



October 31, 2011

Summary of Consolidated Earnings Report for the Second Quarter of Fiscal Year Ending March 31, 2012 (Japanese GAAP)

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

Listed stock exchanges: Tokyo, Osaka

Code: **9062**

(URL <http://www.nipponexpress.com> (English))

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

Representative: President, CEO Kenji Watanabe
General Manager

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Scheduled date for submission of Quarterly Financial Reports: November 14, 2011

Scheduled date of dividend payment: December 2, 2011

Availability of supplementary briefing material on quarterly financial results: Available

Briefing session on quarterly financial results to be held: Available (For institutional investors and analysts)

(Millions of yen, rounded down)

1. Consolidated Financial Results for the Six Months Ended Sep. 30, 2011 (from April 1, 2011 to September 30, 2011)

(1) Consolidated Business Results (Cumulative Total)

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Six Months Ended Sep. 30, 2011	801,923	(0.3)	13,927	(7.3)	19,083	(6.4)	9,983	133.9
Six Months Ended Sep. 30, 2010	804,364	5.3	15,030	(4.7)	20,377	76.0	4,267	0.4

(Note) Comprehensive income:

Six Months Ended Sep. 30, 2011: ¥7,766 million (—%)

Six Months Ended Sep. 30, 2010: (¥7,763 million) (—%)

	Net income per share	Diluted net income per share
	¥	¥
Six Months Ended Sep. 30, 2011	9.57	—
Six Months Ended Sep. 30, 2010	4.09	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
Six Months Ended Sep. 30, 2011	1,152,170	482,243	40.8
Fiscal Year Ended Mar. 31, 2011	1,147,539	479,898	40.7

(Note) Equity: Six Months Ended Sep. 30, 2011: ¥469,545 million

Fiscal Year Ended Mar. 31, 2011: ¥467,451 million

2. Dividends Information

	Annual dividend per share				
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly
	¥	¥	¥	¥	¥
Fiscal Year Ended Mar. 31, 2011	—	5.00	—	5.00	10.00
Fiscal Year Ending Mar. 31, 2012	—	5.00			
Fiscal Year Ending Mar. 31, 2012 (Forecast)			—	5.00	10.00

(Note) Revision of dividend projection from recently announced figures: No

3. Forecast of Consolidated Financial Results for FY2011 (from April 1, 2011 to March 31, 2012)

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	1,620,000	0.2	35,000	10.7	42,000	3.2	21,000	145.9	20.14

(Note) Revision of consolidated results forecast from recently announced figures: No

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) Adoption of special accounting treatment for preparing Quarterly Consolidated Financial Statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and corrections of errors
 - 1) Changes in accounting policies due to the revision of accounting standards, etc.: No
 - 2) Any changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Corrections of errors: No

(4) Total number of issued shares (common stock)

1) Total number of issued shares at end of period (including treasury stock)	As of Sep. 30, 2011	1,062,299,281 shares	As of Mar. 31, 2011	1,062,299,281 shares
2) Total number of treasury stocks at the end of the period	As of Sep. 30, 2011	19,576,451 shares	As of Mar. 31, 2011	19,559,139 shares
3) Average number of shares during period	Six months ended Sep. 30, 2011	1,042,731,858 shares	Six months ended Sep. 30, 2010	1,042,785,600 shares

*Status of execution of the quarterly review of financial statements

Because this Consolidated Earnings Report is not subject to the review of the quarterly financial statements under the Financial Instruments and Exchange Act, the procedures for said review were not completed at the time of disclosing this report.

