

We Find the Way

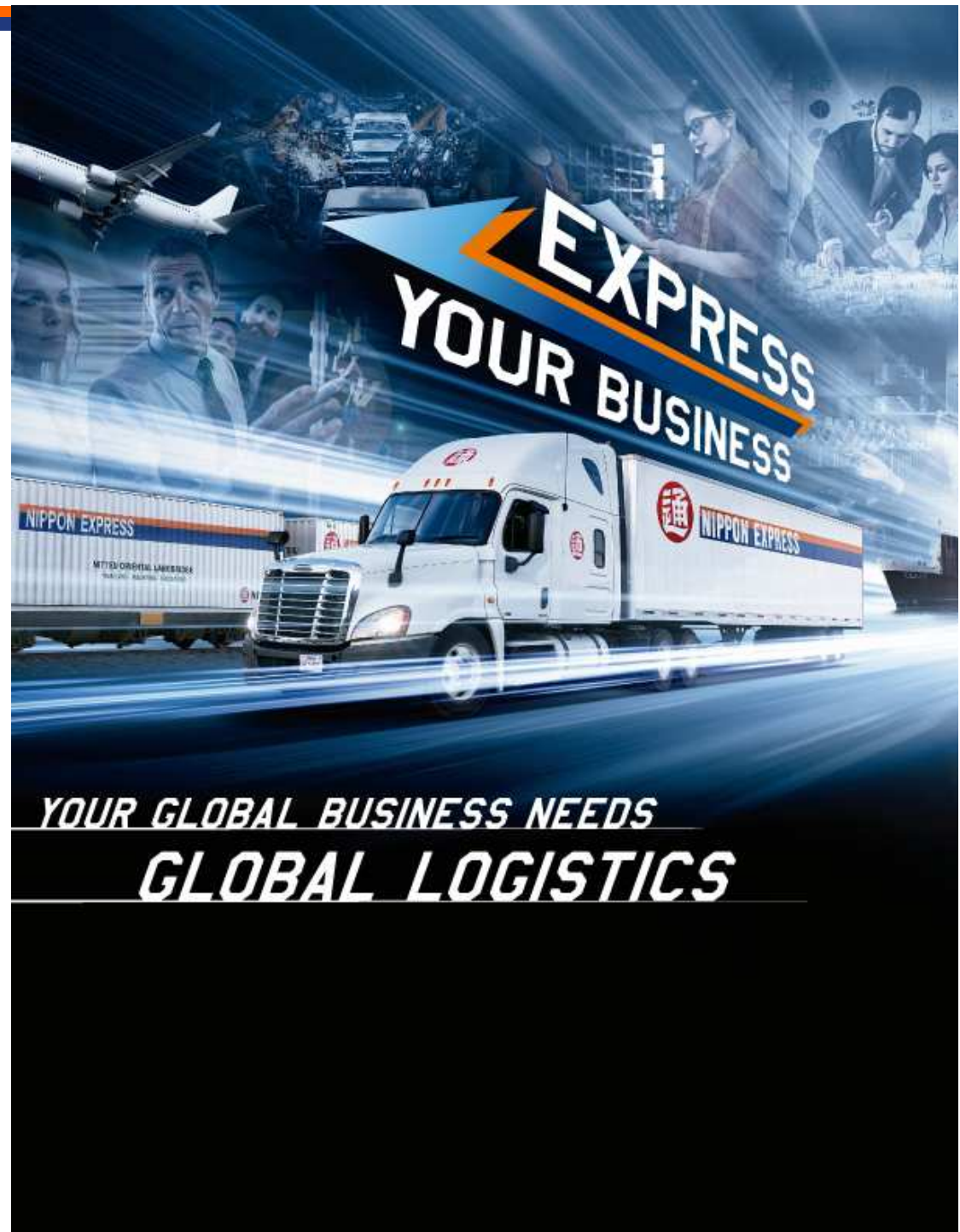
 **NIPPON EXPRESS**

Briefing Material

for the Results Meeting for
the Fiscal Year Ended March 2019

April 26, 2019

NIPPON EXPRESS CO., LTD.



Contents

1. Financial Results for FY2018

A. Overview of FY2018	P.2
B. Actual results by reportable segment	P.3
C. Trend for the past 5 years	P.4-
D. Financial position and cash flows	P.6
E. Changes due to the external environment and other variable factors	P.7-
F. Breakdown of revenues and operating income taking variable factors into account	P.9-

2. Segment Overview of FY2018

A. Japan segment	P.11
B. The Americas segment	P.12
C. Europe segment	P.13
D. East Asia segment	P.14
E. South Asia & Oceania segment	P.15
F. Security Transportation segment	P.16
G. Heavy Haulage & Construction segment	P.17
H. Logistics Support segment	P.18

3. Review of Business Plan 2018

A. Progress of numerical targets	P.19
B. Implementation of key strategies	P.20

4. Long-term Vision

A. Working towards our centennial anniversary (2037 Vision)	P.21
---	------

5. Nippon Express Group Business Plan 2023

A. Challenges of the New Business Plan	P.22
B. Numerical targets	P.23

6. Forecast of Consolidated Financial Results for FY2019

A. Consolidated results forecast	P.24
B. Forecasts by reportable segment	P.25
C. Changes due to the external environment and other variable factors (forecast)	P.26-
D. Progress of KPIs of the Nippon Express Group Business Plan 2023 (forecast)	P.28
E. Breakdown of revenues and operating income	P.29-

7. Segment Overview of FY2019 Forecast

A. Japan segment	B. The Americas segment	P.31
C. Europe segment	D. East Asia segment	P.32
E. South Asia & Oceania segment	F. Security Transportation segment	P.33
G. Heavy Haulage & Construction segment	H. Logistics Support segment	P.34

8. Return to Shareholders

A. Capital policy	B. Trend of indices	P.35
-------------------	---------------------	------

Other

Organizational Reform of April 15, 2019	P.36
Work Style Reform	P.37
Strategy to Enhance Domestic Businesses in Japan	P.38
Employee System Reform (Personnel Evaluation System)	P.39

