

Result meeting for 1H of the year ending March 2009

**President and CEO Masanori Kawai
Oct. 31 2008**

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| 1. Overview of business result for 1H of the year ending March 2009 | P1- |
| 2. Progress of our major actions for mid-term plan | P7- |
| 3. Outlook of the year ending March 2009 | P11- |
| 4. Consolidation of small-package delivery business | P13- |

1. Business overview for 1H of the year ending March 2009

A. Business trend for 1H of the year ending March 2009

1) Overview (Consolidated figure)

(Rounded down)

Unit: 100mn Yen	Actual	Difference (YoY)	Difference (YoY)(%)	2Q (7/31 forecast)	Difference (VS forecast)	Difference (VS forecast)(%)
Sales	9,518	275	3.0	9,421	97	1.0
Operating Income	188	△12	△6.1	185	3	2.1
Ordinary Income	228	△17	△7.2	228	0	0.1
Net Income	108	△20	△15.8	118	△9	△8.3

2) Overview

Sales : Parent increased 7.7 billion yen

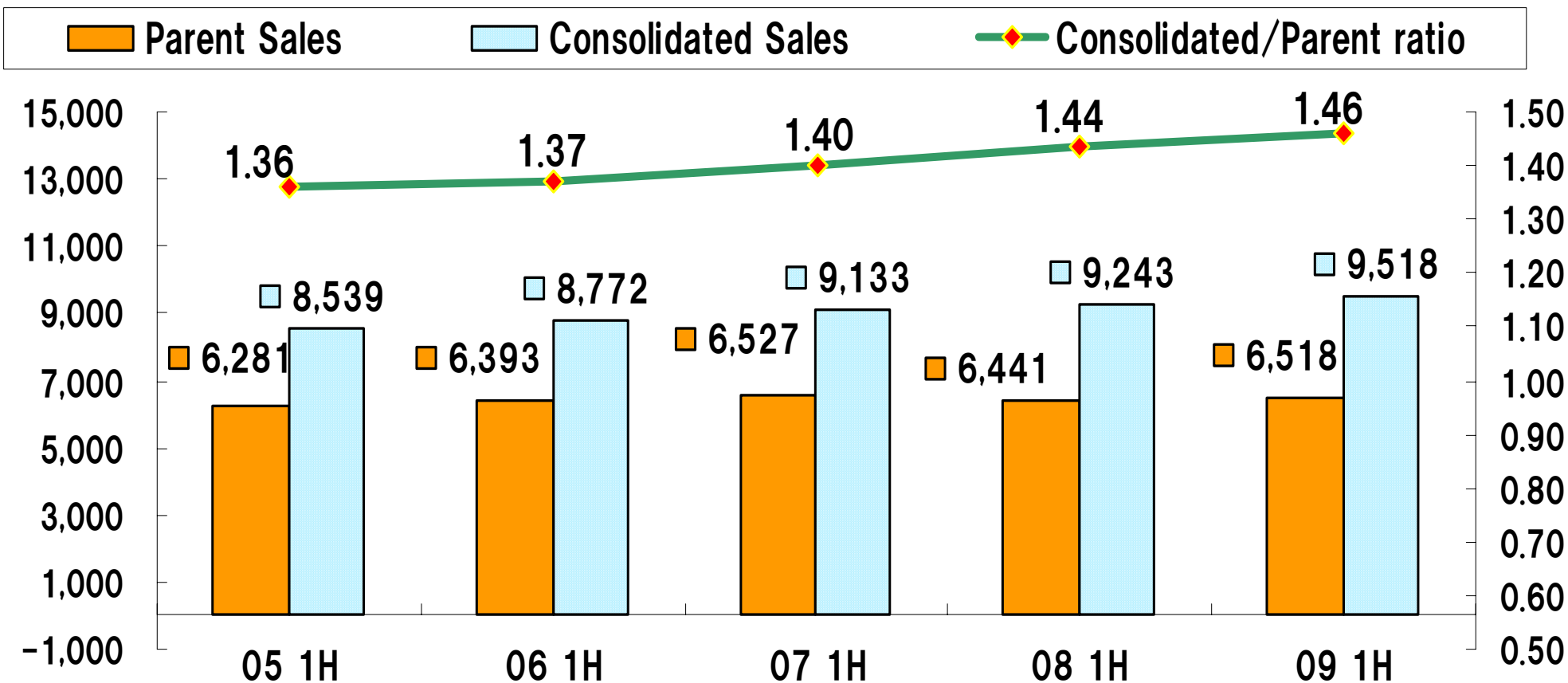
Goods sales increased 19.1 billion yen

Operating Income: Impact of fuel price hike 4.3 billion yen (refer P4 for detail)

