



May 8, 2009

## Summary of Consolidated Earnings Report for the Fiscal Year Ended March 31, 2009

Name of listed company: **Nippon Express Co., Ltd.**

Listed stock exchange: Tokyo, Osaka

Code: **9062**

(URL <http://www.nittsu.co.jp>)

Representative: President, CEO Masanori Kawai  
General Manager

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Scheduled date for general shareholders' meeting: June 26, 2009 Scheduled date of dividend payment: June 29, 2009

Scheduled date for release Securities Report: June 26, 2009

(Millions of Yen, rounded down)

### 1. Consolidated Financial Results for Fiscal Year ended Mar. 31, 2009 (from April 1, 2008 to March 31, 2009)

#### (1) Consolidated Business Results

(%: compare with the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year Ended Mar. 31, 2009	1,828,946	(3.8)	33,513	(30.9)	42,019	(24.9)	15,172	(58.4)
Fiscal Year Ended Mar. 31, 2008	1,901,433	1.9	48,502	(3.6)	55,964	(2.6)	36,439	9.7

	Net income per share	Diluted net income per share	Net income on equity	Ordinary income on assets	Operating margin to sales
	Yen	Yen	%	%	%
Fiscal Year Ended Mar. 31, 2009	14.55	—	3.1	3.4	1.8
Fiscal Year Ended Mar. 31, 2008	34.94	—	7.2	4.2	2.6

(Note) Investment gain or loss on equity method:

Fiscal Year Ended Mar. 31, 2009 ¥729 million, Fiscal Year Ended Mar. 31, 2008 ¥917 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	Yen
Fiscal Year Ended Mar. 31, 2009	1,172,074	484,337	40.4	454.03
Fiscal Year Ended Mar. 31, 2008	1,297,406	520,823	39.3	489.26

(Note) Equity: Fiscal Year Ended Mar. 31, 2009 ¥473,490 million, Fiscal Year Ended Mar. 31, 2008 ¥510,253 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from Investment activities	Cash flow from financing activities	Cash and dash equivalents at end of year
	¥ million	¥ million	¥ million	¥ million
Fiscal Year Ended Mar. 31, 2009	64,080	(75,614)	(31,927)	93,031
Fiscal Year Ended Mar. 31, 2008	90,096	(105,299)	(10,203)	144,639

### 2. Dividends Information

Record Date	Dividend per share					Total dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend payout ratio on net assets (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly			
Fiscal Year Ended Mar. 31, 2008	—	5.00	—	5.00	10.00	¥ Million 10,429	% 28.6	% 2.0
Fiscal Year Ended Mar. 31, 2009	—	5.00	—	5.00	10.00	10,428	68.7	2.1
Fiscal Year Ending Mar. 31, 2010 (Forecast)	—	5.00	—	5.00	10.00		49.0	

### 3. Forecast of Consolidated Financial Results for FY2009 (from April 1, 2009 to March 31, 2010)

(%: compare with the previous period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen
Interim of year	779,000	(18.2)	10,900	(42.3)	13,900	(39.1)	9,400	(13.1)	9.01
Full year	1,580,000	(13.6)	31,300	(6.6)	36,600	(12.9)	21,300	40.4	20.42

#### 4. Other

- (1) Significant changes of subsidiaries during the period under review (affecting specific subsidiaries due to changes in scope of consolidation): Not applicable
- (2) Changes in the accounting principles, accounting procedures, presentation, etc. related to preparation of consolidated financial statements (those to be described as Changes in Significant Matters that are the Basis for Preparing Consolidated Financial Statements)
  - 1) Changes due to the revision of accounting standards, etc.: Yes
  - 2) Any changes other than 1) above: Yes
- (3) Total number of issued shares (common stock)
  - 1) Total number of issued shares at end of period (including treasury stock):
    - Fiscal year ended Mar. 31, 2009: 1,062,299,281 shares
    - Fiscal year ended Mar. 31, 2008: 1,062,299,281 shares
  - 2) Total number of treasury shares at the end of period:
    - Fiscal year ended Mar. 31, 2009: 19,441,558 shares
    - Fiscal year ended Mar. 31, 2008: 19,383,185 shares

#### (Notes) Non-consolidated Financial Results

##### 1. Non-consolidated Financial Results for the Fiscal Year ended March 31, 2009 (from April 1, 2008 to March 31, 2009)

###### (1) Non-consolidated Business Results

(%: compare with the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year Ended Mar. 31, 2009	1,246,476	(5.0)	17,401	(39.2)	21,895	(33.7)	5,097	(77.7)
Fiscal Year Ended Mar. 31, 2008	1,312,125	(0.3)	28,639	(8.4)	33,040	(8.0)	22,884	8.4

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year Ended Mar. 31, 2009	4.89	—
Fiscal Year Ended Mar. 31, 2008	21.94	—

###### (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	Yen
Fiscal Year Ended Mar. 31, 2009	821,861	350,698	42.7	336.29
Fiscal Year Ended Mar. 31, 2008	889,447	377,382	42.4	361.85

(Note) Equity: Fiscal Year Ended Mar. 31, 2009 ¥350,698 million, Fiscal Year Ended Mar. 31, 2008 ¥377,382 million

##### 2. Forecast of Non-consolidated Financial Results for FY2009 (from April 1, 2009 to March 31, 2010)

(%: compare with the previous period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen
Interim of the year	536,000	(17.8)	6,000	(47.0)	8,000	(41.8)	3,500	(44.7)	3.36
Full Year	1,080,000	(13.4)	18,000	3.4	22,000	0.5	10,500	106.0	10.07

#### \* Explanation for the appropriate use of financial forecasts and other special notes:

The above financial prospect is based on data available at that time. It should be noted that such information contains elements of uncertainty and risk. Please note that our actual business performance may differ from these prospects. For matters related to the above projection, please refer to page 4.

## **1. Business Results**

### **(1) Analysis of Business Results**

During the fiscal year under review, the Japanese economy experienced sluggish capital investment and a dramatic fall in production, in the face of growing financial instability triggered by the subprime mortgage crisis and the rapid slowdown of the global economy. On the back of the downturn in overseas economies, exports have plummeted since FY2007. Furthermore, deterioration in corporate earnings has led to tougher employment conditions and lower consumer spending. Given these demand conditions at home and abroad, business conditions have rapidly deteriorated.

In the field of logistics, the business climate became increasingly harsh on the back of such economic conditions, as exemplified by the ever-decreasing demand for domestic freight transportation, in addition to the dramatic fall in the demand for international freight transportation, which had previously been strong.

In such a business environment that is becoming tougher by the day, the Nippon Express Group made all-out efforts in accordance with "Power up" Three-Year Plan – taking on the challenges of reform alongside our customers- , which was in its final year.

In the fiscal year under review, we strove to expand its global business by enhancing its overseas network through modal and system partnerships, as well as the enhancement of facilities. At the same time, we endeavored to provide all modes of transportation and enhance the third-party logistics (3PL) business by taking advantage of our extensive expertise and diverse information systems. We also strove to provide services that are tailored to each region and expand our operations.

In addition, in order to reinforce our management structure, we have been making efforts to use management resources efficiently, establish a low-cost structure, maximize the efficiency of funds operations, promote the use of IT resources and boost the efficiency of group management. To fulfill our corporate social responsibility (CSR), we have endeavored to promote compliance at the management level by such means as conducting CSR education and strengthening inspection and guidance at each business site. Our efforts to further improve quality included enhancing our in-house education system and developing talent to reinforce our capabilities at local sites.

As a result, net sales decreased 72.4 billion yen or 3.8% year-on-year to 1,828.9 billion yen, while ordinary income decreased 13.9 billion yen or 24.9% year-on-year to 42 billion yen.

The financial results by industry segment are summarized below.

#### **(i) Distribution & Transportation**

In Japan, there was a dramatic reduction in demand especially for the handling of international freight in the air transportation division, due to the rapid slowdown of the global economy. Overseas demand was characterized by a decrease in handling volume in Europe, not to mention the impact of the exchange rate attributable to the strong yen. As a result, net sales decreased 72.2 billion yen or 4.5% year-on-year to 1,528.6 billion yen. Due to the increase in costs stemming from the surge in fuel costs in the first half of 2008 and other such factors, operating income was 28.1 billion yen, a year-on-year decrease of 15.7 billion yen, or 36.0%.

