

Nippon Express Group

“Power Up” Three-Year Plan

— Taking on the challenges of reform alongside our
customers —



1. Name of management plan

“Power Up” Three-Year Plan

— Taking on the challenges of reform alongside our customers—

2. Term

April 1, 2006 – March 31, 2009 (three years)

3. Management targets (targets to be achieved by final fiscal year of plan)

Item	Consolidated basis
Sales	¥2000 billion
Operating income (Operating income margin)	¥54.5 billion (2.7%)
Ordinary income (Ordinary income margin)	¥60.0 billion (3.0%)
Current net income (Current net income margin)	¥35.3 billion (1.8%)
Return on equity (ROE)	6.6%
Return on assets (ROA)	2.7%
Capital investment (three-year total)	¥276.0 billion
Interest-bearing debt balance	¥360.0 billion

4. Basic objective and principal areas of focus

A. Basic objective

Implementation of this plan is expected to make the Nippon Express Group larger, stronger, and even more dynamic.

B. Principal areas of focus

○ Boosting sales — Boldly taking on challenges —

(1) Taking on logistics challenges

- a. Expanding global business
- b. Enhancing 3PL business
- c. Strengthening corporate sales (making Nippon Express a one-stop location for all logistics needs)

(2) Taking on local challenges both in Japan and overseas

- a. Expanding recycling/resource-conserving business
- b. Further cultivating areas of specialty/expertise
- c. Strengthening removals business
- d. Retailing sales approaches to specific localities

(3) Taking on the challenges of new services

- a. Expanding business into adjacent market sectors
- b. Responding to reforms in “government-made markets”
- c. Enhancing services and developing new products in line with social changes

○ Enhancing local capabilities — Pursuing quality —

(1) Securing/training personnel

(2) Implementing thorough and immediate improvements to quality

(3) Promoting greater operational efficiency

○ Discharging CSR – Fulfilling social responsibilities –

- (1) Ensuring familiarity with and adherence to laws and rules (strict compliance management)
- (2) Implementing thorough crisis and safety management
- (3) Promoting environmental management

○ Improving management practices – Expanding income –

- (1) Efficiently utilizing and suitably allocating management resources
- (2) Establishing a low cost structure
- (3) Pursuing greater efficiency of funds
- (4) Encouraging IT innovations
- (5) Promoting greater efficiency in Group management

○ Strengthening small-lot cargo business – Advancing reform –

- (1) Reinforcing reform implementation scheme
- (2) Redesigning sales structure
- (3) Ensuring quality/service