Overseas segment decreased

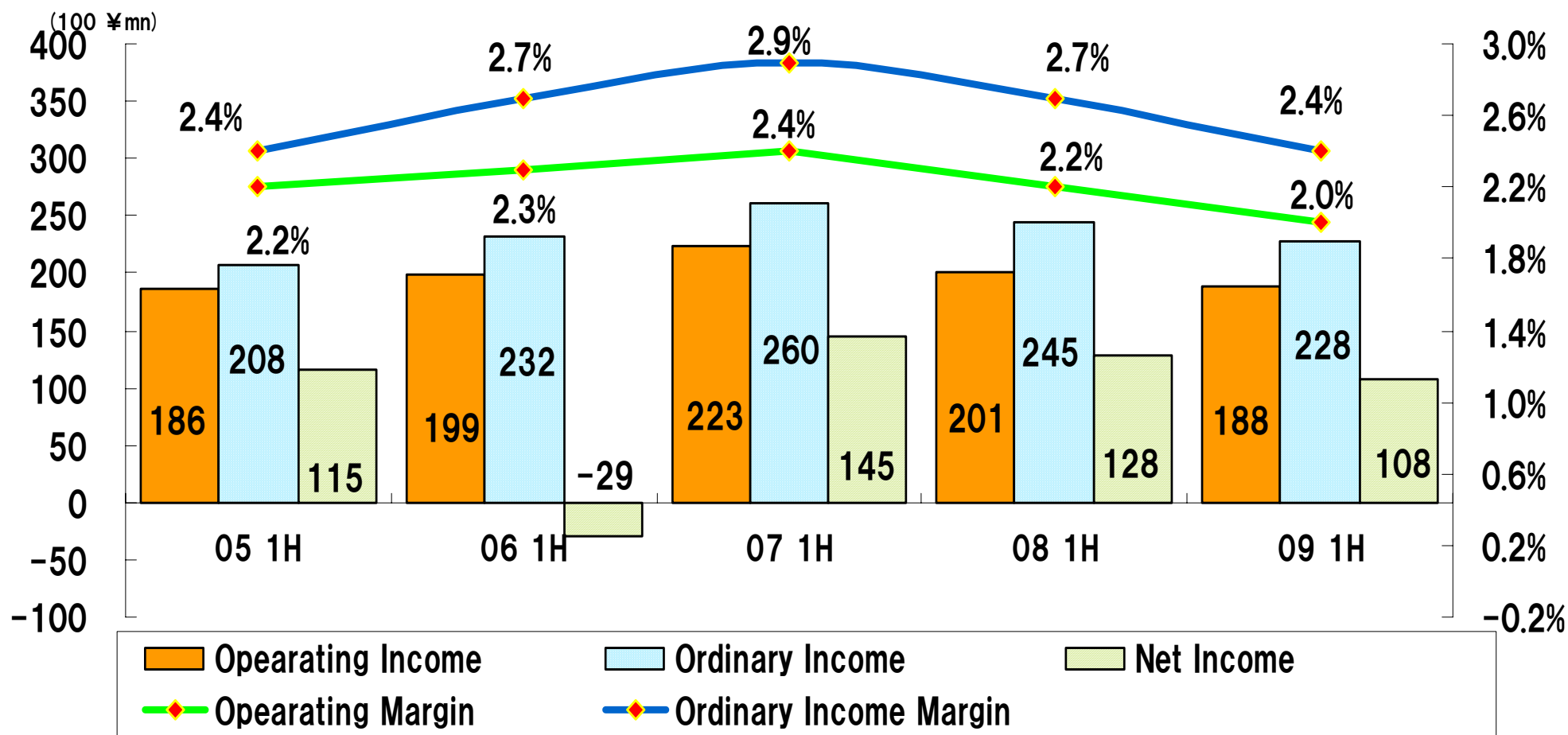
1. Business overview for 1H of the year ending March 2009

B. Trend of Consolidated and Parent sales for past 5 years



1. Business overview for 1H of the year ending March 2009

C. Trend of Consolidated Operating/Ordinary/Net Income for past 5 years



1. Business overview for 1H of the year ending March 2009

D. Difference of Operating Income YoY

Unit 100 mn yen	Operating Income			External factors affecting profit			Difference of profit without external factors
	1H of 09	1H of 08	Difference(A)	Fuel (Domestic)	FX	Sub total (B)	A-B
Consolidated	188	201	△12	△43	△4	△47	35
Parent	113	110	2	△21	0	△21	23
Subsidiaries	76	89	△13	△22	△4	△26	12

(Difference are rounded to nearest 100 million yen)

Impact of fuel price hike(each quarter)

1Q:Consolidated △ 1.4 billion yen, Parent △ 0.7 billion yen

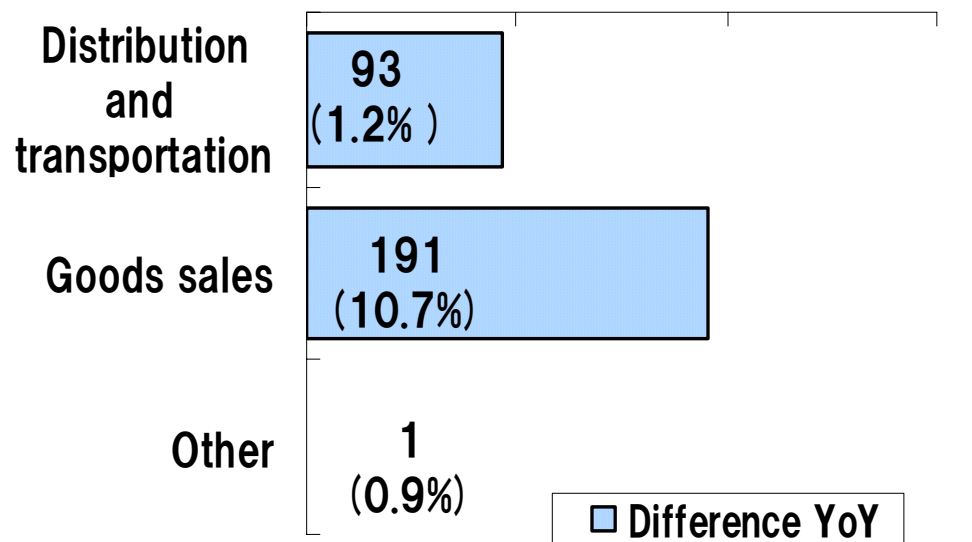
2Q:Consolidated △ 2.9 billion yen, Parent △ 1.4 billion yen

1. Business overview for 1H of the year ending March 2009

E. Difference by segment (by business segment)

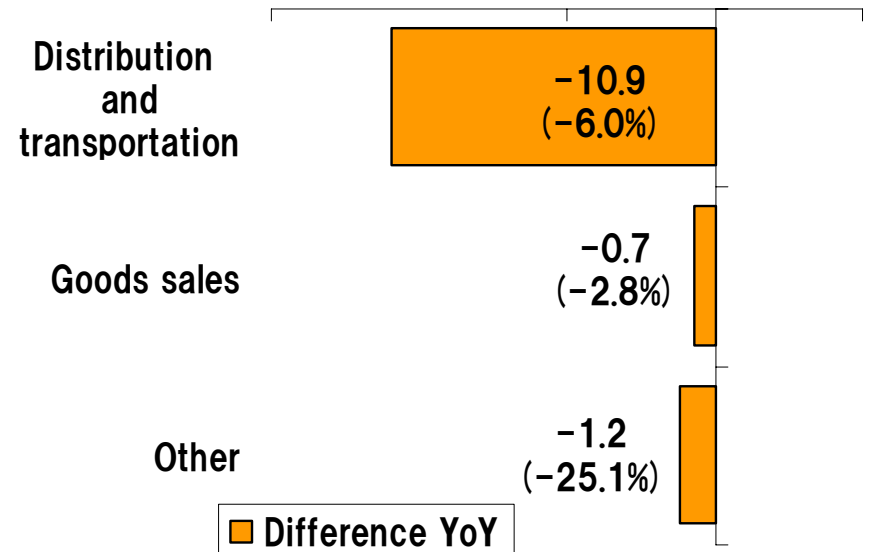
Sales by segment (100 mn yen)