#### **(ii) Goods Sales**

Owing to the poor performance of the export packaging division due to the impact of the recession and other such factors, net sales decreased by 8.3 billion yen or 2.2% year-on-year to 369.6 billion yen. However, operating income increased 500 million yen or 9.8% year-on-year to 6.3 billion yen, thanks to efforts to cut operating costs and other such factors.

#### **(iii) Other**

Net sales increased by 2.3 billion yen or 8.3% year-on-year to 31 billion yen. Operating income was 1.4 billion yen, a year-on-year increase of 300 million yen or 35.6%.

### **(2) Projections for Next Fiscal Year**

Projections for next fiscal year have been made in consideration of trends in crude oil prices, risks of exchange rate fluctuations and other such factors.

As stated in “1. Businesses Results (1) Analysis of Business Results”, the global and domestic economies have substantially deteriorated since the second half of FY2008. In particular, the demand for export-related freight is expected to be sluggish, and the demand for domestic freight is likely to follow a similar trend.

The Nippon Express Group will be no exception in that substantial recovery cannot be expected in its net sales. Both operating income and ordinary income are expected to decrease considerably. Net income is expected to increase, however, having declared a loss on valuation of investment securities in the amount of 2.4 billion yen and the penalty imposed by the Japan Fair Trade Commission in the amount of 2.4 billion yen in the fiscal year ended March 31, 2009.

Projections for the fiscal year ending March 31, 2010 as of the release date of this report are as follows.

#### **Projection of Consolidated Financial Results (Full-year)**

Net sales	1,580 billion yen (down 13.6% year-on-year)
Operating income	31.3 billion yen (down 6.6% year-on-year)
Ordinary income	36.6 billion yen (down 12.9% year-on-year)
Net income	21.3 billion yen (up 40.4% year-on-year)

#### **Projection of Non-consolidated Financial Results (Full-year)**

Net sales	1,080 billion yen (down 13.4% year-on-year)
Operating income	18 billion yen (up 3.4% year-on-year)
Ordinary income	22 billion yen (up 0.5% year-on-year)
Net income	10.5 billion yen (up 106.0% year-on-year)

\* The above forward-looking statements were deemed reasonable by the Company based on data available to the Company at the time. It should be noted that its actual business performance may differ from the projections.

### **(3) Analysis of Financial Position**

Total assets as at the end of the fiscal year under review amounted to 1,172 billion yen, a year-on-year decrease of 125.3 billion yen or 9.7%.

Current assets amounted to 480.6 billion yen, a year-on-year decrease of 17.5 billion yen or 3.5%, while noncurrent assets totaled 691.4 billion yen, down 107.8 billion yen or 13.5% year-on-year.

The primary factors behind the reduction in current assets were decreases in cash and deposits, accounts receivable-trade, etc.

The value of noncurrent assets includes an increase of 12.8 billion yen for buildings, and a decrease of 38.3 billion yen in investment securities due to period-end write-downs, etc.

Total liabilities as at the end of the fiscal year were 687.7 billion yen, a year-on-year decrease of 88.8 billion yen or 11.4%.

Current liabilities decreased by 92.8 billion yen or 19.1% year-on-year to 394.1 billion yen, while noncurrent liabilities increased 4 billion yen or 1.4% to 293.5 billion yen.

The decrease in current liabilities was primarily due to the decrease in accounts payable-trade and the redemption of short-term bonds, etc.

The increase in noncurrent liabilities was mainly attributable to the increase in long-term loans payable, etc.

Net assets amounted to 484.3 billion yen at the end of fiscal year, a year-on-year decrease of 36.4 billion yen or 7.0%.

The main contributor to the decrease in net assets was the reduction in valuation difference on available-for-sale securities in the amount of 21.9 billion yen, etc.

Net cash provided by operating activities amounted to 64 billion yen, a year-on-year decrease of 26 billion yen. This was primarily due to the decrease in income before income taxes and minority interests, etc.

Net cash used in investment activities totaled 75.6 billion yen, a decrease of 29.6 billion yen year-on-year. This was

mainly due to the decrease in expenditure associated with the acquisition of fixed assets, etc.

Net cash used in financing activities amounted to 31.9 billion yen, a year-on-year increase of 21.7 billion yen. This was largely due to the increase in expenditure associated with the redemption of bonds, etc.

As a result of the above, cash and cash equivalents at the end of the fiscal year decreased 51.6 billion yen year-on-year to 93 billion yen.

Trends in the Group's cash flow indicators are as follows.

	FY2004	FY2005	FY2006	FY2007	FY2008
Equity ratio (%)	34.6	37.1	37.3	39.3	40.4
Marked-to-market equity ratio (%)	45.7	53.0	56.6	46.1	27.4
Ratio of cash flow to interest-bearing liabilities (%)	4.6	5.7	2.9	3.9	5.3
Interest coverage ratio (%)	19.2	15.1	30.1	20.7	14.8

(Notes)

Equity ratio:  $\text{Equity} / \text{Total assets}$

Marked-to-market equity ratio:  $\text{Market capitalization} / \text{Total assets}$

Ratio of cash flow to interest-bearing liabilities:  $\text{Interest-bearing liabilities} / \text{Operating cash flow}$

Interest coverage ratio:  $\text{Operating cash flow} / \text{Interest payment}$

\* All indicators have been calculated based on consolidated financial data.

\* Market capitalization is calculated by multiplying the closing share price as at the end of the fiscal year by the number of issued shares as at the end of the fiscal year (after deducting treasury stock).

\* For operating cash flow, cash flow from operating activities in the consolidated cash flow statement has been used. Interest-bearing liabilities include all liabilities declared in the consolidated balance sheet for which interest is paid. For interest payment, the amount of interest paid according to the consolidated cash flow statement is used.

#### **(4) Basic Policy for Profit Sharing and Dividends for FY2008 and FY2009**

Generating returns for shareholders is regarded as one of the most important policies by the Company. The Company's policy is to endeavor to enhance its operations, strengthen its balance sheet, boost shareholders' equity and improve profitability, while increasing shareholder returns with a focus on stable dividends.

On the other hand, we will utilize retained earnings in capital investments aimed at expanding the sales of various transport products and improving transportation efficiency, such as developing logistics centers and replacing vehicles. We will also seek to strengthen the Company's financial position and endeavor to reinforce its fundamentals.

For this fiscal year, the Company plans to pay an annual dividend of 10 yen, consisting of an interim dividend and a year-end dividend of 5 yen each (consolidated dividend payout ratio of 68.7%). For FY2009, we plan to pay an annual dividend of 10 yen, consisting of an interim dividend and a year-end dividend of 5 yen each (consolidated dividend payout ratio of 49.0%).

