

The Second Nippon Express Group Two-Year Management Plan

-- Innovation and Creation with our Customers --

With Your Life



1. Name of management plan

The Second Nippon Express Group Two-Year Management Plan

-- Innovation and Creation with our Customers --

2. Term of plan

April 1, 2004 – March 31, 2006

3. Numerical management targets (targets to be achieved by last year of plan)

Units: million yen

Item	Consolidated	Nippon Express Co., Ltd.
Revenues	1,720,000	1,270,000
Operating profits (Margin)	54,000 (3.1%)	40,000 (3.1%)
Recurring profits (Margin)	56,000 (3.3%)	41,000 (3.2%)
Net income (Margin)	29,000 (1.7%)	22,000 (1.7%)
Return on equity (ROE)	6.5%	6.2%
Return on assets (ROA)	2.3%	2.5%
Capital Expenditure (two-year total)	174,000	70,000
Depreciation (two-year total)	156,000	50,000
Balance of interest-bearing debt	363,000	217,000

4. Fundamental objectives and principal areas of pursuit

A. Fundamental objectives

As a global logistics company that meets all of the needs of its customers and that fulfills its social responsibilities, Nippon Express will achieve even higher quality, secure fair profits, imbue its employees with a sense of pride and job satisfaction, engage in Earth-friendly environmental conservation efforts, and build a new Nippon Express Group for the 21st century.

B. Principal areas of pursuit

Aiming to develop into a new Group for the 21st century, Nippon Express will utilize its network to pursue business expansion from a global perspective and increase the value of the Group.

- Expanding business by promoting sales of new areas and emphasizing sales in core businesses
 - Reinforcing Global Logistics business
 - Enhancing competitiveness in market expansion sectors
 - Developing new products/services
 - Restructuring sales activities to tie them more closely to local needs
 - Taking on new challenges in existing lines of business
 - Developing sales efforts that cross over all kinds of borders

- Constructing a system to generate profits by selecting/consolidating management resources and encouraging greater use of IT
 - Shifting to an asset structure capable of generating profits
 - Endless efforts towards cost reduction
 - Pursuing cash flow efficiency

- Establishing a “brand” selected for its high quality by customers and the general public
 - Improving the level of customer satisfaction by providing high-quality service
 - Revamping the corporate image
 - Training personnel

- Expanding the sales revenues and provision of high-quality Pelican and Arrow services
 - Increasing sales revenues with profit
 - Pursuing practical gains and greater effectiveness, and improving the efficiency of operational management through the optimal procurement of functions from inside and outside the Nippon Express Group
 - Reinforcing business strategies by utilizing the “New Small-Lot Cargo Information System”

- Promoting “compliance management” capable of earning the trust and approval of the general public
 - Engaging in conscientious behavior as a good corporate citizen
 - Taking stronger approaches toward environmental conservation
 - Implementing thorough crisis and safety management