

# Business Report for the 111th Term

From April 1, 2016 to March 31, 2017



The Group's largest urban logistics center "Tokyo C-NEX" (Koto-ku, Tokyo, construction completed in January 2017)



## TOP MESSAGE

I would like to take this opportunity to thank our shareholders for their continued support and understanding.

I, hereby, present the Business Report for the 111th Term.

President and Chief Executive Officer

*Mitsuru Saito*

Although the Japanese economy during the consolidated fiscal year ended March 31, 2017 showed a moderate recovery trend backed by factors such as robust corporate earnings and improvement in the employment and income environment, personal consumption continued to lack vigor due to weak growth of dispensable income. Overseas economies remained highly unpredictable amid growing uncertainty due mainly to slowing economic growth in China and emerging countries, political instability in Europe, and a direction of protectionism policies in the U.S.

Under these economic conditions, in the field of logistics, international freight showed signs of recovery due to factors such as growth in airfreight to Asia, although domestic freight remained weak due to factors including a decline in production-related freight.

In this business environment, the Nippon Express Group launched its new three-year management plan “Nippon Express Group Corporate Strategy 2018 – New Sekai-Nittsu –” starting in the fiscal year ended March 31, 2017 and made united efforts to become a truly global logistics company, based on the business structural reforms under the previous business plan with the “area strategies” and “functional strategies” as a pillar of the business plan.

### “Area strategies”

- In Japan, the Group worked to expand transactions with global companies by strengthening its one-stop sales and account management and by making efforts to concentrate management resources and improve efficiency through further promotion of organizational integration centered on metropolitan areas. The Group also strived to provide logistics services that meet various needs, such as planning new services that leverage regional characteristics and supporting customers who are looking for new sales channels overseas, in order to expand sales & marketing closely tailored to local communities.
- Overseas, the Group pushed ahead with further expansion of overseas businesses where the Group has strengths, by accelerating aggressive upgrading of business bases in order to establish our business foundation through concentrated investment of management resources mainly in South Asia, and boosting global development in the Heavy Haulage & Construction Business. We also pursued initiatives that will drive growth of the Group, including the establishment of an organization to step up approaches to non-Japanese global companies.

### **“Functional strategies”**

- In terms of thoroughly strengthening sales activities, we worked to expand profit by further reinforcing one-stop sales and account management, and promoted development of new services and sharing of customer information through the integration of land, sea and air.
- With respect to strengthening and upgrading core businesses, we worked to improve competitiveness by aggressively promoting construction of self-operated warehouses overseas in order to expand the trilateral forwarding business and strengthen domestic logistics in each country.
- With regard to strengthening Group management, we cooperated with Group companies to share our customer base, and worked on initiatives such as expanding our network by building platforms in various fields including the electronics industry, ICT and information asset management, and enhancing the quality of logistics.
- As for reinforcement of management infrastructure, we promoted even swifter and more flexible management by pushing ahead with initiatives such as standardization of indirect operations with the aim of strengthening control and planning functions and improving productivity.
- In terms of further strengthening the Group's CSR management, we proactively implemented initiatives to create an employee-friendly workplace, such as promoting diversity and eliminating long work hours.

As a result of the above, our consolidated business results for the 111th term were as follows: Revenues of ¥1,864.3 billion (down 2.3% year-on-year), operating income of ¥57.4 billion (up 4.8% year-on-year), ordinary income of ¥63.8 billion (up 2.3% year-on-year), and net income attributable to shareholders of Nippon Express of ¥36.4 billion (up 2.2% year-on-year).

In terms of the future direction of the economy, the Japanese economy is expected to see a moderate recovery trend mainly in exports and capital investment backed by improvement in overseas economies, although recovery in personal consumption will continue to be sluggish. As for the economic outlook overseas, a moderate expansion trend is anticipated due to factors including a rise in consumer sentiment stemming from improvement in the employment and income environment in the USA as well as a pickup in the economies of resource-rich countries. However, the situation is expected to remain highly uncertain amid the emergence of factors such as the unpredictable direction of U.S. government policies and rising geopolitical risks worldwide.

In the field of logistics, although domestic freight is expected to remain weak in response to prolonged stagnation in personal consumption, international freight is expected to be firm, mainly

in export freight to Asia, amid a moderate recovery in the global economy.

