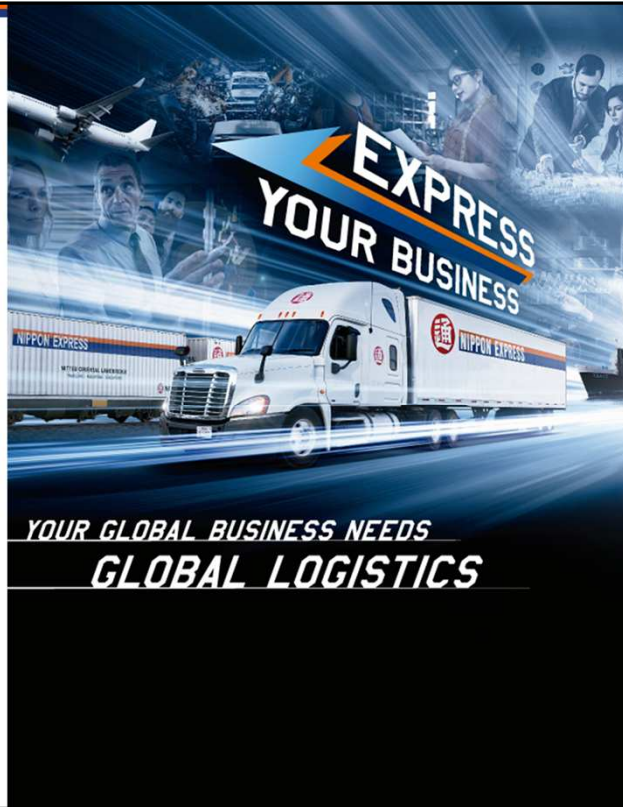


We Find the Way



**Supplementary Material**  
for 3Q Results of  
the Fiscal Year Ending March 2019

January 31, 2019  
NIPPON EXPRESS CO., LTD.  
Corporate Planning Division



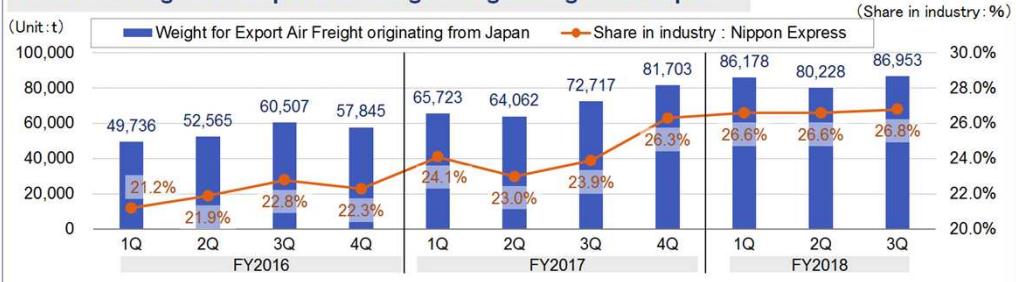
*YOUR GLOBAL BUSINESS NEEDS*  
**GLOBAL LOGISTICS**

Reference 1. Trend in Weight for Export Air Freight Originating from Japan	P. 2
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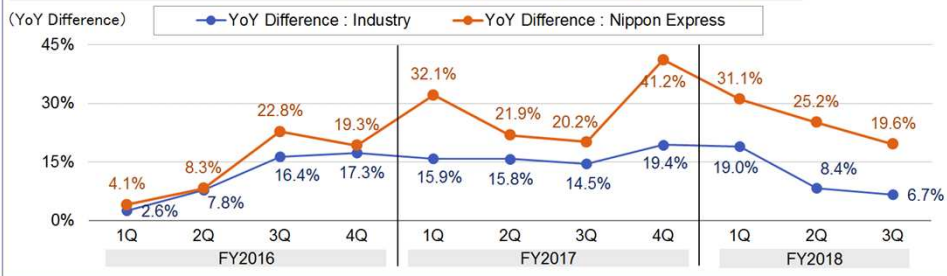
Reference 1. Trend in Weight for Export Air Freight Originating from Japan

