



# Financial Results Presentation for Q1, Fiscal Year Ending March 2021

July 31, 2020

Nippon Express Co., Ltd.

Investor Relations Promotion Group

Corporate Planning Division

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# I. Financial Results for Q1, FY2020

## A Financial Highlights for Q1, FY2020

### 1. Overview (Consolidated)

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

Item	FY2020 Q1, Results	FY2019 Q1, Results	Difference YoY	Difference YoY (%)	1H Forecast (Latest)	Difference	Progress (%)
Revenue	4,720	5,197	(477)	(9.2)	9,600	4,880	49.2
Operating income	44	106	(61)	(57.9)	165	121	27.1
Ordinary income	63	131	(68)	(51.9)	190	126	33.4
Profit attributable to owners of parent	96	72	23	32.0	190	93	50.6

### 2. Key Consolidated Business Indicators (YoY Results)

Item	FY2020 Q1, Results	FY2019 Q1, Results	Item	Forecast (Reference)	FY2019 Results
Operating income margin	0.9%	2.0%	ROA	2.2%	1.1%
Ordinary income margin	1.3%	2.5%	ROE	6.1%	3.2%

(Note) Profit is our full-year forecast, while equity and total assets are calculated using the average of year-end balances in the prior consolidated fiscal year and balances as of the end of the current consolidated period.

# I. Financial Results for Q1, FY2020

## B Japan and Overseas Results (not including adjustments)

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

Segment	Item	FY2020 Q1, Results	FY2019 Q1, Results	Difference YoY	Difference YoY (%)	1H Forecast (Latest)	Difference	Progress (%)
Japan Total	Revenues	4,050	4,488	(437)	(9.7)	8,248	4,197	49.1
	Segment Income	58	98	(40)	(40.8)	177	118	33.1
Overseas Total	Revenues	964	1,034	(70)	(6.8)	1,979	1,014	48.7
	Segment Income	14	29	(14)	(50.3)	54	39	27.4

Overseas sales ratio

19.2%

# I. Financial Results for Q1, FY2020

## C Results by Reportable Segment

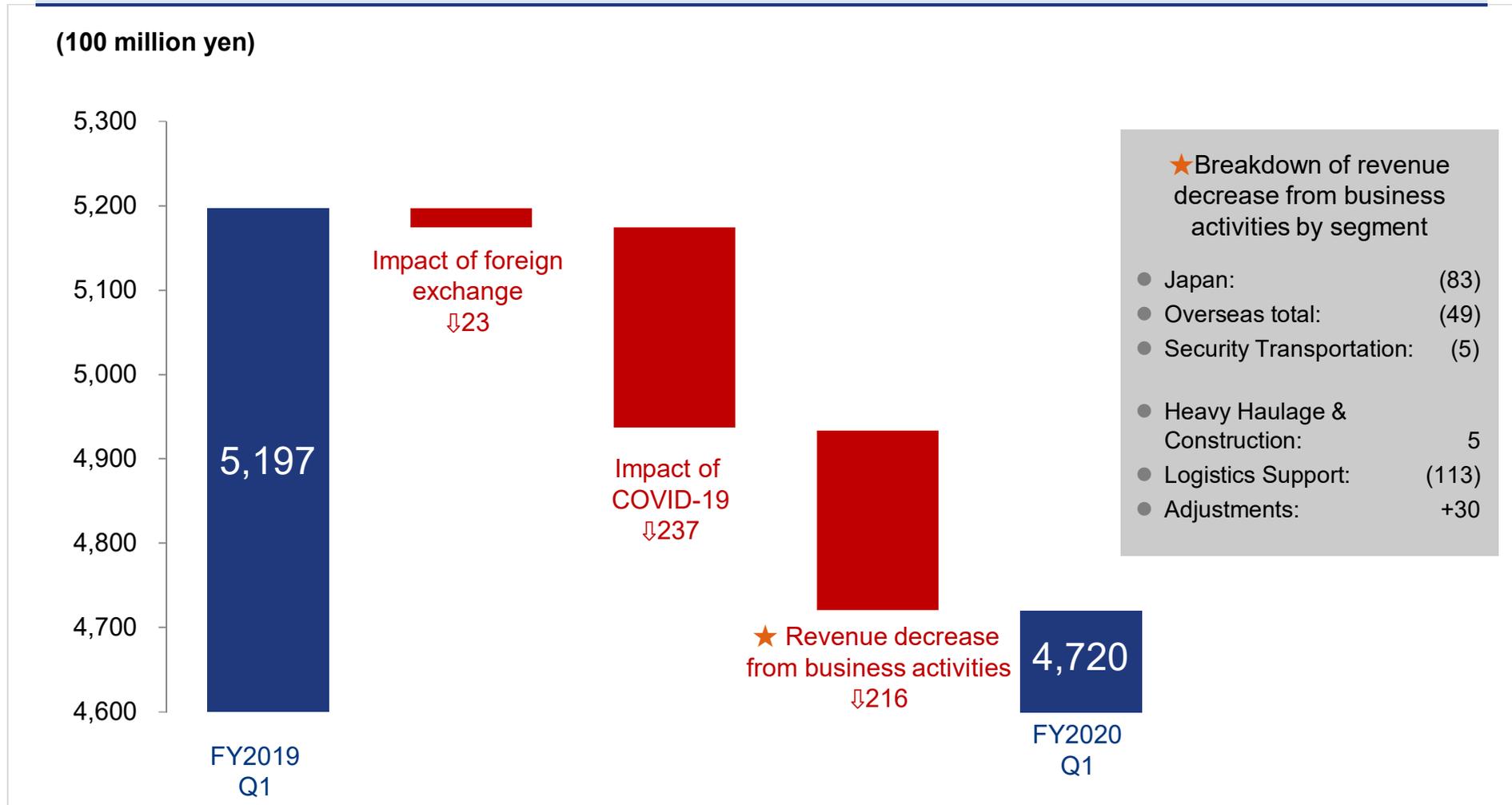
(100 million yen) (rounded down to 100 million yen)

Segment	Item	FY2020 Q1, Results	FY2019 Q1, Results	Difference YoY	Difference YoY (%)	1H Forecast (Latest)	Difference	Progress (%)
Japan	Revenues	2,733	3,025	(291)	(9.7)	5,631	2,897	48.5
	Segment Income	23	73	(49)	(67.7)	101	77	23.4
The Americas	Revenues	205	240	(34)	(14.4)	382	176	53.8
	Segment Income	(0)	8	(8)	—	(1)	(0)	—
Europe	Revenues	274	298	(24)	(8.2)	527	252	52.1
	Segment Income	2	7	(4)	(64.6)	1	(1)	—
East Asia	Revenues	265	275	(9)	(3.6)	579	313	45.9
	Segment Income	5	6	(1)	(20.2)	21	15	24.0
South Asia & Oceania	Revenues	218	219	(1)	(0.6)	491	272	44.5
	Segment Income	7	7	(0)	(3.8)	33	25	21.8
Security Transportation	Revenues	169	184	(14)	(8.1)	343	173	49.3
	Segment Income	(8)	(11)	3	—	(11)	(2)	—
Heavy Haulage & Construction	Revenues	131	133	(2)	(1.9)	273	141	48.2
	Segment Income	15	10	4	45.9	36	20	43.0
Logistics Support	Revenues	1,017	1,145	(128)	(11.2)	2,001	983	50.8
	Segment Income	27	27	0	2.4	51	23	54.4

# I. Financial Results for Q1, FY2020

## D Breakdown of Revenues and Operating Income

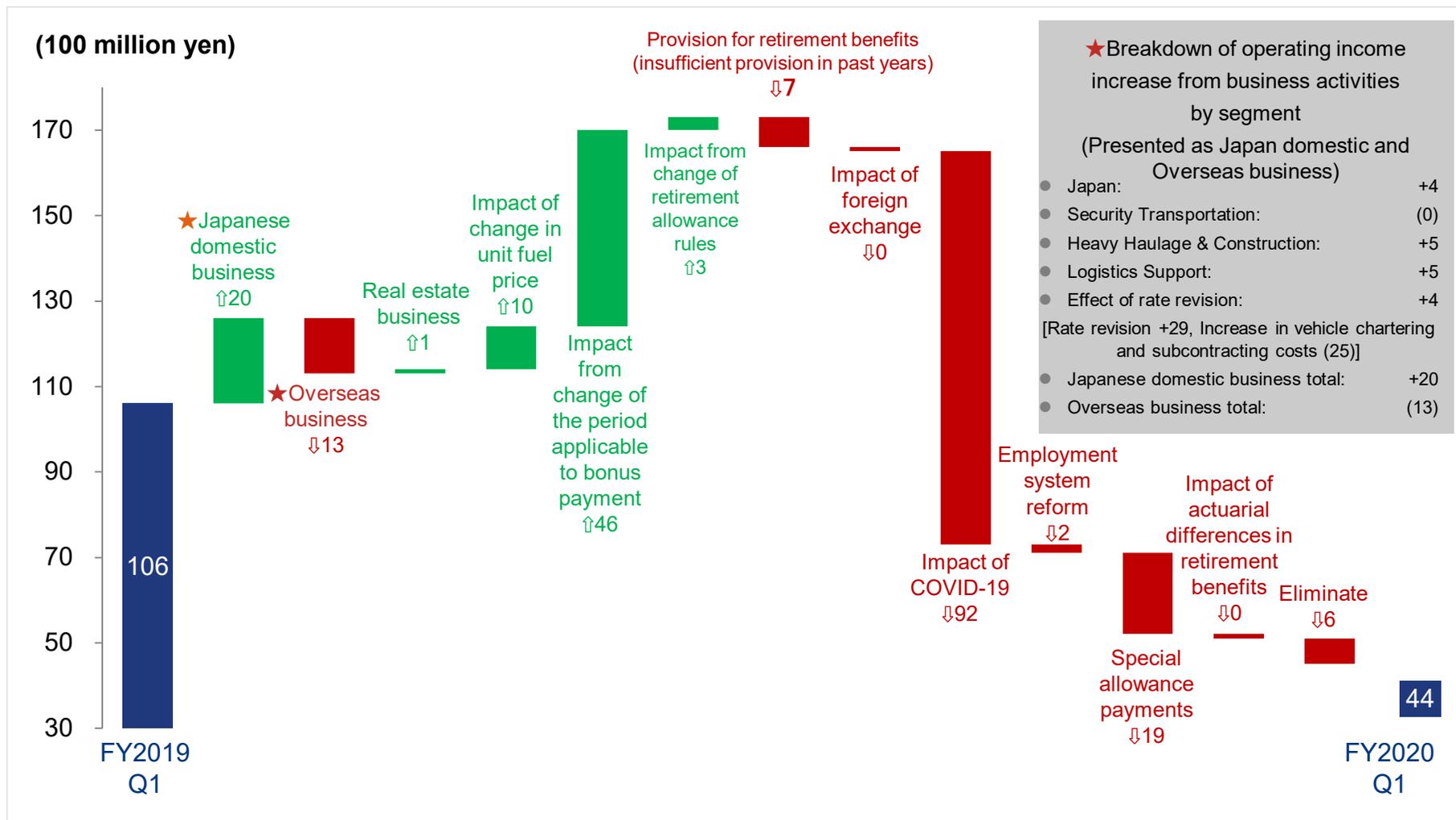
### 1. Revenues



# I. Financial Results for Q1, FY2020

## D Breakdown of Revenues and Operating Income

### 2. Operating income



## II. Financial Results Forecast for FY2020

### A Forecast for FY2020

Item	FY2020 Forecast	FY2021 (Interim Goals)
Revenue	¥2,000 billion	¥2,250.0 billion
Operating income	¥45.0 billion	¥83.0 billion
Operating income ratio	2.3%	3.7%
Profit attributable to owners of parent	¥33.0 billion	¥54.0 billion
Overseas sales	¥405.3 billion	¥520.0 billion
ROE	6.1%	9%