#### 4. [Consolidated Financial Statements]

##### (1) Consolidated Balance Sheets

(Unit: Millions of Yen)

	FY2007 (as of Mar. 31, 2008)	FY2008 (as of Mar. 31, 2009)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	147,739	97,167
Notes receivable-trade	16,718	12,794
Accounts receivable-trade	283,638	229,546
Inventories	6,248	6,675
Advanced money	2,395	2,290
Prepaid expenses	8,033	8,173
Deferred tax assets	17,091	12,476
Leased investment assets	—	83,385
Other	17,717	29,369
Allowance for doubtful accounts	(1,453)	(1,250)
<b>Total current assets</b>	<b>498,130</b>	<b>480,627</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Vehicles	242,435	246,649
Accumulated depreciation	(206,286)	(216,724)
Vehicles (net)	36,148	29,925
Buildings	498,189	519,216
Accumulated depreciation	(261,412)	(269,565)
Buildings (net)	236,776	249,650
Structures	62,302	65,142
Accumulated depreciation	(46,953)	(48,504)
Structures (net)	15,348	16,637
Machinery	74,734	86,775
Accumulated depreciation	(55,032)	(68,025)
Machinery (net)	19,702	18,749
Tools, furniture and fixtures	137,675	169,189
Accumulated depreciation	(105,605)	(139,961)
Tools, furniture and fixtures (net)	32,070	29,228
Vessels	16,725	18,069
Accumulated depreciation	(11,935)	(11,855)
Vessels (net)	4,789	6,213
Assets for rent	155,480	—
Accumulated depreciation	(91,170)	—
Assets for rent (net)	64,310	—
Land	168,501	169,042
Leased assets	—	3,819
Accumulated depreciation	—	(753)
Leased assets (net)	—	3,065
Construction in progress	7,758	3,696
<b>Total property, plant and equipment</b>	<b>585,405</b>	<b>526,209</b>
<b>Intangible assets</b>		
Land leasehold	7,242	6,932
Other	34,366	22,462
<b>Total Intangible assets</b>	<b>41,608</b>	<b>29,395</b>

(Unit: Millions of Yen)

	FY2007 (as of Mar. 31, 2008)	FY2008 (as of Mar. 31, 2009)
Investments and other assets		
Investment securities	136,838	98,440
Long-term loans receivable	726	1,426
Long-term loan to employees	2,665	2,168
Long-term prepaid expense	3,420	4,238
Deposit	15,848	16,287
Other	14,754	15,502
Allowance for doubtful accounts	(1,992)	(2,220)
Total Investments and other assets	172,261	135,842
Total noncurrent assets	799,275	691,447
Total assets	1,297,406	1,172,074
Liabilities		
Current liabilities		
Notes payable-trade	10,618	8,611
Accounts payable-trade	169,000	124,616
Short-term bonds	40,100	—
Short-term loans payable	77,607	68,588
Other Payables	37,266	45,027
Income taxes payable	8,740	2,138
Consumer tax payable	4,758	3,060
Unpaid expenses	21,552	18,996
Advance receipt	10,994	12,128
Deposits	42,245	44,586
Deposits from employees	31,309	30,595
Provision for bonus	21,637	19,341
Provision for directors' bonus	187	151
Allowance for warranty and repair	4	3
Other	11,016	16,321
Total current liabilities	487,039	394,167
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	174,178	201,198
Provision for retirement benefits	53,653	44,490
Provision for directors' retirement benefits	539	575
Provision for special repairment	222	187
Deferred tax liabilities	18,833	7,365
Other	22,115	19,751
Total noncurrent liabilities	289,543	293,569
Total liabilities	776,583	687,736

(Unit: Millions of Yen)

	FY2007 (as of Mar. 31, 2008)	FY2008 (as of Mar. 31, 2009)
Net assets		
Shareholder's equity		
Capital stock	70,175	70,175
Capital surplus	26,909	26,908
Retained earnings	369,264	373,749
Treasury stock	(11,504)	(11,507)
Total shareholder's equity	454,844	459,326
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	50,194	28,271
Deferred gains/loses on hedges	(7)	(0)
Foreign currency translation adjustments	5,221	(14,106)
Total valuation and translation adjustments	55,408	14,164
Minority interests	10,569	10,846
Total net assets	520,823	484,337
Total liabilities and net assets	1,297,406	1,172,074

## (2) Consolidated Statements of Income

(Unit: Millions of Yen)

	FY2007 (from Apr. 1, 2007 to Mar. 31, 2008)	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)
Net sales	1,901,433	1,828,946
Cost of sales	1,769,799	1,714,557
Gross profit	131,634	114,388
Selling, general and administrative expenses		
Employment costs	43,942	42,850
Depreciation and amortization	6,250	5,922
Advertising expenses	5,355	4,764
Provision for allowance for doubtful accounts	364	782
Other	27,219	26,554
Total selling, general and administrative expenses	83,132	80,874
Operating income	48,502	33,513
Non-operating income		
Interest income	1,700	1,257
Dividends income	2,235	2,425
Gain on sales of vehicles	272	265
Equity in earnings of affiliates	917	729
Income from foreign exchange	1,323	1,992
Other	7,322	7,602
Total non-operating income	13,772	14,272
Non-operating expenses		
Interest expenses	4,379	4,091
Loss on sale and retirement of vehicles	516	378
Other	1,413	1,296
Total non-operating expenses	6,309	5,766
Ordinary income	55,964	42,019
Extraordinary income		
Gain on sales of noncurrent assets	7,959	1,303
Gain on sales of investment securities	708	9
Gain on transfer to defined contribution pension plan	7,858	—
Change in profit for previous term	107	177
Other	576	108
Total extraordinary income	17,211	1,599
Extraordinary loss		
Loss on disposal of noncurrent assets	6,241	4,182
Loss on sales of investment securities	35	0
Loss on valuation of investment securities	1,356	2,460
Impairment loss	—	340
Promotion expenses for parcel delivery business integration	1,208	930
Penalty imposed by Japan Fair Trade Commission	—	2,495
Change in loss for previous term	12	34
Other	600	495
Total extraordinary loss	9,453	10,939
Income before income taxes and minority interests	63,721	32,678
Income taxes, inhabitants tax and enterprise taxes	16,991	8,517
Income taxes and other adjustments	9,416	8,187
Total enterprise taxes etc.	26,408	16,704
Minority interests	874	801
Net income	36,439	15,172

## (3) Consolidated Statements of Changes in Net Assets

(Unit: Millions of Yen)

	FY2007 (from Apr. 1, 2007 to Mar. 31, 2008)	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	70,175	70,175
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	70,175	70,175
Capital surplus		
Balance at the end of previous period	26,909	26,909
Changes of items during the period		
Disposal of treasury stock	0	(1)
Total changes of items during the period	0	(1)
Balance at the end of current period	26,909	26,908
Retained earnings		
Balance at the end of previous period	341,890	369,264
Effect of changes in accounting policies applied to foreign subsidiaries	—	(231)
Changes of items during the period		
Dividends from surplus	(9,386)	(10,428)
Net income	36,439	15,172
Disposal of treasury stock	—	(25)
Change of scope of consolidation	33	—
Change of scope of equity method	287	—
Total changes of items during the period	27,373	4,717
Balance at the end of current period	369,264	373,749
Treasury stock		
Balance at the end of previous period	(11,426)	(11,504)
Changes of items during the period		
Purchase of treasury stock	(111)	(90)
Disposal of treasury stock	33	88
Total changes of items during the period	(77)	(2)
Balance at the end of current period	(11,504)	(11,507)
Total shareholders' equity		
Balance at the end of previous period	427,548	454,844
Effect of changes in accounting policies applied to foreign subsidiaries	—	(231)
Changes of items during the period		
Dividends from surplus	(9,386)	(10,428)
Net income	36,439	15,172
Purchase of treasury stock	(111)	(90)
Disposal of treasury stock	34	60
Change of scope of consolidation	33	—
Change of scope of equity method	287	—
Total changes of items during the period	27,296	4,713
Balance at the end of current period	454,844	459,326

	(Unit: Millions of Yen)	
	FY2007 (from Apr. 1, 2007 to Mar. 31, 2008)	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	75,485	50,194
Changes of items during the period		
Net changes of items other than shareholders' equity	(25,291)	(21,922)
Total changes of items during the period	(25,291)	(21,922)
Balance at the end of current period	50,194	28,271
Deferred gains/loses on hedges		
Balance at the end of previous period	5	(7)
Changes of items during the period		
Net changes of items other than shareholders' equity	(12)	7
Total changes of items during the period	(12)	7
Balance at the end of current period	(7)	(0)
Foreign currency translation adjustments		
Balance at the end of previous period	4,858	5,221
Changes of items during the period		
Net changes of items other than shareholders' equity	362	(19,328)
Total changes of items during the period	362	(19,328)
Balance at the end of current period	5,221	(14,106)
Total valuation and translation adjustments		
Balance at the end of previous period	80,350	55,408
Changes of items during the period		
Net changes of items other than shareholders' equity	(24,942)	(41,243)
Total changes of items during the period	(24,942)	(41,243)
Balance at the end of current period	55,408	14,164
Minority interests		
Balance at the end of previous period	9,617	10,569
Changes of items during the period		
Net changes of items other than shareholders' equity	952	276
Total changes of items during the period	952	276
Balance at the end of current period	10,569	10,846
Total net assets		
Balance at the end of previous period	517,516	520,823
Effect of changes in accounting policies applied to foreign subsidiaries	—	(231)
Changes of items during the period		
Dividends from surplus	(9,386)	(10,428)
Net income	36,439	15,172
Purchase of treasury stock	(111)	(90)
Disposal of treasury stock	34	60
Change of scope of consolidation	33	—
Change of scope of equity method	287	—
Net changes of items other than shareholders' equity	(23,990)	(40,966)
Total changes of items during the period	3,306	(36,253)
Balance at the end of current period	520,823	484,337