Meanwhile, the Group faces many challenges that require industry-wide efforts, including measures to improve productivity and secure human resources by implementing work-style reforms, and the creation of next-generation logistics services through the introduction of cutting-edge technologies such as AI and IoT.

Amid such a business environment, the Nippon Express Group will work as one to carry out our key “area strategies” and “functional strategies” with the aim of achieving our three-year management plan “Nippon Express Group Corporate Strategy 2018 – New Sekai-Nittsu –.”

### **“Area strategies”**

In Japan, the reorganization of domestic regional blocks implemented in May 2017 facilitates the swift concentration of management resources in fields where growth and profitability are expected, and by having the entire organization work as one in sales & marketing, the Group endeavors to secure more global projects. As for the overseas area strategy, the Company will focus investment in Southeast Asia where growth is anticipated in order to expand the Group's network in the region including countries it has yet to enter, as well as actively carry out initiatives aimed at expanding business domains in Europe and North America.

### **“Functional strategies”**

The Group will work on advancing the comprehensive planning, development and sales promotion of network products that combine various transportation modes, in order to further boost its sales abilities. Furthermore, seeing the usage of new technology such as AI, IoT and automatic driving systems as an opportunity to transform and revolutionize the logistics industry into a new value creation-oriented industry, the entire Group will lead the practical application of cutting-edge technology in logistics, and establish its competitive advantage in the industry. In addition, the Group will continue to contribute to the resolution of social issues and the development of a sustainable society by offering logistics services based on safety and security to people around the world.

Under the leadership of the new management team, we will focus on steadily implementing the aforementioned key strategies and push forward with our global business development, strive for greater growth and further enhance our corporate value, in order to meet the expectations of all shareholders. We would be grateful for your continued understanding and support.



# Nippon Express JUST NOW!

**CHECK**  
events during  
the past  
six months!



## TOPICS 1

# Completion of “Tokyo C-NEX,” a gateway linking Japan and the world

## Meeting diversifying logistics needs

Construction was completed in January 2017 of “Tokyo C-NEX,” the Group’s largest urban logistics center, located in Koto-ku, Tokyo. The facility, comprising five floors above ground and total floor area of 150,709m<sup>2</sup> (45,589 tsubo), has the geographical advantage of being located near the city center, stations, port and airport, and is an urban logistics center that can offer high added-value logistics services. With features such as its earthquake-resistant structure and emergency power generator, Tokyo C-NEX is well equipped to handle disasters. In addition, the flexible allocation of over 2,000 members of the Nippon Express Group staff at bases nearby enables us to cope with personnel shortages, creating the stability to support our customers’ business continuity.



## TOPICS 2

### Winners of 48th National Truck Driver Contest

The Group entered the 48th National Truck Driver Contest organized by the Japan Trucking Association that was held on October 22 and 23. Mr. Seiji Hiraoka (Kurashiki Branch) won in the 11-ton section, and Mr. Takanobu Ishigami (Chukyo Container Branch) won in the trailer section, while a total of nine people won top awards.



Mr. Seiji Hiraoka (front left), and Mr. Takanobu Ishigami (front right)

## TOPICS 3

### Nippon Express Baseball Team Runners-up at 42nd Industrial Amateur League Championships

The Nippon Express baseball team advanced to the finals for the first time in 21 championships at the 42nd Industrial Amateur League Championships to determine Japan's top single team in industrial amateur league baseball, held at the Kyocera Dome Osaka. Although we were unfortunately defeated 2-3 by rival team Yamaha after a closely fought final game on November 8, we won the glorious second place.



## Other Topics

(October 1, 2016 through March 31, 2017)

### ► October 2016

#### **"Fun Japan Communications," a digital marketing business targeting the Asian market, begins operations**

Jointly ventured by four companies of Nippon Express, JTB, Isetan Mitsukoshi Holdings and Japan Airlines, with the aim of the growth and creation of inbound business, overseas business development, and local economy vitalization.

### ► November 2016

#### **Marking the 10th anniversary of "Nippon Express Forests" forestation activities**

To mark the 10th anniversary of our "Nippon Express Forests" forestation activities in Iide town, Yamagata Prefecture, a *somokuto*, or stone monument expressing thanks to grasses and trees, was erected at the entrance to our headquarters.

