

Results meeting for 1H of the year ending March 2012

President and CEO

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1. Business overview

A. Overview of 1H of FY2011

1) Overview (Consolidated)

(100 mn yen)

	Actual for 1H of FY2011	Difference (YoY)	Difference (YoY) (%)	Forecast for 1H (Announced May 20)	Difference (Compared to forecast)	Difference (Compared to forecast) (%)
Revenues	8,019	(24)	(0.3)	7,950	69	0.9
Operating income	139	(11)	(7.3)	125	14	11.4
Ordinary income	190	(12)	(6.4)	160	30	19.3
Net income	99	57	133.9	80	19	24.8

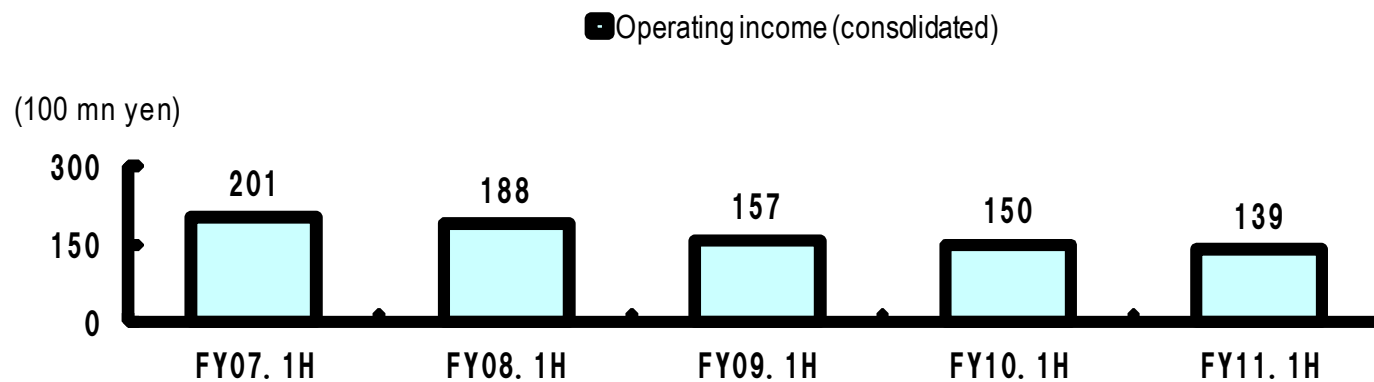
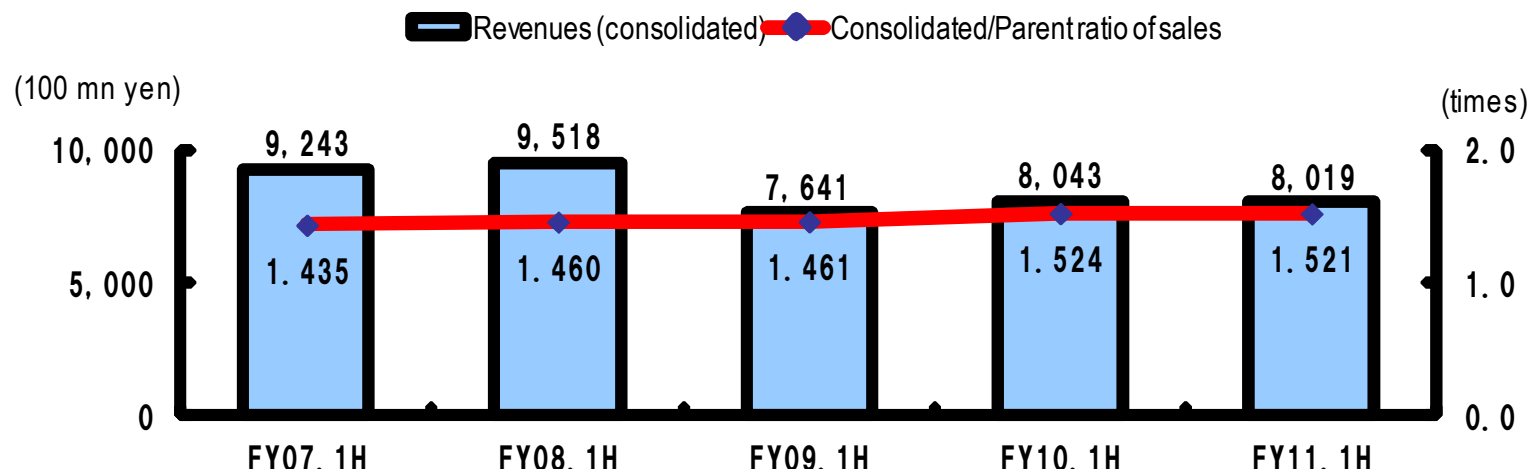
2) Business indices