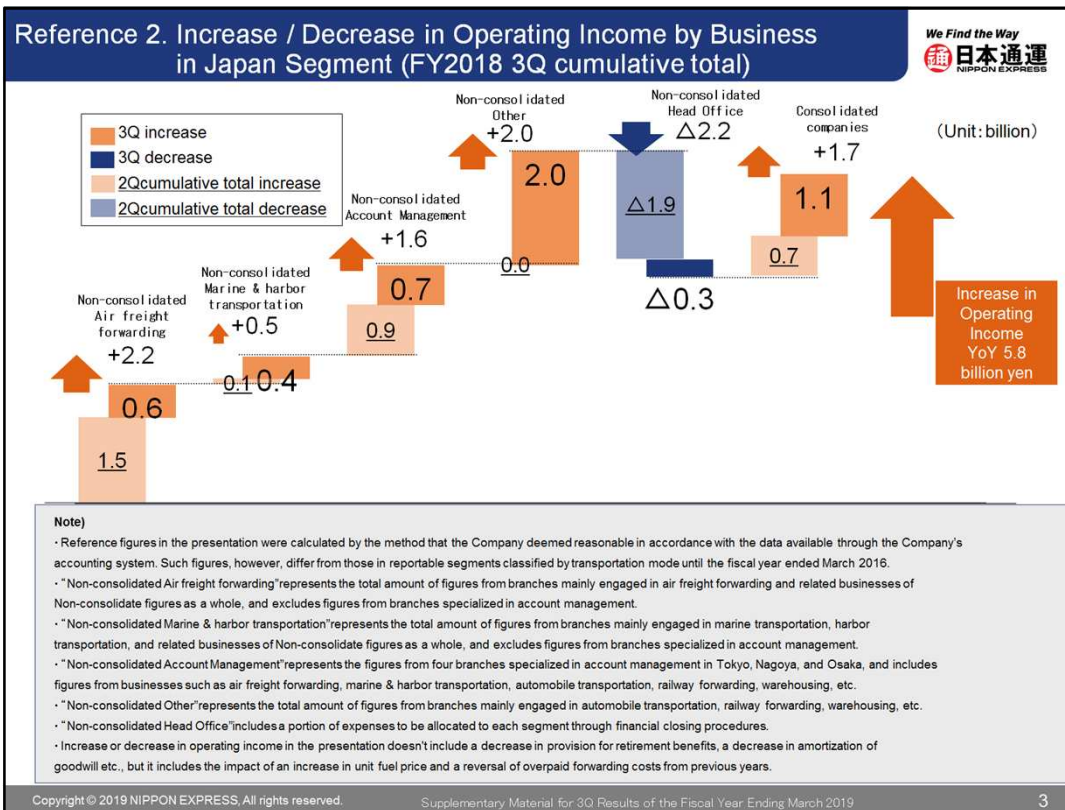


Trend in Weight for Export Air Freight Originating from Japan



The rate of difference for Export Air Freight Originating from Japan





▪ This shows changes in operating income for the nine months ended December 31, 2018, separated into those for 1H and the third quarter by business division.

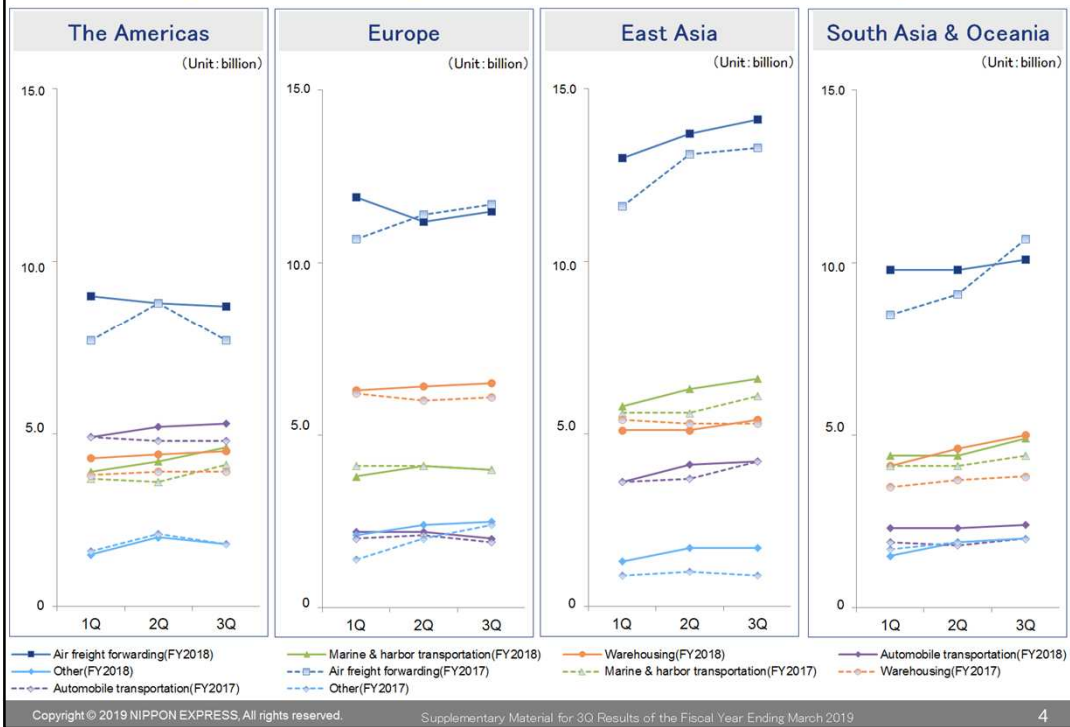
Although the data do not reflect financial closing procedures and are for reference only, they show a trend in each business division.