0 100 200 300



Operating Income by segment (100 mn yen)

-15 -5 5



Brackets indicate % change YoY

Sales: Each segment increased YoY

Distribution and transportation: Contributed by parent warehouse, marine and harbor, heavy haulage and construction

Goods sales: Contributed by Nittsu Shoji

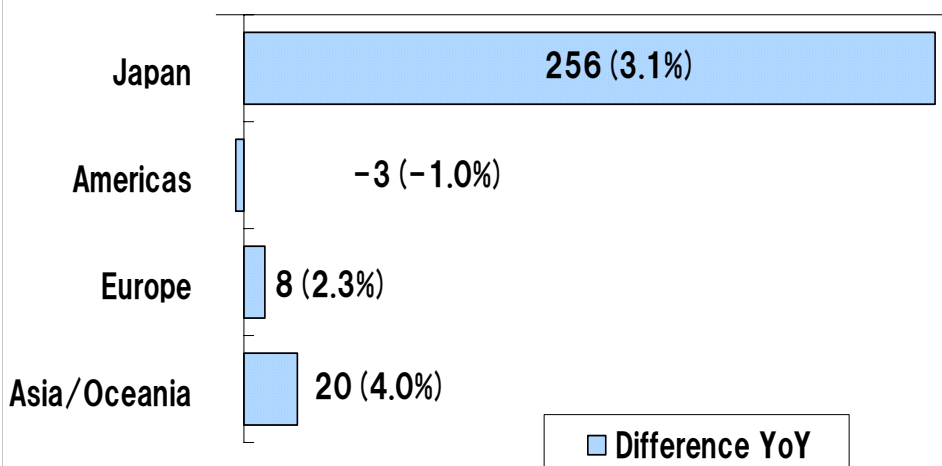
Operating Income: Distribution and transportation : Domestic operation subsidiary, America, Asia and Oceania decreased

1. Business overview for 1H of the year ending March 2009

F. Difference by segment(by location)

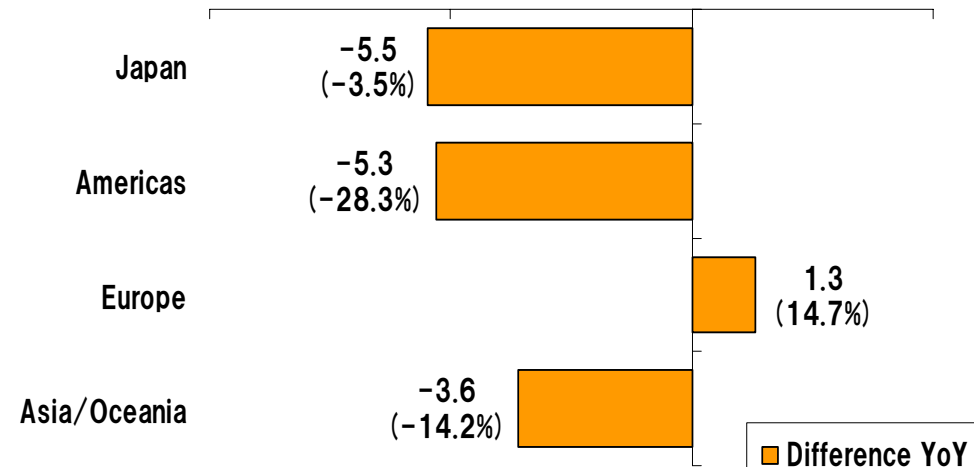
Sales by location (100 mn yen)

-10 20 50 80 110 140 170 200 230 260



Operating Income by location (100 mn yen)

-10.0 -5.0 0.0 5.0



Brackets indicate % change YoY

Sales : Japan : Increased sales by parent and Nittsu Shoji

Operating Income : Japan : Domestic operation subsidiary decreased

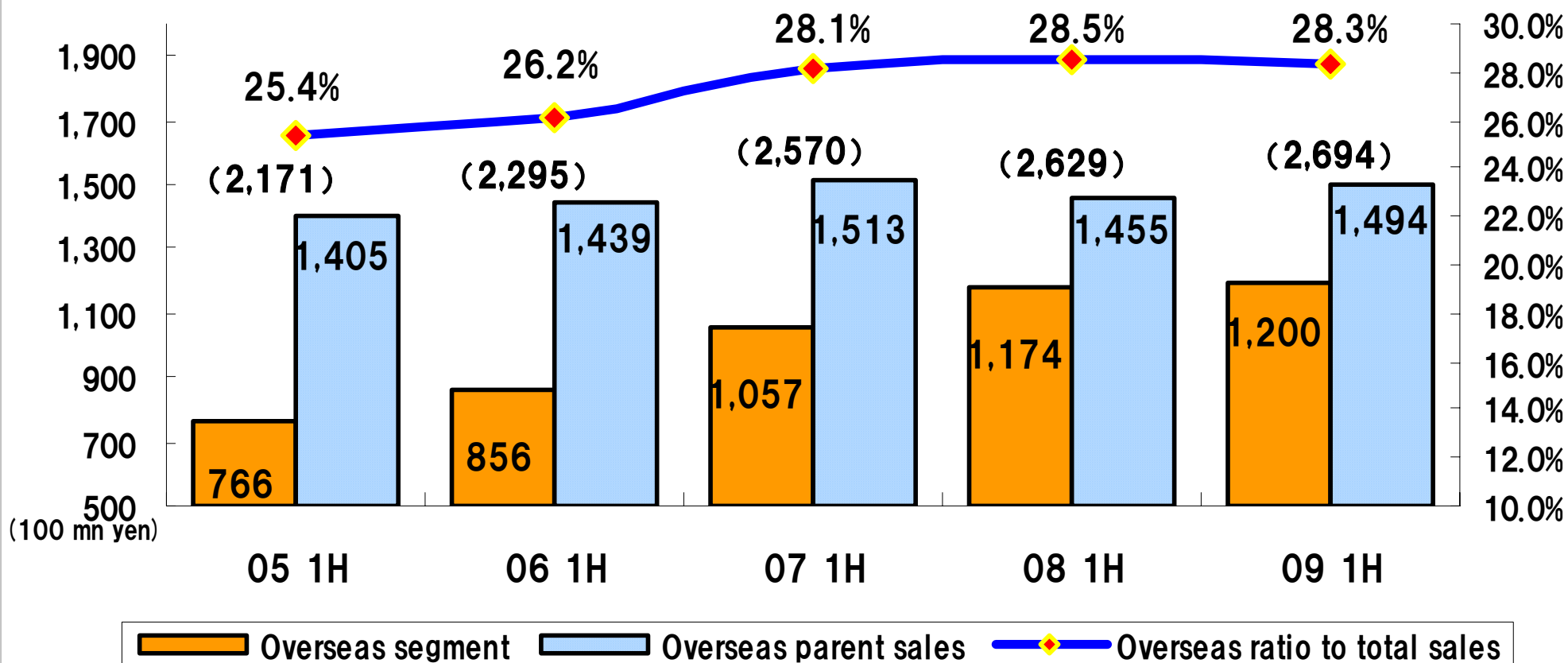
Americas : Decreased income by lower import