- Operating income Margin 1.7%
- Ordinary income Margin 2.4%
- ROE 4.3%
- ROA 1.7%

(round down to 100 mn yen)

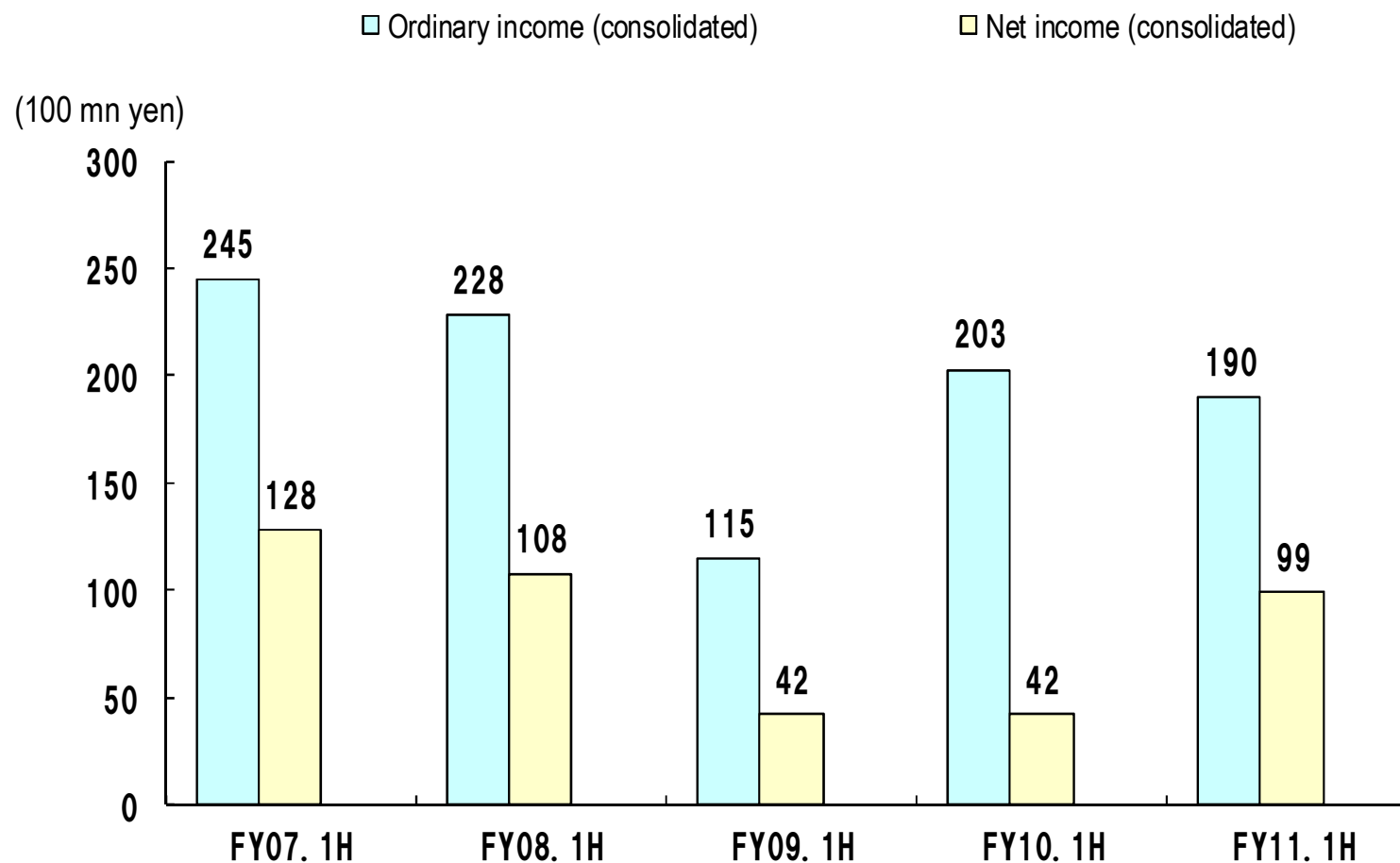
1. Business overview

B. Trend of Revenues and Operating income for the past 5 years



1. Business overview

C. Trend of Ordinary income and Net income for the past 5 years



1. Business overview

D. Overview by business segment

1) Combined Business

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference (%)	Overview
Revenues	3,500	3,600	(99)	(2.8)	Cancellation of cargo trains due to the earthquake disaster and severe weather Weak demand for motor (trucking) transportation
Segment income	17	37	(19)	(52.9)	

