

**NIPPON EXPRESS GROUP  
CORPORATE STRATEGY  
2015**

**— Innovation and Moving Forward —**



**NIPPON EXPRESS**

# 1. Nippon Express Group Corporate Philosophy

**Nippon Express Group Corporate Philosophy**

**Our Mission**  
**Be a Driving Force for Social Development**

**Our Challenge**  
**Create New Ideas and Value that  
Expand the Field of Logistics**

**Our Pride**  
**Inspire Trust Every Step of the Way**

Since our founding, the Nippon Express Group has employed our logistical strengths to connect people, businesses and regions throughout the world. In so doing, we have continuously supported social development.

While our mission never changes, we continuously advance to meet the world's changing needs.

Making no compromise in safety and maintaining a deep focus on environmental issues, we continuously strive to deliver innovative solutions at the next frontier of logistics.

We will forever take pride in our ability to inspire trust and answer the call of society.

Every move we make is aimed at advancing society and bringing an enriched life to future generations.

 **NIPPON EXPRESS**

## 2. Vision

A Global Logistics Company

Supports customers worldwide through logistics services

A Company that Fulfills its Responsibilities to the Earth

Cares for the environment and works to realize a low-carbon society

A People-friendly Company

Values its employees and helps them to achieve Job satisfaction

## 3. Name of the Management Plan

NIPPON EXPRESS GROUP  
CORPORATE STRATEGY 2015

—Innovation and Moving Forward —

## 4. Implementation Period

April 1, 2013 to March 31, 2016 (three years)

## 5. Numerical Targets

	FY2015 (Consolidated)
Revenue	¥1.8 trillion
Operating income	¥54.0 billion
Net income	¥34.0 billion
Return on assets (ROA)	2.5%
Proportion of sales from overseas-related business	40%
Operating income margin for domestic combined business	3%
CO2 emissions	Reduce by an average of 1.0% or more per year*

\*Using FY2009 as the benchmark base unit for the Nippon Express Group

## 6. Key Strategies

The Nippon Express Group will achieve sustainable growth by further expanding its global logistics business in growth markets and by vigorously strengthening management practices.

Also, by establishing disaster-resilient and environmentally-friendly organizations and promoting the development and launch of new products and services, we will contribute to customers and local communities through our businesses.

### **A. Further Expanding Our Global Logistics Business**

### **B. Strengthening Management Practices for Our Domestic Businesses**

### **C. Expanding Business by Utilizing the Diversity of Group Companies**

### **D. Contributing to Society through Our Businesses in Accordance with Corporate Social Responsibility (CSR) Management**

## **7. Principal Measures**

### **A. Further Expanding Our Global Logistics Business**

Aiming to promote growth in global markets and increase the proportion of sales from overseas-related business to 40% by FY2015.

#### **(1) Growth in Global Markets**

- a. Strengthening our logistics business and our logistics-related forwarding business**
- b. Expanding forwarding business between Japan and overseas regions (the Americas, Europe, East Asia, South Asia/Oceania)**
- c. Developing intraregional transport services**
- d. Creating domestic distribution businesses in countries overseas**
  - ① Expanding inventory management and delivery businesses
  - ② Developing consumer-goods distribution businesses
- e. Promoting the development of business locations in emerging economies**

#### **(2) Expanding Overseas-related Business in Japan**

- a. Expanding handling of imported cargo**
  - ① Commercializing multimodal door-to-door transport services by utilizing our domestic and international networks and increasing sales
  - ② Expanding handling of imported consumer goods (food, apparel, etc.)
  - ③ Expanding advanced storage and transport services for high value-added products such as medical products

**b. Strengthening support for the global expansion of medium-sized companies**

- ① Providing integrated logistics services for companies expanding overseas for the first time
- ② Strengthening the marine freight forwarding business at regional ports and inland
- ③ Expanding import and export services using key ports on the Sea of Japan
- ④ Developing export cargo services for foodstuffs, agricultural and fisheries products
- ⑤ Providing international multimodal transport services for plants and equipment
- ⑥ Strengthening sales in the overseas moving business

**c. Developing sales activities targeting the global business of Japanese companies, based on cooperation between our domestic and international networks**

### **(3) Increasing Business with Non-Japanese Companies**

**a. Strengthening sales capabilities toward local companies overseas**

- ① Creating local staff-oriented sales systems
- ② Recruiting and training professional human resources

**b. Acquiring new business from foreign-capital global enterprises in Japan**

- Securing contracts for multimodal door-to-door transport services and domestic services in cooperation with overseas subsidiaries