1. Financial Results for FY2018

A Overview of FY2018

1. Overview (Consolidated)

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

Item	Actual for FY2018 ①	Actual for FY2017 ②	Difference YoY ③ = ① - ②	Difference YoY (%) ④ = $\frac{③}{②} \times 100$	Full-year forecast (announced on January 31) ⑤	Difference ⑥ = ⑤ - ①	Progress (%) ⑦ = $\frac{①}{⑤} \times 100$
Revenues	21,385	19,953	1,431	7.2	21,500	(114)	99.5
Operating income	795	702	93	13.3	770	25	103.4
Ordinary income	858	743	114	15.3	810	48	105.9
Profit attributable to owners of parent	493	65	427	655.0	450	43	109.6

2. Business Indices (Actual for the same period of the previous year)

- Operating Income Margin 3.7% (3.5%)
- Ordinary Income Margin 4.0% (3.7%)
- ROA 3.2% (0.4%)
- ROE 9.2% (1.2%)

1. Financial Results for FY2018

B Actual results by reportable segment

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

Segment	Item	Actual for FY2018 ①	Actual for FY2017 ②	Difference YoY ③ = ① - ②	Difference YoY (%) ④ = $\frac{③}{②} \times 100$	Full-year forecast (announced on January 31) ⑤	Difference ⑥ = ⑤ - ①	Progress (%) ⑦ = $\frac{①}{⑤} \times 100$
Japan	Revenues	12,568	11,886	681	5.7	12,624	(55)	99.6
	Segment Income	559	455	103	22.7	547	12	102.3
The Americas	Revenues	986	913	73	8.0	1,000	(13)	98.7
	Segment Income	42	44	(2)	(4.9)	45	(2)	94.8
Europe	Revenues	1,148	960	187	19.5	1,167	(18)	98.4
	Segment Income	22	41	(18)	(45.3)	22	0	103.3
East Asia	Revenues	1,227	1,174	52	4.5	1,235	(7)	99.4
	Segment Income	30	18	11	62.9	30	0	100.3
South Asia & Oceania	Revenues	918	853	64	7.6	915	3	100.4
	Segment Income	37	33	3	9.3	37	0	100.3
Security Transportation	Revenues	726	720	6	0.9	726	0	100.1
	Segment Income	12	21	(8)	(41.9)	9	3	137.8
Heavy Haulage & Construction	Revenues	477	476	1	0.3	470	7	101.6
	Segment Income	45	40	4	11.3	42	3	107.6
Logistics Support	Revenues	4,839	4,432	407	9.2	4,883	(43)	99.1
	Segment Income	127	117	10	9.0	118	9	108.3

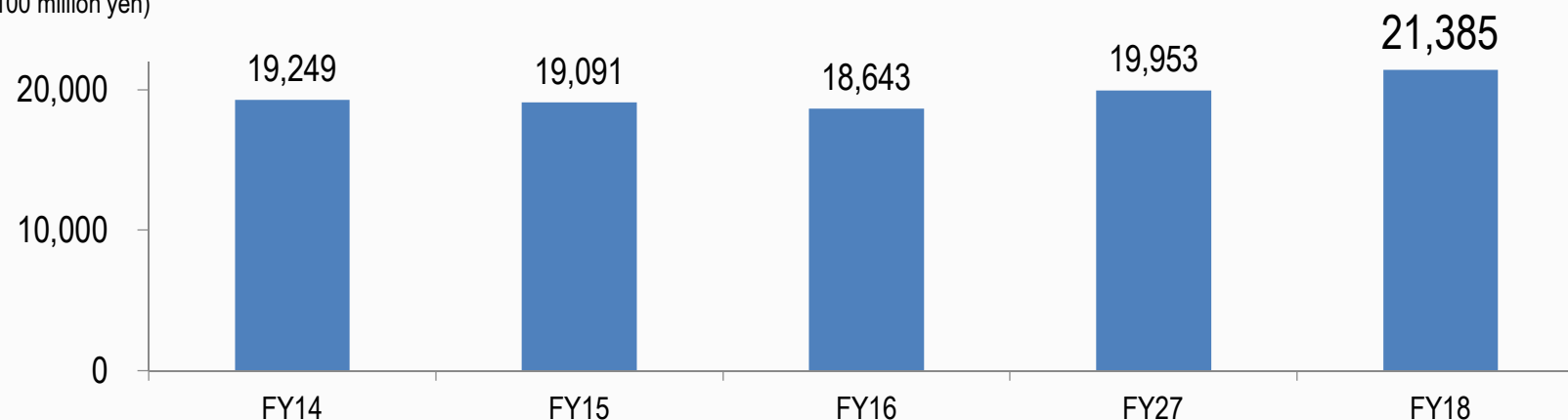
* In accordance with organizational reform, part of the Japan segment was changed to the Security Transportation segment effective from the fiscal year ended March 31, 2019. Accordingly, figures for the previous year are reclassified to reflect the segment change for the purpose of comparability.