### ► December 2016

#### **Launch of "Mexican Eagle Liner Midnight Express," the air cargo industry's fastest LCL service to Mexico**

Cargo sent from various locations in Japan is loaded onto late-night flights bound from Haneda to Los Angeles. Early-morning arrival in Mexico the day after shipping is achieved through in-house forwarding operations carried out in Los Angeles.

### ► January 2017

#### **Concluded business alliance with Kabuku Inc.**

Nippon Express concluded a business alliance in the logistics field with Kabuku Inc., which provides contracted manufacturing services using technology such as 3D printers.

### ► March 2017

#### **Launch ceremony held for new RORO ship "Himawari 8"**

Equipped with rampways at its bow and stern by which trailers can be loaded right on board, the *Himawari 8* is a RORO (roll on/roll off) ship scheduled to operate on the Tokyo-Hokkaido route starting in September 2017.

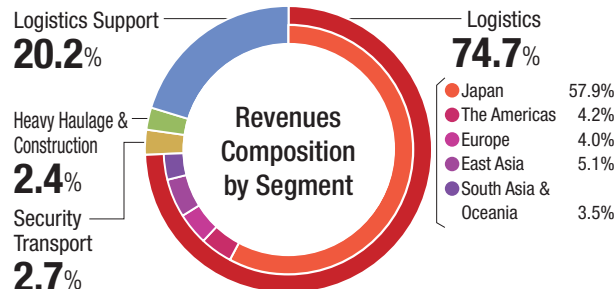
Please access our press release on our Group website for further details.

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



# Consolidated Business Results Highlight (Fiscal year ended March 31, 2017)

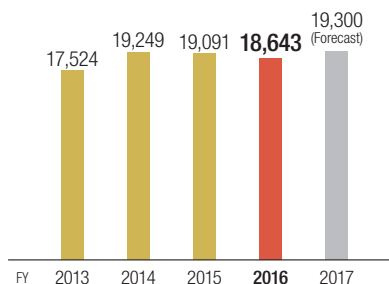
		Forecasts for the Next Fiscal Year
Revenues	<b>¥1,864.3</b> billion	<b>¥1,930.0</b> billion
Operating income	<b>¥57.4</b> billion	<b>¥67.0</b> billion
Ordinary income	<b>¥63.8</b> billion	<b>¥70.0</b> billion
Net income attributable to shareholders of Nippon Express	<b>¥36.4</b> billion	<b>¥42.0</b> billion



\*Compositions in the above chart exclude adjustments.

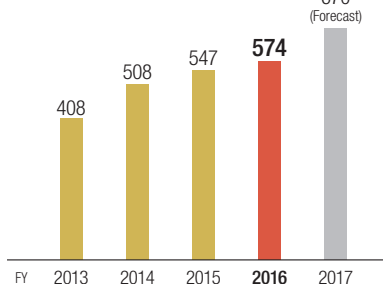
## Revenues

(Unit: 100 millions of yen)



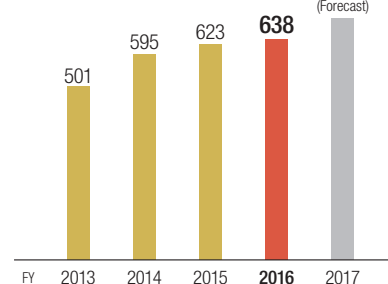
## Operating Income

(Unit: 100 millions of yen)



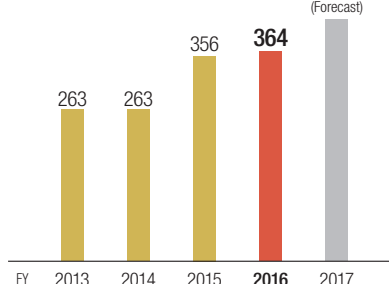
## Ordinary Income

(Unit: 100 millions of yen)



