Pacific leader, and as the core of the KWE Group's international strategy. We will work closely with KWE's other three regional groups in order to win new customers among multi-national companies, and to expand our air and ocean freight forwarding businesses. In the area of ocean freight, our target lanes are China-to-Japan and China-to-North America.

Within China, we plan to further expand our service network while building partnerships with customers and keeping our eye on China's eventual transformation into a full-scale consumer market. In connection with the transfer of manufacturing plants, we will increase sales of logistics services like VMI (Vendor Managed Inventory), SCM, and 3PL. We will aim to boost profits by expanding our customer base for handling semiconductors, semiconductor production equipment, LCD-related items and automotive-related items, and by focusing on winning business in areas of specialized ocean freight where we already have a good track record, such as semiconductor production equipment. Another goal is to increase our intra-Asia volumes.

Expanding business in China ahead of the competition is one of the basic strategies of KWE's Grand Design. We will strive to distinguish KWE from other forwarders, starting with a well-developed network of trucking routes connecting our offices in China with each other. And we will strive to enhance and round out the lines of business that we engage in there.

Efforts to Preserve the Environment

We will contribute to global society from a standpoint of a world-standard company.

KWE's environmental policies focus on activities that we can promote to control the environmental impact of our operations, such as our airfreight forwarding services and logistics services.

In January 2001, KWE formulated its environmental policies to publicly declare its guiding philosophy and policies regarding the environment. We believe that the environmental policies, along with our guiding philosophy "to contribute to the development of a global community while also using resources wisely, promoting harmony with nature, and taking steps to preserve the global environment," are essential guidelines for a global forwarder that aims to set a world standard.

KWE's specific activities to preserve the environment include, among its own operational activities, promoting energy conservation, reducing waste materials and recycling resources and materials. In addition, we believe that efforts to preserve the environment by KWE alone are not enough. Being in a global business, we need cooperation from many others. We are thus asking for cooperation on ways to preserve the environment -such as eliminating idling of engines- from our business partners and concerned parties so that together, we can aim to set a world standard.

To promote and implement these policies more effectively, KWE's Narita Terminal adjoins Narita International Airport and is among the largest facilities in the logistics industry. In September 2003, the International Organization of Standardization (ISO) certified KWE’s Narita Terminal as meeting ISO 14001 standards for environmental protection. KWE affiliate Kintetsu Logistics Systems, Inc. received ISO certification for its Tokyo Terminal in September 2001.

Goal	Targets (April 2003 - March 2004)	Results
Reduce waste	(1) Recycling of wooden pallets Maintain channels that enable recycling of all wooden pallets	Getting a different vondor to collect pallets resulted in better pallet collection. (Collection frequency improved.) We continued to recycle 100% of collected pallets.
	(2) Recycling of plastic wrap Maintain recycling channels by separating all our plastic wrap from other elements	We are handling more KWE import ULDs, so it is true that total wrap weight has increased. Still, we maintained 100% separation and disposed of wrap as a recyclable resource.
	(3) Recycling of cardboard cartons Maintain recycling channels by separating out all our cardboard cartons from other elements	Warehouse/s and office both separated out almost 100% and disposed of it as a recyclable resource.
	(4) Reduce flammable trash by sorting out all our office paper (by copy paper, fax paper) newspapers, and magazines and establishing channels for recycling	We established a recycle box and thoroughly enforced separation, but there is still room for improvement. Disposed of cardboard as recyclable resource.
	(5) Sort all our trash	Not all our general trash is being thoroughly sorted.
Reduce use of office paper	Reduce consumption of office paper by 5% from current level	All our paper are being used on both sides, but we were unable to reduce usage due to increases in staff and workload.
Reduce energy consumption	(1) Reduce electricity consumption	We ensure our fluorescent lights, computers, and heat/cooling equipment turned off whenever we can, but because of installation of security-related devices and expansion of floor area in terminal, electricity consumption increased.
	(2) Study electricity usage in light of opening new locations and new businesses	
Contain exhaust emissions	(1) Stop all idling of our vehicle engines inside the terminal. Do a study of engine idling.	Achieved 0% engine idling by collection and delivery vehicles
	(2) Use petitions and questionnaires to seek cooperation regarding restrictions on diesel-powered vehicles	
In order to prevent environmental pollution, ask for cooperation from other locations within the company, business partners, and affiliates	Use petitions and questionnaires, etc. to prevent environmental pollution	Surveyed business partners about their efforts to protect the environment

Goal	Targets (April 2004 - March 2005) Achieve numerical targets by first half with 2004; maintain in second half	Location
Promote energy conservation	(1) Reduce electricity consumption Reduce kWh consumption by 5% (compared with average from 2nd half of previous year)	All the locations
Promote waste reduction and recycling/ reuse	(1) Reduce our overall waste output Reduce the output of our trash (to be incinerated or otherwise treated) by 5% (compared with previous-year average)	All the locations
	(2) Thoroughly sort trash Contain violations of environment policy within terminal to fewer than 10 per month	All the locations
	(3) Separate cardboard cartons from other elements and maintain re-use channels Separate all our cardboard cartons and maintain re-use channels	All the locations
	(4) Separate plastic wrapping materials from other elements and maintain re-use channels Separate all plastic wrapping materials and maintain re-use channels	Warehouse-related locations
	(5) Separate wooden pallets from other elements and maintain re-use channels Separate all our wooden pallets and maintain re-use channels	Warehouse-related locations
	(6) Improve recycling ratio Raise recycling ratio by 3% over previous-year average, which was about 79%	Offices
	(7) Study reduction (conversion) of carbon dioxide emissions Aim to reduce our carbon dioxide emissions by 5% compared with previous year Calculate our usage of electricity, propane gas and trash (to be incinerated or otherwise treated), etc.	Offices
Restrict exhaust emissions from vehicles	(1) Stop idling of our vehicle engines inside the terminal. Aim for 100% elimination of idling.	All the locations, Offices
	(2) Use petitions and questionnaires to ask for cooperation regarding diesel vehicle controls	
In order to prevent our environmental pollution, use surveys and ask for cooperation from affiliates, business partners, and other locations within company	Make requests, conduct surveys, etc., and use them to prevent pollution (once a year)	Offices

Corporate Governance

Thoughts and Policies on Corporate Governance and the Current Status of Policy Implementation

Our corporate governance system

Under our global quadrilateral management system, the KWE Group Top Strategy Meeting, which is organized by our World Headquarters and attended by corporate directors and quadrilateral general managers, and the Quadrilateral General Managers Meeting are held to decide on key issues such as management policies for the entire KWE Group, the sharing of information, and the establishment of new corporations. In addition, KWE's Executive Committee, consisting of directors, auditors and departmental managers, generally meets twice a month so that participants can share thoughts and information, analyze the company's performance, keep abreast of developments in the business environment, and make forward-looking management decisions. Our administrative system of corporate governance enables the board of directors to make timely management decisions based on the discussions that take place at the above-mentioned meetings.

The company and its outside directors, and other potential conflicts of interest

KWE's board of directors is set up to make decisions and respond to changes in the business environment promptly; nine of the 12 directors are standing directors and three are directors. The company has an auditing system with three auditors who make up the board of auditors. Under this system, auditors actively participate in all meetings of the Executive Committee and board of directors, as well as other important meetings such as the Top Strategy Meeting, allowing them to adequately monitor how the directors are doing their jobs. The company's outside directors and outside auditors have no conflicts of interest in their dealings with the company.

Steps taken in the past year to improve corporate governance

In order to keep the KWE Group's management always in good condition, we formed two auditing teams that conducted internal audits of all KWE Group companies according to predetermined schedules. The team that audited companies outside Japan was led by the World Headquarters, with members from the Comptroller's office and Accounting. The other team, which audited domestic companies, was led by General Affairs and also worked with the Comptroller's office and Accounting. KWE conducts accounting audits of all its sales offices twice a year, and inspects the operations of its administrative departments once a year. Audit results are reported to the president and the Executive Committee, and are announced in-house along with comments and evaluation points.

Because KWE has a large number of affiliated companies overseas, each of its quadrilateral headquarters audits them on an as-needed basis, and KWE conducts separate corporate inspections.

In order to raise employees' awareness of business ethics and compliance, we educated them on our "KWE Compliance Standards" (KWE Ethics and Action Standards). As a form of crisis prevention in light of a string of corporate incidents and scandals that have occurred in recent years in the society at large, we also produce memos that urge employees to keep in mind the company's social responsibilities.

In addition, we have developed in-house systems that meet the standards of the International Standards Organization (ISO) for quality (ISO 9001) and environmental protection (ISO 14001), and in December 2003 we became the first Japanese company in our industry to receive Class A certification for freight storage management from the Technology Asset Protection Association (TAPA).

In today's rapidly changing world, the KWE Group's chances of survival would be lessened without having corporate governance mechanisms that enable us to make the best possible decisions. We will continue to work hard at developing our operating environment so that we can function even more effectively and efficiently.

Management's Discussion and Analysis

Unless otherwise noted, all financial information contained in this section is based on the consolidated financial statements included in the annual report of Kintetsu World Express, Inc. (KWE), which were prepared on the basis of accounting principles generally accepted in Japan.