## II. Financial Results Forecast for FY2020

### A Forecast for FY2020

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

Item	1H			2H			FY		
	FY2020 Forecast	FY2019 Results	Difference [%]	FY2020 Forecast	FY2019 Results	Difference [%]	FY2020 Forecast	FY2019 Results	Difference [%]
Revenue	9,600	10,389	(789) [(7.6)]	10,400	10,413	(13) [(0.1)]	20,000	20,803	(803) [(3.9)]
Operating income	165	291	(126) [(43.4)]	285	300	(15) [(5.3)]	450	592	(142) [(24.0)]
Operating income ratio	1.7	2.8	—	2.7	2.9	—	2.3	2.8	—
Ordinary income	190	328	(138) [(42.1)]	300	246	53 [21.9]	490	574	(84) [(14.7)]
Profit attributable to owners of parent	190	190	(0) [(0.1)]	140	(16)	156 [—]	330	174	155 [89.6]

## II. Financial Results Forecast for FY2020

### B Japan and Overseas Results Forecast (not including adjustments)

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

Segment	Item	Full-Year Forecast	FY2019 Results	Difference YoY	Difference YoY (%)	[Reference] FY2021 Interim Target
Japan Total	Revenues	17,213	18,097	(884)	(4.9)	19,300
	Segment Income	488	603	(115)	(19.1)	690
Overseas Total	Revenues	4,053	4,125	(72)	(1.8)	5,200
	Segment Income	89	107	(18)	(17.0)	200

Overseas sales ratio

19.1%

## II. Financial Results Forecast for FY2020

### C Forecasts by Reportable Segment

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

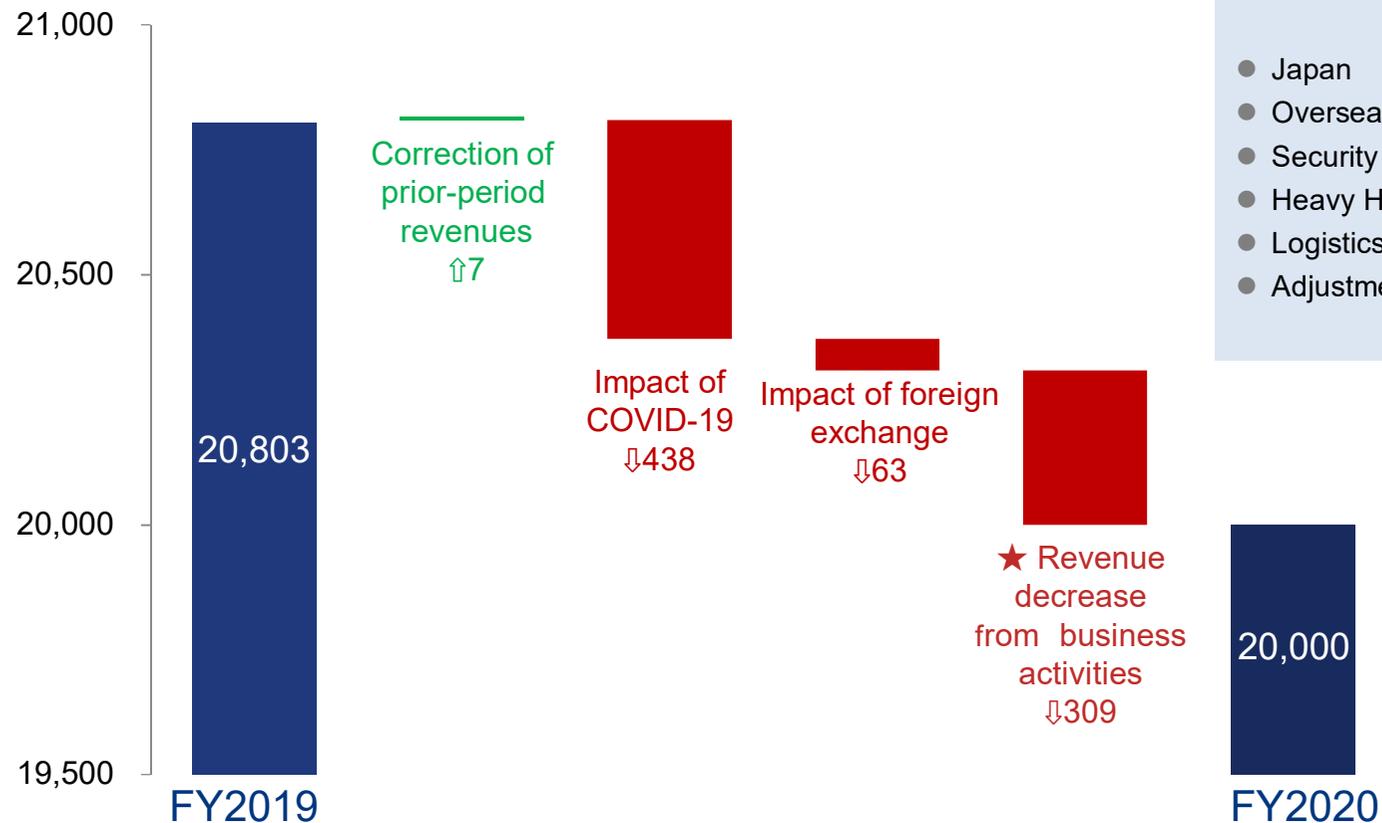
Segment	Item	Full-Year Forecast	FY2019 Results	Difference YoY	Difference YoY (%)	[Reference] FY2021 Interim Target
Japan	Revenues	11,672	12,135	(463)	(3.8)	13,000
	Segment Income	331	428	(97)	(22.8)	520
The Americas	Revenues	817	910	(93)	(10.3)	1,200
	Segment Income	1	27	(26)	(96.4)	62
Europe	Revenues	1,072	1,193	(121)	(10.2)	1,350
	Segment Income	3	17	(14)	(83.1)	46
East Asia	Revenues	1,192	1,120	71	6.4	1,500
	Segment Income	36	29	6	20.3	41
South Asia & Oceania	Revenues	972	901	70	7.9	1,150
	Segment Income	49	31	17	55.3	51
Security Transportation	Revenues	700	725	(25)	(3.6)	750
	Segment Income	(12)	(10)	(1)	—	3
Heavy Haulage & Construction	Revenues	509	523	(14)	(2.8)	500
	Segment Income	60	61	(1)	(3.1)	40
Logistics Support	Revenues	4,332	4,712	(380)	(8.1)	5,050
	Segment Income	109	123	(14)	(11.8)	127

# II. Financial Results Forecast for FY2020

## D Breakdown of Revenues and Operating Income

### 1. Revenues

(100 million yen)



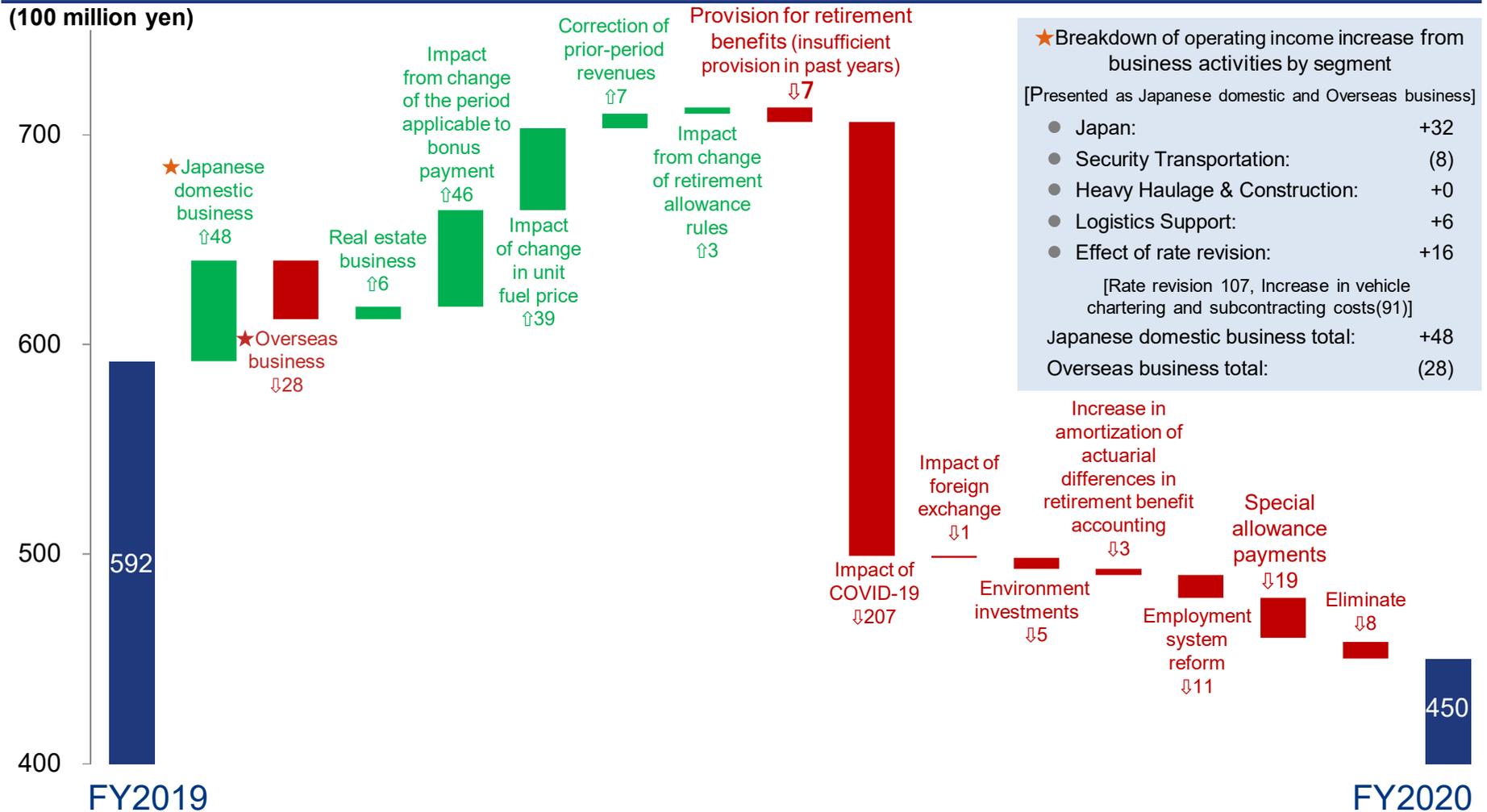
★ Breakdown of revenue decrease from business activities by segment

● Japan	+13
● Overseas total:	(148)
● Security Transportation:	(13)
● Heavy Haulage & Construction:	(2)
● Logistics Support:	(312)
● Adjustments:	+153