Asia and Oceania : Decreased income by fuel cost hike etc.

2. Progress of our major actions

A. Global business

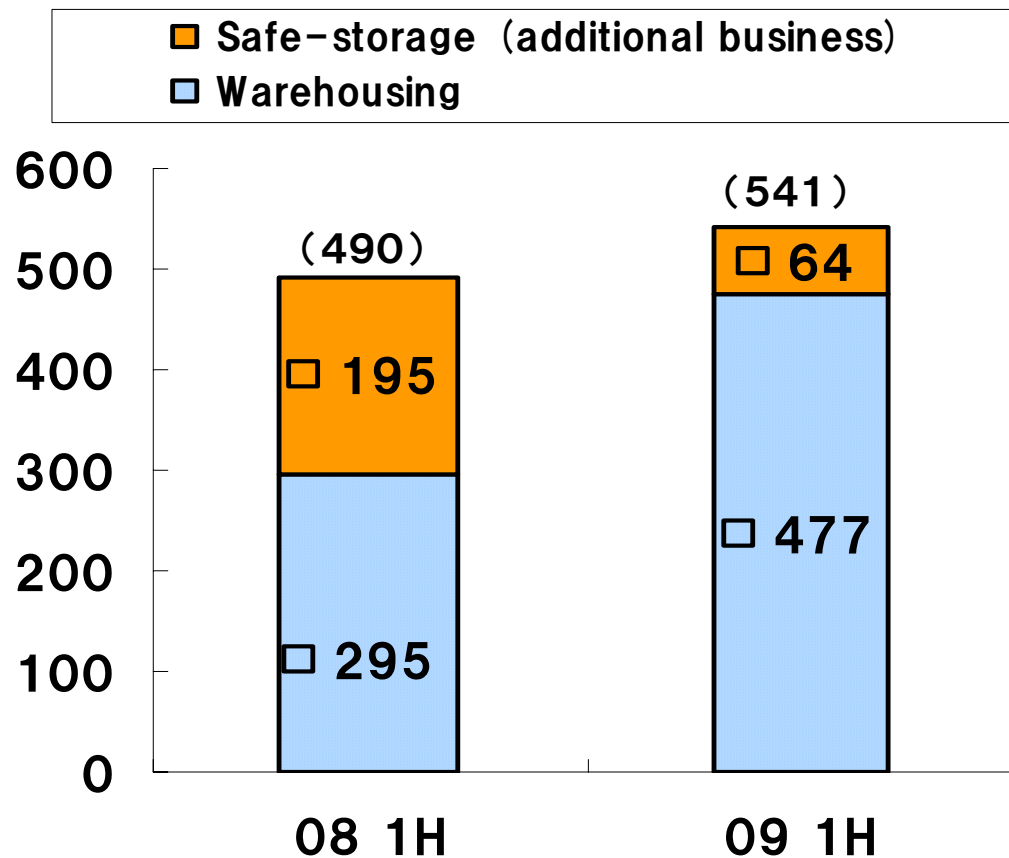
~Trend of overseas parent sales, overseas segment and overseas ratio to total sales~