OVERVIEW

Our consolidated financial statements for the fiscal year ended March 31, 2004 cover Kintetsu World Express, Inc., 49 of its subsidiaries, and four affiliated companies that have been accounted for by the equity method.

KWE's principal businesses are international and domestic freight forwarding using transportation provided by airlines and shipping companies, and representation on behalf of air carriers. These operations include airfreight forwarding, ocean freight forwarding, and trucking. The KWE Group also engages in the related fields of customs clearance, trucking, temporary staffing, insurance agency, property management, and packing.

Although KWE's business falls within the single segment of freight forwarding and cargo logistics, we divide our operations into four categories: international air forwarding (which accounted for 70.5% of net sales this fiscal year), international ocean freight forwarding (12.9%), domestic airfreight forwarding (7.4%), and other operations (9.2%).

The KWE Group has adopted a global quadrilateral management structure. This fiscal year, the Japan Region accounted for 49.9% of the Group's net sales, the Americas Region contributed 14.1%, the Europe and Africa Region took in 8.7%, and the Asia and Oceania Region brought in 27.3%. In all, 50.1% of KWE's total net sales came from its overseas operations.

OPERATIONS

In the beginning of this fiscal year, there were multiple factors that worked simultaneously to discourage international movement of goods, including the outbreak of the Iraq war and the spread of SARS in China and the other Asian countries. But once these influences abated, the world economy went on a recovery track backed by an upturn in capital spending in the United States and China, and by an increase in individual consumption -- particularly of digital household appliances and other consumer durables.

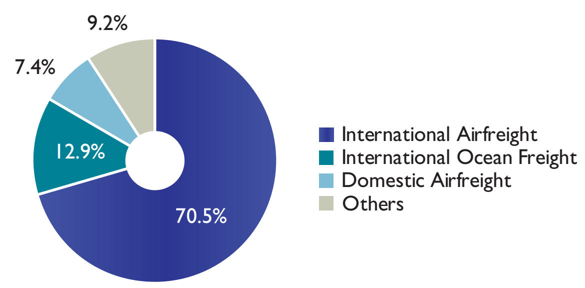
The Japanese economy saw no change in the deflationary trend, but its exports remained strong, and there were other significant signs of its improvement, such as indications of recovery in its capital spending.

In KWE's operational sphere, cargo movements were brisk in Northeast Asia, especially in China. In various cases, production and sales operations for digital household appliances, flat-screen televisions, and other high-tech products are divided among Japan, China, other Northeast Asian nations, and the United States. This has led to increased cargo movements. Also, because Japanese automobile manufacturers boosted production at overseas plants, cargo movements increased not just from Japan but also between overseas bases.

Within this business environment, we worked hard to develop new customers. As a result, the tonnage that we handled this term in our core business -- consolidated airfreight exports from Japan – grew by 20.1% over the previous term, and our share of this market increased from 11.9% last term to 13.0% this term. What's more, we boldly moved ahead with cost-cutting through such measures as more streamlined cargo consolidation and reduction of procured air freight charges.

In recent years, we have been pursuing "select and focus" strategy. Last October, we dissolved five under-performing corporations in Central and South America in order to make

Net Sales



our operations more efficient. This was one reason that our net sales and profits of this term both exceeded those of the previous term.

In terms of geographical strategies, we expanded our sales bases in areas where economic growth is expected in the future. In China, we established sales offices in Hangzhou and Fuzhou, and opened an office in Huangdao. In addition, we opened a logistics center in Suwon, South Korea, and established a new affiliate in Indonesia.

In the Europe and Africa Region, our Italian affiliate opened a sales office in San Remo, Italy. To prepare for expected economic growth in central and eastern Europe, we upgraded our representative office in the Czech Republic, making it a branch of our German affiliate. And in March 2004, we founded a subsidiary in Dubai, United Arab Emirates, called Kintetsu World Express (Middle East) Free Zone Establishment (FZE), in order to bolster our sales in the Middle East and North Africa.

Net sales

Net sales this fiscal year increased 3.3% from the previous year to 202,941 billion yen. Net sales rose in two of KWE's quadrilateral bases – 11.8% in Japan, and 2.1% in Europe and Africa, but in Asia and Oceania and in the Americas, they fell 0.2% and 13.8% respectively. Consequently, net sales in Japan constituted 49.9% of overall net sales, compared to 46.1% the previous year.

Stronger exports were the main reason for the increase in Japanese sales. There was solid volume in the airfreight market for exports of digital household appliances to the U.S. and Europe, and shipments of high-tech components to China and other destinations in Northeast Asia. On the ocean freight side, there was growth in exports of products such as liquid crystal-related items and mechanical automotive parts to China and Taiwan.

The outbreak of SARS put a damper on cargo movements to the Asia and Oceania region in the first half of this fiscal year, but business bounced back strongly in the second half, so there was only a slight decline for the whole year.

Cost of Sales

Cost of sales this fiscal year increased 3.1% over the previous year to 167.82 billion yen, while the percentage to net sales declined by 0.1 percentage point to 82.7%.

KWE has no aircraft or ships of its own to use for transport, so our costs consist mainly of freight charges paid to airlines and shipping companies as our largest direct cost, along with wages and other indirect costs.

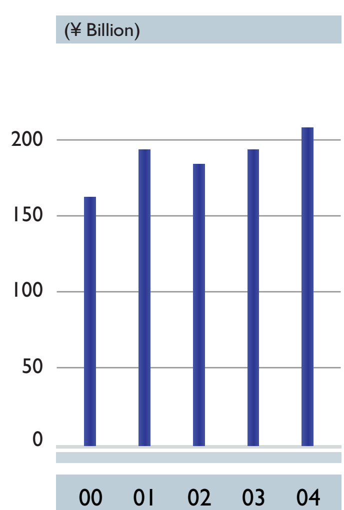
This fiscal year, we continued our selection of airlines and shipping companies and worked hard to reduce the freight charges we pay. We also streamlined our cargo operations, and made our consolidations more efficient. As a result, the cost of freightage relative to net airfreight sales for the entire group declined by 1.1 percentage point to 67.6%. By region, the cost of freightage as a percentage of sales rose slightly in Japan, but fell by several points in each of the other three quadrants.

Selling, General and Administrative Expenses

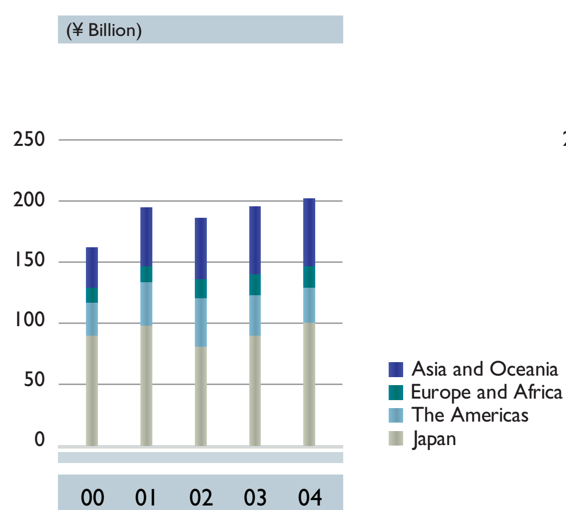
KWE's selling, general and administrative expenses this fiscal year rose 0.3% from the previous year to 27.54 billion yen, but the percentage to net sales declined from 14.0% to 13.6%.

Two years ago, KWE began a campaign to rationalize salaries and employee allowances, which comprise about half of our selling, general and administrative expenses. This term, the Company paid a total of just under 13.4 billion yen in salaries and employee allowances. This represents an increase of 1.2% over the previous fiscal year, compared with the 3.3% increase in net sales that we achieved during the same period. Primarily because of our success in restraining the increase in labor costs, the ratio of total labor costs to net sales declined 0.3% from

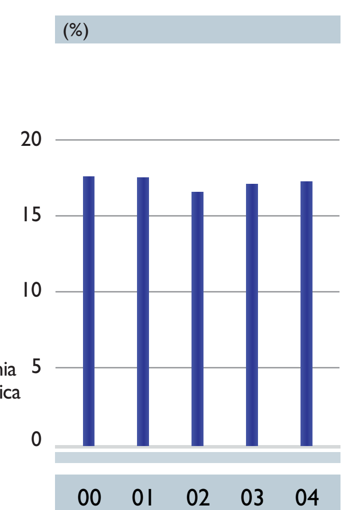
Net Sales



Net Sales by Geographic Area



Gross Profit Margin



the previous period to 15.0%.

The provision for accrued bonuses to employees decreased by 5.4% from the previous year to 682 million yen, while the provision for accrued retirement benefits to employees rose 25.4% to 1.092 billion yen. The provision for accrued retirement benefits to directors and statutory auditors amounted to 97 million yen, while the allowance for doubtful accounts was posted at 134 million yen.