## (4) Consolidated Cash Flows

	(Unit: Millions of Yen)	
	FY2007 (from Apr. 1, 2007 to Mar. 31, 2008)	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)
Cash flows from operating activities		
Income before income taxes and minority interests	63,721	32,678
Depreciation and amortization	84,957	63,085
Gain on transfer to defined contribution pension plan	(7,858)	—
Impairment loss	—	340
Promotion expenses for parcel delivery business integration	1,208	930
Penalty imposed by Japan Fair Trade Commission	—	2,495
(Gain) loss on sales or valuation of investment securities	676	2,387
(Gain) loss on sales of noncurrent assets	(1,468)	3,056
Increase (decrease) in provision for bonus	(305)	(2,225)
Increase (decrease) in provision for retirement benefits	(25,273)	(8,740)
Interest and dividend income	(3,935)	(3,682)
Interest expense	4,379	4,091
Equity in (earnings) losses of affiliates	(917)	(729)
(Increase) decrease in notes and accounts receivable-trade	10,684	33,996
(Increase) decrease in inventories	905	(473)
Increase (decrease) in notes and accounts payable-trade	(9,523)	(40,095)
Increase (decrease) in consumption tax payable	(269)	(1,204)
Increase in other payables upon transfer to defined contribution pension plan	16,004	—
Other	(19,604)	(1,033)
Subtotal	<u>113,380</u>	<u>84,877</u>
Interest and dividends income received	4,277	3,898
Interest expenses paid	(4,361)	(4,316)
Payment of other payables upon transfer to defined contribution pension plan	(4,027)	(4,050)
Payment for promotion expenses for parcel delivery business integration	(273)	(977)
Income taxes paid	(18,899)	(15,351)
Net cash provided by operating activities	<u>90,096</u>	<u>64,080</u>
Cash flows from investment activities		
Payments for purchase of investment securities	(217)	(3,597)
Proceeds from sales of investment securities	3,905	24
Payments for purchase of noncurrent assets	(118,023)	(67,657)
Proceeds from sales of noncurrent assets	9,046	2,117
Proceeds of purchase of consolidated subsidiary due to change in scope of consolidation	(852)	(850)
Other	840	(5,652)
Net cash used in investment activities	<u>(105,299)</u>	<u>(75,614)</u>
Cash flows from financing activities		
Increase (decrease) in short-term loans payable, net	(1,849)	16,718
Increase (decrease) in commercial paper, net	3,000	3,700
Proceeds from long-term loans payable	43,033	74,548
Payment of long-term loans payable	(64,147)	(73,985)
Proceeds from issuing bonds	20,000	—
Redemption of bonds	—	(40,100)
Cash dividends paid	(9,386)	(10,428)
Other	(852)	(2,380)
Net cash used in financing activities	<u>(10,203)</u>	<u>(31,927)</u>
Effect of exchange rate changes on cash and cash equivalents	(88)	(8,144)
Net increase (decrease) in cash and cash equivalents	<u>(25,496)</u>	<u>(51,607)</u>
Cash and cash equivalents at beginning of period	170,109	144,639
Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	25	—
Cash and cash equivalents at end of period	<u>144,639</u>	<u>93,031</u>

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Unit: Millions of Yen)

	FY2007 (as of Mar. 31, 2008)	FY2008 (as of Mar. 31, 2009)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	90,461	58,228
Notes receivable-trade	5,120	4,643
Accounts receivable-trade	191,859	159,326
Inventories	1,034	926
Short-term loan to employees	314	271
Short-term loan	—	110
Short-term loan to affiliates	1,102	3,875
Accrued credit	7,447	8,211
Advanced money	441	502
Prepaid expenses	5,016	5,101
Deferred tax assets	8,806	7,163
Advances paid	3,205	2,033
Allowance for doubtful accounts	(810)	(654)
<b>Total current assets</b>	<b>313,998</b>	<b>249,739</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Vehicles	106,076	105,457
Accumulated depreciation	(91,260)	(92,427)
Vehicles (net)	14,816	13,029
Buildings	403,116	426,025
Accumulated depreciation	(207,719)	(215,262)
Buildings (net)	195,397	210,763
Structures	51,202	53,353
Accumulated depreciation	(38,673)	(39,903)
Structures (net)	12,529	13,449
Machinery	40,235	38,837
Accumulated depreciation	(30,823)	(30,533)
Machinery (net)	9,411	8,304
Tools, furniture and fixtures	49,261	47,726
Accumulated depreciation	(41,818)	(41,202)
Tools, furniture and fixtures (net)	7,443	6,523
Vessels	1,806	1,797
Accumulated depreciation	(1,221)	(1,295)
Vessels (net)	585	502
Land	134,525	134,394
Leased assets	—	26,325
Accumulated depreciation	—	(7,119)
Leased assets (net)	—	19,206
Construction in progress	3,428	2,575
<b>Total property, plant and equipment</b>	<b>378,136</b>	<b>408,750</b>
<b>Intangible assets</b>		
Land leasehold	5,501	5,449
Telephone line	1,712	1,712
Software	12,980	13,120
Other	476	581
<b>Total Intangible assets</b>	<b>20,670</b>	<b>20,864</b>

(Unit: Millions of Yen)

	FY2007 (as of Mar. 31, 2008)	FY2008 (as of Mar. 31, 2009)
Investments and other assets		
Investment securities	122,749	84,794
Investment in affiliates	25,881	27,526
Invested capital	2,293	4,291
Invested capital to affiliates	1,421	1,352
Long-term loan to employees	2,645	2,151
Long-term loan to affiliates	2,499	1,905
Claims in bankruptcy and reorganization, etc.	689	822
Long-term prepaid expense	2,025	2,297
Deposit	11,343	11,831
Other	6,014	6,686
Allowance for doubtful accounts	(922)	(1,151)
Total Investments and other assets	176,642	142,508
Total noncurrent assets	575,449	572,122
Total assets	889,447	821,861
Liabilities		
Current liabilities		
Accounts payable-trade	112,060	85,964
Short-term bonds	40,000	—
Short-term loans payable	32,348	29,306
Lease obligations	—	6,534
Other Payables	20,784	29,426
Income taxes payable	3,881	—
Consumer tax payable	2,407	1,339
Unpaid expenses	11,067	10,398
Advance receipt	7,996	8,786
Deposits	34,568	37,709
Deposits from employees	31,000	30,296
Provision for bonus	14,113	12,173
Provision for directors' bonus	124	97
Total current liabilities	310,352	252,032
Noncurrent liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	104,804	130,376
Lease obligations	—	13,632
Provision for retirement benefits	39,429	31,666
Deferred tax liabilities	23,928	13,035
Long-term deposits	5,259	6,230
Long-term unpaid	8,290	4,190
Other	0	0
Total noncurrent liabilities	201,712	219,130
Total liabilities	512,065	471,162

(Unit: Millions of Yen)

	FY2007 (as of Mar. 31, 2008)	FY2008 (as of Mar. 31, 2009)
Net assets		
Shareholder's equity		
Capital stock	70,175	70,175
Capital surplus		
Capital reserve	26,908	26,908
Other capital surplus	1	—
Total capital surplus	26,909	26,908
Retained earnings		
Earned reserve	17,543	17,543
Other retained earnings		
Noncurrent asset reduction reserve	27,325	26,468
Other reserve	171,000	181,000
Retained earnings carried forward	27,111	12,610
Total retained earnings	242,980	237,622
Treasury stock	(11,504)	(11,507)
Total shareholder's equity	328,560	323,199
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	48,828	27,499
Deferred gains/loses on hedges	(6)	(0)
Total valuation and translation adjustments	48,821	27,499
Total net assets	377,382	350,698
Total liabilities and net assets	889,447	821,861