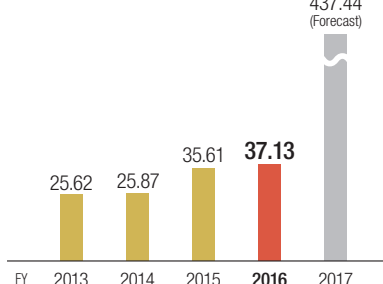
## Net Income Attributable to Shareholders of Nippon Express

(Unit: 100 millions of yen)



## Net Income per Share

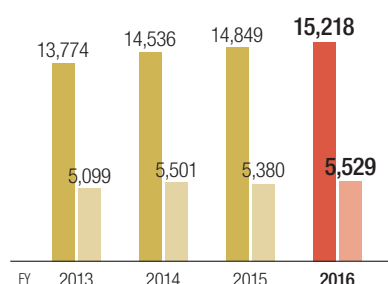
(Unit: Yen)



\*The effect of share consolidation is taken into account for FY2017.

## Total Assets and Net Assets

(Unit: 100 millions of yen)



## Status of Revenues by Segment (Fiscal year ended March 31, 2017)

\*The Group has changed its reportable segments from the fiscal year ended March 31, 2017. The figures for the previous fiscal year have been reclassified for comparison.

		FY2016 (Millions of yen)	FY2015 (Millions of yen)	Difference YoY (%)
Logistics	Japan	Revenues	1,155,713	(0.2)
		Segment income	38,658	5.6
	The Americas	Revenues	83,831	(11.5)
		Segment income	4,772	(6.2)
	Europe	Revenues	79,286	(6.3)
		Segment income	2,030	30.2
	East Asia	Revenues	101,746	(11.6)
		Segment income	1,117	(33.5)
	South Asia & Oceania	Revenues	70,343	0.2
		Segment income	2,486	58.5
Security Transport	Revenues	54,781	53,803	1.8
	Segment income	964	1,570	(38.6)
Heavy Haulage & Construction	Revenues	46,985	51,395	(8.6)
	Segment income	3,883	3,687	5.3
Logistics Support	Revenues	403,994	410,906	(1.7)
	Segment income	10,015	8,161	22.7
Adjustments	Revenues	(132,381)	(129,962)	—
	Segment income	(6,498)	(5,139)	—
Total	Revenues	1,864,301	1,909,105	(2.3)
	Segment income	57,431	54,778	4.8

## Nippon Express Group Corporate Strategy 2018

<From April 1, 2016 to March 31, 2019>

Our key strategies are developed in line with a vertical axis formed by the “area strategies” covering each region, and a horizontal axis formed by the “functional strategies” targeting reinforcement and reform. We will focus investment on B2B in the priority business fields and growth regions, and promote Group management emphasizing earnings.





## “One-of-a-kind, irreplaceable Carrying expectations and trust.”

The exhibition “LA PITTURA PARIETALE ROMANA A POMPEI (World Cultural Heritage Murals of Pompeii),” commemorating the 150th anniversary of diplomatic relations between Japan and Italy, was held at venues in Tokyo, Nagoya, Hyogo, Yamaguchi and Fukuoka Prefectures starting on April 29, 2016. Visitors were spellbound by the overwhelming power of the exhibit. Pompeii, located in the Campania region of south-central Italy, is a tragic ancient city, frozen in time one night when the city was swallowed up by pyroclastic flows from a major eruption of Mt. Vesuvius. However, because the volcanic ash acted like a drying agent, many of the vividly colored murals of the time were miraculously preserved, and can be seen again today.

Here, the Kanto Fine Arts Transport team, led by chief Yasuto Sakabe, handled some 80 wall paintings, ranging in weight from 100kg to as much as 500kg, that were truly one-of-a-kind, irreplaceable cultural properties. When fine art works are shipped from overseas, there is no chance

A large, rectangular ancient mural is being carefully moved by several Nippon Express staff members. The mural, which depicts a scene with several figures, is being supported by a wooden frame. The staff are wearing blue uniforms with "NIPPON EXPRESS" written on the back. The scene is set in a museum or gallery with a blue floor and a green wall.

