

Briefing Material for 3Q Results of the Fiscal Year Ending March 2014

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1. Business Overview

A. Overview of 3Q of FY2013

1) Overview (Consolidated)

(100 million yen) (rounded down to 100 million yen)

		Actual for 3Q of FY2013 (a)	Actual for 3Q of FY2012 (b)	Difference YoY (c) = (a) - (b)	Difference YoY (%) (d) = (c) / (b) × 100	Forecast for full year (announced on October 31) (e)	Progress (%) (a) / (e) × 100	Difference (compared with forecast) (e) - (a)
9 months	Revenues	12,805	12,060	744	6.2	16,900	75.8	4,094
	Operating Income	298	247	51	20.7	400	74.6	101
	Ordinary Income	374	314	59	19.1	480	78.0	105
	Net Income	183	160	22	13.8	250	73.2	66
3 Q	Revenues	4,447	4,072	374	9.2			
	Operating Income	123	89	34	37.9			
	Ordinary Income	150	108	42	39.1			
	Net Income	108	47	60	127.9			

2) Business Indices 3Q Cumulative Total (3Q Cumulative Total of FY2012) 3Q Cumulative Total (3Q Cumulative Total of FY2012)

- Operating Income Margin 2.3% (2.1%)
- ROE 4.7% (4.4%)
- Ordinary Income Margin 2.9% (2.6%)
- ROA 1.9% (1.7%)

1. Business Overview

B. Overview by reportable segment

1) Combined Business

(100 million yen)

		Actual	Comparison with FY2012		Comparison with forecast for full year (announced on October 31)			
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	5,363	5,234	129	2.5	7,120	75.3	1,756
	Segment Income	97	37	59	159.6	138	70.2	41
3 Q	Revenues	1,830	1,774	56	3.2	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	45	22	22	101.0	2.5 (1.3)		
	Overview	<ul style="list-style-type: none"> Growth in income resulted from steady performance in warehousing in the 3PL business, along with strong demand for automobile transportation Constant profit ensured as a result of continued cost containment drives attempted even with increased demand 						

2) Security Transportation

(100 million yen)

		Actual	Comparison with FY2012		Comparison with forecast for full year (announced on October 31)			
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	410	442	(31)	(7.2)	548	74.9	137
	Segment Income	9	14	(4)	(31.0)	10	89.9	1
3 Q	Revenues	137	148	(11)	(7.5)	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	4	4	0	0.3	3.5 (3.3)		
	Overview	<ul style="list-style-type: none"> Decrease in income due to decline in unit service price under continued severe competition Profit in line with the level of the previous year ensured due to cost containment drives 						

1. Business Overview

B. Overview by reportable segment

3) Heavy Haulage & Construction

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast for full year (announced on October 31)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	276	285	(8)	(2.9)	345	80.3	68
	Segment Income	14	25	(10)	(42.7)	19	75.3	4
3 Q	Revenues	95	93	2	2.3	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	4	6	(2)	(38.1)	4.4 (7.3)		
	Overview	<ul style="list-style-type: none"> • Increase in income thanks to favorable progress of revenue from overseas constructions • Decrease in profit due to decline in the number of large construction projects compared to the previous year 						

1. Business Overview

B. Overview by reportable segment

4) Air Freight Forwarding

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast for full year (announced on October 31)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	1,354	1,395	(41)	(3.0)	1,786	75.8	431
	Segment Income	45	31	13	43.3	51	87.1	6
3 Q	Revenues	473	460	12	2.8	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	20	12	8	64.8	4.4 (2.8)		
	Overview	<ul style="list-style-type: none"> • Growth in income resulted from recovery in export to European countries, along with a rebound in the LCDs cargo business directed to Asian countries, which was acquired at a low price in the previous year • Increase in profit owing mainly to low-kept air freight costs and reduction of other costs 						

5) Marine & Harbor Transportation

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast for full year (announced on October 31)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	1,002	940	62	6.6	1,303	76.9	300
	Segment Income	46	40	5	14.5	54	84.2	8
3 Q	Revenues	329	309	19	6.4	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	12	9	3	35.6	3.9 (3.0)		
	Overview	<ul style="list-style-type: none"> • Exports bolstered by equipment transportation despite stagnating recovery in general commercial cargo • Imports and coastal shipping services maintained solid progress 						

1. Business Overview

B. Overview by reportable segment

6) The Americas

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast for full year (announced on October 31)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	511	397	114	28.8	687	74.5	175
	Segment Income	20	15	4	30.6	26	77.7	5
3 Q	Revenues	176	136	39	29.1	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	8	5	2	49.8	5.0 (4.3)		
	Overview	<ul style="list-style-type: none"> • Increase both in income and profit also on a local currency basis • Strong performance not only in intra-region businesses, including warehousing and delivery and automobile transportation, but also equipment transportation (import business of cargoes by marine transportation) related to the automobile business in Mexico 						

7) Europe

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast for full year (announced on October 31)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	517	322	194	60.5	688	75.2	170
	Segment Income	5	8	(2)	(28.2)	7	78.2	1
3 Q	Revenues	175	99	75	76.0	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	2	2	(0)	(18.1)	1.2 (2.6)		
	Overview	<ul style="list-style-type: none"> • Decrease both in income and profit, excluding the impacts of exchange rates and the newly consolidated subsidiaries • While the intra-region business remains tough, sales volume increased in certain areas 						