2. Progress of our major actions

B. Increased sales by warehouse related revenue(Expansion of 3PL)

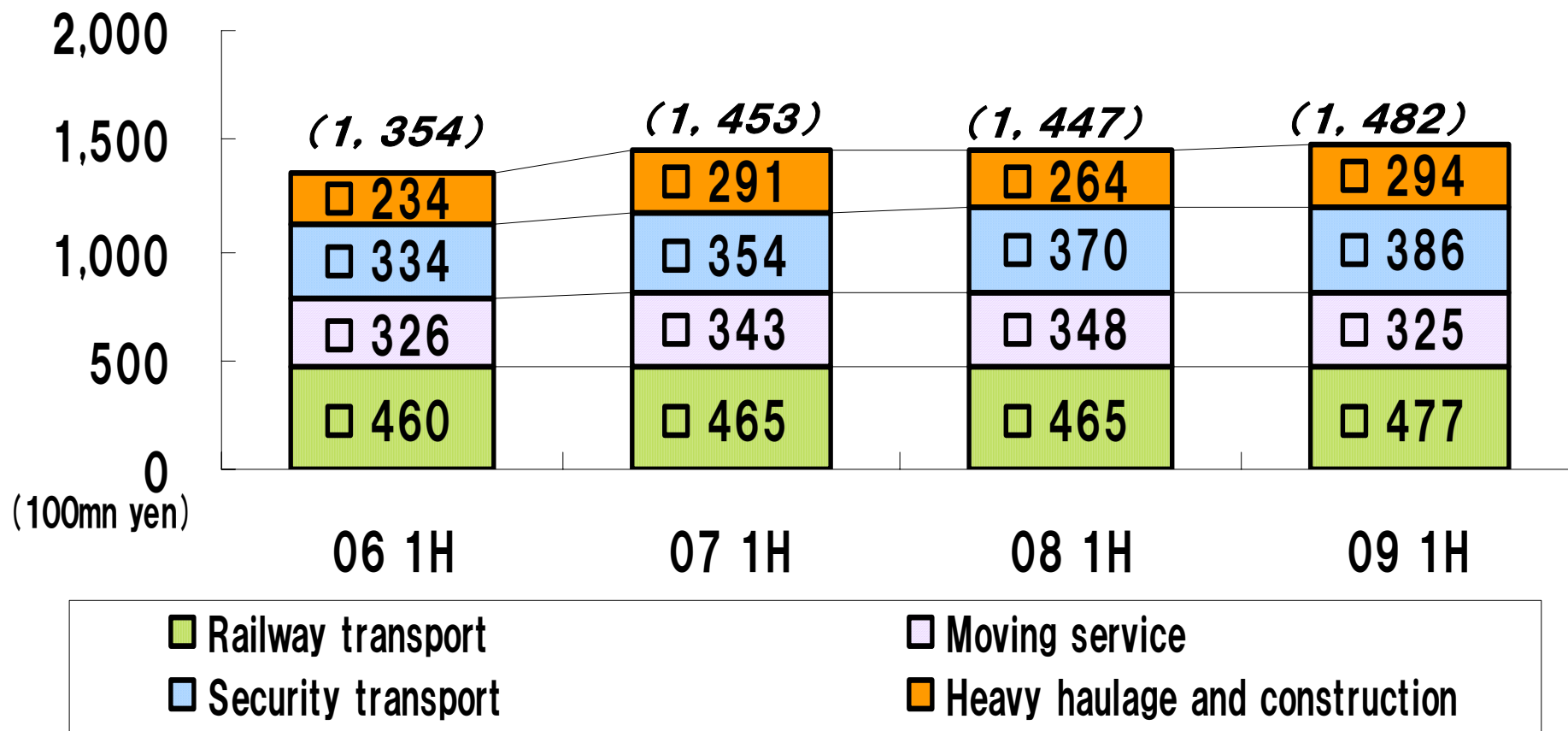


Completed warehouses within this FY (including plan)

Place	Type	Space (㎡)	Completion
Minami Kyoto	Warehouse for business	16,292	Apr. 08
Daisen	Warehouse for business	9,909	May 08
ōtake	Warehouse for business	11,200	Oct. 08
Sakai	Factory Warehouse	About 85,000	Mar. 09

2. Progress of our major actions

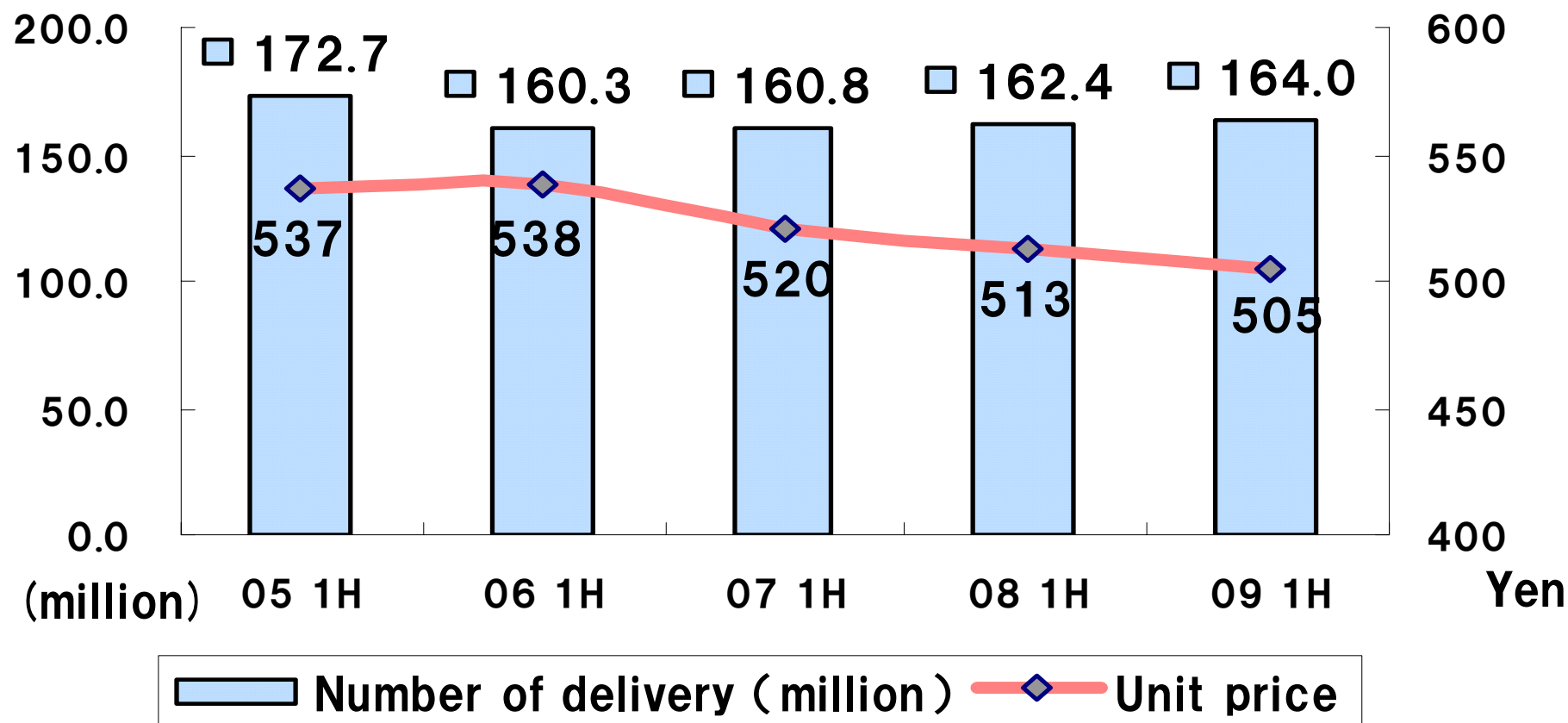
C. Expansion of differentiated products



2. Progress of our major actions

D. Restructuring small-package transport business

~Trend in number of deliveries and unit price of Pelican Express~



3. Outlook of the year ending March 2009

A. Parent forecast (Whole fiscal year)

(Parent) Unit: mn yen	09 revised Plan	08 Actual	Revised plan on Jul. 31	YoY	Difference YoY (%)	VS Plan On Jul. 31	Difference %
Sales	1,325,000	1,312,125	1,319,600	12,874	1.0	5,400	0.4
Operating Income	27,100	28,639	27,100	△1,539	△5.4	—	0.0
Ordinary Income	31,800	33,040	31,800	△1,240	△3.8	—	0.0
Net Income	14,300	22,884	16,900	△8,584	△37.5	△2,600	△15.4

