

# **FY2009 Nippon Express Group Business Infrastructure Consolidation Policy**

— Toward a New Leap Ahead —



## **Vision**

(Ideal for the Nippon Express Group)

### **◆ A global logistics company**

**We will strive to be a company that supports customers worldwide through logistics services.**

### **◆ A company that fulfills its responsibilities to the Earth**

**We will strive to be a company that addresses environmental issues and works to realize a low-carbon society.**

### **◆ People-friendly company**

**We will strive to be a company that values its employees and helps them achieve job satisfaction.**

## **1. Top-priority Issues**

The sudden worldwide recession has put us in an unprecedented situation, but it is precisely such challenging times that give us the chance to solidify our business infrastructure for the future. With the willingness to go beyond conventional business methods, we shall actively pursue reform and seek to convert our cost structure in order to consolidate our sales capabilities.

### **A. Developing a low-cost structure**

- (1) Pursuing top-to-bottom cost-cutting efforts guided by careful reviews of local operations
- (2) Making fixed costs variable and cutting variable costs
- (3) Consolidating/eliminating business locations and ensuring efficient organizational management
- (4) Eliminating bad debt
- (5) Improving Group capital efficiency
- (6) Effectively utilizing assets

### **B. Implementing measures to strengthen sales capabilities**

- (1) Improving proposal sales that anticipate customer needs
- (2) Strengthening approaches to global logistics

- (3) Gaining an edge in specialized businesses (removals, forwarding, security transport, heavy haulage & construction, fine arts)
- (4) Developing even better approaches to community-based sales

### C. Dealing effectively with small-lot cargo business

- (1) Smoothly implementing small-parcel delivery business integration
- (2) Reorganizing special consolidated carrier business
- (3) Optimally locating business bases in line with changes in business structure

### D. Fulfilling CSR

- (1) Reducing CO<sub>2</sub> emissions through energy conservation and the 3Rs (Reduce, Reuse, Recycle)
- (2) Ensuring meticulous compliance
- (3) Eliminating traffic/work accidents
- (4) Establishing a system for responding effectively to outbreaks of pandemic influenza

## **2. Key initiatives for the new leap ahead**

The challenges presented by current circumstances mandate that we take our first steps toward the next phase of growth. We will undertake the following efforts from a medium- to long-term perspective as the first steps toward achieving the Vision.

- A. Establishing a one-stop sales system for the Group as a whole
- B. Providing customer-oriented quality and service
- C. Training and utilizing personnel
  - ① Training and utilizing global personnel and personnel with specialist skills
  - ② Passing on proficiency and specialist technology
- D. Reinforcing business infrastructure through M&A
- E. Developing new products that keep pace with the changing times

## **3. Implementation period**

One year, from April 1, 2009 to March 31, 2010

## 4. Numerical Targets

### A. Financial Targets

Item	Target
Operating Revenue	¥1580 billion
Operating Income	¥31.3 billion
Ordinary Income	¥36.6 billion
Current Net Income	¥21.3 billion

### B. Environmental Targets

In FY2009, total CO<sub>2</sub> emissions by the Nippon Express Group companies within Japan are to be reduced by 1.5% from FY2008 levels.