# Supporting the tour of ancient murals uncovered from volcanic ash



## cultural properties” That’s Nippon Express quality.

to see them in advance, so details are often unknown until they arrive, and working methods sometimes must be changed on the spot. Nevertheless, the team gets ready so that it can quickly deduce the best method, preparing everything that can be anticipated in advance, including trucks with roofs of adjustable height, power lifters that can lift 500kg, and building dollies to fit the size of the art works. That is the deeply rooted spirit of Nippon Express, where setup is 80% of the job, and the Nippon Express quality that makes it possible to transport such incomparable treasures.



\*In order to protect works of fine art, the team works hatless, or wears their hats so that the brims do not touch the art works.

### Comment from Project Leader of Nippon Express

#### We want to live up to the customers’ trust that “Nippon Express will get it done.”

In fine arts transport, we never do the same thing twice. You can truly say that each job is an once-in-a-lifetime opportunity. Every time, we have to come up with the best transport method to suit the task at hand. And, because these are irreplaceable objects, there is the pressure that failure is absolutely not an option. But the joy of transporting a one-of-a-kind cultural property with your own hands is immense, and I want to convey the happiness of seeing the real thing with your own eyes through transportation. That’s the feeling I bring to my work every day.

I am very careful to keep in mind that “We don’t know what will happen on site, and that’s precisely why we have to prepare for everything we can anticipate.” That is truly the spirit that “setup is 80% of the job,” and I feel that the trust customers have in Nippon Express results from that spirit. Based on our accumulation of solid skills and know-how, we have a system to accurately meet customer expectations. That is what made it possible to tackle a large project like this one, and the urgent problems that come up during the actual work, without fear.

I want to continue living up to the trust and expectations of customers, so that we can say with confidence, “There is nothing we can’t transport.”



**Yasuto Sakabe** (Chief)  
Work experience: 8 years  
First Sales Department  
Kanto Fine Arts Transport  
Nippon Express Co., Ltd.

## Consolidated Balance Sheet

(Unit: Millions of yen)

Item	111th Term (As of March 31, 2017)	Item	111th Term (As of March 31, 2017)
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>705,994</b>	<b>Current liabilities</b>	<b>438,468</b>
Cash and cash in banks	212,683	Notes payable-trade	5,833
Notes receivable-trade	23,162	Accounts payable-trade	156,864
Accounts receivable-trade	298,594	Short-term loans payable	60,606
Inventories	6,128	Income taxes payable	16,517
Other	166,543	Provision for bonuses	21,299
Less: allowance for doubtful accounts	(1,117)	Other provisions	37
<b>Noncurrent assets</b>	<b>815,805</b>	Other	177,309
<b>Property and equipment</b>	<b>518,123</b>	<b>Noncurrent liabilities</b>	<b>530,346</b>
Vehicles, net	26,816	Bonds payable	125,000
Buildings, net	245,275	Long-term loans payable	209,724
Land	178,991	Other provisions	205
Other, net	67,039	Net defined benefit liability	157,371
<b>Intangible assets</b>	<b>119,455</b>	Other	38,046
Goodwill	43,047	<b>Total liabilities</b>	<b>968,815</b>
Other	76,407	<b>(Net assets)</b>	
<b>Investments and other assets</b>	<b>178,226</b>	<b>Shareholders' equity</b>	<b>524,450</b>
Investment securities	125,896	Common stock	70,175
Other	53,400	Additional paid-in capital	24,707
Less: allowance for doubtful accounts	(1,070)	Retained earnings	449,713
<b>Total assets</b>	<b>1,521,800</b>	Less: treasury stock	(20,145)
		<b>Accumulated other comprehensive income</b>	<b>11,928</b>
		Valuation difference on available-for-sale securities	56,945
		Deferred gains on hedges	6
		Foreign currency translation adjustments	992
		Less: Remeasurements of defined benefit plans	(46,015)
		<b>Non-controlling interests</b>	<b>16,606</b>
		<b>Total net assets</b>	<b>552,985</b>
		<b>Total liabilities and net assets</b>	<b>1,521,800</b>

Note: Amounts less than one million yen are disregarded.