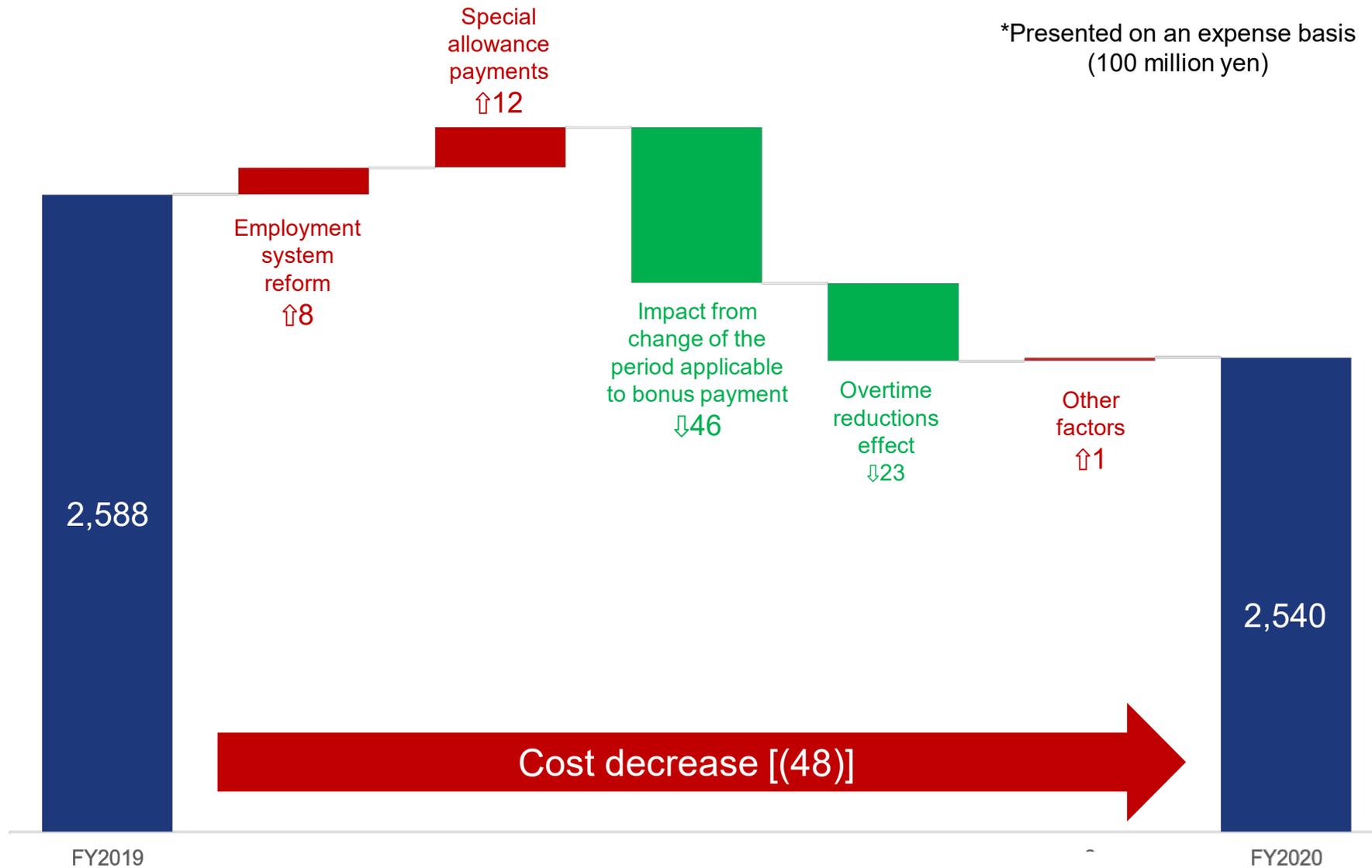
# II. Financial Results Forecast for FY2020

## D Breakdown of Revenues and Operating Income

### 2. Operating income



# (Reference) Change in Total Non-Consolidated Personnel Expense (Forecast)



# III. Segment Overview, FY2020

## A Japan Segment

(100 million yen)

### 1. Q1 Results

Item	FY2020 Q1, Results	Vs. FY2019		
		FY2019	Difference	Difference (%)
Revenues	2,733	3,025	(291)	(9.7)
Operating income	23	73	(49)	(67.7)
Operating income ratio	0.9	2.4	—	—

### 2. Quarterly Results

Item	Results and Forecast for FY2020						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	2,733	2,897	5,631	—	—	6,041	11,672
Operating income	23	77	101	—	—	230	331
Operating income ratio	0.9	2.7	1.8	—	—	3.8	2.8
Item	FY2019 Results						
	Q1	Q2	1H	Q3	Q4	2H	FY
Revenues	3,025	3,077	6,103	3,082	2,950	6,032	12,135
Operating income	73	132	205	118	104	222	428
Operating income ratio	2.4	4.3	3.4	3.8	3.5	3.7	3.5
Item	Comparison with FY2019 (Upper: Difference / Lower: Difference (%))						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	(291) (9.7)	(180) (5.9)	(472) (7.7)	—	—	8 0.1	(463) (3.8)
Operating income	(49) (67.7)	(55) (41.7)	(104) (50.9)	—	—	7 3.3	(97) (22.8)

### Q1 Highlights

Both the railway utilization and motor transportation businesses experienced weak cargo movement related to steel and automobiles. In addition, the railway utilization business saw lower cargo volume for beverages, paper, and pulp due to the impact of the spread of COVID-19. Our air transportation business experienced a decline in overall volume. Here, we saw a trend for reductions in shipments, despite demand for semiconductor-related shipments and rapidly rising freight demand for pharmaceutical shipments. The warehousing and storage business and in-factory business reported firm performance; however, these businesses could not fully compensate for decreases, resulting in lower revenues and operating income.

### Special factor

- Decrease in fuel unit cost: [operating income] +8 [Q1], +33 [year]
- Impact due to actuarial differences in retirement benefits: [operating income] (0) [Q1], (3)[year]
- Impact due to change in retirement allowance rules: [operating income] +3 [Q1, year]
- Change in period applicable to bonus payment: [operating income] +35 [Q1, year]
- Cost increase associated with employee system reform: [operating income] (2)[Q1] (8) [year]
- Impact of COVID-19: [revenues] (208) [Q1], (485) [year]  
[operating income] (80) [Q1], (187) [year]
- Provision for retirement benefits: [operating income] (7) [Q1, year]
- Impact of special allowance payments: [operating income] (15) [Q1, year]
- Environment investments: [operating income] (5) [year]
- Correction of prior-period revenues: +7 [Q2]
- Real estate business: [operating income] +1[Q1], +6 [year]

### Forecast Overview

We expect continued firm performance in the warehousing and storage business and in-factory business. We forecast our other business to record results level with the second half in the previous year, despite struggles in the first half due to the impact of the spread of COVID-19.

# III. Segment Overview, FY2020

## B The Americas Segment

(100 million yen)

### 1. Q1 Results

Item	FY2020 Q1, Results	Vs. FY2019		
		FY2019	Difference	Difference (%)
Revenues	205	240	(34)	(14.4)
Operating income	(0)	8	(8)	—
Operating income ratio	(0.0)	3.6	—	—

### Q1 Highlights

Due to trade friction between the U.S. and China and the spread of COVID-19, nearly all volume for warehouse, motor transport, air cargo, etc., experienced lower revenues. These businesses have been reporting lower volumes since the previous year. Although these businesses received spot volume orders for emergency transport related to production line equipment, the decrease in shipment volume resulted in significantly lower revenues and operating income.

### 2. Quarterly Results

Item	Results and Forecast for FY2020						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	205	176	382	—	—	435	817
Operating income	(0)	(0)	(1)	—	—	2	1
Operating income ratio	(0.0)	(0.5)	(0.3)	—	—	0.5	0.1

Item	Results for FY2019						
	Q1	Q2	1H	Q3	Q4	2H	FY
Revenues	240	237	477	219	213	433	910
Operating income	8	10	19	7	1	8	27
Operating income ratio	3.6	4.5	4.0	3.4	0.6	2.0	3.1

Item	Comparison with FY2019 (Upper: Difference / Lower: Difference (%))						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	(34)	(60)	(95)	—	—	1	(93)
	(14.4)	(25.7)	(20.0)	—	—	0.5	(10.3)
Operating income	(8)	(11)	(20)	—	—	(6)	(26)
	—	—	—	—	—	(76.9)	(96.4)

Special factor
<ul style="list-style-type: none"> <li>Impact of foreign exchange (stronger yen):                      [revenues] (2) [Q1], (9) [year]                      [operating income] (0) [Q1], (0) [year]</li> <li>Impact of COVID-19:                      [revenues] +0 [Q1], (28) [year]                      [operating income] +0 [Q1], (11) [year]</li> <li>Special allowance payments:                      [operating income] (0) [Q1, year]</li> </ul>

### Forecast Overview

The impact of the spread of COVID-19 resulted in manufacturing activity suspensions and lockdowns, leading to declines in consumption activities. Given these circumstances, we expect sales to continue to decline year on year in the second quarter. We project second-half sales to be level with the same period in the previous fiscal year.

# III. Segment Overview, FY2020

## C Europe Segment

(100 million yen)

### 1. Q1 Results

Item	FY2020 Q1, Results	Vs. FY2019		
		FY2019	Difference	Difference (%)
Revenues	274	298	(24)	(8.2)
Operating income	2	7	(4)	(64.6)
Operating income ratio	0.9	2.4	—	—

### Q1 Highlights

We expect marine and harbor transport to record higher revenues year on year due to firm volume in automobiles. However, air freight will continue to experience the impact of a domestic economic slump in Europe, while volume will be significantly lower due to a reactionary effect compared to spot performance in the previous year. We also project lower revenues and operating income due to declines in high fashion volume from Europe to Asia due to the impact of the spread of COVID-19.

### 2. Quarterly Results

Item	Results and Forecast for FY2020						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	274	252	527	—	—	545	1,072
Operating income	2	(1)	1	—	—	2	3
Operating income ratio	0.9	(0.6)	0.2	—	—	0.4	0.3

Item	Results for FY2019						
	Q1	Q2	1H	Q3	Q4	2H	FY
Revenues	298	289	588	294	310	604	1,193
Operating income	7	4	12	4	1	5	17
Operating income ratio	2.4	1.7	2.1	1.4	0.4	0.9	1.5

Item	Comparison with FY2019 (Upper: Difference / Lower: Difference (%))						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	(24)	(37)	(61)	—	—	(59)	(121)
	(8.2)	(12.9)	(10.5)			(9.9)	(10.2)
Operating income	(4)	(6)	(11)	—	—	(3)	(14)
	(64.6)	—	(91.8)			(63.7)	(83.1)

### Special factor

- Impact of foreign exchange (stronger yen):  
 [revenues] (9) [Q1], (17) [year]  
 [operating income] (0) [Q1], (0) [year]
- Impact of COVID-19:  
 [revenues] (2) [Q1], (53) [year]  
 [operating income] (0) [Q1], (18) [year]
- Special allowance payments:  
 [operating income] (0) [Q1, year]

### Forecast Overview

We forecast sales to continue to decline through the second quarter and the second half of the year, as the impact of COVID-19 is likely to result in manufacturing activity suspensions and lockdowns, leading to declines in consumption activities.

# III. Segment Overview, FY2020

## D East Asia Segment

(100 million yen)

### 1. Q1 Results

Item	FY2020 Q1, Results	Vs. FY2019		
		FY2019	Difference	Difference (%)
Revenues	265	275	(9)	(3.6)
Operating income	5	6	(1)	(20.2)
Operating income ratio	1.9	2.3	—	—

### Q1 Highlights

Since the Chinese New Year in January, the impact of the spread of COVID-19 has resulted in significantly lower sales overall. Once we entered March, we saw a gradual resumption of operations among our domestic customers in China and contributions from chartered transport (air freight volume). However, these positive factors could not compensate for the decrease, resulting in lower operating income.