1. Financial Results for FY2018

C Trend for the past 5 years

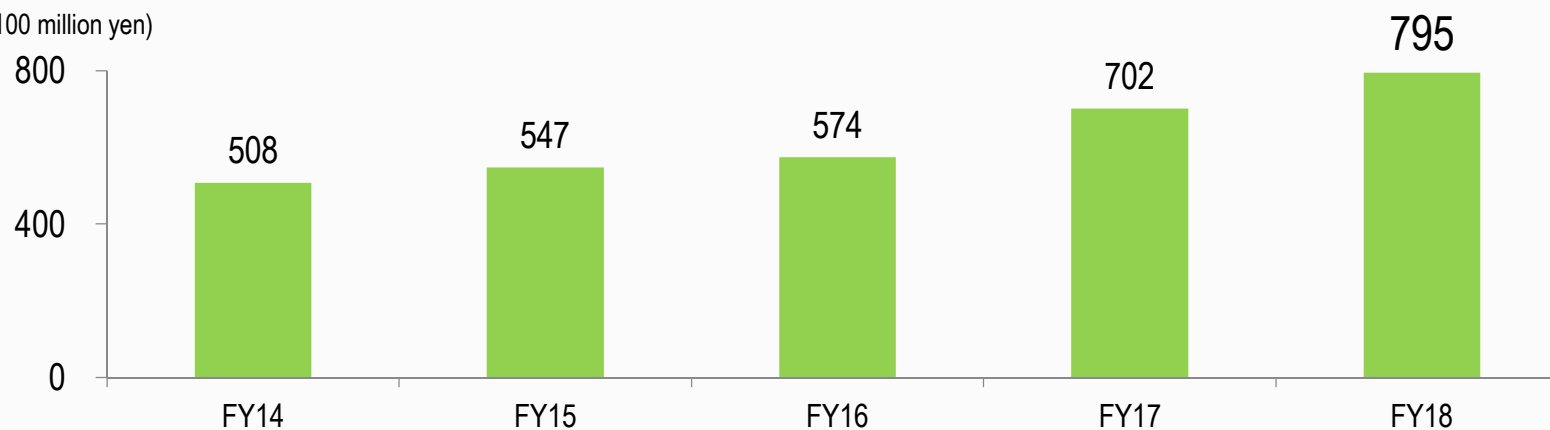
1. Revenues

(100 million yen)



2. Operating income

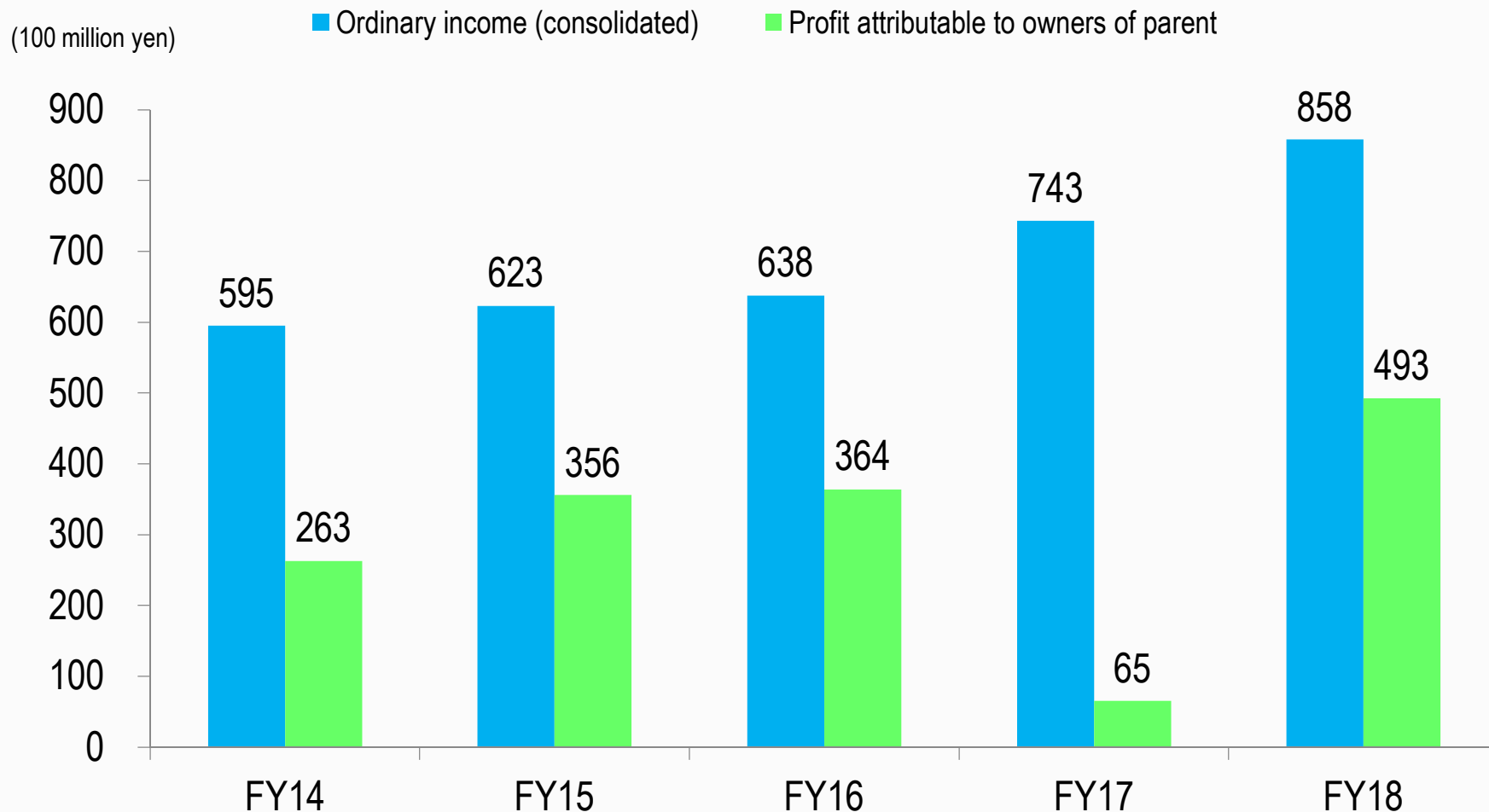
(100 million yen)



1. Financial Results for FY2018

C Trend for the past 5 years

3. Ordinary income and profit attributable to owners of parent



1. Financial Results for FY2018

D Financial position and cash flows

1. Financial position

(100 million yen)

Item	End of FY2018	End of FY2017	Difference
Total Assets	15,366	15,170	196
Equity	5,436	5,298	137
Equity Ratio (%)	35.4	34.9	0.5

2. Cash flows

(100 million yen)