Operating Income

Operating income this fiscal year rose 21.0% from the previous year to 7.571 billion yen. As a result, the operating income to net sales ratio rose from 3.2% to 3.7%. Not only did we steadily increase net sales, but at the same time we restricted growth in our cost of sales and selling, general and administrative expenses, and this boosted KWE's operating income.

Non-operating Revenue and Expenses

The net amount of non-operating revenue and expenses was a loss of 1,353 million for the fiscal year, an increase of 762 million over the previous year's loss of 591 million yen. The biggest reason for the larger loss was the liquidation of KWE's five Latin American subsidiaries, which generated 1.403 billion yen in losses from liquidation of affiliated companies. The total loss on liquidation of affiliated companies for the term was 1.413 billion yen. Another factor that boosted our non-operating loss was an increase in the allowance for doubtful accounts, from the previous year's 98 million yen to 234 million in fiscal 2003. Gains on foreign currency exchange, which helped increase non-operating revenue, decreased 13.2% from the previous year to 517 million yen.

Income Before Income Taxes

This fiscal year, KWE's income before income taxes was 6.218 billion yen, an increase of 9.8% from the previous year.

Income and Other Taxes

This fiscal year, income and other taxes came to 3.07 billion yen, an increase of 18.0% from the previous year. KWE's effective tax rate, including deferred-income taxes, increased from 45.9% in the previous year to 49.4% this term.

Net Income

KWE's net income this fiscal year rose 4.0% over the previous year to 2.887 billion yen. Because of this, net income per share rose from the previous year's 78.65 yen to 80.72 yen, and return on equity for the year was 8.6%.

TRENDS IN SEGMENTS BY REGION

To see a breakdown of segment trends by region, please refer to the Quadrilateral Outline on pages 8 to 13.

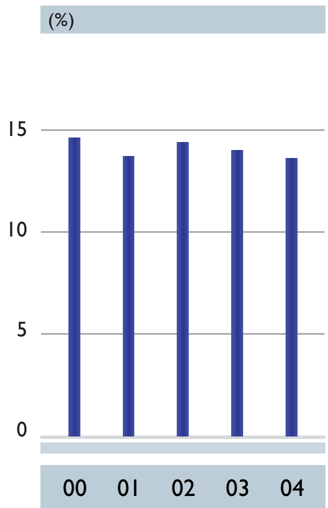
FINANCIAL POSITION

This fiscal year, KWE's total assets decreased 0.6% to 93.989 billion yen.

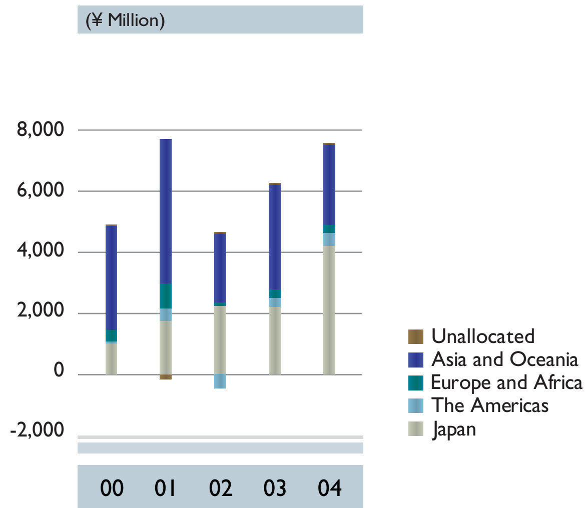
One factor behind this change was a decline in our current assets, which fell 4.8%, or 2.766 billion yen, to 54.885 billion yen. This was due mainly to decreases in cash and cash bank deposits, and in notes and accounts receivable. Fixed assets increased by 5.8% or 2.152 billion yen, to 39.104 billion yen. Most of this increase stemmed from the acquisition of land in Ichikawa, Chiba Prefecture, for our No. 4 Baraki Terminal.

Meanwhile, total liabilities decreased 5.2% to 58.372 billion

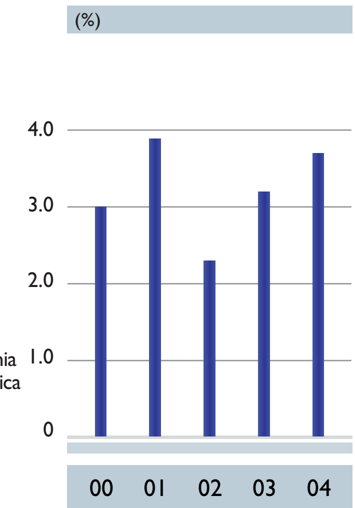
SGA Expenses to Net Sales



Operating Income by Geographic Area



Operating Income Margin



yen. Current liabilities declined 14.4% to 46.481 billion yen, mainly due to declines in notes and accounts payable and in short-term debt. Notes and accounts payable fell 17.8% to 16.185 billion yen, while short-term debt shrank 22.3% to 18.21 billion yen.

Long-term liabilities increased 62.8% to 11.891 billion yen, primarily because long-term debt increased by 89.3% over the previous year to 9.144 billion yen.

Meanwhile, shareholders' equity rose 7.5% to 34.881 billion yen. This was mainly due to an increase in consolidated retained earnings, which grew 9.9% over the previous year to 27.265 billion yen.

In the end, our equity ratio increased to 37.1%, up from 34.3% at the end of the previous fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

This fiscal year, KWE generated 5.791 billion yen in cash flows from operating activities. This was 13.5% less than the previous year. Although cash flows from operating activities were boosted by slower growth in notes and accounts receivable, they were also reduced by a decline in notes and accounts payable.

In addition, at the end of fiscal 2003, cash and cash equivalents were down by 1.561 billion yen from a year earlier, to 15.031 billion yen.

Cash used in investment activities this year amounted to 6.124 billion yen, which was 1.561 billion yen more than the previous term. This was mainly due to the expenditure of 4.212 billion yen, or 1.422 billion yen more than the previous year, for acquisition of tangible fixed assets.

Finally, cash used for financial activities increased by 1.152 billion yen from a year earlier to 804 million yen. The main reason was a 1.1 billion yen increase in net growth of short - term debt.

SIGNIFICANT RISK FACTORS THAT COULD IMPACT OPERATING RESULTS

The following are the major risk factors that KWE recognizes as having the potential to affect our operating results.

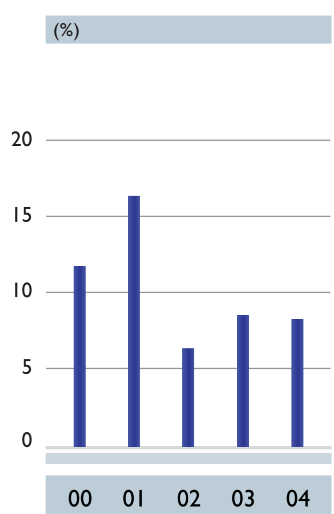
Economic conditions

KWE operates on a global basis, with its operations dispersed over the Japan region, the Americas, Europe and Africa, and Asia and Oceania. The main products that we handle are export goods such as high-tech items (electronic components, semiconductors and semiconductor production equipment, telecommunications-related items, LCD-related items, digital household appliances, etc.), automotive items, (including automotive components and fully assembled vehicles), medical items (related to medical care or pharmaceuticals, and chemical goods), goods associated with luxury apparel, and goods for sale by mass merchandisers. In situations such as an adjustment in demand for IT items that are particularly sensitive to fluctuations in economic ups and downs, or in the event of a global disruption such as the terrorist attacks that took place in the United States in September 2001, the 2003 Iraq war, or the SARS outbreak, it is possible that the performance of the KWE Group or its financial condition could be affected. Because of this risk, we are continuously seeking to develop new customers and expand the range of items that we handle.

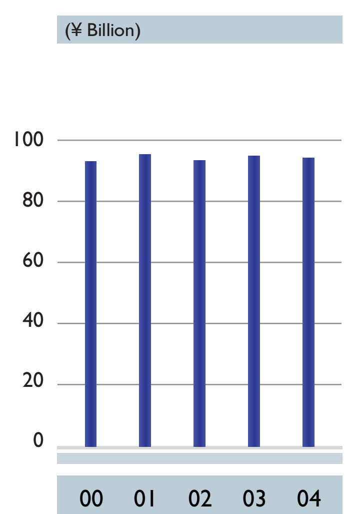
Exchange rate fluctuations

KWE has built a quadrilateral system (consisting of Japan, the Americas, Europe and Africa, and Asia and Oceania), and fluctuations in foreign exchange rates in any of these regions could affect KWE's performance or financial condition. In order to diminish risks arising from such currency fluctuations, KWE uses foreign exchange forward contracts.