▪ “Non-consolidated Other,” which mainly engages in motor transportation, railway utilization transportation, warehousing, etc., greatly contributed to income growth in the third quarter, despite being affected by various disasters, in addition to increases in vehicle chartering and subcontracting costs, fuel costs, etc.

▪ Domestic consolidated companies saw increases in vehicle chartering and subcontracting costs and fuel costs, but income grew owing to volume increases and the collection of adequate fees.

▪ In “Non-consolidated Head Office,” costs rose due to an increase in IT system-related expenses, the negative impact owing to a rebound from special factors in the previous year, and an increase in personnel for the operation of shared service centers, etc.

### Reference 3. Trend of Revenues by Business for Overseas Regions (FY2017 – FY2018)



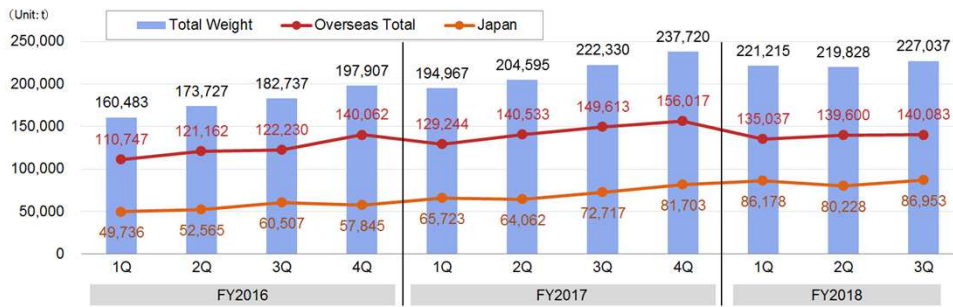
## Reference 4. Trend in Export Freight (Air Freight Forwarding)



(Unit: t)

Originating Region	FY2016					FY2017					FY2018		
	1Q	2Q	3Q	4Q	Full FY	1Q	2Q	3Q	4Q	Full FY	1Q	2Q	3Q
Japan	49,736	52,565	60,507	57,845	220,653	65,723	64,062	72,717	81,703	284,205	86,178	80,228	86,953
The Americas	18,056	20,851	19,968	22,037	80,912	18,610	21,729	20,304	20,496	81,139	21,149	22,915	22,532
Europe	26,094	27,001	26,043	32,345	111,483	28,592	30,992	32,292	38,935	130,811	29,479	30,638	31,618
East Asia	35,453	40,560	40,213	45,722	161,948	40,917	45,648	46,197	48,532	181,294	40,761	42,084	41,122
South Asia&Oceania	31,144	32,750	36,006	39,958	139,858	41,124	42,164	50,819	48,053	182,160	43,648	43,963	44,810
Overseas total	110,747	121,162	122,230	140,062	494,201	129,244	140,533	149,613	156,017	575,404	135,037	139,600	140,083
Total weight	160,483	173,727	182,737	197,907	714,854	194,967	204,595	222,330	237,720	859,609	221,215	219,828	227,037