## (2) Non-Consolidated Statements of Income

(Unit: Millions of Yen)

	FY2007 (from Apr. 1, 2007 to Mar. 31, 2008)	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)
Net sales	1,312,125	1,246,476
Cost of sales	1,255,313	1,200,992
Gross profit	56,812	45,484
Selling, general and administrative expenses		
Employment costs	8,264	8,471
Depreciation and amortization	2,963	2,897
Advertising expenses	4,631	4,250
Provision for allowance for doubtful accounts	40	372
Other	12,273	12,090
Total selling, general and administrative expenses	28,173	28,082
Operating income	28,639	17,401
Non-operating income		
Interest income	270	299
Dividends income	3,888	3,949
Gain on sales of vehicles	20	25
Income from foreign exchange	1,093	1,110
Miscellaneous income	4,477	4,154
Total non-operating income	9,749	9,539
Non-operating expenses		
Interest expenses	3,081	2,943
Interest of bonds	823	863
Loss on sale and retirement of vehicles	379	262
Miscellaneous expenses	1,064	976
Total non-operating expenses	5,348	5,045
Ordinary income	33,040	21,895
Extraordinary income		
Gain on sales of noncurrent assets	7,350	906
Gain on sales of investment securities	595	31
Gain on transfer to defined contribution pension plan	7,858	—
Change in profit for previous term	9	8
Total extraordinary income	15,814	945
Extraordinary loss		
Loss on disposal of noncurrent assets	6,415	4,422
Loss on sales of investment securities	285	37
Loss on valuation of investment securities	1,532	2,554
Promotion expenses for parcel delivery business integration	1,208	930
Penalty imposed by Japan Fair Trade Commission	—	2,495
Change in loss for previous term	7	5
Total extraordinary loss	9,449	10,445
Income before income taxes	39,405	12,395
Income taxes, inhabitants tax and enterprise taxes	6,537	1,914
Income taxes and other adjustments	9,982	5,383
Total enterprise taxes etc.	16,520	7,297
Net income	22,884	5,097

## (3) Non-Consolidated Statements of Changes in Net Assets

	(Unit: Millions of Yen)	
	FY2007 (from Apr. 1, 2007 to Mar. 31, 2008)	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	70,175	70,175
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	70,175	70,175
Capital surplus		
Capital reserve		
Balance at the end of previous period	26,908	26,908
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	26,908	26,908
Other capital surplus		
Balance at the end of previous period	1	1
Changes of items during the period		
Disposal of treasury stock	0	(1)
Total changes of items during the period	0	(1)
Balance at the end of current period	1	—
Total capital surplus		
Balance at the end of previous period	26,909	26,909
Changes of items during the period		
Disposal of treasury stock	0	(1)
Total changes of items during the period	0	(1)
Balance at the end of current period	26,909	26,908
Retained earnings		
Earned reserve		
Balance at the end of previous period	17,543	17,543
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	17,543	17,543
Other retained earnings		
Noncurrent asset reduction reserve		
Balance at the end of previous period	24,628	27,325
Changes of items during the period		
Reversal of noncurrent asset reduction reserve	(1,352)	(1,306)
Provision of noncurrent asset reduction reserve	4,049	449
Total changes of items during the period	2,696	(856)
Balance at the end of current period	27,325	26,468
Other reserve		
Balance at the end of previous period	161,000	171,000
Changes of items during the period		
Provision of other reserve	10,000	10,000
Total changes of items during the period	10,000	10,000
Balance at the end of current period	171,000	181,000

(Unit: Millions of Yen)

	FY2007 (from Apr. 1, 2007 to Mar. 31, 2008)	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)
Retained earnings carried forward		
Balance at the end of previous period	26,309	27,111
Changes of items during the period		
Reversal of noncurrent asset reduction reserve	1,352	1,306
Provision of noncurrent asset reduction reserve	(4,049)	(449)
Provision of other reserve	(10,000)	(10,000)
Dividends from surplus	(9,386)	(10,428)
Net income	22,884	5,097
Disposal of treasury stock	—	(25)
Total changes of items during the period	801	(14,500)
Balance at the end of current period	27,111	12,610
Total retained earnings		
Balance at the end of previous period	229,482	242,980
Changes of items during the period		
Reversal of noncurrent asset reduction reserve	—	—
Provision of noncurrent asset reduction reserve	—	—
Provision of other reserve	—	—
Dividends from surplus	(9,386)	(10,428)
Net income	22,884	5,097
Disposal of treasury stock	—	(25)
Total changes of items during the period	13,497	(5,357)
Balance at the end of current period	242,980	237,622
Treasury stock		
Balance at the end of previous period	(11,426)	(11,504)
Changes of items during the period		
Purchase of treasury stock	(111)	(90)
Disposal of treasury stock	33	88
Total changes of items during the period	(77)	(2)
Balance at the end of current period	(11,504)	(11,507)
Total shareholders' equity		
Balance at the end of previous period	315,139	328,560
Changes of items during the period		
Dividends from surplus	(9,386)	(10,428)
Net income	22,884	5,097
Purchase of treasury stock	(111)	(90)
Disposal of treasury stock	34	60
Total changes of items during the period	13,420	(5,361)
Balance at the end of current period	328,560	323,199

	(Unit: Millions of Yen)	
	FY2007 (from Apr. 1, 2007 to Mar. 31, 2008)	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	72,937	48,828
Changes of items during the period		
Net changes of items other than shareholders' equity	(24,109)	(21,328)
Total changes of items during the period	(24,109)	(21,328)
Balance at the end of current period	48,828	27,499
Deferred gains/loses on hedges		
Balance at the end of previous period	5	(6)
Changes of items during the period		
Net changes of items other than shareholders' equity	(12)	6
Total changes of items during the period	(12)	6
Balance at the end of current period	(6)	(0)
Total valuation and translation adjustments		
Balance at the end of previous period	72,943	48,821
Changes of items during the period		
Net changes of items other than shareholders' equity	(24,121)	(21,322)
Total changes of items during the period	(24,121)	(21,322)
Balance at the end of current period	48,821	27,499
Total net assets		
Balance at the end of previous period	388,083	377,382
Changes of items during the period		
Dividends from surplus	(9,386)	(10,428)
Net income	22,884	5,097
Purchase of treasury stock	(111)	(90)
Disposal of treasury stock	34	60
Net changes of items other than shareholders' equity	(24,121)	(21,322)
Total changes of items during the period	(10,701)	(26,683)
Balance at the end of current period	377,382	350,698

**Disclaimer:**

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<Reference Materials for FY 2008>

May 8, 2009  
Nippon Express Co., Ltd.