(Note)

Sales: Plan to increase by marine and harbor, heavy and haulage construction

Operating and Ordinary Income: Fuel price lowered, but, decreased transport demand by worldwide business downturn

Net Income : 7.8 billion yen of extraordinary profit by the shift to DC pension plan (2008) and writing off the expense of consolidation for small-package delivery business

3. Outlook of the year ending March 2009

B. Consolidated forecast(Whole fiscal year)

(Consolidated) Unit: mn yen	09 revised Plan	08 Actual	Revised plan on Jul. 31	YoY	Difference YoY, (%)	VS Plan On Jul. 31	Difference %
Sales	1,943,800	1,901,433	1,934,000	42,366	2.2	9,800	0.5
Operating Income	45,400	48,502	45,400	△3,102	△6.4	—	0.0
Ordinary Income	52,100	55,964	52,100	△3,864	△6.9	—	0.0
Net Income	25,600	36,439	28,200	△10,839	△29.7	△2,600	△9.2

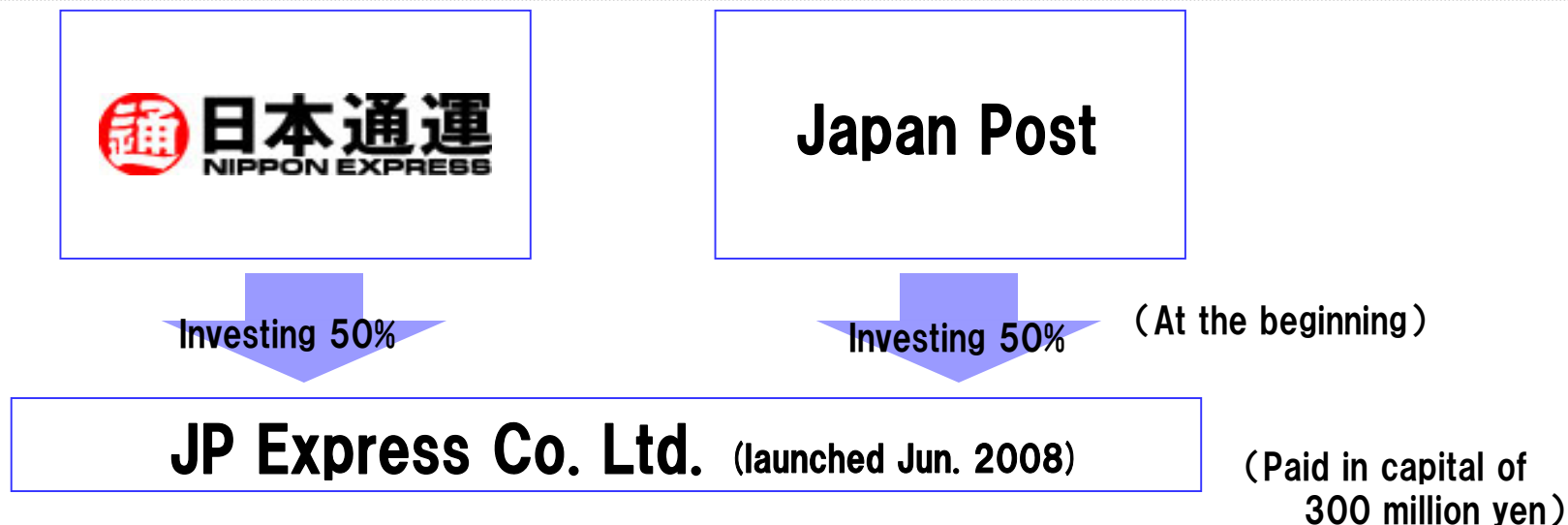
(Note)

Operating and Ordinary Income: Fuel price lowered

Concern of lower business results by overseas companies due to worldwide business downturn

4. Consolidation of small-package delivery business

A. Overview of JP Express



Business/Target	: Operate small-package delivery business with a high quality service
Starting date of service	: April 1st 2009
Capital/% of holding	: Paid-in capital of 50 billion yen (NE 34%, JP 66%) after April 2009
Products/brand name	: Prompt integration while maintaining our high quality post unification
IT System	: Integrate both systems based on Nippon Express
Personnel	: New hiring's, staffing, transfers from both companies

4. Consolidation of small-package delivery business

B. Shift of management resources to JP Express



Sales : about 120 billion yen
Number of Handlings :240 million
 (excluding part of air transport)
Terminals :54
Collection :240 locations
Vehicles, Distribution related materials, IT System (base)
Employees : Max. 5,000

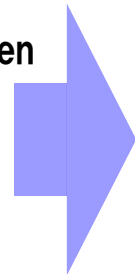


JP EXPRESS CO., LTD.

Sales : Approximately 280 billion yen
Number of Handlings :520 million
Terminals :75
 (54 from Nittsu, 20 from JP, 1 new point)
Collection : Approximately 700(Direct)
 (240 from Nittsu, 400 from JP, 60 new)
 ※+ JP's collection place (3000)
Employees : Approximately 11,000
Consigned :9,000 people
PL : Single-year profit in 3 years
 : Covering accumulated loss in 5 years (Plan)