Note) Overseas Area is 1Q: Jan-Mar / 2Q: Apr-Jun / 3Q: Jul-Sep / 4Q: Oct-Dec



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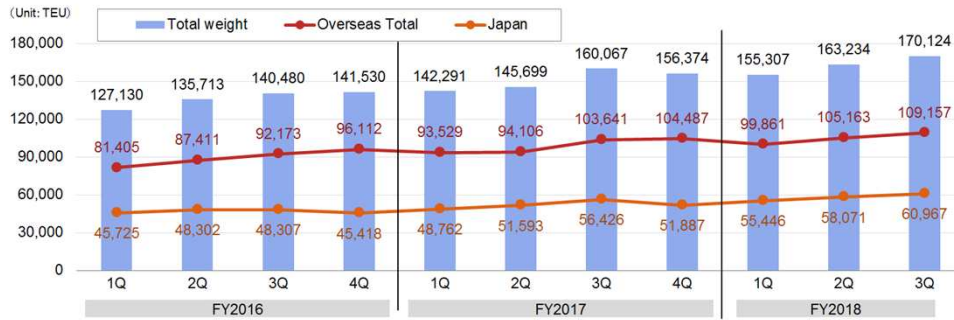
## Reference 5. Trend in Export Freight (Marine & Harbor Transportation)



(Unit: TEU)

Originating Region	FY2016					FY2017					FY2018		
	1Q	2Q	3Q	4Q	Full FY	1Q	2Q	3Q	4Q	Full FY	1Q	2Q	3Q
Japan	45,725	48,302	48,307	45,418	187,752	48,762	51,593	56,426	51,887	208,668	55,446	58,071	60,967
The Americas	7,767	8,445	8,378	8,669	33,259	8,581	8,333	8,285	9,615	34,815	8,957	9,761	8,998
Europe	11,507	11,004	10,150	10,168	42,829	12,320	10,441	11,330	12,063	46,153	10,862	11,292	10,897
East Asia	41,918	45,437	48,918	51,435	187,708	47,411	49,142	53,948	52,030	202,531	50,551	54,801	57,456
South Asia&Oceania	20,213	22,524	24,727	25,840	93,304	25,218	26,189	30,079	30,779	112,264	29,491	29,309	31,806
<b>Overseas total</b>	<b>81,405</b>	<b>87,411</b>	<b>92,173</b>	<b>96,112</b>	<b>357,100</b>	<b>93,529</b>	<b>94,106</b>	<b>103,641</b>	<b>104,487</b>	<b>395,763</b>	<b>99,861</b>	<b>105,163</b>	<b>109,157</b>
<b>Total weight</b>	<b>127,130</b>	<b>135,713</b>	<b>140,480</b>	<b>141,530</b>	<b>544,852</b>	<b>142,291</b>	<b>145,699</b>	<b>160,067</b>	<b>156,374</b>	<b>604,431</b>	<b>155,307</b>	<b>163,234</b>	<b>170,124</b>

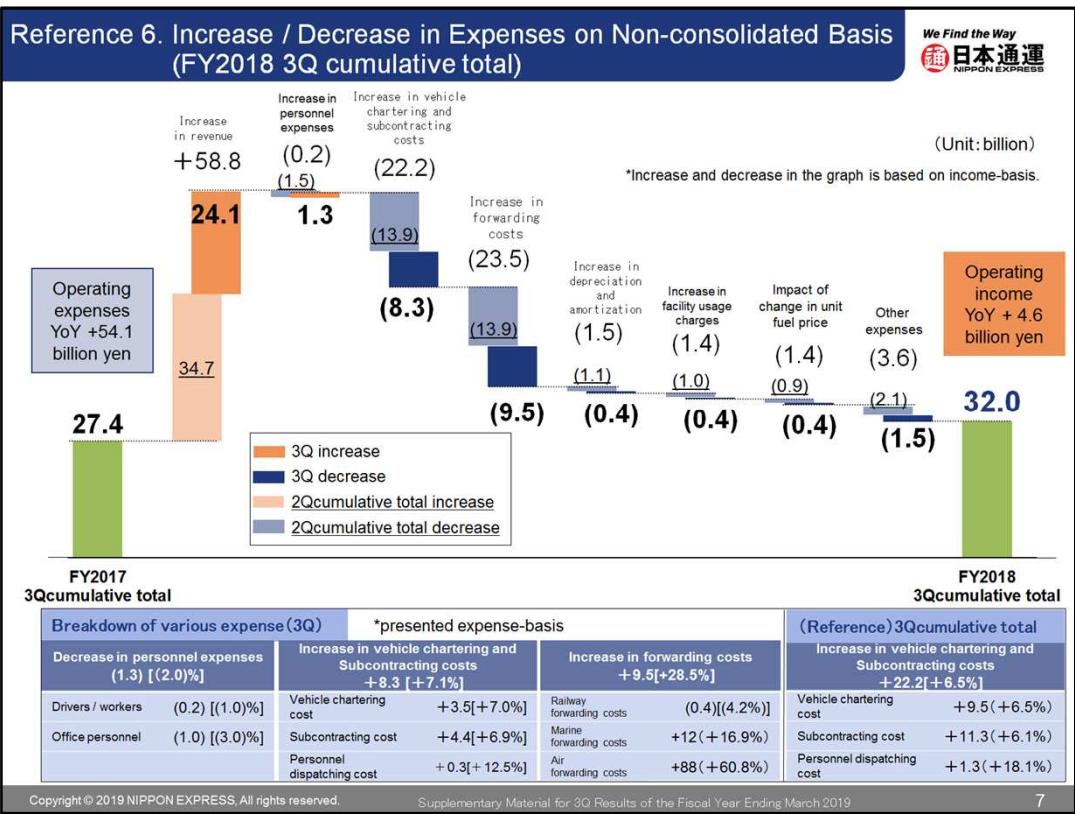
Note) Overseas Area is 1Q: Jan-Mar / 2Q: Apr-Jun / 3Q: Jul-Sep / 4Q: Oct-Dec