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

The descriptions in this report regarding financial prospects and other future events are based on the information available at the time this report was prepared, and based on certain assumptions considered to be reasonable. Accordingly our actual business performance may differ significantly from the prospects due to a number of factors.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2010 (as of March 31, 2011)	Second Quarter of FY2011 (as of September 30, 2011)
ASSETS		
Current assets:		
Cash and cash in banks	113,149	120,454
Notes receivable-trade	11,934	13,257
Accounts receivable-trade	221,814	222,634
Inventories	4,806	5,265
Other	139,821	144,416
Less: allowance for doubtful accounts	(1,046)	(839)
Total current assets	490,481	505,188
Noncurrent assets:		
Property and equipment		
Vehicles, net	19,953	18,961
Buildings, net	251,066	246,510
Land	171,977	171,216
Others, net	61,143	60,697
Net property and equipment	504,140	497,385
Intangible assets	27,360	26,134
Investments and other assets		
Investment securities	87,795	81,978
Other	39,681	43,300
Less: allowance for doubtful accounts	(1,919)	(1,817)
Total investments and other assets	125,557	123,462
Total noncurrent assets	657,058	646,982
Total assets	1,147,539	1,152,170
LIABILITIES		
Current liabilities:		
Notes payable-trade	6,991	7,139
Accounts payable-trade	119,899	116,810
Short-term loans payable	49,925	49,425
Income taxes payable	5,297	7,476
Provision for bonus	19,139	20,412
Other provisions	4,533	2,851
Other	134,621	142,935
Total current liabilities	340,408	347,051
Noncurrent liabilities:		
Bonds payable	50,000	50,000
Long-term loans payable	199,494	197,465
Provision for retirement benefits	37,540	36,905
Other provisions	627	501
Other	39,570	38,004
Total noncurrent liabilities	327,232	322,876
Total liabilities	667,641	669,927

(Unit: Millions of yen)

	FY2010 (as of March 31, 2011)	Second Quarter of FY2011 (as of September 30, 2011)
NET ASSETS		
Shareholders' equity		
Common stock	70,175	70,175
Additional paid-in capital	26,908	26,908
Retained earnings	375,785	380,554
Less: treasury stock	(11,542)	(11,547)
Total shareholders' equity	461,326	466,090
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,370	22,608
Deferred gains (losses) on hedges	9	(43)
Foreign currency translation adjustment	(20,255)	(19,110)
Total accumulated other comprehensive income	6,125	3,454
Minority interests	12,446	12,697
Total net assets	479,898	482,243
Total liabilities and net assets	1,147,539	1,152,170

(2) Consolidated Statements of Operations and Comprehensive Income

Consolidated Statements of Operations

(Unit: Millions of yen)

	Six months ended Sep. 30, 2010 (from April 1, 2010 to September 30, 2010)	Six months ended Sep. 30, 2011 (from April 1, 2011 to September 30, 2011)
Revenues	804,364	801,923
Operating costs	751,495	752,657
Gross profit	52,868	49,265
Selling, general and administrative expenses	37,838	35,337
Operating income	15,030	13,927
Non-operating income:		
Interest income	182	245
Dividends income	1,753	2,377
Equity in earnings of affiliates	391	181
Other	5,561	4,363
Total non-operating income	7,889	7,168
Non-operating expenses:		
Interest expenses	1,792	1,592
Other	749	421
Total non-operating expenses	2,541	2,013
Ordinary income	20,377	19,083
Extraordinary income:		
Gain on sales of noncurrent assets	3,978	2,217
Other	185	271
Total extraordinary income	4,164	2,489
Extraordinary loss:		
Loss on disposal of noncurrent assets	2,109	1,351
Loss on valuation of investment securities	5,872	160
Loss on adjustment for changes of accounting standard for asset retirement obligations	7,505	—
Settlement package with the United States Department of Justice	—	1,614
Other	161	98
Total extraordinary loss	15,648	3,225
Income before income taxes and minority interests	8,893	18,346
Income taxes etc.	4,068	7,949
Income before minority interests	4,825	10,397
Minority interests	557	413
Net income	4,267	9,983

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Six months ended Sep. 30, 2010 (from April 1, 2010 to September 30, 2010)	Six months ended Sep. 30, 2011 (from April 1, 2011 to September 30, 2011)
Income before minority interests	4,825	10,397
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,523)	(3,764)
Deferred gains (losses) on hedges	(21)	(53)
Foreign currency translation adjustment	(4,966)	1,215
Share of other comprehensive income of associates accounted for using equity method	(76)	(28)
Other comprehensive income	(12,588)	(2,630)
Comprehensive income	(7,763)	7,766
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(8,236)	7,313
Comprehensive income attributable to minority interests	473	453