1. Business Overview

B. Overview by reportable segment

8) East Asia (100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast for full year (announced on October 31)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	648	499	149	29.9	892	72.7	243
	Segment Income	9	11	(1)	(13.4)	21	45.4	11
3 Q	Revenues	228	155	73	47.3	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	2	3	(0)	(15.4)	1.3 (2.2)		
	Overview	<ul style="list-style-type: none"> • Increase in income but decrease in profit, excluding the impacts of exchange rates and the newly consolidated subsidiaries • Despite upward sales in Japanese automobile manufacturers-related domestic transportation in China, recovery has not taken shape yet • Increase in income resulted from improved sales volume in warehousing and delivery and marine forwarding 						

9) South Asia & Oceania (100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast for full year (announced on October 31)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	376	335	40	12.2	516	72.9	139
	Segment Income	9	15	(5)	(34.9)	15	63.1	5
3 Q	Revenues	132	109	23	21.5	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	4	4	(0)	(9.8)	3.2 (4.3)		
	Overview	<ul style="list-style-type: none"> • Decrease both in income and profit on a local currency basis • Decrease in profit due to a downturn in air freight forwarding sales volume despite underlying support in marine forwarding and warehousing and delivery businesses 						

1. Business Overview

B. Overview by reportable segment

10) Goods Sales

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast for full year (announced on October 31)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	2,994	2,828	165	5.9	3,987	75.1	992
	Segment Income	34	49	(15)	(31.7)	50	68.0	16
3 Q	Revenues	1,090	990	99	10.0	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	13	17	(3)	(20.6)	1.2 (1.7)		
	Overview	<ul style="list-style-type: none"> • Increase in income due to an increase in the unit sales price of oil • Decrease in profit due to delayed recovery in the export package handling 						

11) Other

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast for full year (announced on October 31)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
9 months	Revenues	307	296	11	3.8	411	74.9	103
	Segment Income	9	10	(0)	(5.4)	16	58.8	6
3 Q	Revenues	106	105	0	0.5	3Q Operating Income Margin (3Q of FY2012)		
	Segment Income	3	3	(0)	(13.9)	3.0 (3.6)		
	Overview	<ul style="list-style-type: none"> • Growth in income owing to large warehouse construction projects in the real estate business • Decrease in profit due to reduced agency fee income in the personnel service business resulting from increased outsourcing 						

1. Business Overview



C. Ratio of sales from overseas-related business

Target	Progress	
40% of sales from overseas-related business in FY2015	Actual for 9 months of FY2013	32.2%
	[Reference]	
	FY2012	29.7%
FY2011	30.8%	

2. Changes due to the External Environment

A. Change factors (3Q Cumulative Total)

Change factors	Impact on consolidated results (3Q Cumulative Total)	Reference
Impact of change in unit fuel price	Fuel cost: +¥1.68 billion (cost increase) * 3Q +¥0.77 billion (cost increase)	Average 9 months of FY2013 (9 months of FY2012) Light oil: ¥114.08/ℓ (¥105.49) Gasoline: ¥146.80/ℓ (¥137.55) Heavy oil: ¥ 70.19/ℓ (¥ 61.02)
Impact of foreign exchange (weak yen)	Revenues: +¥36.13 billion Operating income: +¥1.26 billion * 3Q Revenues +¥13.73 billion Operating income +¥0.47 billion	Average exchange rate for 9 months of FY2013 (*) (9 months of FY2012) USD: ¥ 96.71 (¥ 79.37) EUR: ¥127.35 (¥101.75) HKD: ¥ 12.47 (¥ 10.23) RMB: ¥ 15.70 (¥ 12.56)

(*) The average exchange rates for 9 months of FY2013 and FY2012 above are the reference rates. For the preparation of financial reports, average quarterly rates are applied to the quarterly results of businesses on a local currency basis.

2. Changes due to the External Environment

B. Assumptions for external factors (Full year)

Change factors	Impact on consolidated results (Full year)	Assumptions	
Impact of change in unit fuel price	Fuel cost: +¥2.09 billion (cost increase)	Average	FY2013 (Yearly average in FY2012)
	* Amount of 3Q cumulative total deducted from forecast for full year +¥0.40 billion	Light oil: ¥115.13/ℓ	(¥106.93)
Impact of foreign exchange	Revenues: +¥49.66 billion		
	Operating income: +¥1.66 billion	USD: ¥ 97.65	(¥ 79.73)
	* Amount of 3Q cumulative total deducted from forecast for full year	EUR: ¥129.68	(¥102.45)
	Revenues +¥13.53 billion	HKD: ¥ 12.59	(¥ 10.28)
	Operating income +¥0.40 billion	RMB: ¥ 15.90	(¥ 12.65)

(*) The yearly average exchange rates for FY2012 used in the assumptions are the reference rates. For the preparation of financial reports, average quarterly rates are applied to the quarterly results of businesses on a local currency basis.



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