

## <Earnings Presentation Memo>

### 1. Details of revenues

#### ○ Railway Container

(Unit: Number of containers)

|                                   | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|-----------------------------------|--------------|--------------|------------|----------------|
| Number of containers              | 912,475      | 935,679      | (23,204)   | (2.5)          |
| Unit price<br>(Yen per container) | 42,221       | 41,855       | 366        | 0.9            |

#### ○ Breakdown by destination of Marine and Harbor Transportation/Exports

(Unit: Millions of yen)

|                | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|----------------|--------------|--------------|------------|----------------|
| North America  | 6,652        | 7,993        | (1,340)    | (16.8)         |
| Europe         | 4,316        | 4,841        | (524)      | (10.8)         |
| Asia & Oceania | 15,915       | 16,597       | (681)      | (4.1)          |
| Other          | 2,058        | 2,974        | (916)      | (30.8)         |
| Total          | 28,943       | 32,407       | (3,463)    | (10.7)         |

#### ○ Breakdown by destination of Air Transportation/Exports

(Unit: Millions of yen)

|                | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|----------------|--------------|--------------|------------|----------------|
| North America  | 8,479        | 10,101       | (1,621)    | (16.1)         |
| Europe         | 7,361        | 7,117        | 244        | 3.4            |
| Asia & Oceania | 16,133       | 16,692       | (559)      | (3.4)          |
| Other          | 2,103        | 2,132        | (29)       | (1.4)          |
| Total          | 34,077       | 36,043       | (1,966)    | (5.5)          |

#### ○ Revenue related to Security Transportation

(Unit: Millions of yen)

|  | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|--|--------------|--------------|------------|----------------|
| Revenue related to Security Transportation | 36,513       | 37,346       | (832)      | (2.2)          |

\* Revenue related to Security Transportation is recorded under "Chartered Truck Services" and "Incidental Operations," respectively.

#### ○ Revenue related to Warehousing

(Unit: Millions of yen)

|                                | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|--------------------------------|--------------|--------------|------------|----------------|
| Revenue related to Warehousing | 58,750       | 61,031       | (2,281)    | (3.7)          |

#### ○ Revenue from Heavy Haulage & Construction

(Unit: Millions of yen)

|               | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|---------------|--------------|--------------|------------|----------------|
| Work in Japan | 24,872       | 25,783       | (910)      | (3.5)          |
| Work overseas | 2,699        | 6,898        | (4,199)    | (60.9)         |
| Total         | 27,571       | 32,681       | (5,109)    | (15.6)         |

## 2. Details of operating expenses

### ○ Employment costs

(Unit: Millions of yen)

|                  |                      | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|------------------|----------------------|--------------|--------------|------------|----------------|
| Drivers/workers  | Nationwide employees | 3,511        | 3,655        | (143)      | (3.9)          |
|                  | Other employees      | 56,599       | 56,390       | 209        | 0.4            |
|                  | Subtotal             | 60,111       | 60,046       | 65         | 0.1            |
| Office personnel | Nationwide employees | 56,365       | 56,751       | (386)      | (0.7)          |
|                  | Other employees      | 11,932       | 11,183       | 748        | 6.7            |
|                  | Subtotal             | 68,297       | 67,935       | 361        | 0.5            |
| Total            |                      | 128,409      | 127,981      | 427        | 0.3            |

### ○ Railway forwarding costs

(Unit: Millions of yen)

|   |  | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|---|--|--------------|--------------|------------|----------------|
| Railway forwarding costs                                  |  | 20,455       | 21,066       | (610)      | (2.9)          |
| (Reference)<br>Railway utilization transportation revenue |  | 39,772       | 40,724       | (952)      | (2.3)          |

### ○ Marine forwarding costs

(Unit: Millions of yen)

|  |  | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|--|--|--------------|--------------|------------|----------------|
| Marine forwarding costs                      |  | 11,617       | 13,955       | (2,338)    | (16.8)         |
| (Reference)<br>Marine transportation revenue |  | 34,905       | 38,393       | (3,488)    | (9.1)          |