Item	FY2018	FY2017	Difference
Cash Flows from Operating Activities (A)	726	918	(191)
Cash Flows from Investing Activities (B)	(909)	(874)	(35)
Free Cash Flows (A+B)	(182)	44	(138)
Cash Flows from Financing Activities	(146)	(314)	167
Cash and Cash Equivalents at End of Year	1,020	1,378	(357)

1. Financial Results for FY2018

E Changes due to the external environment and other variable factors

Variable factors	Impact on consolidated results (Full year)	Reference
Impact of change in unit fuel price	<p>¥2.73 billion (cost increase)</p> <p>*4Q: ¥0.07 billion 3Q cumulative total: ¥2.65 billion</p>	<p>Unit price per ℓ [FY2017]</p> <ul style="list-style-type: none"> • Light oil: ¥104.09 [¥90.66] • Gasoline: ¥137.30 [¥124.38] • Heavy oil: ¥55.71 [¥44.29]
Impact of foreign exchange	<p>Revenues: ¥(0.83) billion Operating income: ¥(0.03) billion</p> <p>*4Q: Revenues: ¥(2.68) billion Operating income: ¥(0.10) billion</p> <p>3Q cumulative total: Revenues: ¥1.84 billion Operating income: ¥0.06 billion</p>	<p>Average annual exchange rate* [FY2017]</p> <ul style="list-style-type: none"> • USD: ¥110.43 [¥112.19] • EUR: ¥130.42 [¥126.67] • HKD: ¥14.09 [¥14.40] • RMB: ¥16.72 [¥16.63] <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>

1. Financial Results for FY2018

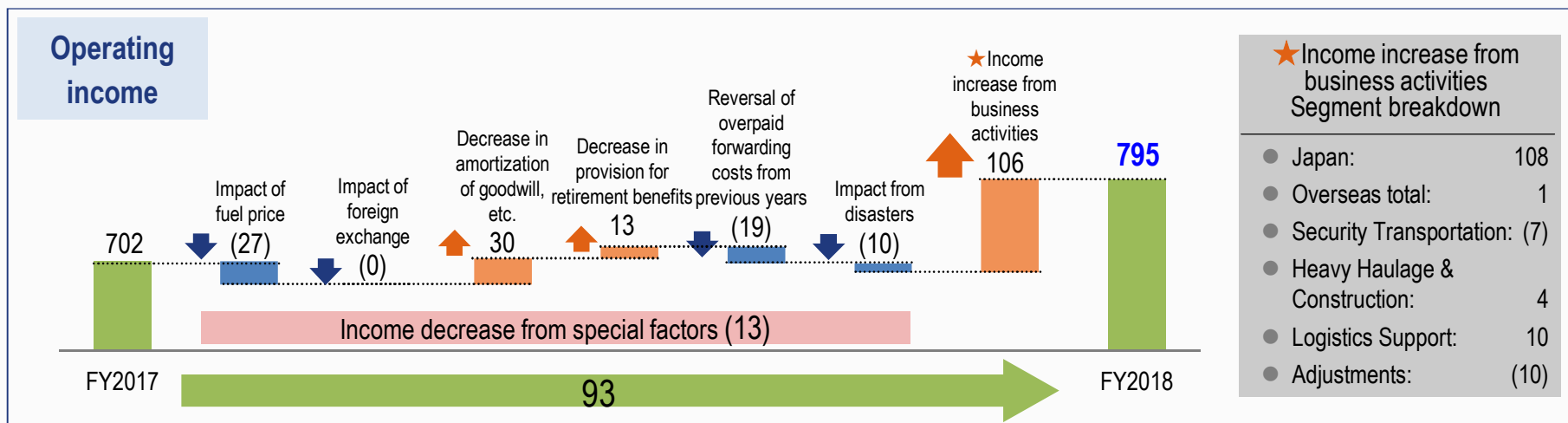
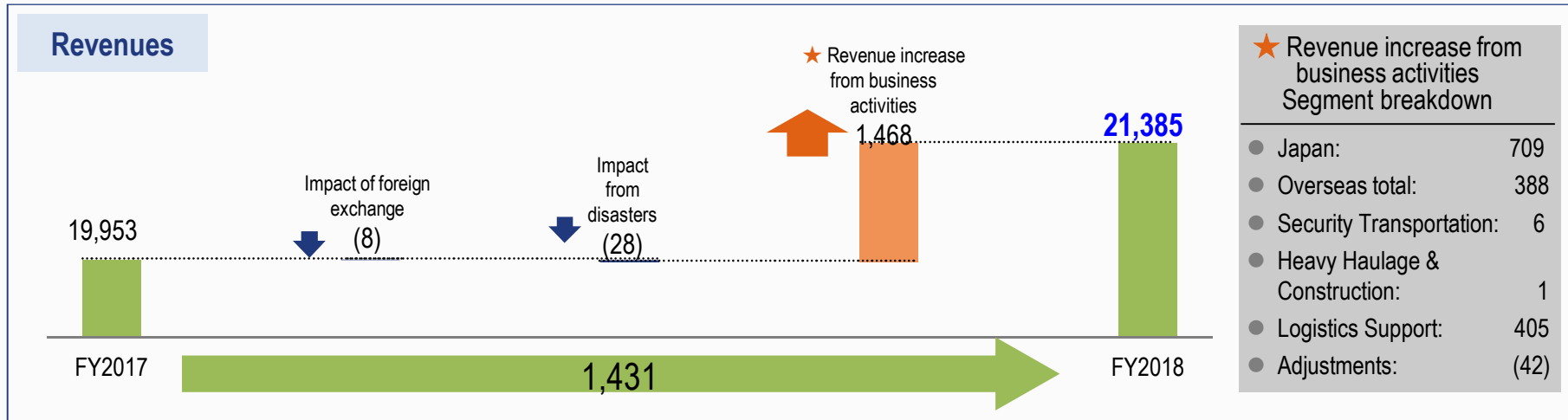
E Changes due to the external environment and other variable factors