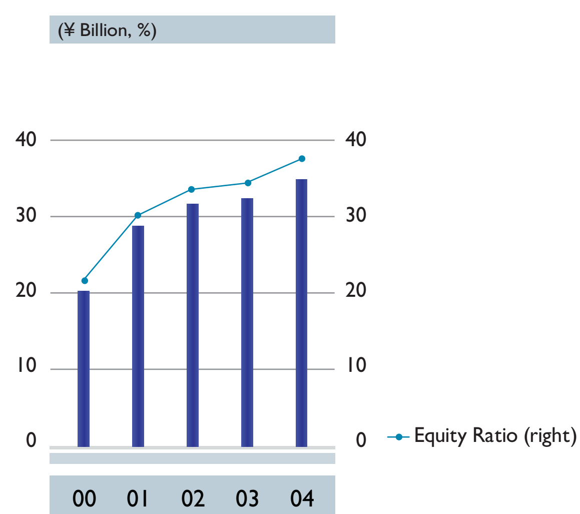
ROE



Total Assets



Shareholders' Equity and Equity Ratio



Our policy is to use such forward contracts only to hedge the amount of KWE's net debts or credits related to sales contracts denominated in foreign currencies. In principle, we do not enter into forward contracts with longer terms than one year. Moreover, we set a policy of refraining from any speculative dealings or highly leveraged transactions. We use comprehensive foreign exchange forward contracts only to offset the risks of future fluctuations as related to normal business dealings denominated in a foreign currency.

Fluctuations in crude oil prices

Taking into account the influence that a sudden surge in fuel prices can have on distribution and transport, KWE maintains close relationships with air and marine carriers, and works to expand our channels for procuring cargo space. Nevertheless, it is possible that unforeseeable circumstances could affect our corporate performance.

Legal regulations

Each nation has enacted various regulations governing transport, warehousing, storage management, and other businesses in which we engage. Most of those are statutory regulations (to ensure safety, for example) or legal regulations affecting the transport business. If existing legal regulations are changed, it is possible that a temporary spike in capital spending could result, which could affect KWE's performance.

Concerning transport accidents

KWE takes the utmost care based on the know-how that we have accumulated as an airfreight forwarder as we work to expand our logistics business. We work hard to secure and add to the trust that our customers place in us. Nevertheless, in the event of a transport accident arising, for example, from an unpredictable disaster, KWE's performance could be adversely affected.

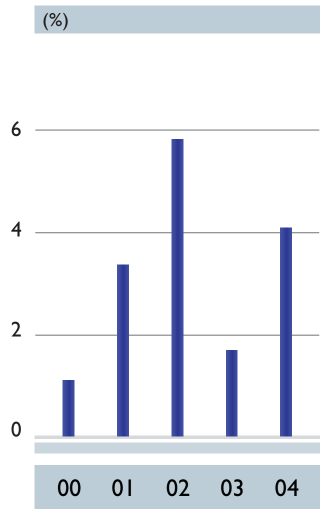
Concerning storage and security at distribution-related facilities

KWE owns distribution-related facilities primarily in four regions of the world: Japan, the Americas, Europe and Africa, and Asia and Oceania. We take measures to ensure safe storage and security at these facilities; for example, we have acquired Class A certification from TAPA (Technology Asset Protection Association, which sets international security standards) for our facilities at Narita, Japan and 10 other major cities around the world. However, in the event that our security measures should cease to function due to war or terrorist attack, etc., KWE's performance could be adversely affected.

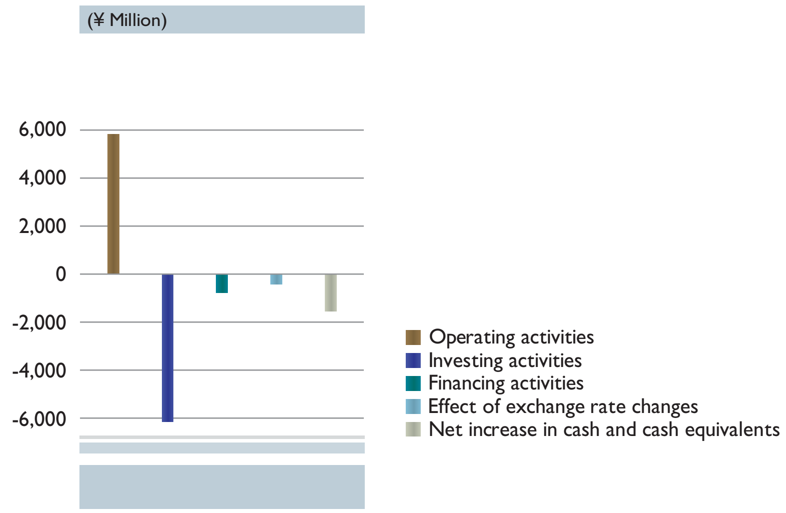
Concerning customer data maintenance and information leaks

KWE systematically controls customer data and information about freight movements through our intra-Group information network. We perform regular audits and inspections to ensure that there are no information leaks. Therefore, we believe there is an extremely small risk of customer data being leaked outside the company. Nevertheless, in the unlikely event that for some reason customer information should be leaked to an outside party, the resulting loss of trust in the company could affect our corporate performance.

Working Capital to Net Sales



Cash Flows



Kintetsu World Express, Inc. and Subsidiaries

Consolidated Balance Sheets

March 31, 2004 and 2003

ASSETS	Millions of yen 2004	Millions of yen 2003	Thousands of U.S. dollars (Note 1) 2004
Current assets :			
Cash and time deposits (Note 3)	**¥ 15,084**	¥ 16,637	**$ 142,715**
Notes and accounts receivable	**35,385**	37,465	**334,803**
Less: Allowance for doubtful accounts	**(525)**	(536)	**(4,964)**
Deferred income taxes (Note 8)	**699**	542	**6,610**
Other current assets	**4,242**	3,544	**40,142**
Total current assets	**54,885**	57,652	**519,306**
Investments (Note 4) :			
Investments in :			
Affiliates	**296**	287	**2,801**
Others	**2,886**	2,176	**27,304**
Other investments	**3,921**	3,971	**37,100**
Less:Allowance for doubtful accounts	**(587)**	(385)	**(5,562)**
Total investments	**6,516**	6,049	**61,643**
Property and equipment (Note 6) :			
Land	**9,405**	7,437	**88,983**
Buildings and structures	**21,977**	22,516	**207,943**
Machinery and equipment	**1,905**	1,911	**18,022**
Other	**7,585**	6,889	**71,770**
	40,872	38,753	**386,718**
Less : Accumulated depreciation	**(13,009)**	(12,448)	**(123,088)**
Total property and equipment	**27,863**	26,305	**263,630**
Other assets	**3,850**	3,823	**36,424**
Deferred income taxes (Note 8)	**876**	774	**8,291**
	¥ 93,990	¥ 94,603	**$ 889,295**

See accompanying notes.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 2004	Millions of yen 2003	Thousands of U.S. dollars (Note 1) 2004
Current liabilities :			
Short-term debt (Note 5)	**¥ 14,883**	¥ 13,412	**$ 140,819**
Current maturities of long-term debt (Note 5)	**3,327**	10,018	**31,485**
Notes and accounts payable	**16,186**	19,696	**153,141**
Income taxes payable (Note 8)	**2,068**	1,566	**19,569**
Deferred income taxes (Note 8)	**16**	13	**150**
Accrued bonuses	**911**	877	**8,616**
Other current liabilities	**9,090**	8,719	**86,007**
Total current liabilities	**46,481**	54,301	**439,787**
Long-term debt (Note 5)	**9,145**	4,830	**86,526**
Accrued retirement benefits to :			
Employees (Note 7)	**1,835**	1,467	**17,361**
Directors and statutory auditors	**534**	477	**5,051**
Deferred income taxes (Note 8)	**84**	189	**795**
Other long-term liabilities	**294**	343	**2,781**
Minority interests in consolidated subsidiaries	**736**	545	**6,960**
Shareholders' equity (Note 9) :			
Common stock			
Authorized 120,000,000 shares			
Issued 34,000,000 shares	**5,212**	5,212	**49,314**
Capital surplus	**2,864**	2,864	**27,098**
Net unrealized holding gains on marketable securities	**420**	53	**3,970**
Foreign currency translation adjustment	**(880)**	(480)	**(8,325)**
Retained earnings	**27,265**	24,802	**257,977**
Treasury stock, at cost	**(0)**	(0)	**(0)**
Total shareholders' equity	**34,881**	32,451	**330,034**
	¥ 93,990	¥ 94,603	**$ 889,295**

See accompanying notes.

Kintetsu World Express, Inc. and Subsidiaries

Consolidated Statements of Income

Years ended March 31, 2004 and 2003

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2004	2003	**2004**
Net sales (Note 11)	**¥ 202,941**	¥ 196,528	**$ 1,920,154**
Cost of sales	**167,823**	162,801	**1,587,879**
Gross profit	**35,118**	33,727	**332,275**
Selling, general and administrative expenses (Note 12)	**27,547**	27,470	**260,639**
Operating income (Note 11)	**7,571**	6,257	**71,636**
Other income (expenses) :			
Interest and dividends income	**182**	161	**1,716**
Interest expenses	**(568)**	(777)	**(5,375)**
Foreign currency exchange gain	**517**	596	**4,893**
Impairment loss on securities (Note 4)	**-**	(180)	**0**
Loss on liquidation of subsidiaries	**(1,413)**	(305)	**(13,372)**
Other, net	**(70)**	(86)	**(659)**
	(1,352)	(591)	**(12,797)**
Income before income taxes	**6,219**	5,666	**58,839**
Income taxes (Note 8) :			
Current	**3,688**	2,614	**34,890**
Deferred	**(617)**	(11)	**(5,838)**
	3,071	2,603	**29,052**
Minority interest in consolidated subsidiaries	**(261)**	(286)	**(2,471)**
Net income	**¥ 2,887**	¥ 2,777	**$ 27,316**

	Yen		U.S. dollars (Note 1)
	2004	2003	**2004**
Amounts per share :			
Net income	**¥ 80.72**	¥ 78.65	**$ 0.76**
Cash dividends applicable to the year	**12.00**	9.00	**0.114**

See accompanying notes.