### 2. Quarterly Results

Item	Results and Forecast for FY2020						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	265	313	579	—	—	613	1,192
Operating income	5	15	21	—	—	15	36
Operating income ratio	1.9	5.1	3.6	—	—	2.4	3.0

Item	Results for FY2019						
	Q1	Q2	1H	Q3	Q4	2H	FY
Revenues	275	283	559	281	279	561	1,120
Operating income	6	9	15	8	5	14	29
Operating income ratio	2.3	3.3	2.8	3.2	1.9	2.5	2.7

Item	Comparison with FY2019 (Upper: Difference / Lower: Difference (%))						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	(9)	29	19	—	—	51	71
	(3.6)	10.4	3.5	—	—	9.2	6.4
Operating income	(1)	6	5	—	—	0	6
	(20.2)	71.4	34.4	—	—	4.9	20.3

Special factor
<ul style="list-style-type: none"> <li>Impact of foreign exchange (stronger yen):                      [revenues] (8) [Q1], (19) [year]                      [operating income] (0) [Q1], (0) [year]</li> <li>Impact of COVID-19 :                      [revenues] +1 [Q1], +128 [year]                      [operating income] (0) [Q1], +29 [year]</li> <li>Special allowance payments:                      [operating income] (0) [Q1, year]</li> </ul>

### Forecast Overview

Although we forecast exports and imports to experience the negative impact of COVID-19, we expect to capture reconstruction demand related to exports of medical devices, PCs, and PC peripherals. On the other hand, we expect sluggishness in volume for apparel, and it is likely to take some time for the economy to completely recover. We forecast COVID-19 containment measures in the second quarter and beyond to have a positive impact, leading to higher revenues.

# III. Segment Overview, FY2020

## E South Asia & Oceania Segment

(100 million yen)

### 1. Q1 Results

Item	FY2020 Q1, Results	Vs. FY2019		
		FY2019	Difference	Difference (%)
Revenues	218	219	(1)	(0.6)
Operating income	7	7	(0)	(3.8)
Operating income ratio	3.3	3.4	—	—

### Q1 Highlights

Both air export freight forwarding and marine export freight forward remained firm. While volume in certain areas decreased significantly due the COVID-19 lockdowns, we captured demand for emergency shipments (air freight, etc.) related to COVID-19 in certain countries. As a result, we recorded revenue and profit level with the same period in the prior fiscal year.

### 2. Quarterly Results

Item	Results and Forecast for FY2020						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	218	272	491	—	—	481	972
Operating income	7	25	33	—	—	16	49
Operating income ratio	3.3	9.5	6.7	—	—	3.3	5.0

Item	Results for FY2019						
	Q1	Q2	1H	Q3	Q4	2H	FY
Revenues	219	221	441	230	229	459	901
Operating income	7	8	15	8	7	15	31
Operating income ratio	3.4	3.8	3.6	3.7	3.2	3.4	3.5

Item	Comparison with FY2019 (Upper: Difference / Lower: Difference (%))						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	(1)	50	49	—	—	21	70
	(0.6)	23.0	11.2	—	—	4.6	7.9
Operating income	(0)	17	17	—	—	0	17
	(3.8)	210.1	108.7	—	—	1.6	55.3

### Special factor

- Impact of foreign exchange (stronger yen):  
 [revenues] (2) [Q1], (17) [year]  
 [operating income] (0) [Q1], (0) [year]
- Impact of COVID-19 :  
 [revenues] +3 [Q1], +92 [year]  
 [operating income] +0 [Q1], +12 [year]
- Special allowance payments:  
 [operating income] (0) [Q1, year]

### Forecast Overview

Production activity will decline and the number of box cars will decrease significantly due to lockdowns stemming from COVID-19. Meanwhile, we intend to cover the decrease in volume and generate higher revenue and operating income by capturing reconstruction demand in the second quarter and beyond, including export air freight from South Asia regions to Japan.

# III. Segment Overview, FY2020

## F Security Transportation Segment

(100 million yen)

### 1. Q1 Results

Item	FY2020 Q1, Results	Vs. FY2019		
		FY2019	Difference	Difference (%)
Revenues	169	184	(14)	(8.1)
Operating income	(8)	(11)	3	—
Operating income ratio	(4.9)	(6.5)	—	—

### Q1 Highlights

With the spread of COVID-19, volume in our cash collection and delivery service decreased. Further, we saw a decrease in volume for certain collection and delivery vehicles in use. Moreover, we saw postponements in CSD upgrade services. These factors combined to result in lower sales year on year. A change in period covered by bonus payments, which impacted prior-year performance, had a positive effect this period, leading to higher operating income year on year.

### 2. Quarterly Results

Item	Results and Forecast for FY2020						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	169	173	343	—	—	357	700
Operating income	(8)	(2)	(11)	—	—	(1)	(12)
Operating income ratio	(4.9)	(1.5)	(3.2)	—	—	(0.3%)	(1.7%)

Item	Results for FY2019						
	Q1	Q2	1H	Q3	Q4	2H	FY
Revenues	184	180	364	182	179	361	725
Operating income	(11)	(0)	(12)	(2)	4	2	(10)
Operating income ratio	(6.5)	(0.5)	(3.5)	(1.3)	2.5	0.6	(1.5)

Item	Comparison with FY2019 (Upper: Difference / Lower: Difference (%))						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	(14)	(6)	(21)	—	—	(4)	(25)
	(8.1)	(3.5)	(5.8)	—	—	(1.3)	(3.6)
Operating income	3	(1)	1	—	—	(3)	(1)
	—	—	—	—	—	—	—

### Special Factors

- Decrease in fuel unit cost:  
[operating income] +1 [Q1], +5 [year]
- Impact due to actuarial differences in retirement benefits:  
[operating income] (0) [Q1], (0) [year]
- Impact due to change in retirement allowance rules:  
[operating income] +0 [Q1, year]
- Change in period applicable to bonus payment:  
[operating income] +9 [Q1, year]
- Cost increase associated with the employee system reform:  
[operating income] (0) [Q1], (1) [year]
- Impact of COVID-19:  
[revenues] (9) [Q1], (12) [year]  
[operating income] (5) [Q1], (8) [year]
- Impact of special allowance payments:  
[operating income] (2) [Q1, year]

### Forecast Overview

We have seen a gradual recovery from the impact of COVID-19 beginning in June. We expect the impact to be limited in the second quarter and beyond. By continuing to manage variable costs, we plan to secure operating income level with the same period in the prior fiscal year, even as sales decline.

# III. Segment Overview, FY2020

## G Heavy Haulage & Construction Segment

(100 million yen)

### 1. Q1 Results

Item	FY2020 Q1, Results	Vs. FY2019		
		FY2019	Difference	Difference (%)
Revenues	131	133	(2)	(1.9)
Operating income	15	10	4	45.9
Operating income ratio	11.8	7.9	—	—

### Q1 Highlights

Orders for shutdown maintenance and plant construction for petrochemical plants were strong. Meanwhile, volume was sluggish for wind power freight and installations, which grew last year. While we experienced lower revenues due to postponements of some contract work due to the spread of COVID-19, operating income rose due to the capture of additional construction projects and cost reductions.

### 2. Quarterly Results

Item	Results and Forecast for FY2020						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	131	141	273	—	—	236	509
Operating income	15	20	36	—	—	24	60
Operating income ratio	11.8	14.5	13.2	—	—	10.2	11.8

Item	Results for FY2019						
	Q1	Q2	1H	Q3	Q4	2H	FY
Revenues	133	138	272	141	109	251	523
Operating income	10	16	26	23	11	35	61
Operating income ratio	7.9	11.6	9.8	16.9	10.3	14.0	11.8

Item	Comparison with FY2019 (Upper: Difference / Lower: Difference (%))						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	(2) (1.9)	3 2.2	0 0.2	—	—	(15) (6.0)	(14) (2.8)
Operating income	4 45.9	4 27.8	9 35.0	—	—	(11) (32.0)	(1) (3.1)

### Special factor

- Decrease in fuel unit cost:  
[operating income] +0 [Q1], +0 [year]
- Impact due to actuarial differences in retirement benefits:  
[operating income] (0) [Q1], (0) [year]
- Impact due to change in retirement allowance rules:  
[operating income] +0 [Q1, year]
- Change in period applicable to bonus payment:  
[operating income] +1 [Q1, year]
- Cost increase associated with the employee system reform:  
[operating income] (0) [Q1], (0) [year]
- Impact of COVID-19 :  
[revenues] (8) [Q1], (12) [year]  
[operating income] (1) [Q1], (3) [year]
- Impact of special allowance payments:  
[operating income] (0) [Q1, year]

### Forecast Overview

We expect performance to be impacted negatively due to the reactionary effect of large-scale plant maintenance in the prior year and delays in construction due to COVID-19. While we forecast second-half wind power generation volume to be level year on year, we expect lower revenues and operating income due to a significant reactionary effect.

# III. Segment Overview, FY2020

## H Logistics Support Segment

(100 million yen)

### 1. Q1 Results

Item	FY2020 Q1, Results	Vs. FY2019		
		FY2019	Difference	Difference (%)
Revenues	1,017	1,145	(128)	(11.2)
Operating income	27	27	0	2.4
Operating income ratio	2.7	2.4	—	—

### Q1 Highlights

Sales unit price declines in petroleum and LP gas, the impact of U.S.-China trade frictions on our LS business, and lower volume due to the impact of COVID-19, combined to decrease revenue. Operating income was level year on year, despite lower income in connection with lower LS business sales and lower sales volume and profit in LP gas, as we reduced the scope of profit declines through facilities and construction related to logistics, products and devices, and contributions from our insurance business.

### 2. Quarterly Results

Item	Results and Forecast for FY2020						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	1,017	983	2,001	—	—	2,331	4,332
Operating income	27	23	51	—	—	58	109
Operating income ratio	2.7	2.4	2.5	—	—	2.5	2.5

Item	Results for FY2019						
	Q1	Q2	1H	Q3	Q4	2H	FY
Revenues	1,145	1,138	2,283	1,198	1,229	2,428	4,712
Operating income	27	30	57	27	38	65	123
Operating income ratio	2.4	2.7	2.5	2.3	3.1	2.7	2.6

Item	Comparison with FY2019 (Upper: Difference / Lower: Difference (%))						
	Q1	Q2 Forecast	1H Forecast	Q3 Forecast	Q4 Forecast	2H Forecast	FY Forecast
Revenues	(128)	(154)	(282)	—	—	(97)	(380)
	(11.2)	(13.6)	(12.4)	—	—	(4.0)	(8.1)
Operating income	0	(7)	(6)	—	—	(7)	(14)
	2.4	(24.2)	(11.8)	—	—	(11.8)	(11.8)

### Special factor

- Impact of foreign exchange (stronger yen):  
 [revenues] (0) [Q1], (0) [year]  
 [operating income] (0) [Q1], (0) [year]
- Cost increase associated with employee system reform:  
 [operating income]  
 [operating income] (0) [Q1], (0) [year]
- Impact of COVID-19:  
 [revenues] (14) [Q1], (66) [year]  
 [operating income] (3) [Q1], (19) [year]
- Impact of special allowance payments:  
 [operating income] (1) [Q1, year]

### Forecast Overview

We forecast significantly lower revenues and operating income due to the impact of lower sales unit prices in petroleum and LP gas, as well as fewer automobile-related export jobs in LS.