1. Consolidated Financial Statements

- Financial Results of Business segment and Geographic segment for FY 2008

(Business Segment)

(Unit: Millions of yen , %)

		FY 2008	FY 2007	Change	
				Amount	Ratio
Net sales	Distribution & Transportation	1,528,695	1,600,988	(72,292)	(4.5)
	Goods Sales	369,661	377,964	(8,302)	(2.2)
	Other	31,002	28,629	2,373	8.3
	Elimination	(100,412)	(106,148)	5,735	—
	Total	1,828,946	1,901,433	(72,487)	(3.8)
Operating Income	Distribution & Transportation	[1.8] 28,109	[2.7] 43,896	(15,786)	(36.0)
	Goods Sales	[1.7] 6,316	[1.5] 5,752	564	9.8
	Other	[4.6] 1,439	[3.7] 1,061	377	35.6
	Eliminations or all companies	(2,351)	(2,208)	(143)	—
	Total	[1.8] 33,513	[2.6] 48,502	(14,988)	(30.9)

(Geographical Segment)

(Unit: Millions of yen , %)

		FY 2008	FY 2007	Change	
				Amount	Ratio
Net sales	Japan	1,625,564	1,696,152	(70,587)	(4.2)
	The Americas	56,831	59,872	(3,040)	(5.1)
	Europe	69,059	77,524	(8,465)	(10.9)
	Asia & Oceania	112,654	109,645	3,008	2.7
	Elimination	(35,162)	(41,761)	6,598	—
	Total	1,828,946	1,901,433	(72,487)	(3.8)
Operating Income	Japan	[1.6] 26,623	[2.3] 38,686	(12,062)	(31.2)
	The Americas	[4.1] 2,332	[6.1] 3,664	(1,331)	(36.3)
	Europe	[2.6] 1,784	[4.0] 3,082	(1,297)	(42.1)
	Asia & Oceania	[3.7] 4,170	[4.6] 5,094	(923)	(18.1)
	Eliminations or all companies	(1,398)	(2,025)	627	—
	Total	[1.8] 33,513	[2.6] 48,502	(14,988)	(30.9)

Note: Figures in brackets indicate Operating Margin

○ Projection for FY 2009

(Business Segment)

(Unit: Millions of yen , %)

		FY 2009	FY 2008	Change	
				Amount	Ratio
Net sales	Distribution & Transportation	1,299,764	1,528,695	(228,930)	(15.0)
	Goods Sales	334,040	369,661	(35,621)	(9.6)
	Other	34,598	31,002	3,596	11.6
	Elimination	(88,403)	(100,412)	12,009	—
	Total	1,580,000	1,828,946	(248,946)	(13.6)
Operating Income	Distribution & Transportation	[2.0] 26,014	[1.8] 28,109	(2,095)	(7.5)
	Goods Sales	[1.6] 5,360	[1.7] 6,316	(955)	(15.1)
	Other	[5.6] 1,939	[4.6] 1,439	499	34.7
	Eliminations or all companies	(2,014)	(2,351)	336	—
	Total	[2.0] 31,300	[1.8] 33,513	(2,213)	(6.6)

(Geographical Segment)

(Unit: Millions of yen , %)

		FY 2009	FY 2008	Change	
				Amount	Ratio
Net sales	Japan	1,441,498	1,625,564	(184,066)	(11.3)
	The Americas	40,252	56,831	(16,579)	(29.2)
	Europe	40,634	69,059	(28,424)	(41.2)
	Asia & Oceania	81,321	112,654	(31,332)	(27.8)
	Elimination	(23,707)	(35,162)	11,455	—
	Total	1,580,000	1,828,946	(248,946)	(13.6)
Operating Income	Japan	[1.9] 27,712	[1.6] 26,623	1,088	4.1
	The Americas	[2.4] 974	[4.1] 2,332	(1,358)	(58.2)
	Europe	[2.1] 853	[2.6] 1,784	(931)	(52.2)
	Asia & Oceania	[3.3] 2,699	[3.7] 4,170	(1,471)	(35.3)
	Eliminations or all companies	(939)	(1,398)	458	—
	Total	[2.0] 31,300	[1.8] 33,513	(2,213)	(6.6)

Note: Figures in brackets indicate Operating Margin

○ Projection for 1H of the year for FY 2009

(Business Segment)

(Unit: Millions of yen , %)

		FY 2009	FY 2008	Change	
				Amount	Ratio
Net sales	Distribution & Transportation	643,178	793,523	(150,344)	(18.9)
	Goods Sales	161,978	197,100	(35,121)	(17.8)
	Other	16,360	13,308	3,051	22.9
	Elimination	(42,517)	(52,033)	9,515	—
	Total	779,000	951,898	(172,898)	(18.2)
Operating Income	Distribution & Transportation	[1.3] 8,370	[2.1] 17,028	(8,657)	(50.8)
	Goods Sales	[1.3] 2,102	[1.3] 2,475	(372)	(15.1)
	Other	[4.3] 708	[2.7] 364	344	94.7
	Eliminations or all companies	(281)	(984)	702	—
	Total	[1.4] 10,900	[2.0] 18,882	(7,982)	(42.3)

(Geographical Segment)

(Unit: Millions of yen , %)

		FY 2009	FY 2008	Change	
				Amount	Ratio
Net sales	Japan	713,622	851,861	(138,239)	(16.2)
	The Americas	19,190	29,043	(9,853)	(33.9)
	Europe	19,634	36,758	(17,123)	(46.6)
	Asia & Oceania	39,545	54,238	(14,692)	(27.1)
	Elimination	(12,992)	(20,003)	7,010	—
	Total	779,000	951,898	(172,898)	(18.2)
Operating Income	Japan	[1.4] 10,229	[1.8] 15,131	(4,901)	(32.4)
	The Americas	[0.1] 20	[4.6] 1,346	(1,326)	(98.5)
	Europe	[0.0] 5	[2.8] 1,032	(1,027)	(99.5)
	Asia & Oceania	[2.4] 946	[4.0] 2,189	(1,243)	(56.8)
	Eliminations or all companies	(300)	(817)	517	—
	Total	[1.4] 10,900	[2.0] 18,882	(7,982)	(42.3)

Note: Figures in brackets indicate Operating Margin

○ Changes in number of employees as of year end

(Unit: Millions of yen , %)

	Mar. end 2009	Sep. end 2008	Mar. end 2008	Change (vs Mar. end 2008)	
				Amount	Ratio
Distribution & Transportation	67,316	66,206	65,054	2,262	3.5
Goods Sales	2,915	3,028	3,008	(93)	(3.1)
Other	1,100	1,082	1,095	5	0.5
Eliminations and other	21	20	20	1	5.0
Total	71,352	70,336	69,177	2,175	3.1

○ Capital Expenditures

(Unit: Millions of yen)

	Actual amount in FY 2008
Vehicles	11,176
Buildings	30,515
Land	399
Leased assets	13,944
Other	19,587
Total	75,622

Major investment

(Unit: Millions of yen)

Company	Amount	Note
Nippon Express	48,406	Sharp Sakai multipurpose logistics center 16,271 million yen, etc.
Kita Nihon Kaiun Co., Ltd.	2,106	Seikan Ferry Asakaze 21

\* Amount for Nippon Express does not include leased assets.

(Unit: Millions of yen)

	Forecast for FY 2009
Vehicles	9,820
Buildings	28,401
Land	899
Leased assets	12,000
Other	12,535
Total	63,656

Major plans

(Unit : Millions of yen)

Company	Amount	Note
Nippon Express	35,000	Toyonaka logistics center 3,840 million yen, etc.
Nippon Truck Co., Ltd.	2,274	New terminal and warehouse in Fukui

\* Amount for Nippon Express does not include leased assets.

2. Non-consolidated Financial Statements  
 ○ Details of sales and operating expenses for FY 2008

(Unit: Millions of yen, %)

