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**Nippon Express Group**  
**Integrated Report 2020**  
Year ended March 31, 2020







#### Editorial Policy

From the current fiscal year, the Nippon Express Group is issuing an integrated report to ensure a greater level of stakeholder understanding of our efforts to continue our growth encapsulated by “new value through innovation” while staying true to our unchanging values of safety, compliance, and quality. The Nippon Express Group Integrated Report 2020 has primarily been edited from perspectives that describe the kinds of value we create for society through our business activities, sharing these with our stakeholders, and explaining how we are attempting to grow.

For detailed information regarding CSR, see our CSR website and the CSR Report.

#### Reference Guidelines and Guarantees

This report has been edited with reference to the International <IR> Framework issued by the International Integrated Reporting Council (IIRC) and the Guidance for Collaborative Value Creation issued by the Ministry of Economy, Trade and Industry. In addition, information disclosure as part of the sustainability report complies with the Core option from the GRI\* Sustainability Reporting Standards.

\* GRI: Global Reporting Initiative. An organization involved in the creation and spread of international guidelines for sustainability reports. The GRI Content Index is available on our CSR website (<https://www.nipponexpress.com/about/csr/>).

#### Scope of This Report

The Nippon Express Group (including Group affiliates in Japan and overseas). Some of the materials reported applies only to Nippon Express Co., Ltd.

#### Applicable Period

Fiscal 2019 (April 1, 2019-March 31, 2020)  
(certain sections may include information from or prior to fiscal 2018 and up to fiscal 2020)

#### Issue Date

August 2020

#### Reference Guidelines

- GRI Sustainability Reporting Standards (Core)
- IIRC International <IR> Framework
- Environmental Reporting Guidelines 2018 by the Ministry of the Environment

#### Caution Regarding Forward-Looking Statements

The Company's future plans, predictions, strategies, and other forward-looking statements in this report were prepared based on certain assumptions judged to have been practical by the Company at the time of disclosure. The Company's actual business results and activities may differ significantly from these predictions due to the future economic environment, etc. For the major factors, see “Competitive Advantage, Risk, and Opportunity” on Page 10 of this report.

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## Integrated Report 2020 Concepts

### The Value Creation Process

By providing solutions that leverage the Group's strengths to address a diverse range of needs, the Nippon Express Group supports the supply chain and raises the corporate value of our customers from the stance of logistics. Moreover, we also support everyday lifestyles through our involvement in the social infrastructure. We will continue to create new value and contribute to society through the business of logistics.

### Strategy & Action

In the Long-Term Vision, formulated to take us to our centennial anniversary in 2037, it states that we will become “a logistics company with a strong presence in the global market.” Under the Nippon Express Group Business Plan 2023 ~“Dynamic Growth”~, which defines the milestones required to achieve our Long-Term Vision, we will work to strengthen the business through a three-dimensional approach that has been defined as the growth strategy for our core business, and aim to enhance the business by increasing the profitability of domestic businesses in Japan. We will aim for business growth by implementing this plan in step with our efforts to implement our long-term vision.

### Supporting Sustainable Development and Greater Corporate Value

The contributions we make through our business to customers, society, and the solutions to social issues are an essential part of achieving sustainable corporate growth and greater corporate value. We will achieve these two goals by deepening our engagement with our customers, society, shareholders, employees, and a wide range of other stakeholders while we address the expectations of and work together with our stakeholders to build up these contributions. For this purpose, the Nippon Express Group Business Plan 2023 established ESG-oriented business management to realize sustainable development and improve corporate value as one of our efforts to implement our long-term vision.

#### ■ Communication Tool

##### CSR Report



<https://www.nipponexpress.com/about/csr/report/>

##### Website



<https://www.nipponexpress.com>

##### Website (For Shareholders and Investors)



<https://www.nipponexpress.com/ir/>

##### Website (Japanese Only) (For Individual Investors)



<https://www.nittsu.co.jp/ir/individual/>

# The 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 its founding, the Nippon Express Group has employed its 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.