(3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Six months ended Sep. 30, 2010 (from April 1, 2010 to September 30, 2010)	Six months ended Sep. 30, 2011 (from April 1, 2011 to September 30, 2011)
Cash Flows from operating activities		
Income before income taxes and minority interests	8,893	18,346
Depreciation and amortization	25,435	23,014
Loss on adjustment for changes of accounting standard for asset retirement obligations	7,505	—
Settlement package with the United States Department of Justice	—	1,614
Interest and dividend income	(1,935)	(2,623)
Interest expense	1,792	1,592
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(391)	(181)
(Increase) decrease in trade receivables	3,278	554
(Increase) decrease in inventories	(65)	(458)
Increase (decrease) in accounts payable	(9,695)	(4,579)
Other	(10,565)	(2,414)
Sub-total	24,250	34,864
Interest and dividends received	2,122	2,784
Interest paid	(1,771)	(1,691)
Payment for loss on disaster	—	(1,203)
Income taxes paid	(7,388)	(5,018)
Net cash provided by operating activities	17,213	29,735
Cash flows from investment activities		
Payment for purchase of property and equipment	(35,223)	(17,874)
Proceeds from sale of property and equipment	5,690	6,469
Other	996	(3,397)
Net cash used in investment activities	(28,536)	(14,803)
Cash flows from financing activities		
Change in short-term loans payable	(971)	(316)
Proceeds from long-term loans payable	20,198	20,378
Payment of long-term loans payable	(21,248)	(23,054)
Cash dividends	(5,213)	(5,213)
Other	(448)	(508)
Net cash used in financing activities	(7,683)	(8,715)
Effect of exchange rate changes on cash	(2,824)	836
Net increase in cash and cash equivalents	(21,830)	7,052
Cash and cash equivalents at beginning of period	121,187	107,062
Cash and cash equivalents at end of period	99,356	114,115

Disclaimer:

This English translation has been prepared for general reference purposes only.

The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text.

In any legal matter, readers should refer to and rely upon the original Japanese text released October 31, 2011.

4. Reference Materials

(1) Financial Results of Reportable Segment

(Unit: Millions of yen, %)

			Six months ended Sep. 30, 2011		Six months ended Sep. 30, 2010		Change	
							Amount	Ratio
Revenues	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	350,021	360,013	(9,991)	(2.8)
				Security Transportation	29,394	29,982	(588)	(2.0)
				Heavy Haulage & Construction	19,362	18,672	689	3.7
				Air Freight Forwarding & Travel	101,521	101,133	388	0.4
				Marine & Harbor Transportation	63,894	63,057	837	1.3
			Subtotal	564,195	572,859	(8,663)	(1.5)	
			Overseas Companies	The Americas	21,457	21,494	(37)	(0.2)
				Europe	23,269	21,672	1,597	7.4
				East Asia	36,008	37,231	(1,223)	(3.3)
				South Asia & Oceania	21,319	21,992	(673)	(3.1)
		Subtotal		102,055	102,390	(335)	(0.3)	
		Total	666,251	675,250	(8,999)	(1.3)		
		Goods Sales	177,241	172,241	4,999	2.9		
		Other	19,564	16,874	2,689	15.9		
		Subtotal	863,056	864,366	(1,310)	(0.2)		
Adjustment	(61,133)	(60,002)	(1,130)	—				
Total	801,923	804,364	(2,440)	(0.3)				
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	[0.5] 1,766	[1.0] 3,747	(1,981)	(52.9)
				Security Transportation	[3.8] 1,122	[3.1] 923	198	21.5
				Heavy Haulage & Construction	[9.2] 1,777	[8.2] 1,534	242	15.8
				Air Freight Forwarding & Travel	[1.2] 1,225	[0.1] 133	1,091	814.9
				Marine & Harbor Transportation	[4.9] 3,155	[4.8] 3,018	136	4.5
			Subtotal	[1.6] 9,046	[1.6] 9,358	(311)	(3.3)	
			Overseas Companies	The Americas	[2.0] 432	[3.6] 767	(334)	(43.7)
				Europe	[4.0] 932	[2.9] 620	311	50.2
				East Asia	[2.2] 783	[2.4] 880	(96)	(11.0)
				South Asia & Oceania	[2.6] 564	[3.1] 670	(106)	(15.8)
		Subtotal		[2.7] 2,713	[2.9] 2,939	(225)	(7.7)	
		Total	[1.8] 11,760	[1.8] 12,297	(537)	(4.4)		
		Goods Sales	[1.7] 3,080	[2.0] 3,427	(346)	(10.1)		
		Other	[2.8] 543	[3.9] 660	(116)	(17.7)		
		Subtotal	[1.8] 15,384	[1.9] 16,385	(1,001)	(6.1)		
Adjustment	(1,456)	(1,355)	(101)	—				
Total	[1.7] 13,927	[1.9] 15,030	(1,102)	(7.3)				