		FY 2008		FY 2007		Change			
			% in Sales		% in Sales	Amount	Change %		
Net sales	Railway utilization transportation	93,538	7.5	97,766	7.4	(4,227)	(4.3)		
	Motor transportation	Combined delivery services	206,791	16.6	215,229	16.4	(8,437)	(3.9)	
		Chartered truck services	292,698	23.5	310,638	23.7	(17,940)	(5.8)	
		Subtotal	499,489	40.1	525,867	40.1	(26,378)	(5.0)	
	Marine and harbor transportation	Marine transportation	70,634	5.7	74,840	5.7	(4,206)	(5.6)	
		Harbor transportation	64,823	5.2	68,536	5.2	(3,712)	(5.4)	
		Subtotal	135,457	10.9	143,376	10.9	(7,919)	(5.5)	
		(Exports)	[64,882]	—	[71,243]	—	[(6,361)]	[(8.9)]	
		(Imports)	[42,186]	—	[44,018]	—	[(1,832)]	[(4.2)]	
	(Domestic)	[28,388]	—	[28,113]	—	[274]	[1.0]		
	Warehousing	96,040	7.7	74,975	5.7	21,065	28.1		
	Air transportation	Air freight forwarding	International air freight	117,767	9.4	145,210	11.1	(27,443)	(18.9)
			(Exports)	[96,192]	—	[120,858]	—	[(24,666)]	[(20.4)]
			(Imports)	[21,574]	—	[24,351]	—	[(2,776)]	[(11.4)]
			Domestic air freight	49,635	4.0	53,146	4.0	(3,511)	(6.6)
		Subtotal	167,402	13.4	198,357	15.1	(30,954)	(15.6)	
	Travel	7,066	0.6	8,508	0.7	(1,441)	(16.9)		
Subtotal	174,469	14.0	206,865	15.8	(32,396)	(15.7)			
Heavy haulage and construction	60,639	4.8	51,218	3.9	9,421	18.4			
Incidental operations and others	186,840	15.0	212,055	16.2	(25,214)	(11.9)			
Total	1,246,476	100.0	1,312,125	100.0	(65,649)	(5.0)			
(Domestic operation-related revenues)	[990,051]	79.4	[1,019,324]	77.7	[(29,272)]	[(2.9)]			
(International operation-related revenues)	[256,424]	20.6	[292,801]	22.3	[(36,376)]	[(12.4)]			
Operating expenses	Employment costs	Drivers/workers	136,927	11.0	138,346	10.6	(1,419)	(1.0)	
		Office personnel	147,593	11.8	147,095	11.2	498	0.3	
		Subtotal	248,521	22.8	285,441	21.8	(920)	(0.3)	
	Forwarding costs	Railway	48,967	3.9	50,856	3.9	(1,889)	(3.7)	
		Marine	26,961	2.2	29,817	2.2	(2,856)	(9.6)	
		Air	67,137	5.4	83,945	6.4	(16,807)	(20.0)	
		Subtotal	143,066	11.5	164,619	12.5	(21,553)	(13.1)	
	Costs of car chartering and subcontracting	514,493	41.3	542,549	41.3	(28,055)	(5.2)		
	Depreciation and amortization	40,146	3.2	31,224	2.4	8,921	28.6		
	Facility usage charges	85,397	6.8	94,034	7.2	(8,636)	(9.2)		
Other	161,449	13.0	165,616	12.6	(4,166)	(2.5)			
Total	1,229,074	98.6	1,283,486	97.8	(54,411)	(4.2)			
Operating income	17,401	1.4	28,639	2.2	(11,237)	(39.2)			

○ Details of sales for the 1H of FY 2008

(Unit: Millions of yen, %)

		FY 2008		FY 2007		Change			
			% in Sales		% in Sales	Amount	Change %		
1H of sales	Railway utilization transportation	47,744	7.3	46,512	7.2	1,231	2.6		
	Motor transportation	Combined delivery services	103,910	15.9	103,432	16.1	478	0.5	
		Chartered truck services	151,836	23.3	153,352	23.8	(1,515)	(1.0)	
		Subtotal	255,747	39.2	256,785	39.9	(1,037)	(0.4)	
	Marine and harbor transportation	Marine transportation	40,454	6.2	37,739	5.8	2,714	7.2	
		Harbor transportation	36,252	5.6	34,549	5.4	1,703	4.9	
		Subtotal	76,707	11.8	72,289	11.2	4,417	6.1	
		(Exports)	[38,658]	—	[35,549]	—	[3,109]	[8.7]	
		(Imports)	[23,185]	—	[22,919]	—	[265]	[1.2]	
		(Domestic)	[14,863]	—	[13,820]	—	[1,043]	[7.5]	
	Warehousing	47,728	7.3	29,595	4.6	18,132	61.3		
	Air transportation	Air freight forwarding	International air freight	70,105	10.8	70,799	11.0	(694)	(1.0)
			(Exports)	[58,661]	—	[58,870]	—	[(209)]	[(0.4)]
			(Imports)	[11,444]	—	[11,928]	—	[(484)]	[(4.1)]
			Domestic air freight	25,496	3.9	26,101	4.1	(605)	(2.3)
		Subtotal	95,601	14.7	96,900	15.1	(1,299)	(1.3)	
		Travel	4,086	0.6	4,531	0.7	(444)	(9.8)	
Subtotal	99,688	15.3	101,432	15.8	(1,743)	(1.7)			
Heavy haulage and construction	29,420	4.5	26,412	4.1	3,007	11.4			
Incidental operations and others	94,798	14.6	111,089	17.2	(16,291)	(14.7)			
Total	651,833	100.0	644,117	100.0	7,716	1.2			
	(Domestic operation-related revenues)	[502,350]	77.1	[498,562]	77.4	[3,788]	[0.8]		
	(International operation-related revenues)	[149,483]	22.9	[145,554]	22.6	[3,928]	[2.7]		
2H of sales	Railway utilization transportation	45,793	7.7	51,253	7.7	(5,459)	(10.7)		
	Motor transportation	Combined delivery services	102,880	17.3	111,797	16.7	(8,916)	(8.0)	
		Chartered truck services	140,861	23.7	157,285	23.6	(16,424)	(10.4)	
		Subtotal	243,742	41.0	269,082	40.3	(25,340)	(9.4)	
	Marine and harbor transportation	Marine transportation	30,179	5.1	37,100	5.5	(6,920)	(18.7)	
		Harbor transportation	28,570	4.8	33,986	5.1	(5,415)	(15.9)	
		Subtotal	58,750	9.9	71,087	10.6	(12,336)	(17.4)	
		(Exports)	[26,223]	—	[35,694]	—	[(9,470)]	[(26.5)]	
		(Imports)	[19,001]	—	[21,099]	—	[(2,097)]	[(9.9)]	
		(Domestic)	[13,524]	—	[14,293]	—	[(768)]	[(5.4)]	
	Warehousing	48,312	8.1	45,379	6.8	2,933	6.5		
	Air transportation	Air freight forwarding	International air freight	47,661	8.0	74,410	11.1	(26,748)	(35.9)
			(Exports)	[37,531]	—	[61,988]	—	[(24,456)]	[(39.5)]
			(Imports)	[10,130]	—	[12,422]	—	[(2,292)]	[(18.5)]
			Domestic air freight	24,139	4.1	27,045	4.1	(2,906)	(10.7)
		Subtotal	71,801	12.1	101,456	15.2	(29,655)	(29.2)	
		Travel	2,980	0.5	3,977	0.6	(997)	(25.1)	
Subtotal	74,781	12.6	105,433	15.8	(30,652)	(29.1)			
Heavy haulage and construction	31,219	5.2	24,806	3.7	6,413	25.9			
Incidental operations and others	92,042	15.5	100,965	15.1	(8,923)	(8.8)			
Total	594,642	100.0	668,008	100.0	(73,365)	(11.0)			
	(Domestic operation-related revenues)	[487,700]	82.0	[520,761]	78.0	[(33,060)]	[(6.3)]		
	(International operation-related revenues)	[106,941]	18.0	[147,246]	22.0	[(40,305)]	[(27.4)]		

○ Changes in number of employees as of year end

(Unit: Person, %)

		Mar. end 2009	Sep. end 2008	Mar. end 2008	Change (vs Mar. end 2008)	
					change	%
Drivers /workers	Nationwide employees	1,967	2,200	2,447	(480)	(19.6)
	Other employees	18,404	18,290	17,557	847	4.8
	Subtotal	20,371	20,490	20,004	367	1.8
Office personnel	Nationwide employees	13,427	13,775	13,659	(232)	(1.7)
	Other employees	5,186	5,332	4,854	332	6.8
	Subtotal	18,613	19,107	18,513	100	0.5
Total		38,984	39,597	38,517	467	1.2

○ Cash flows

(Unit: Millions of yen)

	FY 2008	FY 2007	Change
Cash and cash equivalents at beginning of period	88,494	127,131	(38,637)
Cash flows from operating activities	50,840	24,828	26,011
Cash flows from investment activities	(46,891)	(54,919)	8,028
Cash flows from financing activities	(34,215)	(8,546)	(25,669)
Cash and cash equivalents at end of period	58,228	88,494	(30,266)

○ Capital expenditures

(Unit: Millions of yen)

	Actual amount in FY 2008
Vehicles	8,299
Buildings	29,230
Land	288
Software	5,470
Other	5,117
Total	48,406

\* Major investment

(Unit: Millions of yen)