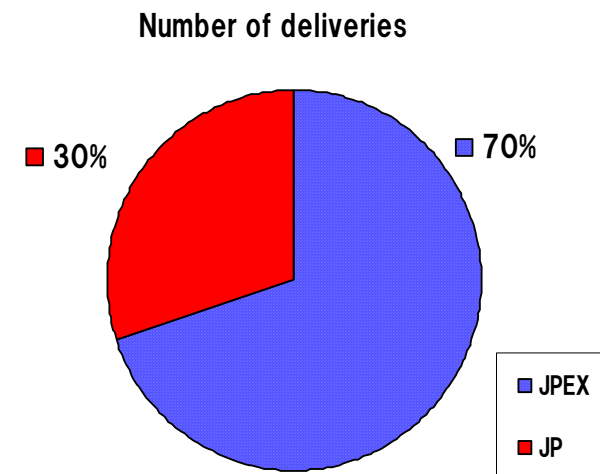
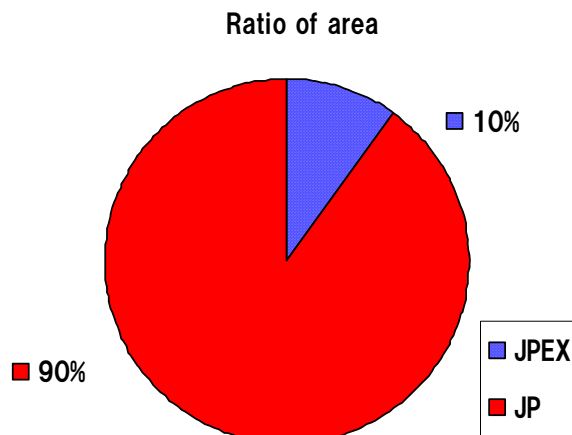
Japan Post Group
Japan Post

Sales : about 150 billion yen
Number of Handlings :250 million
Terminals :20
Collection :400 locations
Vehicles, Distribution related materials



4. Consolidation of small-package delivery business

C. Operation construction policies



Areas in charge by JP Express
 Construction of a new network by both companies
 Small delivery areas to be divided
 to enable delivery concentration

Business areas ~ major local cities ⇒ delivery by JPEX (*1)

Local cities ~ rural areas ⇒ delivery by JP Network (*2)

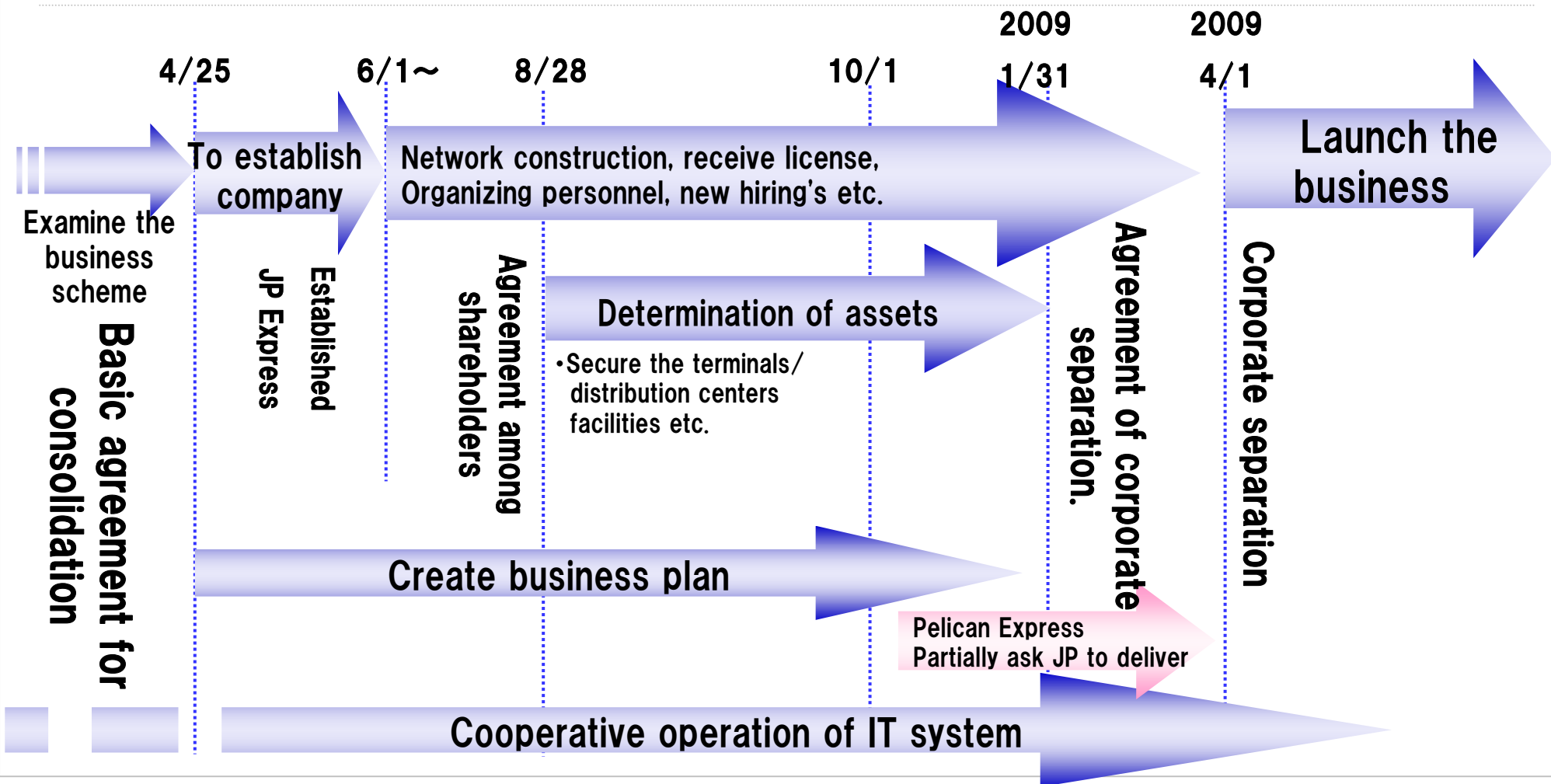
*1 .. Detailed service with operational efficiency by concentrating areas managed by JPEX

⇒70% of delivery within 10% of total areas
 (calculation by Nippon Express)

*2 .. Areas with small number of delivery per unit area are operated by JP's existing network