The Nippon Express Group Corporate Message

## We Find the Way

The NIPPON EXPRESS Group brings customers' possibilities to reality. There are often many solutions, but only one way is *the way*. We use our determination to find the best way to overcome hurdles and take our customers across the finish line.

### We

Our unified strength makes us unique, driving everything we do on the frontline and in the background to deliver unparalleled logistics services. The word "we" speaks to a complex system of individuals with specialized skills that work together to become an unstoppable force.

### Find

Every client, project, and task is different, and sometimes we have to innovate to achieve our goals. Our work demands exploration and thinking outside the box. It's how we find the best way. The verb "find" in its present form tells a story of a company willing to dig deeper for the best results.

### the Way

Sure, there are many solutions, but there's only one best way. We don't find a way or some way; we find the best way, and we do it with passion and perseverance. Our efforts build connections to and between individuals and businesses.

## Long-Term Vision Working Towards Our Centennial Anniversary (2037 Vision)

### Business Growth

A logistics company with a strong presence in the global market

### Customers and Society

A company that contributes achieve a sustainable society through logistics

### Shareholders

A company that achieves sustainable growth by establishing corporate governance

### Employees

A company whose employees come from a variety of backgrounds, are proud of their work, support customers and society, and play active roles

### Values to be Changed

Creating new value through innovation

### Values to be Sustained

Safety, Compliance, Quality (priorities)

**We Find the Way**

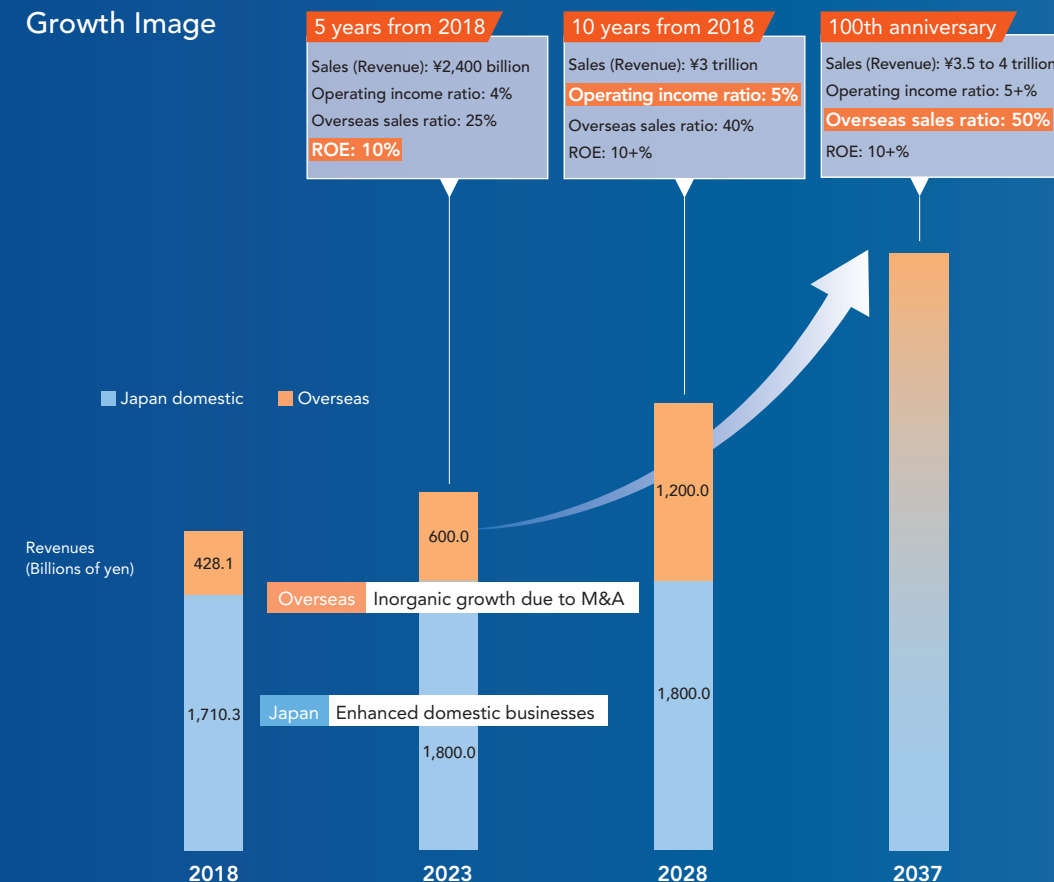
### The Nippon Express Group Corporate Philosophy