### ○ Air forwarding costs

(Unit: Millions of yen)

|   |  | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|---|--|--------------|--------------|------------|----------------|
| Air forwarding costs                      |  | 16,413       | 20,164       | (3,751)    | (18.6)         |
| (Reference)<br>Air transportation revenue |  | 65,155       | 66,954       | (1,799)    | (2.7)          |

### ○ Vehicle chartering and subcontracting costs

(Unit: Millions of yen)

|                          |  | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|--------------------------|--|--------------|--------------|------------|----------------|
| Vehicle chartering costs |  | 92,128       | 92,432       | (303)      | (0.3)          |
| Subcontracting costs     |  | 115,725      | 125,136      | (9,411)    | (7.5)          |
| Worker dispatching costs |  | 5,191        | 4,499        | 691        | 15.4           |
| Total                    |  | 213,045      | 222,068      | (9,023)    | (4.1)          |

○ Depreciation and amortization

(Unit: Millions of yen)

|                      | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|----------------------|--------------|--------------|------------|----------------|
| Vehicles             | 2,874        | 2,844        | 30         | 1.1            |
| Buildings/structures | 6,303        | 6,476        | (173)      | (2.7)          |
| Software             | 1,687        | 1,909        | (221)      | (11.6)         |
| Other                | 2,965        | 3,204        | (239)      | (7.5)          |
| Total                | 13,830       | 14,434       | (604)      | (4.2)          |

○ Facility usage charges

(Unit: Millions of yen)

|                         | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |
|-------------------------|--------------|--------------|------------|----------------|
| Vehicles                | 1,998        | 2,072        | (74)       | (3.6)          |
| Buildings/land          | 25,974       | 26,312       | (338)      | (1.3)          |
| Other work-related      | 5,773        | 5,860        | (87)       | (1.5)          |
| Other operation-related | 1,917        | 1,966        | (48)       | (2.5)          |
| Total                   | 35,663       | 36,212       | (548)      | (1.5)          |

○ Other

(Unit: Millions of yen)

|                            | 1H of FY2016 | 1H of FY2015 | Difference  | Difference (%) |
|----------------------------|--------------|--------------|-------------|----------------|
| Other work expenses        | 30,758       | 33,380       | (2,622)     | (7.9)          |
| (Merchandise)              | [ 197 ]      | [ 130 ]      | [ 67 ]      | [ 51.4 ]       |
| (Fuel oil costs)           | [ 3,733 ]    | [ 4,804 ]    | [ (1,071) ] | [ (22.3) ]     |
| Other operating expenses   | 21,815       | 21,939       | (124)       | (0.6)          |
| (Office outsourcing costs) | [ 5,525 ]    | [ 5,278 ]    | [ 247 ]     | [ 4.7 ]        |
| (Advertising expenses)     | [ 1,545 ]    | [ 1,491 ]    | [ 53 ]      | [ 3.6 ]        |
| (Repair expenses)          | [ 2,381 ]    | [ 2,382 ]    | [ (0) ]     | [ (0.0) ]      |
| (Fuel oil costs)           | [ 199 ]      | [ 240 ]      | [ (40) ]    | [ (16.8) ]     |
| Taxes                      | 5,489        | 4,942        | 546         | 11.1           |
| Bad debts written off      | 124          | —            | 124         | —              |
| Total                      | 58,187       | 60,263       | (2,075)     | (3.4)          |

(Reference) Breakdown of fuel oil costs

○ Non-consolidated

(Unit: Millions of yen, kℓ, yen/ℓ) (Impact on unit price)