4. Consolidation of small-package delivery business

D. Roadmap for business consolidation



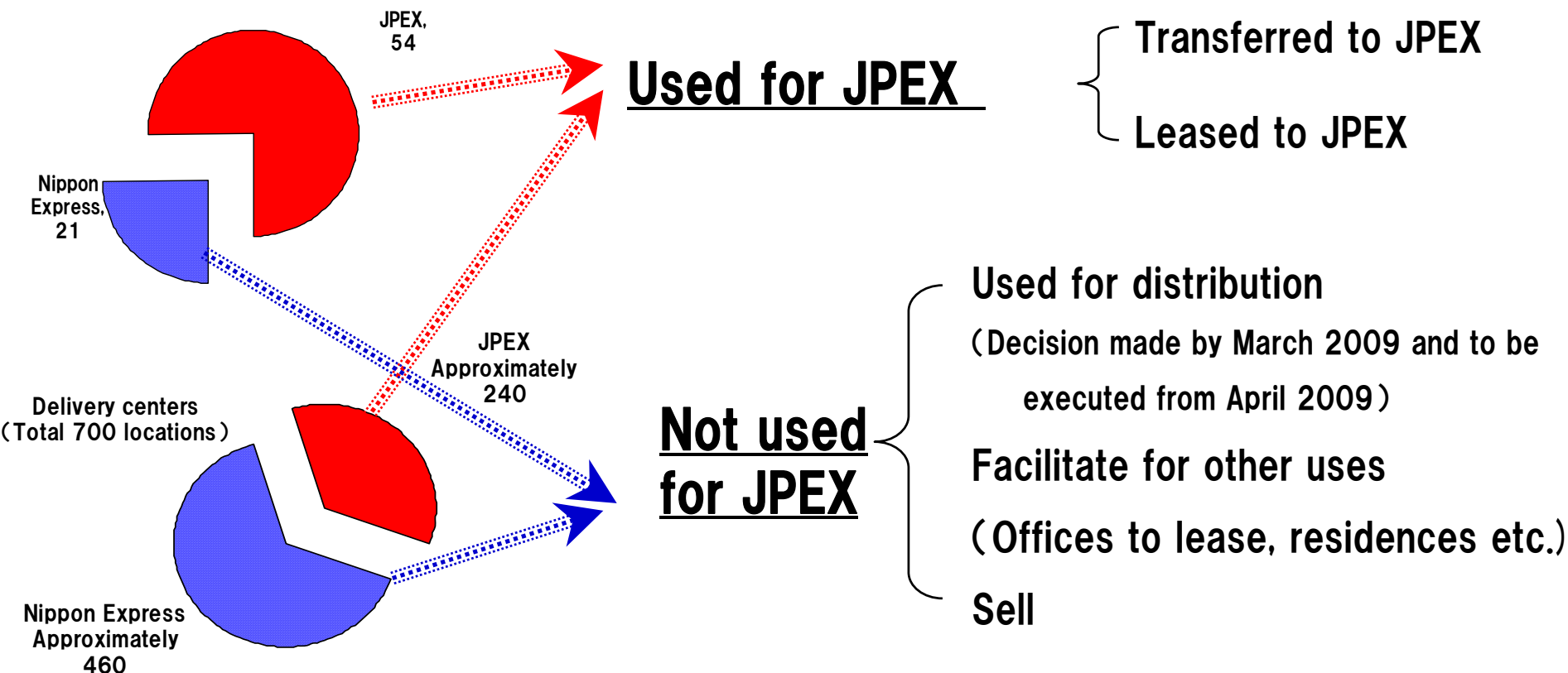
4. Consolidation of small-package delivery business

E. Transition of delivery related assets for consolidation and organization

=Transition of terminals & delivery centers=

Terminals (Total 75 locations)

(※Number of transferred locations are all estimates)



=Reconstruction of organization=

Restructuring the organization is necessary from local cities to rural areas



4. Consolidation of small-package delivery business

F. Restructure Arrow Express

1. Target of reconstruction

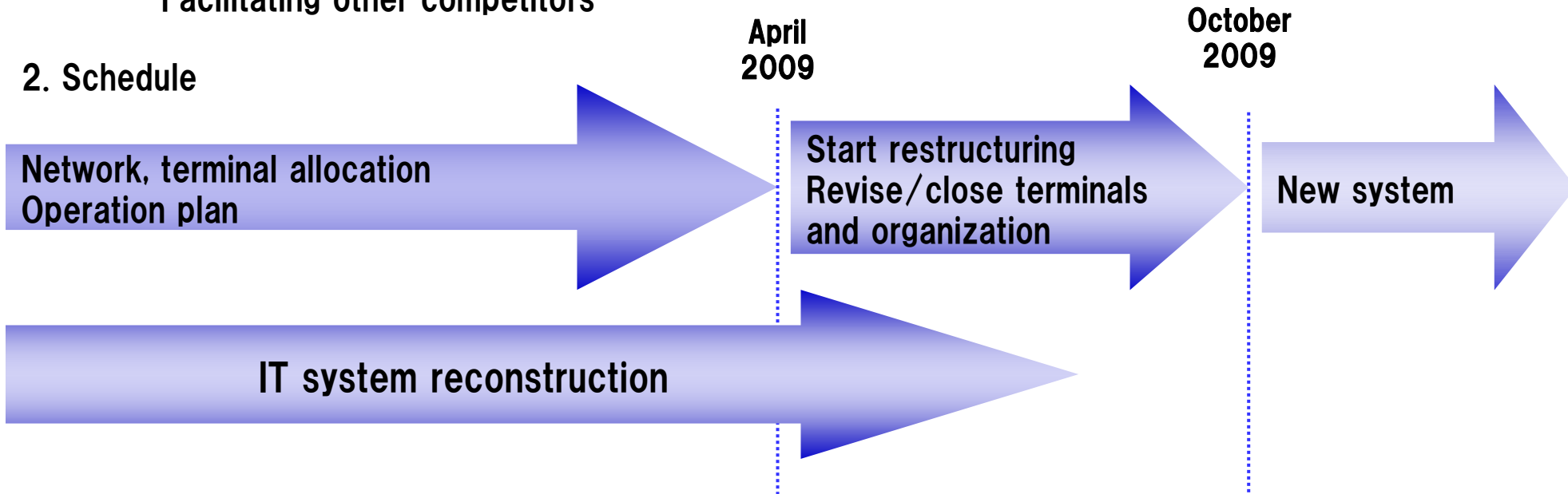
Building the service with group companies especially Nippon Truck

Simplified product segment

Direct collection/distribution to/from terminals

Facilitating other competitors

2. Schedule





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