## IV. Nippon Express Group Business Plan 2023 KPIs

### A Nippon Express Group Business Plan 2023 KPIs of Growth Strategy for Core Businesses

Item Revenues	Japan*			Overseas		
	FY2020 Q1, Results	FY2019 Q1, Results	Difference (%)	FY2020 Q1, Results	FY2019 Q1, Results	Actual for Q1 of FY 2019 Difference (%)
Electric and Electronics Industry	¥24.1 billion	¥25.9 billion	(7%)	¥26.2 billion	¥26.5 billion	(1%)
Automotive Industry	¥12.1 billion	¥16.8 billion	(28%)	¥15.7 billion	¥18.0 billion	(13%)
Apparel Industry	¥3.9 billion	¥3.8 billion	3%	¥12.3 billion	¥13.1 billion	(6%)
Pharmaceutical/Medical Industry	¥3.6 billion	¥3.7 billion	(2%)	¥2.7 billion	¥2.5 billion	7%

Item Revenues	FY2020 Q1, Results	FY2019 Q1, Results	Actual for Q1 of FY 2019 Difference (%)
Non-Japanese Customer Accounts (GAM・GTA*)	¥8.3 billion	¥6.7 billion	25%
Ocean forwarding business	160,000 TEU	160,000 TEU	1%
Air forwarding business	170,000 t	200,000 t	(12%)

\* Corrected figures for Overseas Q1 FY2019 results

\* Japan results, KPI figures are for non-consolidated Nippon Express.

\* GAM is an abbreviation for global account management. GTA is an abbreviation for global target accounts.

# IV. Nippon Express Group Business Plan 2023 KPIs

## B Strategy to Enhance Domestic Businesses in Japan

### Major Initiatives

#### Strengthen Integration of Land, Sea, and Air

Pursue greater synergies among organizations, human resources, and capital equipment (Restructuring sales teams, consolidating physical locations, and sharing operations)

#### Structural Reform of the Moving & Relocation Business

Strengthen capture of weekend demand through improved competitiveness in operational functions (pre-inspection, work); adopt the “Remomi” remote estimate system to increase number of pre-inspections.

#### Further Personnel Reassignments

Further reassignments by consolidating offices and engaging in RPA and other administrative streamlining (116 and 100 back office employees in FY2019 and FY2020; planning further reductions in HQ staff)

#### Improve Efficiencies in Route Motor Transport Business

Prioritize efficient cargo, improve gross profit ratios (Improved work efficiency by revising long/unusual cargo sizes, service offerings; revised structure for optimal freight fees)

#### Automate, Streamline Office Work

Operate offices under simplified RPA for streamlined office work (Pursued through 2WAY at company level and worksite level)

#### Strengthen Branch Operating Companies

Reinforce human resources for group work force; adapt to work-style reform and labor laws

#### Operational Labor-Savings and Automation

Aim to automate 50% of operations for faster work floors (Pursued improvements in 23 processes by assigning staff in charge)

#### Expand Sales of New Products

Protect BOX (Japan nationwide expansion in July), Sea&Rail (Develop integrated land/sea/air products at the Network Transport Business Promotion Headquarters)

### Engage in Concentrated Pursuit of Enhancing Domestic Businesses in Japan

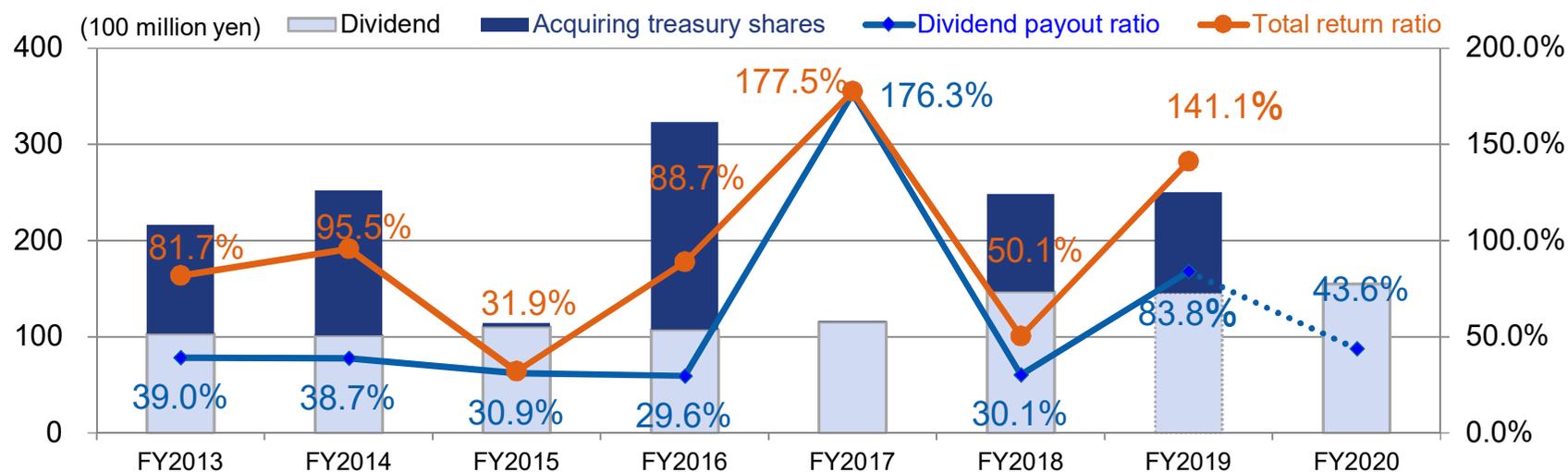
- Instructed all departments to review business process plans (sales expansion measures, cost reduction measures) for post-COVID-19
- Leveraging company’s strengths (personnel, vehicles) to the fullest, reducing outsourcing costs, and strengthening daily cost controls

# V. Return to Shareholders

## A Capital Policies

- ROE: 10%
- Dividend ratio: Over 30%
- Total return ratio: Over 50% (cumulative total 2019-2023)
- Equity ratio: Target 35%

## B Key Indicators



Dividend per Share (Full-Year)	10	10	11	11	120*	155	155	155
ROE	5.2	5.1	6.8	6.9	1.2	9.2	3.2	6.1

\* The Company conducted a ten-for-one reverse stock split effective October 1, 2017. The amounts of dividends from FY2017 onwards reflect this reverse split.

# Supplemental Documents

The information presented in this document provides data trends for each category. However, the data used is pre-close data and may differ from figures presented in our financial reports.

Please be aware that this document has been produced to provide a better understanding of current business conditions.

# (Appendix 1) Financial Results for Q1, FY2020

## A Changes Due to External Environmental and Other Factors

Variable factors	Impact on consolidated results (Q1)	Reference
Impact of change in unit fuel price	Operating Income: <b>+¥1.01 billion</b> (cost decrease)	Unit price per ℓ [FY2019 Q1] <ul style="list-style-type: none"> <li>• Light oil : ¥74.94 [¥103.46]</li> <li>• Gasoline : ¥115.12 [¥136.60]</li> <li>• Heavy oil : ¥45.58 [¥55.15]</li> </ul>
Impact of foreign exchange	Revenues: <b>¥(2.34) billion</b>  Operating income: <b>¥(0.06) billion</b>	Average annual exchange rate* (FY2019 Q1) <ul style="list-style-type: none"> <li>• USD : ¥108.92 [¥110.20]</li> <li>• EUR : ¥120.11 [¥125.15]</li> <li>• HKD : ¥14.02 [¥14.04]</li> <li>• RMB : ¥15.60 [¥16.33]</li> </ul> <p>* The average annual exchange rates are reference rates. For the preparation of financial reports, average quarterly rates are applied to the quarterly results on a local currency basis.</p>
Special allowance payments	Operating income: <b>¥(1.98) billion</b>	<ul style="list-style-type: none"> <li>• Japan : ¥(1.51) billion [Q1]</li> <li>• Overseas segment : ¥(0.04) billion [Q1]</li> <li>• Security Transportation segment : ¥(0.25) billion [Q1]</li> <li>• Heavy Haulage &amp; Construction segment : ¥(0.02) billion [Q1]</li> <li>• Logistics Support : ¥(0.14) billion [Q1]</li> </ul>

# (Appendix 1) Financial Results for Q1, FY2020

## A Changes Due to External Environmental and Other Factors

Variable factors	Impact on consolidated results (Q1)	Reference
Changes associated with employee system reform (same pay for same work, impact of extended retirement age, adoption of team system)	Operating income: <b>¥(0.25) billion</b>	<ul style="list-style-type: none"> <li>• Japan : ¥(0.2) billion</li> <li>• Security Transportation : ¥(0.02) billion</li> <li>• Heavy Haulage &amp; Construction : ¥(0.01) billion</li> <li>• Logistics Support : ¥(0.00) billion</li> </ul>
Increase in amortization of actuarial differences in retirement benefit accounting	Operating income: <b>¥(0.09) billion</b>	<ul style="list-style-type: none"> <li>• Japan : ¥(0.07) billion</li> <li>• Security Transportation : ¥(0.01) billion</li> <li>• Heavy Haulage &amp; Construction : ¥(0.00) billion</li> </ul>
Impact from change of the period applicable to bonus payment	Operating income: <b>¥4.63 billion</b>	<ul style="list-style-type: none"> <li>• Japan : ¥3.54 billion [Q1]</li> <li>• Security Transportation : ¥0.97 billion [Q1]</li> <li>• Heavy Haulage &amp; Construction : ¥0.11 billion [Q1]</li> </ul>
Provision for retirement benefits (insufficient provision in past years)	Operating income: <b>¥(0.74) billion</b>	<ul style="list-style-type: none"> <li>• Japan : ¥(0.74) billion [Q1]</li> </ul>
Impact due to change in retirement allowance rules	Operating income: <b>¥0.33 billion</b>	<ul style="list-style-type: none"> <li>• Japan : ¥ 0.30 billion</li> <li>• Security Transportation : ¥ 0.02 billion</li> <li>• Heavy Haulage &amp; Construction : ¥ 0.01 billion</li> </ul>

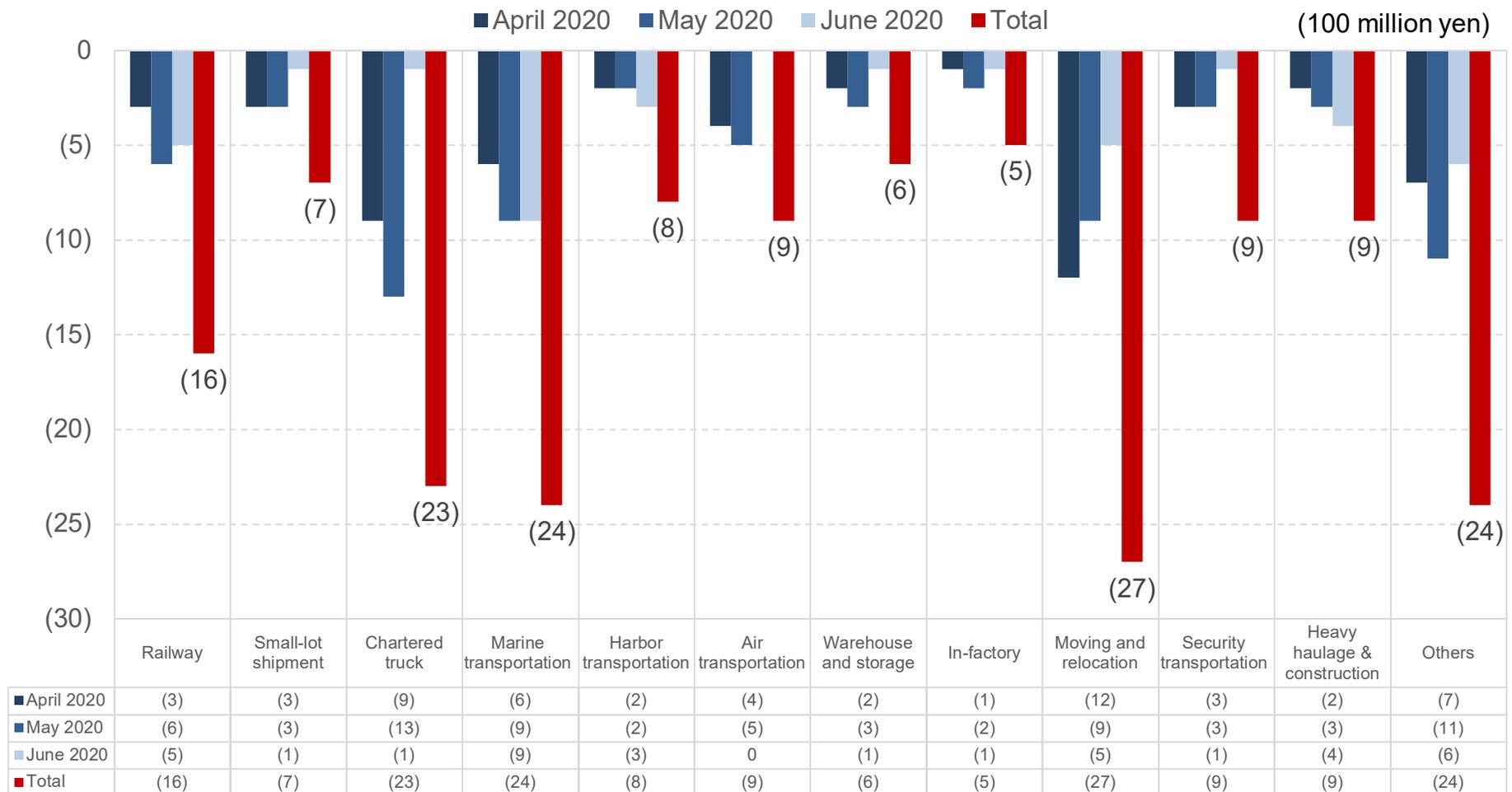
# (Appendix 1) Financial Results for Q1, FY2020