### **(4) Accelerating the Pace of Growth through M&As**

**a. Developing new channels in the forwarding business**

**b. Establishing industry-specific distribution platforms**

**c. Expanding the non-Japanese customer base**

**d. Accelerating business development in growth markets**

**e. Creating new business domains**

## **(5) Strengthening Global Human Resources Development**

### **a. Strengthening the functions of overseas companies**

- ① Enhancing training for local staff
- ② Training local staff for management positions

### **b. Developing global human resources in Japan**

- ① Globalizing domestic staff in Japan
- ② Promoting recruitment and training in response to globalization

### **c. Establishing Nippon Express global standards for safety and quality, and training human resources to promote these standards**

- Expanding our technical-instructor system worldwide

## **(6) Expanding Global IT Infrastructure**

### **a. Strengthening sales capabilities by enhancing our global IT infrastructure**

### **b. Utilizing IT to streamline operations**



## **B. Strengthening Management Practices for Our Domestic Businesses**

Improving operating profit margins in the domestic combined business segment to 3% in FY2015.

### **(1) Strengthening Sales Activities**

Further strengthening sales activities by enhancing group-wide sales systems and actively promoting sales by senior management to respond rapidly to changes in the market environment and supply chains of customers.

#### **a. Expanding sales systems that provide one-stop products and services**

#### **b. Strengthening sales in metropolitan areas**

- ① Bolstering sales of comprehensive logistics services, ranging from procurement and storage to delivery, to the distribution and mail order industries
- ② Providing urban delivery services in cooperation with customers
- ③ Strengthening sales functions in the greater national capital area

#### **c. Strengthening regional-based sales**

#### **d. Remodeling the motor truck transportation business**

- ① Enhancing the competitiveness of the small-lot cargo business
- ② Establishing a consigned freight forwarding business
- ③ Strengthening our domestic network business

#### **e. Strengthening the competitiveness of our moving business**

#### **f. Strengthening specialized businesses: security transport, heavy haulage and construction, fine arts**

- ① Distinguishing ourselves from other companies by handing down skills and developing new technologies
- ② Developing new services by utilizing specialized technologies and existing infrastructure
- ③ Expanding our specialized businesses globally

## **(2) Carrying out a Fundamental Review of Management Resources**

### **a. Maximizing utilization of management resources**

- ① Optimizing management resources (assets, staff, vehicles, etc.) in a manner that suits local business conditions
- ② Drastically reducing variable costs by reviewing procurement processes

### **b. Reducing fixed costs and managing variable costs thoroughly**

- ① Reviewing business structures
  - Promoting the streamlining of operations
- ② Reviewing administrative tasks to establish a streamlined and robust organization

### **c. Improving efficiency in utilizing assets**

- Improving ROA (Return on Assets) by promoting streamlining of inefficient business locations and by making investments in growth business domains with a focus on profitability

## **C. Expanding Business by Utilizing the Diversity of Group Companies**

Strengthening Group management and establishing a base for our business expansion

### **(1) Expanding Logistics-related Businesses**

- a. Strengthening sales of logistics-related products and services to companies outside the Nippon Express Group**
- b. Promoting the global expansion of Group companies**

### **(2) Developing Cutting-edge Logistics Technologies**

- a. Strengthening logistics engineering functions**
- b. Improving competitiveness by developing advanced logistics technologies**

### **(3) Creating New Business Domains**

- a. Developing new businesses that combine functions possessed by Group companies**
- b. Utilizing real estate assets effectively**

## **D. Contributing to Society through our Businesses in Accordance with Corporate Social Responsibility (CSR) Management**

### **(1) Ensuring Safety**

It is our mission to ensure safety for the sake of our employees, partners and society, and streamlining and cost cutting measures should be pursued on the basis of safety.

- a. Strengthening the training of professionals to ensure safe transport and safe operations**
- b. Promoting the Nittsu Safety and Health Management System (NSM)**
- c. Using a system to share past lessons in order to reduce work-related accidents and disasters**
- d. Strengthening efforts to improve safety and quality in cooperation with our partner companies**

### **(2) Establishing a Disaster-resilient Business Framework**

- a. Strengthening our business continuity framework to be better prepared for large-scale disasters**
- b. Fulfilling our obligations as a designated public institution under the Disaster Measures Basic Law**
- c. Building disaster-resilient systems at logistics locations**
- d. Providing logistics services to support the continuation of customers' businesses**

### **(3) Promoting Green Logistics**

- a. Efficiently using resources and energy by reducing CO<sub>2</sub> emissions and power consumption**
  
- b. Promoting the active development and sale of environmentally-friendly products**