## Consolidated Statements of Income (Unit: Millions of yen)

Item	111th Term (April 1, 2016 to March 31, 2017)
<b>Revenues</b>	<b>1,864,301</b>
Operating costs	1,702,006
<b>Gross profit</b>	<b>162,295</b>
Selling, general and administrative expenses	104,863
<b>Operating income</b>	<b>57,431</b>
Non-operating income	12,833
Interest income	455
Dividends income	2,733
Equity in earnings of affiliates	1,733
Other	7,910
Non-operating expenses	6,458
Interest expenses	3,420
Other	3,037
<b>Ordinary income</b>	<b>63,806</b>
Extraordinary income	8,392
Gain on sales of noncurrent assets	5,336
Gain on sales of investment securities	109
Gain on step acquisitions	2,291
Other	654
Extraordinary loss	11,365
Loss on disposal of noncurrent assets	4,626
Loss on disaster	874
Loss on transition of retirement benefit plans	679
Other	5,184
<b>Income before income taxes and non-controlling interests</b>	<b>60,834</b>
Income taxes	23,539
<b>Net income</b>	<b>37,294</b>
Net income attributable to non-controlling interests	840
<b>Net income attributable to shareholders of Nippon Express</b>	<b>36,454</b>

Note: Amounts less than one million yen are disregarded.

## Consolidated Statements of Cash Flows (Unit: Millions of yen)

Item	111th Term (April 1, 2016 to March 31, 2017)
Cash flows from operating activities	102,360
Cash flows from investment activities	(70,961)
Cash flows from financing activities	(11,820)
Effect of exchange rate changes on cash and cash equivalents	(2,940)
Net increase in cash and cash equivalents	16,638
Cash and cash equivalents at beginning of year	146,007
Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	740
Cash and cash equivalents at end of period	163,386

Note: Amounts less than one million yen are disregarded.

### ● Cash Flows from Operating Activities

Cash flows from operating activities resulted in a net inflow of ¥102.3 billion, an increase of ¥23.5 billion compared to the previous fiscal year. This was mainly due to a decrease in payment for change in accounts payable.

### ● Cash Flows from Investment Activities

Cash flows from investment activities resulted in a net outflow of ¥70.9 billion, a decrease of ¥51.9 billion compared to the previous fiscal year. This was mainly due to the decrease in payment for purchase of shares of subsidiaries resulting in change in scope of consolidation.

### ● Cash Flows from Financing Activities

Cash flows from financing activities resulted in a net outflow of ¥11.8 billion, an increase of ¥55.7 billion compared to the previous fiscal year. This was mainly due to the decrease in proceeds from long-term loans payable and an increase in payment for increase in treasury stock.

## Consolidated Statements of Changes in Net Assets (April 1, 2016 to March 31, 2017)

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	70,175	25,306	445,495	(19,818)	521,158	47,118	(214)	8,085	(53,888)	1,101	15,758	538,018
Changes during the year												
Cash dividends			(10,927)		(10,927)							(10,927)
Net income attributable to shareholders of Nippon Express			36,454		36,454							36,454
Changes in equity of Nippon Express due to transactions with non-controlling shareholders		(599)			(599)							(599)
Increase in treasury stock				(21,634)	(21,634)							(21,634)
Retirement of treasury stock		(0)	(21,307)	21,308	–							–
Net changes in items other than shareholders' equity						9,826	220	(7,093)	7,873	10,826	848	11,675
Total changes during the year	–	(599)	4,218	(326)	3,291	9,826	220	(7,093)	7,873	10,826	848	14,967
Balance at end of the year	70,175	24,707	449,713	(20,145)	524,450	56,945	6	992	(46,015)	11,928	16,606	552,985

Note: Amounts less than one million yen are disregarded.

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<http://www.nipponexpress.com/hq/ir/>

Nippon Express IR

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## Directors, Officers and Corporate Auditors (As of June 29, 2017)

### Directors

Representative Director and Chairman



Kenji Watanabe

Representative Director, President and Chief Executive Officer



Mitsuru Saitou

Representative Director, Executive Vice President and Chief Operating Officer



Yutaka Ito



Takaaki Ishii



Hisao Taketsu

Director and Senior Managing Executive Officer



Takumi Shimauchi



Katsuhiro Terai

Director and Managing Executive Officer



Fumihiko Sakuma



Susumu Akita

Director and Executive Officer



Naoya Hayashida



Satoshi Horikiri



Yoshiyuki Matsumoto

Director



Masahiro Sugiyama



Shigeo Nakayama



Sadako Yasuoka

\* Directors Masahiro Sugiyama, Shigeo Nakayama and Sadako Yasuoka are Outside Directors.