|                       |            | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |               |
|-----------------------|------------|--------------|--------------|------------|----------------|---------------|
| Light oil             | Amount     | 2,660        | 3,240        | (580)      | (17.9)         | (530)         |
|                       | Usage      | 34,861       | 35,396       | (536)      | (1.5)          |               |
|                       | Unit price | 76.33        | 91.56        | (15.23)    | (16.6)         |               |
| Gasoline              | Amount     | 305          | 368          | (62)       | (16.9)         | (50)          |
|                       | Usage      | 2,775        | 2,864        | (89)       | (3.1)          |               |
|                       | Unit price | 110.20       | 128.49       | (18.29)    | (14.2)         |               |
| Heavy oil for vessels | Amount     | 809          | 1,243        | (433)      | (34.9)         | (428)         |
|                       | Usage      | 25,664       | 25,764       | (100)      | (0.4)          |               |
|                       | Unit price | 31.55        | 48.25        | (16.70)    | (34.6)         |               |
| Other                 | Amount     | 156          | 192          | (35)       | (18.6)         |               |
| Total                 |            | 3,932        | 5,044        | (1,111)    | (22.0)         | Total (1,010) |

\* Above figures are recorded under "Other work expenses" and "Other operating expenses" in "Other" on the previous page.

○ Consolidated

(Unit: Millions of yen, kℓ, yen/ℓ) (Impact on unit price)

|                       |            | 1H of FY2016 | 1H of FY2015 | Difference | Difference (%) |         |
|-----------------------|------------|--------------|--------------|------------|----------------|---------|
| Light oil             | Amount     | 5,405        | 6,651        | (1,246)    | (18.7)         | (1,085) |
|                       | Usage      | 71,320       | 73,093       | (1,773)    | (2.4)          |         |
|                       | Unit price | 75.79        | 91.00        | (15.21)    | (16.7)         |         |
| Gasoline              | Amount     | 483          | 596          | (112)      | (18.9)         | (78)    |
|                       | Usage      | 4,384        | 4,649        | (265)      | (5.7)          |         |
|                       | Unit price | 110.23       | 128.22       | (17.99)    | (14.0)         |         |
| Heavy oil for vessels | Amount     | 1,275        | 2,086        | (811)      | (38.9)         | (648)   |
|                       | Usage      | 38,996       | 42,335       | (3,339)    | (7.9)          |         |
|                       | Unit price | 32.70        | 49.30        | (16.60)    | (33.7)         |         |
| Other                 | Amount     | 350          | 438          | (87)       | (20.1)         |         |
| Total                 |            | 7,513        | 9,772        | (2,258)    | (23.1)         | (1,812) |

\* Above figures do not include figures from overseas consolidated subsidiaries.

(Reference) Balance of interest-bearing liabilities

○ Non-consolidated

(Unit: Millions of yen)

|                                     | As of Sep. 30, 2016 | As of Mar. 31, 2016 | As of Sep. 30, 2015 |
|-------------------------------------|---------------------|---------------------|---------------------|
| Bonds payable                       | 165,000             | 85,000              | 65,000              |
| Loans payable                       | 166,550             | 168,112             | 112,083             |
| Employees' housing savings deposits | 28,241              | 27,771              | 28,096              |
| Lease obligations                   | 9,009               | 8,961               | 9,703               |
| Total                               | 368,802             | 289,845             | 214,883             |

○ Consolidated

(Unit: Millions of yen)

|                                  | As of Sep. 30, 2016 | As of Mar. 31, 2016 | As of Sep. 30, 2015 |
|----------------------------------|---------------------|---------------------|---------------------|
| Bonds payable                    | 165,000             | 85,000              | 65,000              |
| Loans payable                    | 291,268             | 303,246             | 253,790             |
| Deposits from employees          | 28,510              | 28,036              | 28,354              |
| Commercial paper                 | —                   | —                   | —                   |
| Lease obligations                | 4,121               | 3,987               | 4,151               |
| Liquidation of lease receivables | —                   | —                   | —                   |
| Total                            | 488,901             | 420,271             | 351,296             |