Our Mission: Be a Driving Force for Social Development

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

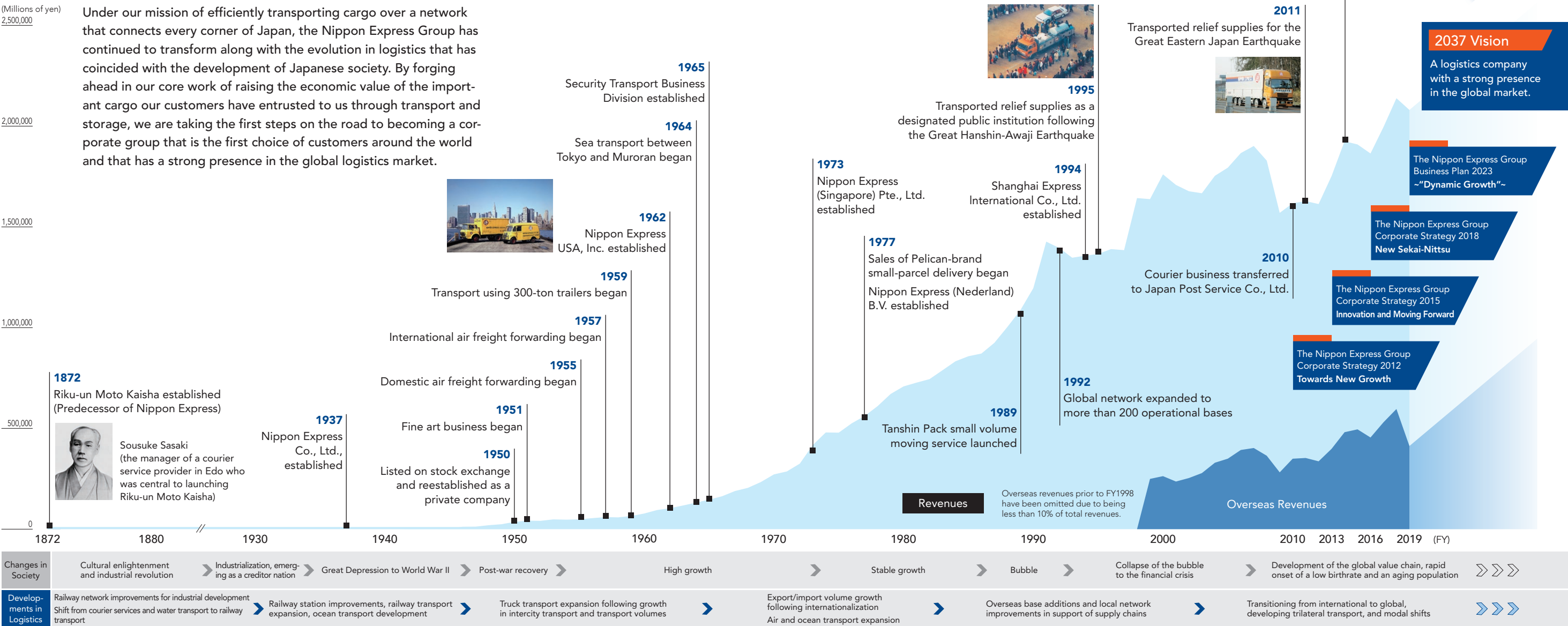
Our Pride: Inspire Trust Every Step of the Way

## Growth Image



# Growth Trajectory

## Logistics and Nippon Express Support the Development of Society



### From a Semi-Government Enterprise to a Private Enterprise

Founded to bundle together modern transport and communication service providers, Nippon Express was launched as a semi-government enterprise for the purpose of seamlessly supplying materials in wartime. Despite having been designated as a company in 1948 subject to the Elimination of Excessive Concentration of Economic Power Law, which aimed to democratize Japan's economy, after the war Nippon Express maintained its status as a company required to secure a transport network for rice and other critical resources. Following a restructuring, Nippon Express was listed on the stock exchange in 1950 and relaunched as a private company from which the characteristics of a semi-government enterprise had been eliminated.