Variable factors	Impact on consolidated results (Full year)	Reference
Impact from impairment loss on goodwill and non-current assets	Operating income: ¥3.04 billion *4Q: ¥0.76 billion 3Q cumulative total: ¥2.28 billion	<ul style="list-style-type: none"> • Japan: ¥2.51 billion • South Asia & Oceania: ¥0.53 billion
Decrease in provision for retirement benefits	Operating income: ¥1.36 billion *4Q: ¥0.34 billion 3Q cumulative total: ¥1.02 billion	<ul style="list-style-type: none"> • Japan: ¥1.09 billion • Security Transportation: ¥0.24 billion • Heavy Haulage & Construction: ¥0.03 billion
Other impact (special factors from previous year)	Operating income: ¥(1.9) billion (* Reversal of overpaid forwarding costs from previous years)	<ul style="list-style-type: none"> • Japan: ¥(0.8) billion • The Americas: ¥(1.1) billion
Impact from disasters (Heavy Rain Event in West Japan, Typhoon Jebi (Typhoon No. 21) and Hokkaido Eastern Iburi Earthquake)	Revenues: ¥(2.84) billion Operating income: ¥(1.01) billion	Operating income <ul style="list-style-type: none"> • Japan: ¥(0.95) billion • Security Transportation: ¥(0.01) billion • Logistics Support: ¥(0.04) billion

1. Financial Results for FY2018

F Breakdown of revenues and operating income taking variable factors into account

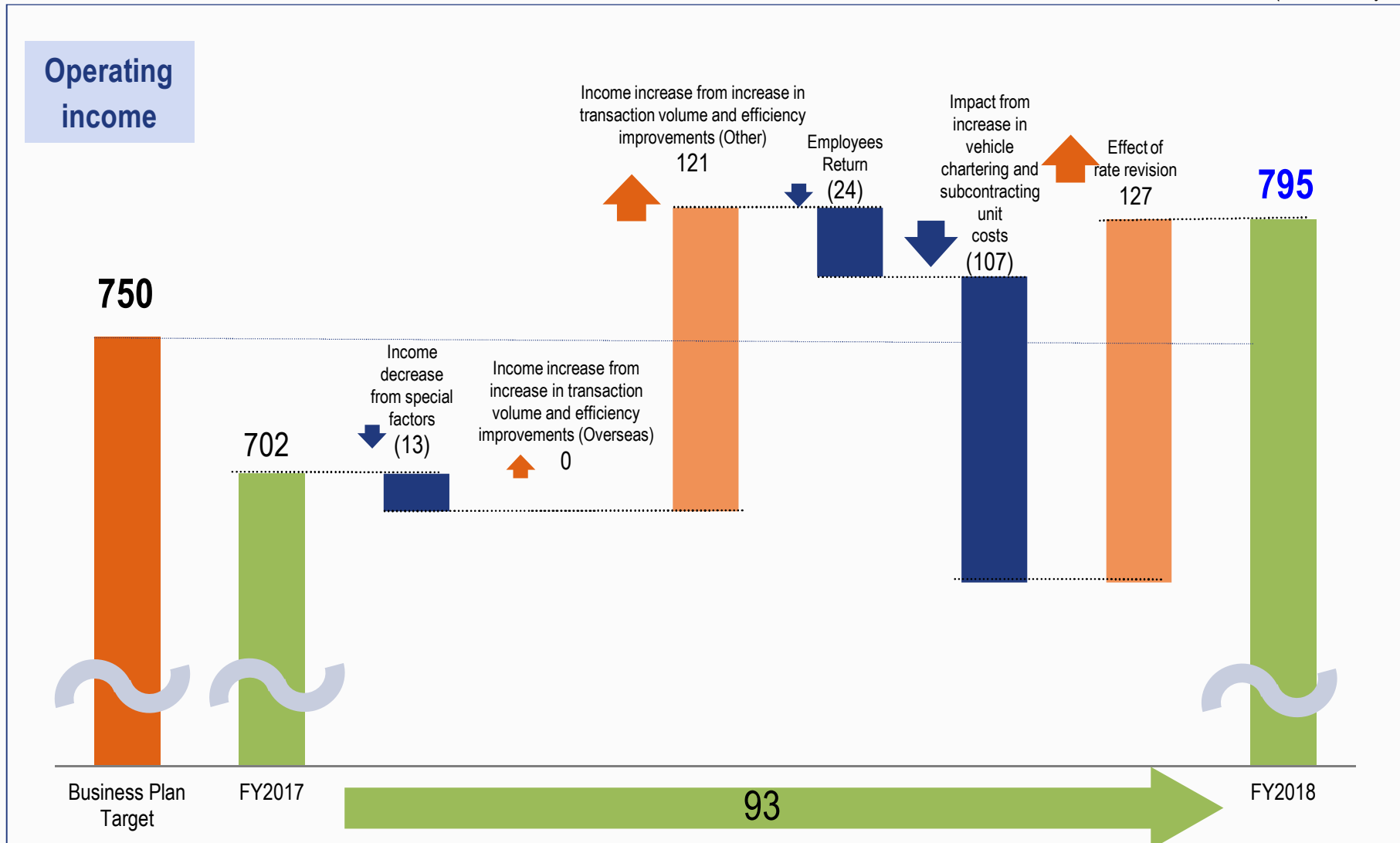
(100 million yen)



1. Financial Results for FY2018

F Breakdown of revenues and operating income taking variable factors into account

(100 million yen)



2. Segment Overview of FY2018

A Japan segment

1. Actual for 4Q

(100 million yen)

* Figures in brackets indicate operating income margin (%).