(Reference) Changes in number of employees at the end of the period

○ Non-consolidated

(Unit: Persons)

|                  |                      | As of Sep. 30,<br>2016 | As of Mar. 31,<br>2016 | As of Sep. 30,<br>2015 | Difference<br>(compared with Sep. 30, 2015) |                |
|------------------|----------------------|------------------------|------------------------|------------------------|---|----------------|
|                  |                      |                        |                        |                        | Difference                                  | Difference (%) |
| Drivers/workers  | Nationwide employees | 677                    | 716                    | 737                    | (60)  | (8.1)          |
|                  | Other employees      | 16,565                 | 16,248                 | 16,685                 | (120)                                       | (0.7)          |
|                  | Subtotal             | 17,242                 | 16,964                 | 17,422                 | (180)                                       | (1.0)          |
| Office personnel | Nationwide employees | 11,090                 | 11,053                 | 11,233                 | (143)                                       | (1.3)          |
|                  | Other employees      | 4,336                  | 4,077                  | 4,150                  | 186   | 4.5            |
|                  | Subtotal             | 15,426                 | 15,130                 | 15,383                 | 43  | 0.3            |
| Total            |                      | 32,668                 | 32,094                 | 32,805                 | (137)                                       | (0.4)          |

○ Consolidated

(Unit: Persons)

|                              |                      | As of Sep. 30,<br>2016 | As of Mar. 31,<br>2016 | As of Sep. 30,<br>2015 | Difference<br>(compared with Sep. 30, 2015) |                |
|------------------------------|----------------------|------------------------|------------------------|------------------------|---|----------------|
|                              |                      |                        |                        |                        | Difference                                  | Difference (%) |
| Logistics                    | Japan                | 43,481                 | 43,029                 | 42,658                 | 823   | 1.9            |
|                              | The Americas         | 2,578                  | 2,534                  | 2,486                  | 92  | 3.7            |
|                              | Europe               | 2,717                  | 2,541                  | 2,677                  | 40  | 1.5            |
|                              | East Asia            | 4,995                  | 5,164                  | 5,137                  | (142)                                       | (2.8)          |
|                              | South Asia & Oceania | 7,964                  | 5,294                  | 5,199                  | 2,765                                       | 53.2           |
| Security Transportation      |                      | 4,528                  | 4,500                  | 4,674                  | (146)                                       | (3.1)          |
| Heavy Haulage & Construction |                      | 822                    | 806                    | 812                    | 10  | 1.2            |
| Logistics Support            |                      | 4,064                  | 3,954                  | 4,010                  | 54  | 1.3            |
| Adjustment *                 |                      | 91                     | 87                     | 87                     | 4   | 4.6            |
| Total                        |                      | 71,240                 | 67,909                 | 67,740                 | 3,500                                       | 5.2            |

\* Employees engaged in the administration of the Company and group companies

(Reference) Capital expenditures

○ Non-consolidated

(Unit: Millions of yen)

|           | Conducted in<br>1H of FY2016 | Conducted in<br>1H of FY2015 | Difference | Difference (%) | Annual plan |
|-----------|------------------------------|------------------------------|------------|----------------|-------------|
| Vehicles  | 2,344                        | 2,589                        | (245)      | (9.5)          | 5,300       |
| Buildings | 14,309                       | 7,261                        | 7,047      | 97.1           | 31,300      |
| Land      | 1,028                        | 7                            | 1,021      | —              | 1,400       |
| Software  | 1,649                        | 1,361                        | 287        | 21.1           | 4,300       |
| Other     | 3,563                        | 1,034                        | 2,529      | 244.6          | 7,700       |
| Total     | 22,894                       | 12,254                       | 10,640     | 86.8           | 50,000      |

○ Consolidated

(Unit: Millions of yen)

|               | Conducted in<br>1H of FY2016 | Conducted in<br>1H of FY2015 | Difference | Difference (%) | Annual plan |
|---------------|------------------------------|------------------------------|------------|----------------|-------------|
| Vehicles      | 4,141                        | 4,908                        | (767)      | (15.6)         | 11,500      |
| Buildings     | 16,071                       | 9,171                        | 6,900      | 75.2           | 36,200      |
| Land          | 1,671                        | 203                          | 1,468      | 722.0          | 2,500       |
| Leased assets | 4,605                        | 3,756                        | 848        | 22.6           | 6,500       |
| Other         | 9,166                        | 5,648                        | 3,517      | 62.3           | 23,300      |
| Total         | 35,656                       | 23,688                       | 11,967     | 50.5           | 80,000      |

\* Leased assets include assets leased to Nippon Express Group consolidated subsidiaries.

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