# Corporate Auditors

## Audit & Supervisory Board Member



Takashi Wada



Tatsuya Suzuki



Tadashi Kanki

## Audit & Supervisory Board Member



Toshiaki Nojiri



Yoshio Aoki

\* Audit & Supervisory Board Members Tadashi Kanki, Toshiaki Nojiri and Yoshio Aoki are Outside Audit & Supervisory Board Members.

# Officers

Managing Executive Officer	Yukio Yokoo	Executive Officer	Mitsuru Uematsu
Managing Executive Officer	Yasunori Takahashi	Executive Officer	Suguru Yoshioka
Managing Executive Officer	Akira Kondo	Executive Officer	Toshiro Uchida
Managing Executive Officer	Norifumi Ide	Executive Officer	Makoto Ikeda
Managing Executive Officer	Kazushi Tanaka	Executive Officer	Takeshi Sato
Managing Executive Officer	Yoichi Aoyama	Executive Officer	Ichiro Miyawaki
Managing Executive Officer	Tatsuo Sugiyama	Executive Officer	Masato Nakagawa
Managing Executive Officer	Eiichi Nakamura	Executive Officer	Hiroshi Kandori
		Executive Officer	Hirofumi Funaki
		Executive Officer	Shigeru Umino
		Executive Officer	Yutaka Nagai

## Profile (As of March 31, 2017)

**Company name:** Nippon Express Co., Ltd.  
(NIPPON EXPRESS CO., LTD.)

**Formal establishment:** October 1, 1937

**Paid-in capital:** ¥70,175 million

**Employees:** 32,008

**Headquarters:** 1-9-3, Higashi Shimbashi,  
Minato-ku, Tokyo 105-8322  
Tel. +81-3-6251-1111  
[http:// www.nipponexpress.com/](http://www.nipponexpress.com/)

**Consolidated subsidiaries and companies accounted by the equity-method:**

Consolidated subsidiaries: 268  
Companies accounted  
by the equity-method: 25

# Share-related Information

(As of March 31, 2017)

## Status of the Company's Shares

Number of shares	Total number of shares authorized	3,988,000,000 shares
	Total number of shares issued	998,000,000 shares
Number of shareholders		57,479 persons

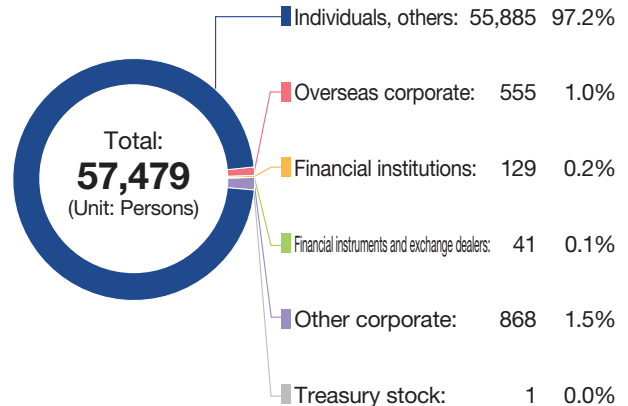
## Major Shareholders

Major Shareholders	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Account in Trust)	82,425	8.6
Japan Trustee Services Bank, Ltd. (Account in Trust)	73,347	7.6
Asahi Mutual Life Insurance Company	56,019	5.8
Sompo Japan Nipponkoa Insurance Inc.	50,967	5.3
Mizuho Trust & Banking Co., Ltd. as trustee for Retirement Benefit Trust of Mizuho Bank, Ltd. (re-entrusted by Trust & Custody Services Bank, Ltd.)	41,500	4.3
Nippon Express Employees' Shareholding Association	35,179	3.7
Japan Trustee Services Bank, Ltd. (Account in Trust No. 4)	17,823	1.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	14,921	1.6
Japan Trustee Services Bank, Ltd. (Account in Trust No. 5)	14,214	1.5
STATE STREET BANK WEST CLIENT - TREATY 505234	12,565	1.3