## A Changes Due to External Environmental and Other Factors

Variable factors	Impact on consolidated results (Q1)	Reference
Impact of COVID-19	Revenues: <b>¥(23.70) billion</b> Operating income: <b>¥(9.24) billion</b>	Revenues/Operating Income <ul style="list-style-type: none"> <li>• Japan : ¥(20.8) billion/¥(8.0) billion</li> <li>• The Americas : +¥0.0 billion/+¥0.0 billion</li> <li>• Europe : ¥(0.2) billion/¥(0.0) billion</li> <li>• East Asia : +¥0.1 billion/¥(0.0) billion</li> <li>• South Asia &amp; Oceania : +¥0.3 billion/+¥0.0 billion</li> <li>• Security Transportation : ¥(0.9) billion/¥(0.5) billion</li> <li>• Heavy Haulage &amp; Construction : ¥(0.8) billion/¥(0.1) billion</li> <li>• Logistics Support : ¥(1.4) billion/¥(0.3) billion</li> </ul>

# (Appendix 1) Financial Results for Q1, FY2020

## B Impact of COVID-19 on Sales by Business (Non-Consolidated)



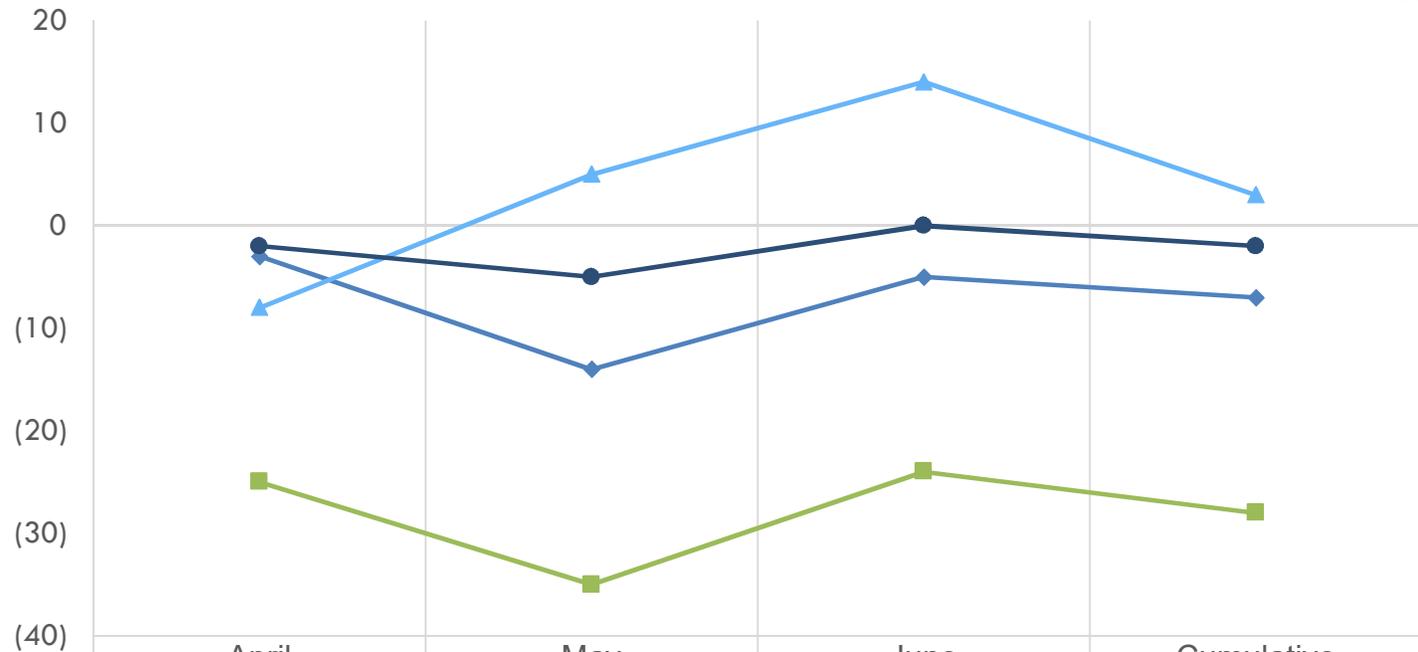
(Rounded down to 100 million yen)

# (Appendix 1) Financial Results for Q1, FY2020

## C Volume in Priority Industries (YoY Sales)

### Domestic Priority Industries

◆ Electric and Electronics   
 ■ Automotive   
 ▲ Apparel   
 ● Pharmaceutical/Medical   
 (Unit: %)



<span style="color: blue;">◆</span> Electric and Electronics	(3)	(14)	(5)	(7)
<span style="color: green;">■</span> Automotive	(25)	(35)	(24)	(28)
<span style="color: lightblue;">▲</span> Apparel	(8)	5	14	3
<span style="color: darkblue;">●</span> Pharmaceutical/Medical	(2)	(5)	0	(2)

# (Appendix 1) Financial Results for Q1, FY2020

## D Initiatives to Reduce Costs in Japan and Overseas (Details for Q1, FY2020 and Beyond)

### 1. Cost Reduction Measures (Variable Costs)

 Air Cargo Transportation	 Railway and Ocean Cargo	 Automotive	 Small-lot Shipment	 Facility Usage Charges
<ul style="list-style-type: none"> <li>Reduce air forwarding costs</li> </ul>	<ul style="list-style-type: none"> <li>Leverage company strengths, maximize infrastructure strengths</li> </ul>	<ul style="list-style-type: none"> <li>Reduce no. of collection and delivery vehicles with shipping volume</li> <li>Leverage company strengths, maximize infrastructure strengths</li> <li>Reduce overtime by using empty space in other work vehicles for shipping services</li> </ul>	<ul style="list-style-type: none"> <li>Reduce no. of low-capacity routes</li> <li>Functional integration in nearby terminals</li> <li>Expand relay functions</li> <li>Leverage company strengths</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate locations, reduce size to lower rent expense</li> </ul>

# (Appendix 1) Financial Results for Q1, FY2020

## 2. Cost Reduction Measures (Fixed Costs)

- Employee temporary leave program
- Reduction in force (suspend hiring overseas)
- Reduce general and administrative expenses



### Reduced Variable and Fixed Costs...

**Cost reduction  
effect**

Nippon Express (Non-Consolidated; Q1, FY2020)  
Reduction in Variable Costs of 2.6% (YoY)

## (Appendix 2) Financial Results Forecast for FY2020

### Changes Due to External Environmental and Other Factors (Forecast)

Variable Factors	Impact on Consolidated Results (Full-year forecast)	Reference
Impact of change in unit fuel price	<p><b>¥3.97 billion</b> (cost decrease)</p> <p>*FY2019: ¥0.46 billion (cost decrease)</p>	<p>Unit price per ℓ [Yearly average in FY2019]</p> <ul style="list-style-type: none"> <li>• Light oil : ¥76.30 [¥100.22]</li> <li>• Gasoline : ¥115.30 [¥134.37]</li> <li>• Heavy oil : ¥44.90 [¥56.47]</li> </ul>
Impact of foreign exchange	<p>Revenues: <b>¥(6.31) billion</b></p> <p>Operating income: <b>¥(0.15) billion</b></p> <p>*FY2019: Revenues: ¥(15.12) billion Operating income: ¥(0.52) billion</p>	<p>Average annual exchange rate* [Yearly average in FY2019]</p> <ul style="list-style-type: none"> <li>• USD : ¥108.00 [¥109.05]</li> <li>• EUR : ¥120.10 [¥122.08]</li> <li>• HKD : ¥13.90 [¥13.92]</li> <li>• RMB : ¥15.30 [¥15.79]</li> </ul> <p>* The average annual exchange rates are reference rates. For the preparation of financial reports, average quarterly rates are applied to the quarterly results on a local currency basis.</p>
Environment investments	<p>Operating income: <b>¥(0.50) billion</b></p>	<ul style="list-style-type: none"> <li>• Japan : ¥(0.50) billion</li> </ul>

## (Appendix 2) Financial Results Forecast for FY2020

### Changes Due to External Environmental and Other Factors (Forecast)

Variable Factors	Impact on Consolidated Results (Full-year forecast)	Reference
Correction of excessively recorded revenues in the past periods	Revenues and Operating Income <b>¥0.78 billion</b>	<ul style="list-style-type: none"> <li>Japan : ¥0.78 billion (Q2)</li> </ul>
Change due to employee system reform (same pay for same work, impact of extended retirement age, adoption of team system)	Operating income: <b>¥(1.14) billion</b>	<ul style="list-style-type: none"> <li>Japan : ¥(0.89) billion</li> <li>Security Transportation : ¥(0.19) billion</li> <li>Heavy Haulage &amp; Construction : ¥(0.04) billion</li> <li>Logistics Support : ¥(0.01) billion</li> </ul>
Impact due to change in period applicable to bonus payment	Operating income: <b>¥4.63 billion</b>	<ul style="list-style-type: none"> <li>Japan : ¥3.54 billion [Q1]</li> <li>Security Transportation : ¥0.97 billion [Q1]</li> <li>Heavy Haulage &amp; Construction : ¥0.11 billion [Q1]</li> </ul>
Special allowance payments	Operating income: <b>¥(1.98) billion</b>	<ul style="list-style-type: none"> <li>Japan : ¥(1.51) billion [Q1]</li> <li>Overseas : ¥(0.04) billion [Q1]</li> <li>Security Transportation : ¥(0.25) billion [Q1]</li> <li>Heavy Haulage &amp; Construction : ¥(0.02) billion [Q1]</li> <li>Logistics Support : ¥(0.14) billion [Q1]</li> </ul>