Type	Description	m <sup>2</sup>	Amount
Building	Sharp Sakai multipurpose logistics center	84,991	16,271
Building	NEX Shinjuku Building	10,075	2,950
Building	New base and warehouse in Higashi Sakae, Otake City, Hiroshima	12,282	1,214
Building	Like Kikukawa students' apartment	2,881	725

(Unit: Millions of yen)

	Forecasted amount for FY 2009
Vehicles	7,000
Buildings	20,400
Land	400
Software	4,800
Other	2,400
Total	35,000

\* Major investment

(Unit: Millions of yen)

Type	Description	(Planned to complete)	m <sup>2</sup>	Amount
Building	Toyonaka logistics center	(October 2009)	36,966	3,840
Building	Toyama logistics center	(August 2009)	11,454	1,281
Building	Mercedes-Benz Japan's parts center	(September 2010)	35,237	1,194

○ Projection for FY2009

(Unit: Millions of yen, %)

		FY 2009		FY 2008		Change			
			% in Sales		% in Sales	Amount	Change %		
Net sales	Railway utilization transportation	90,000	8.3	93,538	7.5	(3,538)	(3.8)		
	Motor transportation	Combined delivery services	120,000	11.1	206,791	16.6	(86,791)	(42.0)	
		Chartered truck services	275,200	25.5	292,698	23.5	(17,498)	(6.0)	
		Subtotal	395,200	36.6	499,489	40.1	(104,289)	(20.9)	
	Marine and harbor transportation	Marine transportation	61,000	5.6	70,634	5.7	(9,634)	(13.6)	
		Harbor transportation	57,300	5.3	64,823	5.2	(7,523)	(11.6)	
		Subtotal	118,300	10.9	135,457	10.9	(17,157)	(12.7)	
	Warehousing	97,100	9.0	96,040	7.7	1,059	1.1		
	Air transportation	Air freight forwarding	International air freight	96,000	8.9	117,767	9.4	(21,767)	(18.5)
			Domestic air freight	48,300	4.5	49,635	4.0	(1,335)	(2.7)
			Subtotal	144,300	13.4	167,402	13.4	(23,102)	(13.8)
		Travel	6,400	0.6	7,066	0.6	(666)	(9.4)	
	Subtotal	150,700	14.0	174,469	14.0	(23,769)	(13.6)		
	Heavy haulage and construction	53,700	5.0	60,639	4.8	(6,939)	(11.4)		
Incidental operations and others	175,000	16.2	186,840	15.0	(11,840)	(6.3)			
Total	1,080,000	100.0	1,246,476	100.0	(166,476)	(13.4)			
Operating expenses	Employment costs	Drivers/workers	124,000	11.5	136,927	11.0	(12,927)	(9.4)	
		Office personnel	138,000	12.8	147,593	11.8	(9,593)	(6.5)	
		Subtotal	262,000	24.3	284,521	22.8	(22,521)	(7.9)	
	Forwarding costs	Railway	47,000	4.3	48,967	3.9	(1,967)	(4.0)	
		Marine	21,700	2.0	26,961	2.2	(5,261)	(19.5)	
		Air	51,300	4.8	67,137	5.4	(15,837)	(23.6)	
		Subtotal	120,000	11.1	143,066	11.5	(23,066)	(16.1)	
	Cost of car chartering and subcontracting	420,000	38.9	514,493	41.3	(94,493)	(18.4)		
	Depreciation and amortization	36,000	3.3	40,146	3.2	(4,146)	(10.3)		
	Facility usage charges	81,900	7.6	85,397	6.8	(3,497)	(4.1)		
Other	142,100	13.1	161,449	13.0	(19,349)	(12.0)			
Total	1,062,000	98.3	1,229,074	98.6	(167,074)	(13.6)			
Operating income	18,000	1.7	17,401	1.4	598	3.4			
Non-operating income	8,800	0.8	9,539	0.8	(739)	(7.7)			
Non-operating expenses	4,800	0.5	5,045	0.4	(245)	(4.9)			
Ordinary income	22,000	2.0	21,895	1.8	104	0.5			
Extraordinary income	1,000	0.1	945	0.0	54	5.7			
Extraordinary loss	3,400	0.3	10,445	0.8	(7,045)	(67.5)			
Income before income taxes	19,600	1.8	12,395	1.0	7,204	58.1			
Income taxes	9,100	0.8	7,297	0.6	1,802	24.7			
Net income	10,500	1.0	5,097	0.4	5,402	106.0			
Financial income	—	—	441	—	(441)	(100.0)			

○ Projection for the 1H FY2009

(Unit: Millions of yen, %)

		First half of FY2009		First half of FY2008		Change			
			% in Sales		% in Sales	Amount	Change %		
Net sales	Railway utilization transportation	44,000	8.2	47,744	7.3	(3,744)	(7.8)		
	Motor transportation	Combined delivery services	58,600	10.9	103,910	15.9	(45,310)	(43.6)	
		Chartered truck services	136,500	25.5	151,836	23.3	(15,336)	(10.1)	
		Subtotal	195,100	36.4	255,747	39.2	(60,647)	(23.7)	
	Marine and harbor transportation	Marine transportation	30,500	5.7	40,454	6.2	(9,954)	(24.6)	
		Harbor transportation	28,700	5.4	36,252	5.6	(7,552)	(20.8)	
		Subtotal	59,200	11.1	76,707	11.8	(17,507)	(22.8)	
	Warehousing	48,500	9.1	47,728	7.3	771	1.6		
	Air transportation	Air freight forwarding	International air freight	47,600	8.9	70,105	10.8	(22,505)	(32.1)
			Domestic air freight	24,300	4.5	25,496	3.9	(1,196)	(4.7)
			Subtotal	71,900	13.4	95,601	14.7	(23,701)	(24.8)
		Travel	3,300	0.6	4,086	0.6	(786)	(19.3)	
	Subtotal	75,200	14.0	99,688	15.3	(24,488)	(24.6)		
	Heavy haulage and construction	27,500	5.1	29,420	4.5	(1,920)	(6.5)		
Incidental operations and others	86,500	16.1	94,798	14.6	(8,298)	(8.8)			
Total	536,000	100.0	651,833	100.0	(115,833)	(17.8)			
Operating expenses	Employment costs	Drivers/workers	63,000	11.8	68,992	10.6	(5,992)	(8.7)	
		Office personnel	71,000	13.2	74,844	11.5	(3,844)	(5.1)	
		Subtotal	134,000	25.0	143,837	22.1	(9,837)	(6.8)	
	Forwarding costs	Railway	23,000	4.3	25,137	3.8	(2,137)	(8.5)	
		Marine	10,900	2.0	16,207	2.5	(5,307)	(32.7)	
		Air	25,600	4.8	41,496	6.4	(15,896)	(38.3)	
		Subtotal	59,500	11.1	82,841	12.7	(23,341)	(28.2)	
	Cost of car chartering and subcontracting	207,500	38.7	268,256	41.1	(60,756)	(22.6)		
	Depreciation and amortization	17,700	3.3	15,517	2.4	2,182	14.1		
	Facility usage charges	40,900	7.6	46,674	7.2	(5,774)	(12.4)		
Other	70,400	13.2	83,391	12.8	(12,991)	(15.6)			
Total	530,000	98.9	640,519	98.3	(110,519)	(17.3)			
Operating income	6,000	1.1	11,314	1.7	(5,314)	(47.0)			
Non-operating income	4,500	0.8	4,994	0.8	(494)	(9.9)			
Non-operating expenses	2,500	0.4	2,552	0.4	(52)	(2.1)			
Ordinary income	8,000	1.5	13,756	2.1	(5,756)	(41.8)			
Extraordinary income	500	0.1	193	0.0	306	157.9			
Extraordinary loss	2,100	0.4	3,314	0.5	(1,214)	(36.6)			
Income before income taxes	6,400	1.2	10,635	1.6	(4,235)	(39.8)			
Income taxes	2,900	0.5	4,308	0.6	(1,408)	(32.7)			
Net income	3,500	0.7	6,326	1.0	(2,826)	(44.7)			
Financial income	241	—	615	—	(374)	(60.9)			