Kintetsu World Express, Inc. and Subsidiaries

Consolidated Statements of Shareholders' Equity

Years ended March 31, 2004 and 2003

	Number of shares of common stock (thousands)	Millions of yen Common stock	Capital surplus	Net unrealized holding gains on securities	Foreign currency translation adjustment	Treasury stock	Retained earnings
Balance at March 31, 2002	34,000	¥ 5,212	¥ 2,864	¥ 257	¥ 666	¥ (0)	¥ 22,485
Net income	-	-	-	-	-	-	2,777
Adjustments from translation of foreign currency financial statements	-	-	-	-	(1,146)	-	-
Net unrealized holding gains on marketable securities	-	-	-	(204)	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(392)
Bonuses to directors and statutory auditors	-	-	-	-	-	-	(68)
Balance at March 31, 2003	**34,000**	**5,212**	**2,864**	**53**	**(480)**	**(0)**	**24,802**
Net income	-	-	-	-	-	-	**2,887**
Adjustments from translation of foreign currency financial statements	-	-	-	-	**(400)**	-	-
Net unrealized holding gains on marketable securities	-	-	-	**367**	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	-
Cash dividends paid	-	-	-	-	-	-	**(340)**
Bonuses to directors and statutory auditors	-	-	-	-	-	-	**(84)**
Balance at March 31, 2004	**34,000**	**¥ 5,212**	**¥ 2,864**	**¥ 420**	**¥ (880)**	**¥ (0)**	**¥ 27,265**

	Number of shares of common stock (thousands)	Thousands of U.S.Dollars (Note 1) Common stock	Capital surplus	Net unrealized holding gains on securities	Foreign currency translation adjustment	Treasury stock	Retained earnings
Balance at March 31, 2003	**34,000**	**$ 49,314**	**$ 27,098**	**$ 501**	**$ (4,541)**	**$ (0)**	**$ 234,672**
Net income	-	-	-	-	-	-	**27,316**
Adjustments from translation of foreign currency financial statements	-	-	-	-	**(3,784)**	-	-
Net unrealized holding gains on marketable securities	-	-	-	**3,469**	-	-	-
Purchase of treasury stock	-	-	-	-	-	-	-
Cash dividends paid	-	-	-	-	-	-	**3,217**
Bonuses to directors and statutory auditors	-	-	-	-	-	-	**794**
Balance at March 31, 2004	**34,000**	**$ 49,314**	**$ 27,098**	**$ 3,970**	**$ (8,325)**	**$ (0)**	**$ 257,977**

See accompanying notes.

Consolidated Statements of Cash Flows

Years ended March 31, 2004 and 2003

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2004	2003	**2004**
CASH FLOWS FROM OPERATING ACTIVITIES :			
Net income before income taxes	**¥ 6,219**	¥ 5,666	**$ 58,839**
Adjustments to reconcile net income before income taxes to net cash provided by operating activities :			
Depreciation and amortization	**2,446**	2,768	**23,141**
Increase (Decrease) in accrued bonuses	**49**	(83)	**462**
Increase (Decrease) in accrued retirement benefits	**439**	221	**4,149**
Interest and dividends income	**(181)**	(161)	**(1,716)**
Interest expenses	**568**	777	**5,375**
Disposal of fixed assets	**21**	153	**197**
Changes in assets and liabilities:			
(Increase) Decrease in notes and accounts receivable	**(288)**	(4,068)	**(2,724)**
Increase (Decrease) in notes and accounts payable	**(2,383)**	4,059	**(22,544)**
(Increase) Decrease in other assets	**(291)**	754	**(2,751)**
Increase (Decrease) in other liabilities	**733**	(183)	**6,930**
Bonuses to directors and statutory auditors	**(87)**	(72)	**(819)**
Loss on liquidation of subsidiaries	**1,413**	-	**13,372**
Other, net	**684**	57	**6,483**
Sub-total	**9,342**	9,888	**88,394**
Interest and cash dividends received	**185**	158	**1,752**
Interest paid	**(580)**	(789)	**(5,492)**
Income taxes paid	**(3,155)**	(2,564)	**(29,853)**
Net cash provided by operating activities	**5,792**	6,693	**54,801**
CASH FLOWS FROM INVESTING ACTIVITIES :			
Payments for purchases of securities	**(32)**	(110)	**(305)**
Proceeds from sales of securities	**-**	16	**0**
Payments for purchases of property and equipment	**(4,212)**	(2,789)	**(39,853)**
Proceeds from sales of property and equipment	**405**	788	**3,830**
Payment for purchase of investments in subsidiaries	**-**	(329)	**0**
Payments for loans receivable	**(465)**	(962)	**(4,395)**
Other, net	**(1,820)**	(1,179)	**(17,225)**
Net cash used in investing activities	**(6,124)**	(4,564)	**(57,948)**
CASH FLOWS FROM FINANCING ACTIVITIES :			
Net increase (Decrease) in short-term debt	**1,855**	755	**17,557**
Payments of capital lease obligations	**(104)**	(352)	**(982)**
Proceeds from long-term debt	**7,786**	13	**73,665**
Payments for long-term debt	**(9,957)**	(1,897)	**(94,207)**
Payments of cash dividends	**(340)**	(392)	**(3,217)**
Payments of cash dividends to minority shareholders	**(67)**	(84)	**(637)**
Proceeds from minority shareholders	**22**	-	**209**
Net cash used in financing activities	**(805)**	(1,957)	**(7,612)**
Effect of exchange rate changes on cash and cash equivalents	**(424)**	(752)	**(4,014)**
Net increase (Decrease) in cash and cash equivalents	**(1,561)**	(579)	**(14,773)**
Cash and cash equivalents at beginning of year	**16,592**	17,171	**156,991**
Cash and cash equivalents at end of year (Note 3)	**¥ 15,031**	¥ 16,592	**$ 142,218**

See accompanying notes.

Notes to Consolidated Financial Statements

Years ended March 31, 2004 and 2003

Note 1: Basis of Presenting the Consolidated Financial Statements

The accompanying consolidated financial statements of Kintetsu World Express, Inc. (the "Company") and subsidiaries have been prepared in accordance with the provisions set forth in the Japanese Securities and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The accounts of overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. The accompanying consolidated financial statements have been restructured and translated into English (with some expanded descriptions and the inclusion of consolidated statements of shareholders' equity) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Securities and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translations of the Japanese yen amounts into U.S.dollars are included solely for the convenience of readers, using the prevailing exchange rate at March 31, 2004, which was ¥105.69 to U.S.$1.The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S.dollars at this or any other rate of exchange. Certain reclassifications have been made in the 2003 consolidated financial statements to conform to the presentation for 2004.

Note 2: Summary of Significant Accounting Policies

(1) Scope of Consolidation

The Company had 49 subsidiaries at March 31, 2004 and the consolidated financial statements include the accounts of the Company and all subsidiaries. At March 31, 2003 the Company had 57 subsidiaries and consolidated all of them.

The Company and the consolidated subsidiaries are together referred to as the "Companies" hereinafter.

(2) Consolidation and Elimination

For the purposes of preparing the consolidated financial statements, all significant intercompany transactions, account balances and unrealized profits among the Companies have been eliminated, and the portion thereof attributable to minority interests is charged to minority interests.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the Company acquired control of the respective subsidiaries.

(3) Investments in Affiliates

At March 31, 2004, four affiliates of which the Company has the ability to exercise significant influence over operating and financial policies are accounted for by the equity method whereby the costs of investments are adjusted for equity in undistributed earnings or losses since acquisition.

(4) Securities

Securities are classified as (a) securities held for trading purposes (hereafter, "trading securities"), (b) debt securities intended to be held to maturity (hereafter, "held-to-maturity debt securities"), (c) equity securities issued by subsidiaries and affiliated companies, and (d) for all other securities that are not classified in any of the above categories (hereafter, "available-for-sale securities").

Securities held by the Company and its subsidiaries are classified into three categories.

Held-to-maturity securities are stated at amortized cost.

Available-for-sale securities with market values are stated at market value. Unrealized gains and losses on these securities are reported, net of applicable income taxes, as a separate component of shareholders' equity. Realized gains on sale of such securities are computed using weighted-average cost.

Other securities that do not have market value are stated at weighted-average cost.

If the market value of available-for-sale securities declines significantly, such securities are stated at market value and the difference between market value and the carrying amount is recognized as loss in the period of the decline.