Item	Actual for FY2018	Comparison with FY2017		
		FY2017	Difference	Difference (%)
Revenues	3,063	3,047	16	0.5
Operating income*	133 [4.3]	129 [4.2]	3	2.9

2. Quarterly change

Item	Actual for FY2018					
	1Q	2Q	1H total	3Q	4Q	2H total
Revenues	3,073	3,084	6,157	3,346	3,063	6,410
Operating income*	119 [3.9]	118 [3.8]	238 [3.9]	188 [5.6]	133 [4.3]	321 [5.0]

Item	Actual for FY2017						Comparison with FY2017 (Upper: Difference / Lower: Difference (%))						
	1Q	2Q	1H total	3Q	4Q	2H total	1Q	2Q	1H total	3Q	4Q	2H total	
Revenues	2,866	2,902	5,769	3,070	3,047	6,117	207	181	388	275	16	292	
Operating income*	99 [3.5]	98 [3.4]	198 [3.4]	127 [4.2]	129 [4.2]	257 [4.2]	19	19	39	60	3	64	
							Revenues	7.2	6.3	6.7	9.0	0.5	4.8
							Operating income	19.9	19.9	19.9	47.2	2.9	25.0

Special factor 1 Decrease in amortization of goodwill, etc.: Quarterly: 6, Yearly: 25
 Decrease in provision for retirement benefits: Quarterly: 2, Yearly: 10

Special factor 2 Reversal of overpaid forwarding costs from previous years in FY2017: (8)

Special factor 3 Impact from disasters: Yearly: (9)

3. Forecast change

Item	Comparison of 1H forecast			Item	Comparison of 2H forecast						
	Actual	April 27 forecast	Difference		Actual	April 27 forecast	Difference	October 31 forecast	Difference	January 31 forecast	Difference
Revenues	6,157	5,990	167	Revenues	6,410	6,255	155	6,236	174	6,466	(55)
Operating income*	238 [3.9]	219 [3.7]	19	Operating income*	321 [5.0]	297 [4.7]	24	288 [4.6]	32	308 [4.8]	12

2. Segment Overview of FY2018

B The Americas segment

1. Actual for 4Q

(100 million yen)

* Figures in brackets indicate operating income margin (%).

Item	Actual for FY2018	Comparison with FY2017		
		FY2017	Difference	Difference (%)
Revenues	262	238	24	10.1
Operating income*	8 [3.3]	8 [3.5]	0	3.2

Overview
<ul style="list-style-type: none"> Mainly for automobile-related items, air and marine import freight forwarding, warehousing & distribution and automobile transportation were solid.

2. Quarterly change

Item	Actual for FY2018					
	1Q	2Q	1H total	3Q	4Q	2H total
Revenues	231	240	472	251	262	514
Operating income*	8 [3.7]	13 [5.7]	22 [4.7]	11 [4.7]	8 [3.3]	20 [4.0]

Item	Actual for FY2017						Comparison with FY2017 (Upper : Difference / Lower : Difference (%))						
	1Q	2Q	1H total	3Q	4Q	2H total	1Q	2Q	1H total	3Q	4Q	2H total	
Revenues	220	227	448	227	238	465	11	12	23	24	24	49	
Operating income*	7 [3.4]	19 [8.6]	27 [6.0]	9 [4.2]	8 [3.5]	17 [3.8]	1	(5)	(4)	2	0	2	
							Revenues	5.0	5.7	5.3	11.0	10.1	10.5
							Operating income	15.5	(30.5)	(17.9)	24.9	3.2	14.7

Special factor

1

Reversal of overpaid forwarding costs from previous years in FY2017: (11)

3. Forecast change

Item	Comparison of 1H forecast			Item	Comparison of 2H forecast						
	Actual	April 27 forecast	Difference		Actual	April 27 forecast	Difference	October 31 forecast	Difference	January 31 forecast	Difference
Revenues	472	469	3	Revenues	514	485	29	523	(9)	527	(13)
Operating income*	22 [4.7]	20 [4.3]	2	Operating income*	20 [4.0]	23 [4.7]	(2)	26 [5.1]	(6)	22 [4.3]	(2)

2. Segment Overview of FY2018

C Europe segment

1. Actual for 4Q

(100 million yen)

* Figures in brackets indicate operating income margin (%).

Item	Actual for FY2018	Comparison with FY2017		
		FY2017	Difference	Difference (%)
Revenues	313	288	24	8.6
Operating income*	10 [3.5]	13 [4.6]	(2)	(17.3)

Overview
<p>• While the warehousing & distribution business was solid, air export freight forwarding decreased due to the lack of spot business that existed in FY2017 in Italy and France.</p>

2. Quarterly change

Item	Actual for FY2018					
	1Q	2Q	1H total	3Q	4Q	2H total
Revenues	285	274	559	274	313	588
Operating income*	5 [2.0]	1 [0.6]	7 [1.3]	4 [1.7]	10 [3.5]	15 [2.6]

Item	Actual for FY2017						Comparison with FY2017 (Upper : Difference / Lower : Difference (%))						
	1Q	2Q	1H total	3Q	4Q	2H total	1Q	2Q	1H total	3Q	4Q	2H total	
Revenues	214	223	438	233	288	522	70	51	121	41	24	66	
Operating income*	8 [3.7]	9 [4.1]	17 [3.9]	11 [4.8]	13 [4.6]	24 [4.6]	(2)	(7)	(10)	(6)	(2)	(8)	
							Revenues	32.9	22.8	27.7	17.7	8.6	12.6
							Operating income	(30.5)	(82.3)	(58.2)	(58.6)	(17.3)	(36.2)

3. Forecast change

Item	Comparison of 1H forecast			Item	Comparison of 2H forecast						
	Actual	April 27 forecast	Difference		Actual	April 27 forecast	Difference	October 31 forecast	Difference	January 31 forecast	Difference
Revenues	559	551	8	Revenues	588	573	15	562	26	607	(18)
Operating income*	7 [1.3]	20 [3.6]	(12)	Operating income*	15 [2.6]	26 [4.5]	(10)	18 [3.3]	(3)	14 [2.4]	0

2. Segment Overview of FY2018

D East Asia segment

1. Actual for 4Q

(100 million yen)

* Figures in brackets indicate operating income margin (%).

Item	Actual for FY2018	Comparison with FY2017		
		FY2017	Difference	Difference (%)
Revenues	331	324	6	2.1
Operating income*	10 [3.1]	5 [1.7]	4	92.0

Overview
<ul style="list-style-type: none"> • Air export freight forwarding and marine export freight forwarding remained solid. • Although air forwarding costs remained high, the reduction of expenses progressed through transfer of expenses to customers and streamlining, resulting in significant improvement of profit.