# (Appendix 2) Financial Results Forecast for FY2020

## Changes Due to External Environmental and Other Factors (Forecast)

Variable Factors	Impact on Consolidated Results (Full-year forecast)	Reference
Provision for retirement benefits (insufficient provision in past years)	Operating income: ¥(0.74) billion	<ul style="list-style-type: none"> <li>Japan : ¥(0.74) billion [Q1]</li> </ul>
Impact due to change in retirement allowance rules	Operating income: ¥0.33 billion	<ul style="list-style-type: none"> <li>Japan : ¥0.3 billion</li> <li>Security Transportation : ¥0.02 billion</li> <li>Heavy Haulage &amp; Construction : ¥0.01 billion</li> </ul>
Increase in amortization of actuarial differences in retirement benefit accounting	Operating income: ¥(0.39) billion	<ul style="list-style-type: none"> <li>Japan : ¥(0.31) billion</li> <li>Security Transportation : ¥(0.07) billion</li> <li>Heavy Haulage &amp; Construction : ¥(0.0) billion</li> </ul>

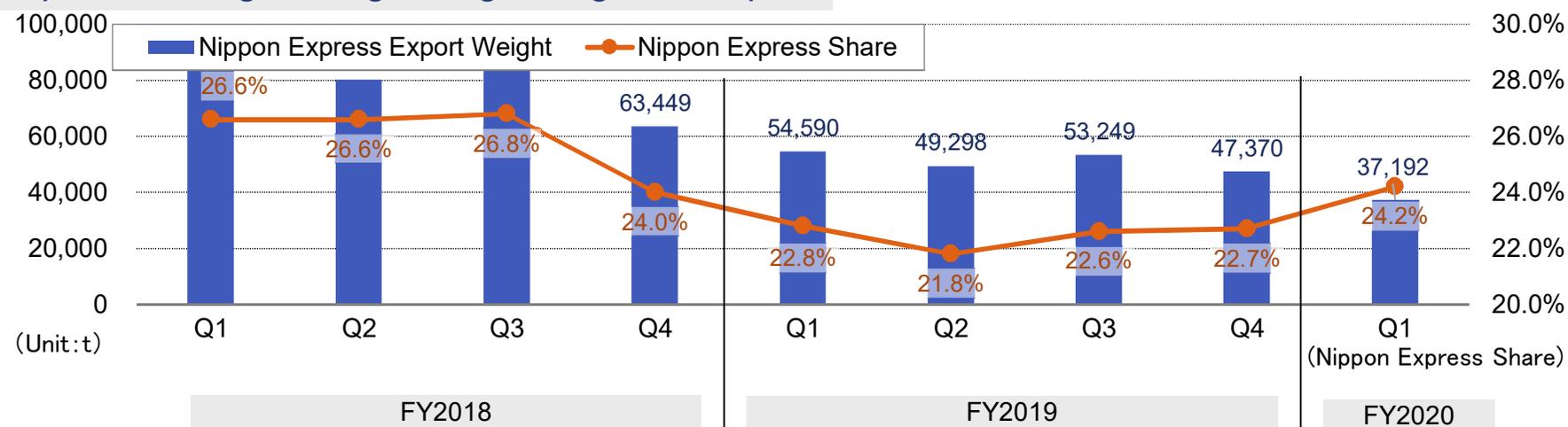
# (Appendix 2) Financial Results Forecast for FY2020

## Changes Due to External Environmental and Other Factors (Forecast)

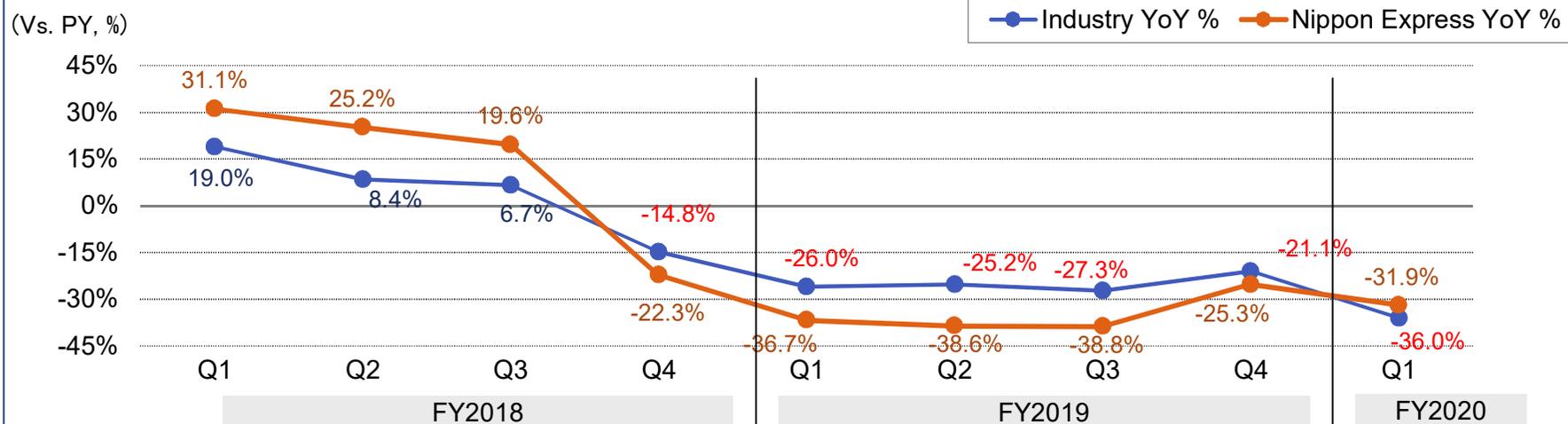
Variable Factors	Impact on Consolidated Results (Full-year forecast)	Reference
Impact of COVID-19	Revenue <b>¥(43.85) billion</b>  Operating income <b>¥(20.77) billion</b>	<ul style="list-style-type: none"> <li>• Japan Revenues: ¥(48.51) billion Operating income: ¥(18.73) billion</li> <li>• The Americas Revenues: ¥(2.85) billion Operating income: ¥(1.15) billion</li> <li>• Europe Revenues: ¥(5.30) billion Operating income: ¥(1.85) billion</li> <li>• East Asia Revenues: +¥12.81 billion Operating income: +¥2.91 billion</li> <li>• South Asia &amp; Oceania Revenues: +¥9.21 billion Operating income: +¥1.27 billion</li> <li>• Security Transportation Revenues: ¥(1.26) billion Operating income: ¥(0.87) billion</li> <li>• Heavy Haulage &amp; Construction Revenues: ¥(1.24) billion Operating income: ¥(0.36) billion</li> <li>• Logistics Support Revenues: ¥(6.69) billion Operating income: ¥(1.98) billion</li> </ul>

## (Appendix 3) Export Air Freight Weight Originating From Japan

### Export Air Freight Weight Originating from Japan



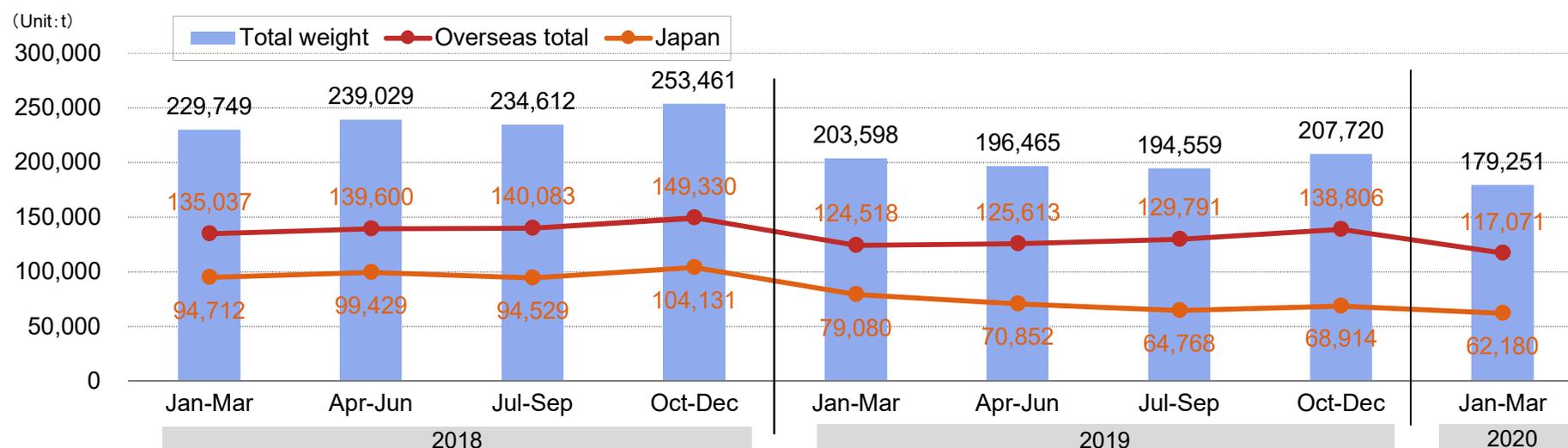
### Export Air Freight Originating From Japan, YoY



# (Appendix 4) Export Freight (Air Freight Forwarding)

(Unit: t /chargeable)

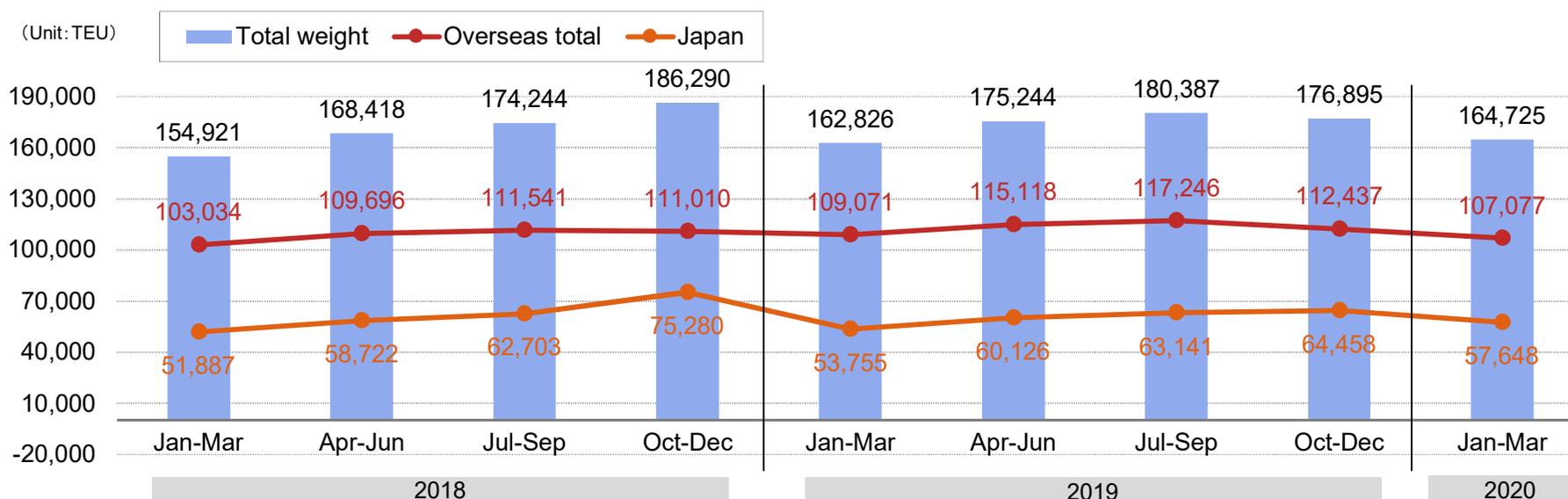
Originating Region	2018					2019					2020				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY
Japan (consolidated)	90,513	94,814	89,545	99,401	374,273	75,277	67,156	60,847	65,084	268,363	58,841				
Japan (excluding consolidated)	4,199	4,615	4,983	4,730	18,528	3,803	3,696	3,922	3,831	15,252	3,339				
<b>Japan Total</b>	<b>94,712</b>	<b>99,429</b>	<b>94,529</b>	<b>104,131</b>	<b>392,801</b>	<b>79,080</b>	<b>70,852</b>	<b>64,768</b>	<b>68,914</b>	<b>283,615</b>	<b>62,180</b>				
The Americas	21,149	22,915	22,532	21,193	87,789	19,868	19,718	18,490	20,242	78,318	19,739				
Europe	29,479	30,638	31,618	37,874	129,609	29,856	29,131	29,067	33,250	121,304	24,166				
East Asia	40,761	42,084	41,122	45,847	169,814	35,258	36,883	38,381	41,208	151,730	35,441				
South Asia & Oceania	43,648	43,963	44,810	44,416	176,837	39,535	39,881	43,853	44,106	167,375	37,725				
<b>Overseas Total</b>	<b>135,037</b>	<b>139,600</b>	<b>140,083</b>	<b>149,330</b>	<b>564,050</b>	<b>124,518</b>	<b>125,613</b>	<b>129,791</b>	<b>138,806</b>	<b>518,727</b>	<b>117,071</b>				
<b>Total Weight</b>	<b>229,749</b>	<b>239,029</b>	<b>234,612</b>	<b>253,461</b>	<b>956,851</b>	<b>203,598</b>	<b>196,465</b>	<b>194,559</b>	<b>207,720</b>	<b>802,342</b>	<b>179,251</b>				