(5) Allowance for Doubtful Accounts

The Companies adopted the policy of providing the allowance for doubtful accounts using the actual rate of bad debt losses experienced in the past for the receivable other than those, for which allowance is provided based on individual evaluation of their possibility of collection.

The allowance for doubtful accounts held by overseas consolidated subsidiaries represents the amount deemed necessary to cover possible losses.

(6) Property and Equipment

Property and equipment are stated at cost. Depreciation for buildings held by the Company and domestic consolidated subsidiaries is computed on the straight-line method based on the estimated useful lives of assets. Depreciation for others is computed using the declining-balance method. Depreciation of tangible fixed assets held by overseas consolidated subsidiaries is mainly computed by the straight-line method. Normal repairs and maintenance, including minor renewals and improvements, are charged to income as incurred.

The company does not adopt the new Japanese accounting standard for impairment of fixed assets ('Opinion Concerning Establishment of Accounting Standards for Impairment of Fixed Assets' issued by the Business Accounting Deliberation Council of

Japan on August 9, 2002 and the Implementation Guidance for Accounting Standards for Impairment of Fixed Assets the Financial Accounting Standard Implementation Guidance NO.6 issued by the Accounting Standards Board of Japan on October 31, 2003). The adoption of these standard and guidance are mandatory from the year ended March 31, 2006.

(7) Amortization of Intangible Assets
Amortization of intangible assets is computed using the straight-line method.

Software for internal use is amortized over their estimated useful lives (primarily 5 years) on a straight-line basis.

(8) Accrued Bonuses
Accrued bonuses to employees are provided for the portion relevant to the current year of the estimated amount of bonus payments. Bonuses to directors and statutory auditors, which are subject to approval at the shareholders' meeting, are accounted for as an appropriation of retained earnings.

(9) Accrued Retirement Benefits to Employees
The Companies adopted the Accounting standard for employees' severance and retirement benefits, under which allowance and expenses for severance and pension benefits are determined based on the amounts obtained by actuarial calculations.

The Company and certain domestic consolidated subsidiaries have defined benefit pension plans and certain overseas subsidiaries provide defined benefit pension plans and defined contribution plans.
Effective April 1, 2001, the Company integrated entire lump-sum payment plan into funded pension plan . The transition amount arising from this integration of 67 million ($642 thousand) is amortized on a straight-line basis over the period of 13 years commencing with the year ended March 31, 2002.

The excess of the projected benefit obligation over the total of the fair value of pension assets as of April 1, 2000 and the liabilities for severance and retirement benefits recorded as of April 1, 2000 (the "net transition obligation") amounted to 3,788 million, is recognized in expenses in equal amounts primarily over 15 years commencing with the year ended March 31, 2001.

Unrecognized net actuarial differences are amortized as expenses from the next fiscal year by the straight-line basis over the prescribed years within the estimated remaining service period (primarily 13 years).

(10) Accrued Retirement Benefits to Directors and Statutory Auditors
The Company and certain domestic consolidated subsidiaries pay lump-sum retirement benefits to retiring directors or statutory auditors, the amount of which is determined by the internal rules, which are customary practices in Japan. The payment of such retirement benefits is subject to approval at the shareholders' meeting. The Company and certain domestic consolidated subsidiaries recognize the liabilities, which would be required to pay upon retirement of all directors and statutory auditors at the balance sheet dates, as "Accrued retirement benefits to directors and statutory auditors".

(11) Translation of Foreign Currency Transactions
Short-term receivables and payables denominated in foreign currencies are translated into Japanese yen at the year-end rates and the resulting translation gains or losses are taken into income currently.

Receivables and payables denominated in foreign currencies, which are hedged by forward exchange contracts, are translated at the contracted rates of exchange.

(12) Translation of Foreign Currency Financial Statements
(Accounts of Overseas Subsidiaries and affiliates)
Foreign currency financial statements of overseas consolidated subsidiaries and affiliates accounted for by the equity method are translated into Japanese yen at current exchange rates prevailing at the relevant balance sheet dates of these subsidiaries and affiliates, except that shareholders' equity accounts are translated at historical rates. Differences arising from translation are presented as " Foreign currency translation adjustment " in the shareholders' equity.

(13) Income Taxes
Income taxes consist of corporation, enterprise and inhabitant taxes. The provision for income taxes is computed based on the pretax income of each of the Company and its consolidated subsidiaries with certain adjustments required for tax purposes.
The Company and its consolidated subsidiaries recognize tax effects of temporary differences between the carrying amounts of assets and liabilities for tax purposes and financial reporting purposes. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

(14) Leases
Finance leases of the Company and the domestic consolidated subsidiaries, other than those which are deemed to transfer the ownership of the leased assets to lessees, are accounted for by a method similar to that used for ordinary operating leases.

Certain overseas subsidiaries capitalize their assets leased under finance lease contracts in accordance with local accounting principles.

(15) Hedging activities
The Company and its subsidiaries use forward foreign currency contracts as derivative financial instruments only for the purpose of mitigating future risks of fluctuation of foreign currency exchange rates with respect to foreign currency receivables and payables, within the amount of foreign currency receivables and payables.
Forward foreign currency contracts are subject to risks of foreign exchange rate changes, respectively.

The following hedging derivative financial instrument used by the company and items hedged:

Hedging instrument :	Forward foreign exchange contracts
Hedged items :	Foreign currency receivables and payables

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company defer recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related losses or gain on the hedged items are recognized

However, in cases where forward foreign exchange contracts are used as hedges and meet certain hedging criteria, forward foreign exchange contracts and hedged items are accounted for in the following manner:

(a) If a forward foreign exchange contract is executed to hedge an existing foreign currency receivable or payable, (i)the difference, if any, between the Japanese yen amount of the hedged foreign currency receivable or payable translated using the spot rate at the inception date of the contract and the book value of the receivable or payable is recognized in the income statement in the period which includes the inception date, and (ii) the discount or premium on the contract (that is, the difference between the Japanese yen amount of the contract translated using the contracted forward rate and that translated using the spot rate at the inception date of the contract) is recognized over the term of the contract

(b) If a forward foreign exchange contract is executed to hedge a future transaction denominated in a foreign currency, the future transaction will be recorded using the contracted forward rate, and no gains or losses on the forward foreign exchange contract are recognized.

(16) Per Share information

Diluted earnings per share of common stock for the years ended March 31, 2004 and 2003 are not presented since the Company had no securities with dilutive effect.

Cash dividends per share presented in the consolidated statements of income represent dividends declared as applicable to the respective year, including dividends paid after the end of the year.

(17) Statements of Cash Flows

In preparing the consolidated statements of cash flows, cash on hand, readily available deposits and short term highly liquid investments with maturities of not exceeding three months at the time of purchase are considered to be cash and cash equivalents.

Note 3: Cash and Cash Equivalents

Reconciliations of cash and time deposits shown in the consolidated balance sheets and cash and cash equivalents shown in the consolidated statements of cash flows as of March 31, 2004 and 2003 are as follows:

	Millions of yen		*Thousands of U.S.dollars*
	2004	2003	**2004**
Cash and time deposits	**¥ 15,084**	¥ 16,637	**$ 142,715**
Deposits over three months	**(53)**	(45)	**(497)**
Cash and cash equivalents	**¥ 15,031**	¥ 16,592	**$ 142,218**

Note 4: Securities

The following tables summarize acquisition cost , book value and market value of securities with available fair values as of March 31, 2004 and 2003 :

Held-to-maturity debt securities, at March 31, 2004	*Millions of yen*			*Thousands of U.S.dollars*		
	Book value	*Market Value*	*Difference*	*Book value*	*Market Value*	*Difference*
Securities with available fair values exceeding book value	¥ 350	¥ 350	¥ 0	$ 3,309	$ 3,311	$ 2
Other securities	-	-	-	-	-	-
Total	¥ 350	¥ 350	¥ 0	$ 3,309	$ 3,311	$ 2

Held-to-maturity debt securities, at March 31, 2003	*Millions of yen*		
	Book value	*Market Value*	*Difference*
Securities with available fair values exceeding book value	¥ 349	¥ 349	¥ 0
Other securities	-	-	-
Total	¥ 349	¥ 349	¥ 0

Available-for-sale securities, at March 31, 2004	Millions of yen			Thousands of U.S.dollars		
	Acquisition Cost	Book Value	Difference	Acquisition Cost	Book Value	Difference
Securities with book value exceeding acquisition costs	¥ 656	¥ 1,399	¥ 743	$ 6,204	$ 13,239	$ 7,035
Other securities	232	197	(35)	2,199	1,858	(341)
Total	¥ 888	¥ 1,596	¥ 708	$ 8,403	$ 15,097	$ 6,694

Available-for-sales securities, at March 31, 2003	Millions of yen		
	Acquisition Cost	Book Value	Difference
Securities with book value exceeding acquisition costs	¥ 336	¥ 619	¥ 283
Other securities	592	398	(194)
Total	¥ 928	¥ 1,017	¥ 89

The Company reported the impairment loss of ¥52 million for available-for-sale securities for the year ended March 31 2003.