2. Quarterly change

Item	Actual for FY2018					
	1Q	2Q	1H total	3Q	4Q	2H total
Revenues	283	304	588	308	331	639
Operating income*	3 [1.4]	7 [2.5]	11 [2.0]	8 [2.6]	10 [3.1]	18 [2.9]

Item	Actual for FY2017						Comparison with FY2017 [Upper : Difference / Lower : Difference (%)]						
	1Q	2Q	1H total	3Q	4Q	2H total	1Q	2Q	1H total	3Q	4Q	2H total	
Revenues	268	279	547	302	324	627	15	25	40	5	6	12	
Operating income*	4 [1.5]	3 [1.3]	7 [1.4]	5 [1.8]	5 [1.7]	10 [1.7]	(0)	4	3	2	4	7	
							Revenues	5.8	9.0	7.4	1.8	2.1	1.9
							Operating income	(4.0)	111.7	51.1	50.6	92.0	71.4

3. Forecast change

Item	Comparison of 1H forecast			Item	Comparison of 2H forecast						
	Actual	April 27 forecast	Difference		Actual	April 27 forecast	Difference	October 31 forecast	Difference	January 31 forecast	Difference
Revenues	588	572	16	Revenues	639	641	(1)	641	(2)	646	(7)
Operating income*	11 [2.0]	12 [2.1]	(0)	Operating income*	18 [2.9]	16 [2.5]	2	17 [2.7]	1	18 [2.8]	0

2. Segment Overview of FY2018

E South Asia & Oceania segment

1. Actual for 4Q

(100 million yen)

* Figures in brackets indicate operating income margin (%).

Item	Actual for FY2018	Comparison with FY2017		
		FY2017	Difference	Difference (%)
Revenues	237	231	6	2.8
Operating income*	7 [3.2]	7 [3.0]	0	8.3

2. Quarterly change

Item	Actual for FY2018					
	1Q	2Q	1H total	3Q	4Q	2H total
Revenues	218	226	444	236	237	474
Operating income*	8 [4.0]	10 [4.7]	19 [4.3]	10 [4.3]	7 [3.2]	17 [3.7]

Item	Actual for FY2017						Comparison with FY2017 (Upper : Difference / Lower : Difference (%))						
	1Q	2Q	1H total	3Q	4Q	2H total	1Q	2Q	1H total	3Q	4Q	2H total	
Revenues	194	201	395	227	231	458	23	25	49	9	6	15	
Operating income*	7 [4.0]	8 [4.2]	16 [4.1]	10 [4.7]	7 [3.0]	17 [3.8]	0	2	2	(0)	0	0	
Special factor 1	Decrease in amortization of goodwill, etc.: Quarterly: 1, Yearly: 5						Revenues	12.3	12.6	12.5	4.0	2.8	3.4
							Operating income	11.5	24.7	18.4	(4.1)	8.3	0.9

Overview
<ul style="list-style-type: none"> • Air export freight forwarding decreased because of the loss of apparel-related orders and a decrease in sport cargo. • Warehousing & distribution and marine & harbor transportation increased. <p>In terms of costs, forwarding costs and vehicle chartering and subcontracting costs remained high.</p>

3. Forecast change

Item	Comparison of 1H forecast			Item	Comparison of 2H forecast						
	Actual	April 27 forecast	Difference		Actual	April 27 forecast	Difference	October 31 forecast	Difference	January 31 forecast	Difference
Revenues	444	423	21	Revenues	474	477	(2)	471	2	470	3
Operating income*	19 [4.3]	18 [4.3]	1	Operating income*	17 [3.7]	19 [4.0]	(1)	17 [3.7]	0	17 [3.8]	0

2. Segment Overview of FY2018

F Security Transportation segment

1. Actual for 4Q

(100 million yen)

* Figures in brackets indicate operating income margin (%).

Item	Actual for FY2018	Comparison with FY2017		
		FY2017	Difference	Difference (%)
Revenues	185	179	6	3.4
Operating income*	6 [3.3]	5 [2.9]	0	18.2

Overview
<p>• Due to expansion of sales of cash logistics, acquisition of outsourcing from regional financial institutions increased and external sales of cash safety delivery machines increased.</p>

2. Quarterly change

Item	Actual for FY2018					
	1Q	2Q	1H total	3Q	4Q	2H total
Revenues	180	179	359	181	185	366
Operating income*	3 [1.8]	(0)[(0.2)]	2 [0.8]	3 [1.8]	6 [3.3]	9 [2.6]

Item	Actual for FY2017						Comparison with FY2017 (Upper : Difference / Lower : Difference (%))						
	1Q	2Q	1H total	3Q	4Q	2H total	1Q	2Q	1H total	3Q	4Q	2H total	
Revenues	180	179	360	180	179	359	0	(0)	(0)	0	6	6	
Operating income*	6 [3.6]	4 [2.3]	10 [3.0]	5 [3.0]	5 [2.9]	10 [3.0]	(3)	(4)	(7)	(2)	0	(1)	
							Revenues	0.1	(0.3)	(0.1)	0.3	3.4	1.9
							Operating income	(50.2)	(107.6)	(72.7)	(38.6)	18.2	(10.9)

Special factor 1 Decrease in provision for retirement benefits: Quarterly: 0, Yearly: 2

Special factor 2 Impact from disasters: 2Q: (0), Yearly: (0)

3. Forecast change

Item	Comparison of 1H forecast			Item	Comparison of 2H forecast						
	Actual	April 27 forecast	Difference		Actual	April 27 forecast	Difference	October 31 forecast	Difference	January 31 forecast	Difference
Revenues	359	362	(2)	Revenues	366	377	(10)	366	0	366	0
Operating income*	2 [0.8]	5 [1.4]	(2)	Operating income*	9 [2.6]	10[2.7]	(0)	8 [2.2]	1	6 [1.7]	3

2. Segment Overview of FY2018

G Heavy Haulage & Construction segment

1. Actual for 4Q

(100 million yen)

* Figures in brackets indicate operating income margin (%).