# (Appendix 5) Export Freight (Marine & Harbor Transportation)

(Unit: TEU)

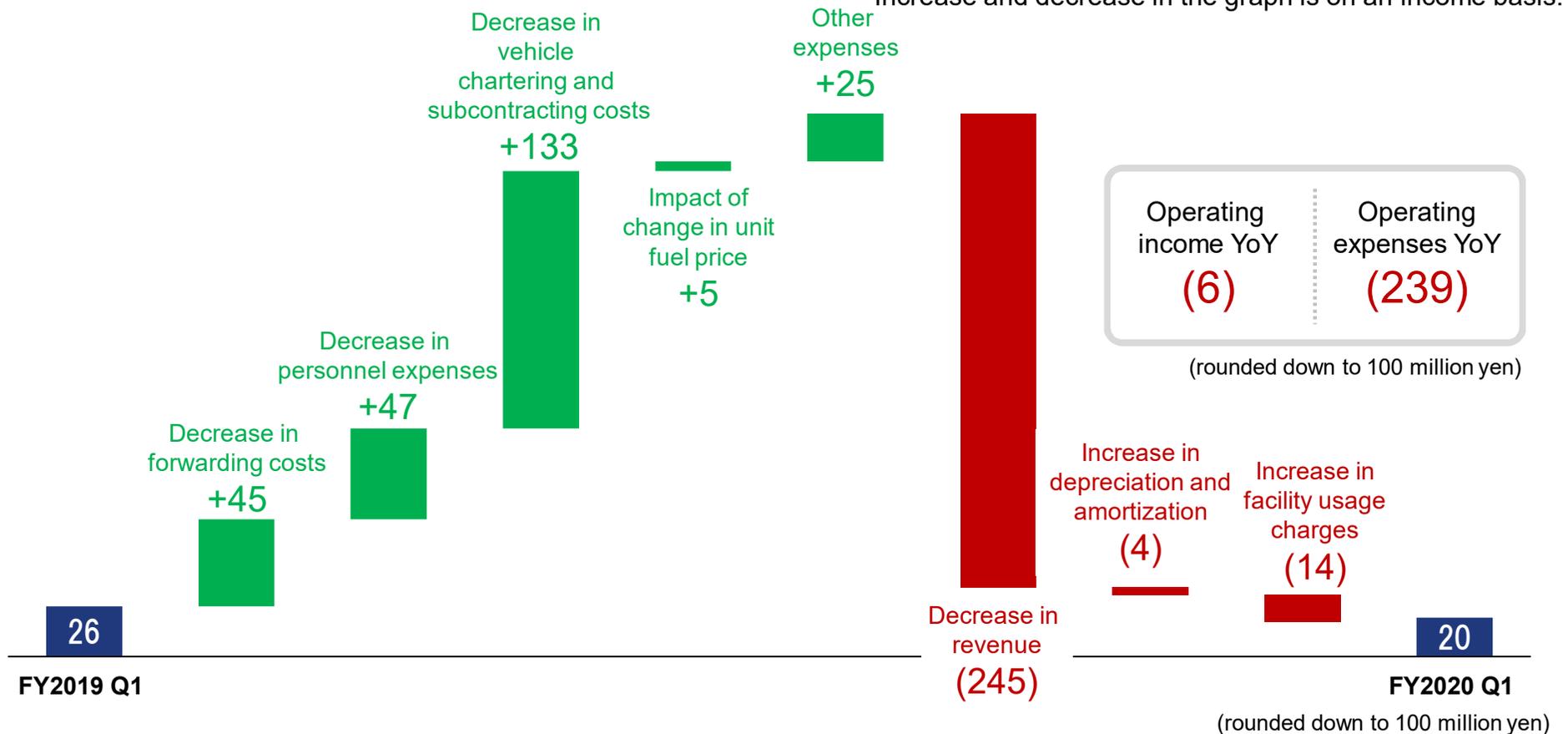
Originating Region	2018					2019					2020				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full FY
Japan	51,887	58,722	62,703	75,280	248,592	53,755	60,126	63,141	64,458	241,480	57,648				
The Americas	8,982	9,807	9,006	9,637	37,431	9,157	9,539	8,760	9,452	36,908	9,794				
Europe	11,745	13,663	11,067	11,173	47,648	10,943	12,330	11,932	12,058	47,263	13,193				
East Asia	52,653	56,702	59,401	58,141	226,898	59,122	62,103	62,232	58,079	241,536	52,033				
South Asia & Oceania	29,653	29,524	32,067	32,060	123,304	29,847	31,145	34,321	32,847	128,160	32,057				
Overseas Total	103,034	109,696	111,541	111,010	435,281	109,071	115,118	117,246	112,437	453,872	107,077				
Total Weight	154,921	168,418	174,244	186,290	683,873	162,826	175,244	180,387	176,895	695,352	164,725				



# (Appendix 6) Change in Non-Consolidated Income (FY2020 Q1)

(100 million yen)

\*Increase and decrease in the graph is on an income basis.



## Breakdown of Various Expense (Q1)

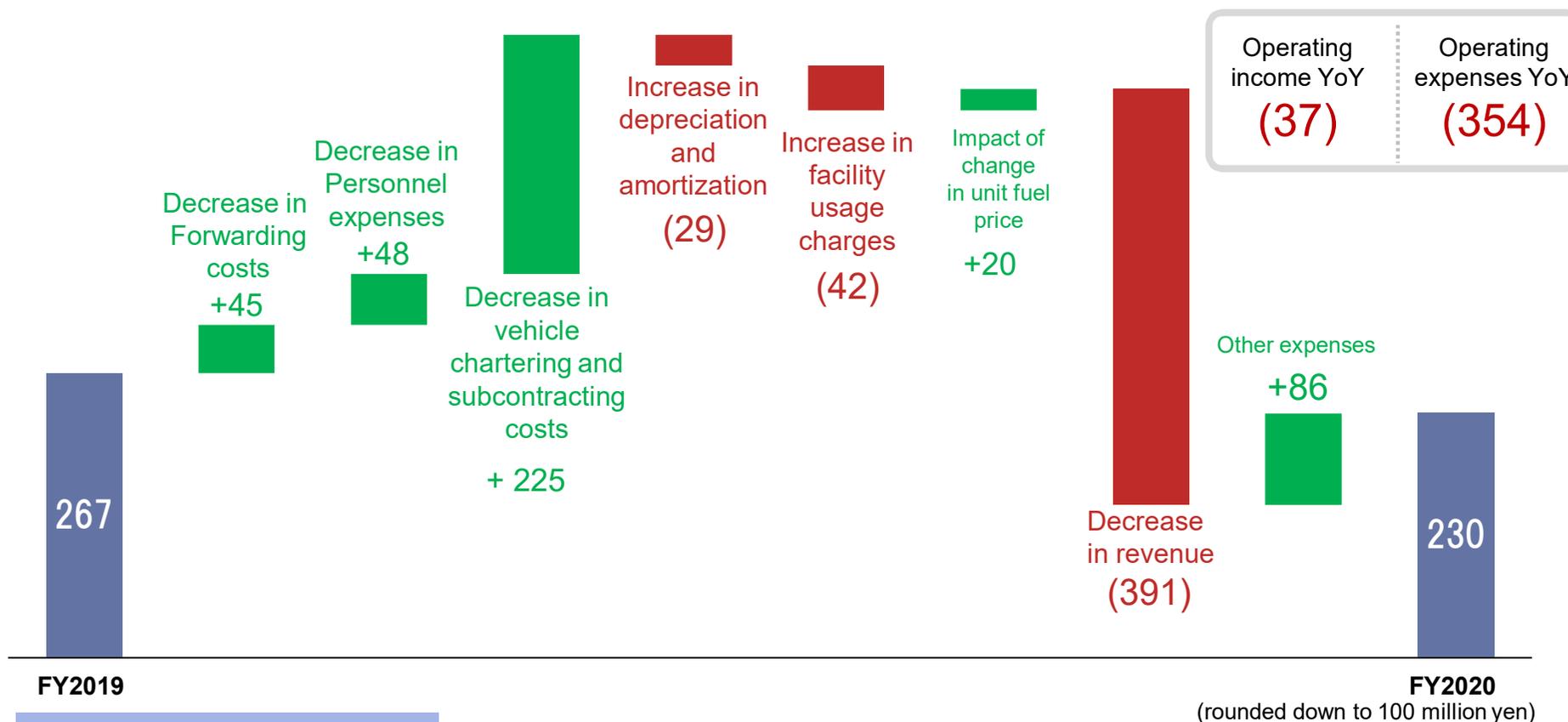
\*presented on an expense basis

Decrease in personnel expenses (47) [(6.8%)]		Decrease in vehicle chartering and subcontracting costs (133) [(11.4%)]		Decrease in forwarding costs (45) [(14.6%)]	
Personnel expenses	(47) [(6.8%)]	Vehicle chartering cost	(58) [(11.6%)]	Railway forwarding costs	(17) [(16.8%)]
		Subcontracting cost	(79) [(12.4%)]	Ocean forwarding costs	(11) [(14.0%)]
		Personnel dispatching cost	+4 [+18.4%]	Air forwarding costs	(16) [(13.2%)]

# (Appendix 7) Change in Non-Consolidated Income (FY2020 Forecast)

(100 million yen)

\*Increase and decrease in the graph is on an income basis.



FY2019

FY2020

(rounded down to 100 million yen)

## Expense Detail (FY Forecast)

Decrease in personnel expenses (48) [(1.9%)]		Decrease in vehicle chartering and subcontracting costs (225) [(4.8%)]		Decrease in forwarding costs (45) [(3.7%)]	
Personnel expenses	(48) [(1.9%)]	Vehicle chartering cost	(105) [(5.1%)]	Railway forwarding costs	(29) [(6.8%)]
		Subcontracting cost	(139) [(5.5%)]	Ocean forwarding costs	(32) [(10.0%)]
		Personnel dispatching cost	+18 [15.1%]	Air forwarding costs	+16 [3.6%]

***We Find the Way***



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