2) Security Transportation

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference (%)	Overview
Revenues	293	299	(5)	(2.0)	Decline in sales prices for non-bank cash collection and delivery services Reduction in employment costs
Segment income	11	9	1	21.5	

3) Heavy Haulage & Construction

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference (%)	Overview
Revenues	193	186	6	3.7	Conducting post-disaster restoration and reconstruction-related businesses
Segment income	17	15	2	15.8	

1. Business overview

D. Overview by business segment

4) Air Freight Forwarding & Travel

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference (%)	Overview
Revenues	1,015	1,011	3	0.4	Changes in destination mix Air forwarding costs were controllable
Segment income	12	1	10	814.9	

5) Marine & Harbor Transportation

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference (%)	Overview
Revenues	638	630	8	1.3	Strong performance of harbor transportation and international moving services
Segment income	31	30	1	4.5	

1. Business overview

D. Overview by business segment

6) The Americas

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference(%)	Overview
Revenues	214	214	(0)	(0.2)	Affected by the strong yen Air forwarding costs and fuel expenses remained at high levels
Segment income	4	7	(3)	(43.7)	

7) Europe

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference(%)	Overview
Revenues	232	216	15	7.4	Strong sales in the air freight forwarding business Growth in the volume of logistics business
Segment income	9	6	3	50.2	

8) East Asia

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference(%)	Overview
Revenues	360	372	(12)	(3.3)	Affected by the strong yen Slowdown in the movement of goods following the earthquake disaster
Segment income	7	8	(0)	(11.0)	

9) South Asia & Oceania

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference(%)	Overview
Revenues	213	219	(6)	(3.1)	Slowdown in the movement of goods following the earthquake disaster
Segment income	5	6	(1)	(15.8)	

1. Business overview

D. Overview by business segment

10) Goods Sales

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference (%)	Overview
Revenues	1,772	1,722	49	2.9	Increase in the unit price of petroleum Slump in the volume of export package handling
Segment income	30	34	(3)	(10.1)	

11) Other

(100 mn yen)

	FY2011 1H	FY2010 1H	Difference	Difference (%)	Overview
Revenues	195	168	26	15.9	Expansion of logistic finance business
Segment income	5	6	(1)	(17.7)	

2. Changes due to external environment

Change factors

Change factors	Consolidated	Reference
Impact of change in unit fuel price	Fuel cost: +1.8 billion yen (Cost increase)	Difference in unit price (YoY) Light oil: +13.60 yen/ℓ Gasoline: +13.15 yen/ℓ Heavy oil: +12.95 yen/ℓ
Impact of foreign exchange (strong yen)	Revenues: -6.9 billion yen Operating income: -0.2 billion yen	Average exchange rate for 1H of FY2011 (*) (1H of FY2010) USD: 82.03 yen (92.01 yen) EUR: 115.04 yen (116.99 yen) HKD: 10.54 yen (11.82 yen)

(*) The average exchange rate for 1H of FY2011 is the reference rate. For the preparation of financial reports, average quarterly rates are applied to the quarterly results of businesses on a local currency basis.