Book value of available-for-sale securities, with no fair market value, as of March 31, 2004 and 2003 were as follows:

Available-for-sales securities	Millions of yen		Thousands of U.S.dollars
	2004	2003	**2004**
Non-listed securities (except for over-the-counter securities)	¥ 940	¥ 810	$ 8,899
Non-listed equity securities issued by subsidiaries and affiliates	296	287	2,801
Total	¥ 1,236	¥ 1,097	$ 11,700

The carrying value of debt securities classified as available-for-sale and held-to-maturity as of March 31, 2004 and 2003 are summarized by contractual maturities as follows:

	Millions of yen				Thousands of U.S.dollars	
	2004		2003		**2004**	
	Corporate bonds	Others	Corporate bonds	Others	Corporate bonds	Others
One year or less	¥ -	¥ 350	¥ -	¥ -	¥ -	¥ 3,312
One to five years	-	-	-	350	-	-
Five to 10 years	-	-	-	-	-	-
More than 10 years	-	-	-	-	-	-
Total	¥ -	¥ 350	¥ -	¥ 350	$ -	$ 3,312

Note 5: Short-term Debt and Long-term Debt

Short-term debt consisted principally of borrowings from banks. The weighted average interest rates of short-term debt as of March 31, 2004 and 2003 were 1.26% and 1.34% , respectively.

Long-term debt at March 31, 2004 and 2003 consisted of the followings:

	Millions of yen		Thousands of U.S.dollars
	2004	2003	**2004**
Long-term debt from banks and other financial institutions due 2004 to 2046, with average interests 2.51% for 2004 and 3.29% for 2003, respectively			
Secured	**¥ 605**	¥ 711	**$ 5,724**
Unsecured	**11,867**	14,137	**112,287**
	12,472	14,848	**118,011**
Less: Portion due within one year	**(3,327)**	(10,018)	**(31,485)**
	¥ 9,145	¥ 4,830	**$ 86,526**

Annual maturities of long-term debt at March 31, 2004 are as follows:

Year ending March 31	Millions of yen	Thousands of U.S.dollars
2005	¥ 3,327	$ 31,485
2006	1,484	14,037
2007	1,547	14,635
2008	1,489	14,087
2009	3,708	35,084
2010 and thereafter	917	8,683
Total	¥ 12,472	$ 118,011

Note 6:

Pledged Assets

At March 31, 2004, assets pledged as collateral for long-term debt mentioned in Note 5 were as follows:

	Millions of yen	Thousands of U.S.dollars
Buildings and structures	¥ 1,214	$ 11,487
Land	912	8,627
	¥ 2,126	$ 20,114

Note 7:

Employees' retirement benefits

The accrued retirement benefits included in the liability section of the consolidated balance sheetsas of March 31, 2004 and 2003 consisted of the following:

	Millions of yen		Thousands of U.S.dollars
	2004	2003	**2004**
Projected benefit obligation	**¥ 17,405**	¥ 17,684	**$ 164,681**
Unrecognized prior service costs	**(56)**	(61)	**(528)**
Unrecognized actuarial differences	**(2,840)**	(5,396)	**(26,875)**
Less fair value of pension assets	**(9,891)**	(7,725)	**(93,586)**
Less unrecognized net transition obligation	**(2,783)**	(3,035)	**(26,331)**
Prepaid pension cost	**-**	-	**-**
Accrued retirement benefits	**¥ 1,835**	¥ 1,467	**$ 17,361**

Included in the consolidated statements of income for the years ended March 31, 2004 and 2003 are retirement benefit expenses comprised of the following:

	Millions of yen		Thousands of U.S.dollars
	2004	2003	**2004**
Service costs - benefits earned during the year	**¥ 889**	¥ 734	**$ 8,413**
Interest cost on projected benefit obligation	**426**	495	**4,032**
Expected return on plan assets	**(304)**	(328)	**(2,880)**
Amortization on net transition obligation	**253**	246	**2,388**
Amortization on prior service costs	**5**	5	**49**
Amortization on actuarial differences	**433**	149	**4,100**
Retirement benefit expenses	**¥ 1,702**	¥ 1,301	**$ 16,102**

The discount rates used by the Company to measure the projected pension benefit obligation was 2.5% for 2004 and 2003 and the rate of expected return on plan assets was 4.0% for 2004 and 2003.

Note 8: Income Taxes

Income taxes consist of corporation, inhabitants and enterprise taxes.
The statutory tax rates were approximately 42.05% for the years ended March 31, 2004 and 2003.
Significant components of the Companies' deferred tax assets and liabilities as of March 31, 2004 and 2003 were as follows:

	Millions of yen		*Thousands of U.S.dollars*
	2004	2003	**2004**
Deferred tax assets :			
Operating loss carryforwards	**¥ 704**	¥ 220	**$ 6,662**
Bonuses	**265**	214	**2,508**
Bad debt allowance	**334**	296	**3,157**
Retirement benefits to employees	**514**	343	**4,863**
Retirement benefits to directors and statutory auditors	**210**	184	**1,995**
Accrued enterprise tax	**140**	102	**1,321**
Other	**376**	218	**3,559**
Total	**2,543**	1,577	**24,065**
Valuation allowance	**(722)**	(218)	**(6,836)**
Total deferred tax assets	**1,821**	1,359	**17,229**
Deferred tax liabilities :			
Net unrealized gains on marketable securities	**(288)**	(36)	**(2,724)**
Depreciation and other	**(58)**	(209)	**(549)**
Total deferred tax liabilities	**(346)**	(245)	**(3,273)**
Net deferred tax assets	**¥ 1,475**	¥ 1,114	**$ 13,956**

Reconciliation of the difference between the statutory tax rate and the effective tax rate for the year ended March 31, 2003 is not presented since the difference was insignificant.
The following table summarizes the significant differences between the statutory tax rate and the Company's effective tax rate for financial statement purposes for the year ended March 31, 2004:

	2004
Statutory tax rate	42.05%
Non-deductible expenses	2.24
Lower tax rate applicable to income of foreign subsidiaries	(10.14)
Unrealized losses of consolidated subsidiaries	11.33
Other	3.90
Effective tax rate	49.38%

Note 9: Shareholders' Equity

Under the Commercial Code of Japan (the"Code"), the entire amount of the issue price of shares is required to be accounted for as capital, although a company may, by resolution of its Board of Directors, account for an amount not exceeding one-half of the issue price of the new shares as additional paid-in capital, which is included in capital surplus.
Effective October 1, 2001, the Code provides that an amount equal to at least 10% of cash dividends and other cash appropriations shall be appropriated and set aside as a legal earnings reserve until the total amount of legal earnings reserve and additional paid-in capital equals 25% of common stock. The legal earnings reserve and additional paid-in capital may be used to eliminate or reduce a deficit by resolution of shareholders' meeting or may be capitalized by resolution of the Board of Directors. On condition that the total amount of legal earnings reserve and additional paid-in capital remains being equal to or exceeding 25% of common stock, they are available for distribution by the resolution of shareholders' meeting. Legal earnings reserve is included in retained earnings in the accompanying financial statements.
The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with the Code.

Note 10: Accounting for Leases

The Company and domestic consolidated subsidiaries have various lease agreements whereby the Companies act as lessees.

Finance leases which do not transfer ownership to lessees are accounted for in the same manner as operating leases.

Certain information for non-capitalized finance leases for the years ended March 31, 2004 and 2003 were as follows:

(1) A summary of assumed amounts of acquisition cost , accumulated depreciation and net book value for finance leases at March 31, 2004 and 2003 were as follows:

	Millions of yen		*Thousands of U.S.dollars*
	2004	2003	**2004**
Machinery and equipment :			
Assumed acquisition cost	**¥ 253**	¥ 254	**$ 2,401**
Accumulated depreciation	**(109)**	(90)	**(1,034)**
Net book value	**¥ 144**	¥ 164	**$ 1,367**
Others (tools, dies, furniture and fixtures):			
Assumed acquisition cost	**¥ 1,596**	¥ 2,090	**$ 15,099**
Accumulated depreciation	**(883)**	(1,215)	**(8,352)**
Net book value	**¥ 713**	¥ 875	**$ 6,747**
Software:			
Assumed acquisition cost	**¥ 950**	¥ 969	**$ 8,990**
Accumulated depreciation	**(379)**	(422)	**(3,584)**
Net book value	**¥ 571**	¥ 547	**$ 5,406**

(2) Lease obligations under non-capitalized finance leases, including finance charges at March 31, 2004 and 2003 were as follows:

	Millions of yen		*Thousands of U.S.dollars*
	2004	2003	**2004**
Payments due within one year	**¥ 525**	¥ 572	**$ 4,967**
Payments due after one year	**942**	1,054	**8,910**
	¥ 1,467	¥ 1,626	**$ 13,877**

(3) Lease payments and the amounts corresponding to depreciation and interest expense under such leases for the years ended March 31, 2004 and 2003 were as follows:

	Millions of yen		*Thousands of U.S.dollars*
	2004	2003	**2004**
Lease payments	**¥ 681**	¥ 687	**$ 6,444**
Depreciation expense portion	**641**	648	**6,065**
Interest expense portion	**38**	39	**363**

In addition, lease obligations under operating leases, including finance charges, at March 31, 2004 and 2003 were as follows:

	Millions of yen		*Thousands of U.S.dollars*
	2004	2003	**2004**
Payments due within one year	**¥ 179**	¥ 188	**$ 1,697**
Payments due after one year	**167**	232	**1,578**
	¥ 346	¥ 420	**$ 3,275**

Note 11: Segment Information

(1) Industry segments
The Companies are engaged predominantly in a single industry which is air and sea cargo business.