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Supplementary Material for 3Q Results of the Fiscal Year Ending March 2019

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○ Personnel expenses

- Personnel expenses went largely as planned, owing to a decrease in provision for retirement benefits and an increase in reversal of provision for bonuses from the previous year.

○ Forwarding cost

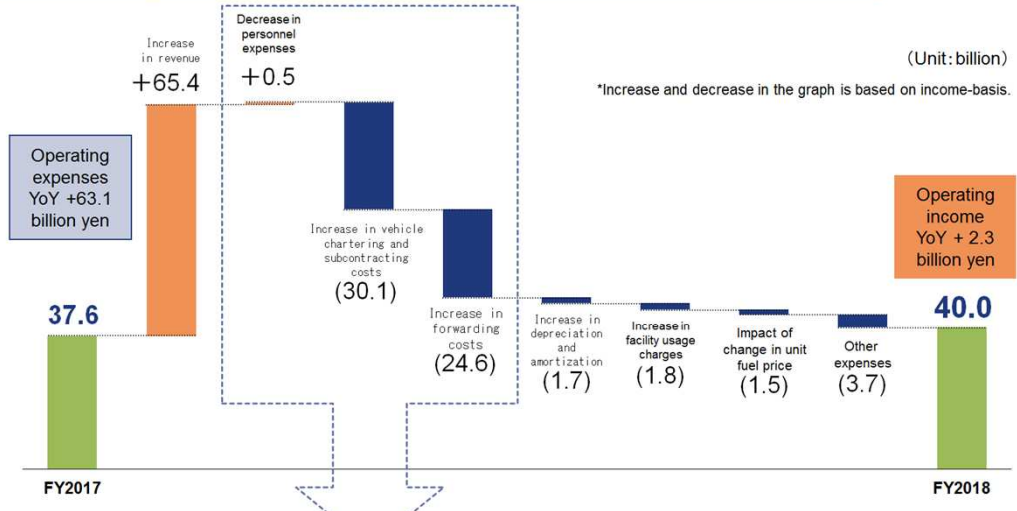
- Air forwarding costs increased, owing to higher export freight volumes centered on spot cargos and higher fuel surcharges.
- Marine forwarding costs increased, owing to higher export freight volumes of equipment and others.

○ Vehicle chartering and subcontracting cost

- Vehicle chartering costs, which significantly increased in the second quarter, are still on an upward trend. However, they are largely within expectations as the increase is being passed on to customers.



# Reference 7. Increase / Decrease in Expenses on Non-consolidated Basis (FY2018 Forecast)



### Breakdown of various expense

\*presented expense-basis

Decrease in personnel expenses		Increase in vehicle chartering and Subcontracting costs		Increase in forwarding costs	
Drivers / workers	(0.7)	Vehicle chartering cost	+12.5	Railway forwarding costs	(4.5)
Office personnel	+0.1	Subcontracting cost	+16.0	Marine forwarding costs	+4.5
		Personnel dispatching cost	+1.5	Air forwarding costs	+24.5

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