3. Progress of business plan

Nippon Express Group Corporate Strategy 2012 - Towards New Growth

- Progress of basic strategy

Basic Strategy	Item	Progress
Growth as a Global Logistics Company	33% of sales from International operation-related business in FY2012	31.0% (FY2010: 30.9%)
	Business development in the global market (as of September 2011)	Nippon Express U.S.A., Inc. opens Chicago Logistics Center
		Nippon Express (India) Pte., Ltd. establishes a subsidiary dedicated to JIT logistics
		Nippon Express (Vietnam) Co., Ltd. opens Song Than Logistics Center
Promotion of Strategic Environmental Management	Growth through the promotion of environmentally-friendly business	Launch of this fiscal year's paper collecting boxes for recycling with carbon offset
	Implementation of consistent CO ₂ reduction measures, etc.	Reduction of electricity use (-23.1%* YoY) * <Nov. 22, 2011> correction -29.9% ⇒ -23.1%
Enhancement of Management Infrastructure	Enhancement of the function of each global business base at home and abroad	Relocation of Regional General Office in East Asia (from Hong Kong to Shanghai)
Promotion of Corporate Social Responsibility (CSR) Management	Fulfill social responsibilities	Support for the Tokyo metropolitan My Tree Program (100 medium-height trees donated)

4. Current status of the Arrow Express restructuring program

Change in the number of bases offering the combined delivery service

As of July, 2010	March, 2011 (Actual)	September, 2011 (Actual)	March, 2012 (Plan)
Nippon Express Co., Ltd. 127	To continue 102	To continue 79	To continue 49
	To discontinue 15	To discontinue 18	To discontinue 22
	To consolidate 10	To consolidate 5	To consolidate 8
Nittsu Transport Co., Ltd. 32 (Formerly: Nippon Truck Co., Ltd.)	42	47	55
Total 159	144	126	104

*The number of bases represents the combined numbers of terminals and distribution centers.

5. Performance outlook of the year ending March 2012

A. Consolidated forecast (No change)

(100 mn yen)

	Revenues	Operating Income	Ordinary Income	Net Income	Note
FY2011 Forecast	16,200	350	420	210	Maintained the estimates announced on May 20, 2011
FY2010 Actual	16,171	316	406	85	

B. Overview by business segment

1) Combined Business

(100 mn yen)

	Full FY Forecast (October 31)	Full FY Forecast (Announced May 20)	Difference	Difference (%)	Reason
Revenues	7,062	7,062	±0	±0.0	Overall demand for domestic freight transportation is anticipated to be weak
Segment income	74	85	(10)	(12.3)	

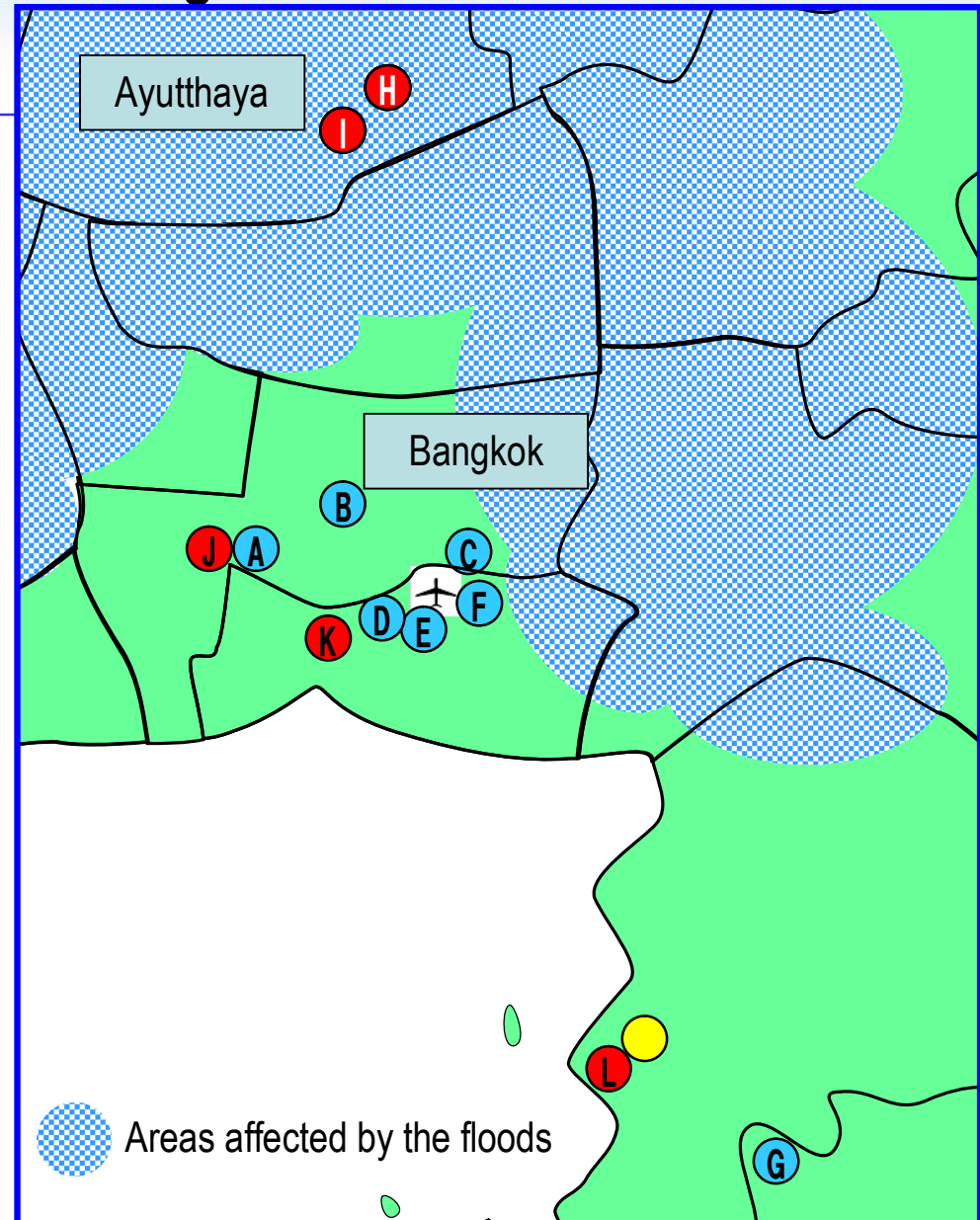
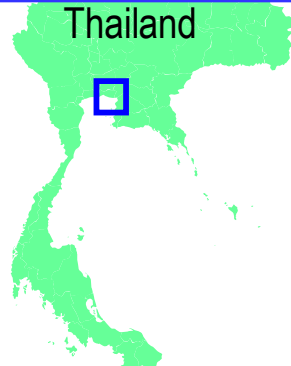
2) Heavy Haulage & Construction