(Note) Figures in brackets indicate Operating Margins.

(2) Projection for FY 2011

(Unit: Millions of yen, %)

			Projection for FY 2011	Results of FY 2010		Change		
						Amount	Ratio	
Revenues	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	706,214	717,439	(11,225)	(1.6)
				Security Transportation	59,104	59,542	(438)	(0.7)
				Heavy Haulage & Construction	32,001	34,356	(2,355)	(6.9)
				Air Freight Forwarding & Travel	209,086	203,408	5,678	2.8
				Marine & Harbor Transportation	132,691	124,216	8,475	6.8
			Subtotal	1,139,097	1,138,963	134	0.0	
			Overseas Companies	The Americas	44,587	42,806	1,780	4.2
				Europe	46,989	45,069	1,919	4.3
				East Asia	79,976	76,955	3,020	3.9
				South Asia & Oceania	49,534	45,564	3,969	8.7
		Subtotal		221,086	210,396	10,690	5.1	
		Total	1,360,184	1,349,359	10,824	0.8		
		Goods Sales	343,190	352,507	(9,317)	(2.6)		
		Other	38,913	35,980	2,933	8.2		
		Subtotal	1,742,288	1,737,847	4,440	0.3		
Adjustment	(122,288)	(120,662)	(1,626)	—				
Total	1,620,000	1,617,185	2,814	0.2				
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	[1.1] 7,483	[1.2] 8,381	(897)	(10.7)
				Security Transportation	[4.8] 2,817	[3.0] 1,806	1,010	55.9
				Heavy Haulage & Construction	[8.9] 2,857	[7.8] 2,685	171	6.4
				Air Freight Forwarding & Travel	[1.8] 3,698	[0.5] 952	2,746	288.3
				Marine & Harbor Transportation	[5.3] 7,070	[4.4] 5,439	1,630	30.0
			Subtotal	[2.1] 23,927	[1.7] 19,265	4,661	24.2	
			Overseas Companies	The Americas	[3.6] 1,588	[3.7] 1,584	3	0.3
				Europe	[3.9] 1,836	[4.0] 1,784	51	2.9
				East Asia	[2.7] 2,147	[2.7] 2,098	48	2.3
				South Asia & Oceania	[2.9] 1,448	[3.1] 1,391	56	4.1
		Subtotal		[3.2] 7,020	[3.3] 6,859	161	2.3	
		Total	[2.3] 30,947	[1.9] 26,124	4,823	18.5		
		Goods Sales	[1.8] 6,170	[2.0] 7,053	(882)	(12.5)		
		Other	[4.8] 1,860	[4.2] 1,509	350	23.2		
		Subtotal	[2.2] 38,978	[2.0] 34,687	4,291	12.4		
Adjustment	(3,978)	(3,057)	(920)	—				
Total	[2.2] 35,000	[2.0] 31,629	3,370	10.7				

(Note) Figures in brackets indicate Operating Margins.