### Providing All Modes of Land, Ocean, and Air Transport

Having achieved its start as a transportation business intended to consolidate the small-scale transport companies that operated at the start and end of Japan's railways, Nippon Express focused on developing domestic land transport. Later, Nippon Express extended its motor (truck) transport network, which reached every corner of Japan by the start of the 1960s, along with the growth in domestic road building following the war. In the ocean and air cargo businesses, the Company was also an early entrant into forming alliances with both domestic and foreign shipping and airline companies to advance the development of a complex, integrated transport system that organically combines the various land, ocean, and air transport modes. Moreover, the Company focused on developing modern transport modes, like 300-ton trailers.

### Early Response to Internationalization

During the 1950s as Japan's economy underwent full recovery, Nippon Express joined forces with other Japanese companies that had ventured overseas, thereby enabling the Company to launch its international freight forwarding business. In addition to a mutual agency contract with a West German company, Nippon Express also formed alliances with companies in North America and Southeast Asia to expand its transport routes. In 1958, the Company stationed a representative in New York, USA, and in 1962 established Nippon Express USA, its first local subsidiary, in New York. During the same year, the Company also opened branches in San Francisco and Los Angeles to secure the foundations for international transport.

### Accelerating Overseas Expansion

Given its aim to internationalize as a comprehensive logistics service provider, upon entering the 1970s Nippon Express recognized the shift in Japan's economy to an export-driven industrial structure, the rise of Asian countries, and other changes in the global environment. Therefore, one of the Company's policies was to strengthen the international transport field. In 1973, Nippon Express established its first local Asian subsidiary in Singapore to secure the international framework. Leveraging the strengths of its complex, integrated transport system, the Company extended its transport network in Europe and Southeast Asia, while at the same time deploying its Heavy Haulage & Construction Business to the Middle East and South America. After consolidating its position in the Americas, Europe, and Hong Kong, Nippon Express made aggressive inroads into China, Southeast Asia, and India upon entering the 1990s.

### Supporting Social Infrastructure

At the time of the Great Hanshin-Awaji Earthquake in 1995, Nippon Express was the only trucking company designated as a public institution under the Disaster Countermeasures Basic Act. Immediately after the earthquake, the Company therefore established a disaster response headquarters to undertake the responsibility of coordinating with the related agencies while implementing emergency transport services for relief supplies from both Japan and overseas. Since this time, Nippon Express has continued to strive to fulfill its mission of supporting the social infrastructure of logistics by formulating Crisis Management Guidelines and establishing the Board of Risk Management in normal times. During the Great Eastern Japan Earthquake in 2011, Nippon Express transported supplies using all transport modes—land, ocean, and air—to cope with the wide-spread outages in the road and railway networks.

### Towards the Sustainable Development of Society

With the emergence of global warming and other environmental problems at the outset of the 1990s, as a leading company in an industry that accounts for roughly 20% of CO<sub>2</sub> emissions in Japan, Nippon Express was one of the first companies to launch initiatives targeting exhaust gas issues. The Company established a dedicated department and formulated its basic policy for global environmental conservation in 1993. Nippon Express has advanced earth-friendly transportation, including the introduction of low-pollution vehicles, resource-saving packaging materials, greater efficiency through co-loaded delivery, and modal shift from a focus on trucks to use of railways and ships. In addition to environmental conservation activities through its businesses, Nippon Express also advances initiatives targeting resource recycling and ecosystem conservation.