(2) Geographic areas
The segment information of the Companies for the years ended March 31, 2004 and 2003, classified by geographic areas is presented below:

	Millions of yen						
	Japan	*Americas*	*Europe and Africa*	*Asia and Oceania*	*Total*	*Elimination or Unallocated*	*Consolidated*
Year ended March 31, 2004:							
Net Sales:							
Net sales to outside customers	**¥ 101,336**	**¥ 28,497**	**¥17,632**	**¥ 55,476**	**¥202,941**	**¥ -**	**¥ 202,941**
Inter-segment sales/ transfers	**1,365**	**2,579**	**851**	**1,000**	**5,795**	**(5,795)**	**-**
Total sales	**102,701**	**31,076**	**18,483**	**56,476**	**208,736**	**(5,795)**	**202,941**
Operating expenses	**98,482**	**30,653**	**18,222**	**53,848**	**201,205**	**(5,835)**	**195,370**
Operating income	**¥ 4,219**	**¥ 423**	**¥ 261**	**¥ 2,628**	**¥ 7,531**	**¥ 40**	**¥ 7,571**
At March 31, 2004:							
Total assets	**¥ 55,995**	**¥ 12,819**	**¥ 9,341**	**¥ 21,865**	**¥100,020**	**¥ (6,030)**	**¥ 93,990**
Year ended March 31, 2003:							
Net Sales:							
Net sales to outside customers	¥ 90,645	¥ 33,050	¥ 17,269	¥ 55,564	¥ 196,528	¥ -	¥ 196,528
Inter-segment sales/ transfers	1,137	2,638	706	1,094	5,575	(5,575)	-
Total sales	91,782	35,688	17,975	56,658	202,104	(5,575)	196,528
Operating expenses	88,360	35,410	17,677	54,443	195,889	(5,618)	190,271
Operating income	¥ 3,422	¥ 279	¥ 298	¥ 2,215	¥ 6,215	¥ 43	¥ 6,257
At March 31, 2003:							
Total assets	¥ 47,669	¥ 16,056	¥ 9,239	¥ 22,764	¥ 95,728	¥ (1,125)	¥ 94,603

	Thousands of U.S.dollars						
	Japan	*Americas*	*Europe and Africa*	*Asia and Oceania*	*Total*	*Elimination or Unallocated*	*Consolidated*
Year ended March 31, 2004:							
Net Sales:							
Net sales to outside customers	**$958,806**	**$ 269,630**	**$166,828**	**$524,890**	**$ 1,920,154**	**$ -**	**$1,920,154**
Inter-segment sales/ transfers	**12,910**	**24,402**	**8,048**	**9,466**	**54,826**	**(54,826)**	**-**
Total sales	**971,716**	**294,032**	**174,876**	**534,356**	**1,974,980**	**(54,826)**	**1,920,154**
Operating expenses	**931,797**	**290,027**	**172,406**	**509,489**	**1,903,719**	**(55,201)**	**1,848,518**
Operating income	**$ 39,919**	**$ 4,005**	**$ 2,470**	**$ 24,867**	**$ 71,261**	**$ 375**	**$ 71,636**
At March 31, 2004:							
Total assets	**$529,810**	**$ 121,287**	**$ 88,379**	**$206,877**	**$ 946,353**	**$ (57,058)**	**$ 889,295**

The amounts for the common assets included in the column "Elimination or Unallocated" are ¥4,177 million ($39,517 thousand) and ¥7,028 million for the years ended March 31, 2004 and 2003, respectively, which mainly consist of surplus funds (cash and time deposits).

(3) Net sales in overseas countries
Net sales of the Companies from sources outside Japan for the years ended March 31, 2004 and 2003 are presented below:

	Millions of yen		*Thousands of U.S.dollars*
	2004	2003	**2004**
Net sales in overseas countries:			
Americas	**¥ 28,498**	¥ 33,051	**$ 269,642**
Europe and Africa	**17,644**	17,278	**166,939**
Asia and Oceania	**55,490**	55,574	**525,028**
	¥101,632	¥ 105,903	**$ 961,609**
Percentage of such sales against consolidated net sales	**50.1%**	53.9%	**50.1%**

Overseas' sales include foreign subsidiaries' sales to overseas third parties as well as the Company's and domestic subsidiaries' export sales to third parties.

Note 12: Selling, General and Administrative Expenses

Selling, general and administrative expenses during the years ended March 31, 2004 and 2003 are summarized as follows :

	Millions of yen		*Thousands of U.S.dollars*
	2004	2003	**2004**
Labor and payroll cost	**¥ 13,400**	¥ 13,241	**$ 126,784**
Provision for accrued bonuses to employees	**682**	722	**6,456**
Provision for accrued retirement benefits to :			
Employees	**1,092**	871	**10,333**
Directors and statutory auditors	**97**	118	**920**
Provision for doubtful accounts	**134**	319	**1,269**
Others	**12,142**	12,199	**114,877**
	¥ 27,547	¥ 27,470	**$ 260,639**

Note 13: Subsequent Events

On June 24, 2004, the shareholders of the Company approved (i) payment of a cash dividend to shareholders of record as of March 31, 2004 of ¥7.00 ($0.07) per share for a total of ¥238 million ($2,252 thousand) and (ii) payment of bonuses to directors and statutory auditors aggregating ¥70 million ($662 thousand).

KPMG

Independent Auditors' Report

To the Board of Directors of Kintetsu World Express, Inc.:

We have audited the accompanying consolidated balance sheets of Kintetsu World Express, Inc. and consolidated subsidiaries as of March 31, 2004 and 2003, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Kintetsu World Express, Inc. and subsidiaries as of March 31, 2004 and 2003, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2004 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.

Tokyo, Japan
June 25, 2004

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Chairman
and
Chief Executive Officer

Hirokazu Tsujimoto
President
and
Chief Operating Officer

Yoshiaki Matsuda
Executive Vice President and
Chief World Headquarters Officer

Shigeru Mori
Senior Managing Director and
Chief Financial Officer

Kiyoshi Kataoka
Managing Director and
Chief General Affairs and
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Takeo Shimomura
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Norihiro Fujita
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<Fax> 31-20-653-8036

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<Fax> 353-1-836-1111

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<Tel> 27-11-573-5700
<Fax> 27-11-397-1030

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<Fax> 41-1-8384489

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<Fax> 39-02-26950188

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<Fax> 7-502-937-3265

Captech Technologies (PTY) Ltd.
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Johannesburg South Africa
<Tel> 27-11-3971900
<Fax> 27-11-3972072

Kintetsu World Express (Middle East) FZE
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<Fax> 971-4-299-7709

ASIA & OCEANIA

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<Tel> 852-2796-1176
<Fax> 852-2756-8803

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20 Changi South Avenue 2, Singapore
486547 Singapore
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<Fax> 65-6545-6008

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<Fax> 886-2-2506-9290

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<Fax> 60-3-7806-2499

Kintetsu World Express (Australia) Pty Ltd.
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NSW 2015, Australia
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<Fax> 61-2-9690-4355

Kintetsu World Express (Thailand) Co.,Ltd.
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<Fax> 66-2-249-3982

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<Fax> 86-755-359-0782

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<Fax> 82-2-322-2215

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<Fax> 86-21-6208-6700

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<Fax> 91-80-228-3894

PT. Kintetsu World Express Indonesia
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<Fax> 62-21-5591-1793

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<Fax> 86-411-8732-5101

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<Fax> 63-2-852-9212

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<Fax> 86-21-5048-0531

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<Fax> 63-47-2523925

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<Fax> 886-2-2506-1383

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<Fax> 86-592-5733-806

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<Tel> 84-8-9401464
<Fax> 84-8-8261325

Investor Information

Kintetsu World Express, Inc. (KWE)

Head Office:
Ohtemachi Bldg., 1-6-1
Ohtemachi, Chiyoda-ku, Tokyo 100-0004, Japan
Tel: 03-3201-2580

Established:
January 1970

Paid-in Capital (as of July 31, 2004):
¥ 7,216 million

Number of Common Stocks (as of July 31, 2004):

Authorized	120,000,000 shares
Issued and outstanding	36,000,000 shares

General Annual Meeting:
The annual meeting of shareholders of the Company is held every June in Tokyo, Japan.

Transfer Agent:
Daiko Shoken Business Co., Ltd.
Transfer Agent Department
Tel: 03-3666-2233

Number of Employees (as of March 31, 2004):
5,535 (consolidated)

Investor Relations:
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Printed in Japan
This annual report is printed using recycled paper.