(3) Summary of Non-consolidated Statements of Operations

(Unit: Millions of yen, %)

		Six months ended Sep. 30, 2011		Six months ended Sep. 30, 2010		Change			
			% in Sales		% in Sales	Amount	Ratio		
Revenues	Railway utilization transportation		40,533	7.7	42,498	8.1	(1,964)	(4.6)	
	Motor transportation	Combined delivery services	40,777	7.7	43,599	8.2	(2,821)	(6.5)	
		Chartered truck services	138,857	26.3	138,631	26.3	226	0.2	
		Subtotal	179,635	34.0	182,230	34.5	(2,595)	(1.4)	
	Marine and harbor transportation	Marine transportation		31,027	5.9	31,240	5.9	(213)	(0.7)
		Harbor transportation		29,935	5.7	30,398	5.8	(462)	(1.5)
		Subtotal		60,962	11.6	61,638	11.7	(675)	(1.1)
		(Exports)		[29,059]	—	[29,790]	—	[(731)]	[(2.5)]
		(Imports)		[19,650]	—	[19,403]	—	[246]	[1.3]
		(Domestic)		[12,253]	—	[12,444]	—	[(190)]	[(1.5)]
	Warehousing		52,782	10.0	46,794	8.9	5,988	12.8	
	Air transportation	Air freight forwarding	International air freight	61,323	11.6	59,344	11.2	1,979	3.3
			(Exports)	[51,075]	—	[48,443]	—	[2,631]	[5.4]
			(Imports)	[10,248]	—	[10,900]	—	[(652)]	[(6.0)]
			Domestic air freight	19,357	3.7	19,792	3.8	(435)	(2.2)
		Subtotal		80,681	15.3	79,137	15.0	1,544	2.0
		Travel		2,041	0.4	2,854	0.5	(812)	(28.5)
	Subtotal		82,723	15.7	81,991	15.5	731	0.9	
	Heavy haulage & construction		24,161	4.6	23,880	4.5	280	1.2	
	Incidental operations and others		86,552	16.4	88,893	16.8	(2,340)	(2.6)	
Total		527,351	100.0	527,927	100.0	(575)	(0.1)		
(Domestic operation-related revenues)		[405,329]	76.9	[407,752]	77.2	[(2,423)]	[(0.6)]		
(International operation-related revenues)		[122,021]	23.1	[120,174]	22.8	[1,847]	[1.5]		
Operating expenses	Employment costs	Drivers/workers	58,955	11.2	59,248	11.2	(293)	(0.5)	
		Office personnel	71,694	13.6	69,692	13.2	2,001	2.9	
		Subtotal	130,649	24.8	128,940	24.4	1,708	1.3	
	Forwarding costs	Railway	21,052	4.0	22,301	4.2	(1,249)	(5.6)	
		Marine	9,977	1.9	11,282	2.1	(1,304)	(11.6)	
		Air	34,756	6.6	33,490	6.4	1,266	3.8	
		Subtotal	65,786	12.5	67,074	12.7	(1,287)	(1.9)	
	Vehicle chartering and subcontracting costs		207,561	39.4	205,599	39.0	1,961	1.0	
	Depreciation and amortization		15,904	3.0	17,009	3.2	(1,105)	(6.5)	
	Facility usage charges		37,062	7.0	38,355	7.3	(1,293)	(3.4)	
Other		62,450	11.8	62,757	11.9	(307)	(0.5)		
Total		519,414	98.5	519,738	98.5	(323)	(0.1)		
Operating income		7,937	1.5	8,189	1.5	(252)	(3.1)		
Non-operating income		5,416	1.0	5,775	1.1	(359)	(6.2)		
Non-operating expenses		3,327	0.6	2,246	0.4	1,081	48.1		
Ordinary income		10,025	1.9	11,718	2.2	(1,693)	(14.4)		
Extraordinary income		1,794	0.3	4,699	0.9	(2,904)	(61.8)		
Extraordinary loss		3,886	0.7	14,973	2.8	(11,087)	(74.0)		
Income before income taxes		7,934	1.5	1,444	0.3	6,489	449.1		
Income taxes etc.		3,429	0.7	254	0.1	3,175	1,248.5		
Net income		4,504	0.8	1,190	0.2	3,313	278.4		

*1 The above Summary of Non-consolidated Statements of Operations is not subject to review under statutory disclosure requirements.

2 The above Summary of Non-consolidated Statements of Operations has been prepared as supplementary material for the Quarterly Earnings Report and represents a rough breakdown of operating results including revenues and operating expenses.