(100 mn yen)

	Full FY Forecast (October 31)	Full FY Forecast (Announced May 20)	Difference	Difference (%)	Reason
Revenues	320	320	±0	±0.0	Continuing to experience solid demand for post-disaster restoration and reconstruction-related businesses
Segment income	28	18	10	58.1	

5. Performance outlook of the year ending March 2012

C. Impact of flooding in Thailand



- Nippon Express (Thailand) Co., Ltd.
 - A Nippon Express (Thailand) Co., Ltd. Head Office (Bangkok Ocean Cargo Branch/Removal Branch)
 - B Bangkok Air Cargo Branch
 - C Bangkok Ocean Cargo Branch CFS
 - D Bangkok Ocean Cargo Branch Logistics Warehouse
 - E Bangkok Airport Office
 - F Bangkok Air Cargo Branch Airport FZ Warehouse
 - G Eastern Seaboard Branch
- Hi-Tech Nittsu (Thailand) Co., Ltd.
 - H Ayutthaya Branch Rojana Warehouse (inundated)
 - I Ayutthaya Branch Hi-Tech Warehouse (inundated, three blocks)
 - J Hi-Tech Nittsu (Thailand) Co., Ltd. Head Office
 - K Bangkok Logistics Center
 - L Laem Chabang Branch
- Nippon Express Engineering (Thailand) Co., Ltd.

5. Performance outlook of the year ending March 2012

D. Assumptions for external factors

	Impact on consolidated results for 2H of FY2011	Assumptions for 2H of FY2011 (figures in parentheses are those for 2H of FY2010)
Impact of change in unit fuel price	Fuel cost: 0.52 billion yen (Increase in cost)	Light oil: 98.80 yen/ℓ (96.78 yen) Gasoline: 138.52 yen/ℓ (127.54 yen) Heavy oil: 55.05 yen/ℓ (48.74 yen) Assumes the same amount of fuel will be used as that of the previous year.
Impact of foreign exchange (strong yen)	Revenues: -3.0 billion yen Operating income: -0.08 billion yen	Exchange Rate for the year (*) USD: 79.36 yen (84.24 yen) EUR: 111.70 yen (111.41 yen) HKD: 10.19 yen (10.84 yen)

(*) The exchange rates and those for 2H of FY2010 used in the assumptions are the reference rates. For the preparation of financial reports, average quarterly rates are applied to the quarterly results of local businesses.



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