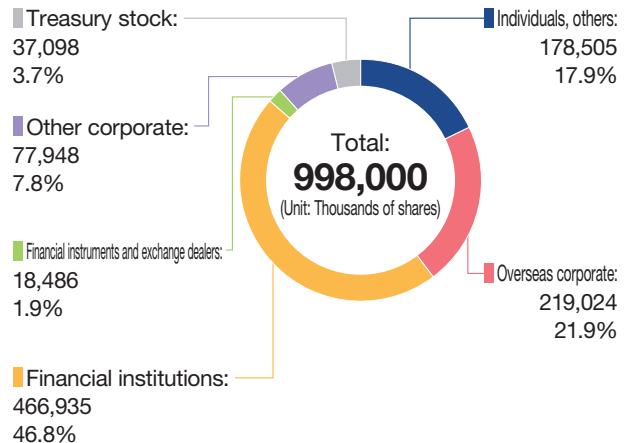
\*Although Nippon Express holds 37,098 thousand shares of treasury stock, it is excluded from the major shareholders listed above.

## Distribution of Shares by Type of Shareholder

<Number of shareholders and percentage>



<Number of shares and percentage>



## Changes to the Number of Shares Constituting One Share Unit and the Consolidation of Shares

The Company will change the number of shares constituting one share unit of its common shares from 1,000 shares to 100 shares as of October 1, 2017, while at the same time consolidate the shares held by shareholders recorded in the latest shareholder registry as of September 30, 2017 at the ratio of 10 shares to 1 share. No specific procedures need to be taken by the shareholders for this change in the number of shares constituting one share unit and the consolidation of shares.

### Effects of the consolidation of shares

While the consolidation of shares will decrease the total number of shares held by the shareholders to one-tenth of the current number, the value of net assets per share will increase by 10 times compared to that prior to the share consolidation, and the asset value of the Company's shares held by the shareholders will not change, unless due to other factors such as changes in the stock market, etc.

### Handling of fractional shares of less than one share

If there is any fraction of less than one share as a result of the consolidation of shares, the Company will dispose of all of such fractional shares together in accordance with the Companies Act, and the proceeds therefrom will be distributed to the former holders of such fractional shares in amounts proportional to the former holdings of said shareholders.

### Contact for inquiries

If you have any inquiries about the changes to the number of shares constituting one share unit and the consolidation of shares, please contact the securities company with which you have an account or the following administrator of shareholder registry.

**[Administrator of shareholder registry]**  
Mitsubishi UFJ Trust and Banking Corporation  
**Tel. 0120-232-711** (Toll-free in Japan)

## Memos for Shareholders

<b>Fiscal Year:</b>	From April 1 to March 31 of each year
<b>Ordinary General Meeting of Shareholders:</b>	June of each year
<b>Dates of Record:</b>	March 31 for Ordinary General Meeting of Shareholders March 31 for year-end dividend September 30 for interim dividend
<b>Share Trade Unit:</b>	1,000 shares
<b>Stock Exchanges:</b>	Tokyo
<b>Securities Code Number:</b>	9062

Administrator of Shareholder Registry/Account Managing Institution of Special Account: Mitsubishi UFJ Trust and Banking Corporation

**(Contact)** 7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081  
Mitsubishi UFJ Trust and Banking Corporation  
Corporate Agency Division  
Tel. 0120-232-711

**Method of Announcement:** Electronic announcement  
If the Company is unable to make electronic announcement due to an accident or any other compelling circumstance, it will make an alternative announcement on the Nihon Keizai Shimbun circulated in Tokyo.  
**URL for electronic announcement**  
<http://www.nittsu.com/>

# 運べないものはない。

800年以上の想いととも  
に、  
国宝の仏像を運べ。



京都・三千院 観音菩薩坐像

奈良・安倍文殊院 善財童子立像

東京で行われる日本国宝展のために、  
その仏像は運び出された。  
化学変化を起こさない紙。  
わずかなくぼみに合わせた木枠。  
リハーサルができない分、  
何度も頭で考える。  
仏像に込められた、  
その想いも一緒に運びたい。  
受け継いできた技術と心は  
今日の仕事にも生きている。

その想いを胸に、  
今日も運び続ける。

それが、日通品質。



日本通運 美術品事業部



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