Item	Actual for FY2018	Comparison with FY2017		
		FY2017	Difference	Difference (%)
Revenues	108	96	11	11.9
Operating income*	8 [8.0]	4 [4.9]	3	82.6

Overview
• Wind power plant-related and heavy electric-related projects, which are booming in Japan, increased.

2. Quarterly change

Item	Actual for FY2018					
	1Q	2Q	1H total	3Q	4Q	2H total
Revenues	124	124	248	120	108	228
Operating income*	10 [8.6]	10 [8.2]	20 [8.4]	15 [13.0]	8[8.0]	24[10.6]

Item	Actual for FY2017						Comparison with FY2017 (Upper : Difference / Lower : Difference (%))						
	1Q	2Q	1H total	3Q	4Q	2H total	1Q	2Q	1H total	3Q	4Q	2H total	
Revenues	123	125	248	130	96	227	1	(1)	(0)	(10)	11	1	
Operating income*	9 [7.9]	13 [10.9]	23 [9.4]	12 [9.5]	4 [4.9]	17 [7.6]	0	(3)	(2)	3	3	7	
							Revenues	0.9	(0.9)	(0.0)	(7.7)	11.9	0.7
							Operating income	9.8	(25.6)	(10.9)	25.9	82.6	41.6

Special factor ① Decrease in provision for retirement benefits: Quarterly: 0, Yearly: 0

3. Forecast change

Item	Comparison of 1H forecast		
	Actual	April 27 forecast	Difference
Revenues	248	243	5
Operating income*	20 [8.4]	20 [8.2]	0

Item	Comparison of 2H forecast						
	Actual	April 27 forecast	Difference	October 31 forecast	Difference	January 31 forecast	Difference
Revenues	228	215	13	212	16	221	7
Operating income*	24 [10.6]	16 [7.4]	8	16 [7.6]	8	21 [9.5]	3

2. Segment Overview of FY2018

H Logistics Support segment

1. Actual for 4Q

(100 million yen)

* Figures in brackets indicate operating income margin (%).

Item	Actual for FY2018	Comparison with FY2017		
		FY2017	Difference	Difference (%)
Revenues	1,272	1,232	39	3.2
Operating income*	36[2.9]	35 [2.8]	1	4.2

Overview
<ul style="list-style-type: none"> • Nittsu Shoji benefited from an increase in the unit selling prices of oil. • Sales of distribution equipment remained solid thanks to the abundance of projects.

2. Quarterly change

Item	Actual for FY2018					
	1Q	2Q	1H total	3Q	4Q	2H total
Revenues	1,115	1,170	2,285	1,281	1,272	2,553
Operating income*	26 [2.4]	30 [2.6]	57 [2.5]	33 [2.6]	36[2.9]	70[2.7]

Item	Actual for FY2017						Comparison with FY2017 (Upper : Difference / Lower : Difference (%))						
	1Q	2Q	1H total	3Q	4Q	2H total	1Q	2Q	1H total	3Q	4Q	2H total	
Revenues	1,007	1,035	2,042	1,156	1,232	2,389	107	135	242	124	39	164	
Operating income*	24 [2.5]	28 [2.7]	53 [2.6]	28 [2.5]	35 [2.8]	63 [2.7]	2	2	4	4	1	6	
							Revenues	10.7	13.1	11.9	10.8	3.2	6.9
							Operating income	8.1	8.4	8.2	16.3	4.2	9.6

Special factor

①

Impact from disasters: 2Q: (0), Yearly: (0)

3. Forecast change

Item	Comparison of 1H forecast			Item	Comparison of 2H forecast						
	Actual	April 27 forecast	Difference		Actual	April 27 forecast	Difference	October 31 forecast	Difference	January 31 forecast	Difference
Revenues	2,285	2,224	61	Revenues	2,553	2,430	123	2,481	72	2,597	(43)
Operating income*	57 [2.5]	56 [2.5]	1	Operating income*	70 [2.7]	62 [2.6]	8	60 [2.4]	9	60 [2.3]	9

3. Review of Business Plan 2018

A Progress of numerical targets

(100 million yen)

Numerical Targets	Business Plan targets	Actual for FY2018	Evaluation(%)
Revenues	21,500	21,385	99.5
Operating income	750	795	106.1(Achieved)
Net income	450	493	109.6(Achieved)
Return on assets (ROA)	2.8	3.2	Achieved
Revenues from overseas-related business	8,600	8,242	95.8
Investment	2,000	2,562	128.1

Segment	Revenues			Operating income		
	Business Plan targets	Actual for FY2018	Evaluation (%)	Business Plan targets	Actual for FY2018	Evaluation (%)
Japan	13,000	12,568	96.7	480	559	116.6
The Americas	1,000	986	98.7	56	42	76.1
Europe	900	1,148	127.6	38	22	59.8
East Asia	1,350	1,227	90.9	42	30	71.6
South Asia & Oceania	1,050	918	87.5	36	37	103.1
Security Transportation	560	726	129.7	17	12	72.9
Heavy Haulage & Construction	530	477	90.1	33	45	137.0
Logistics Support	4,720	4,839	102.5	104	127	122.9

3. Review of Business Plan 2018

B Implementation of key strategies

Area strategy	Achievements	Challenges carried over to next term
Japan	<p>Establishing a foundation that can ensure both growth and profitability.</p> <ul style="list-style-type: none"> • Revenues *consolidated results including overseas FY2015 : 1,909.1 billion yen --> FY2018 : 2,138.5 billion yen(+229.3 billion yen) • Operating income *consolidated results including overseas FY2015 : 54.7 billion yen --> FY2018 : 79.5 billion yen(+24.8 billion yen) 	<ul style="list-style-type: none"> • Expanding business in the three major metropolitan areas of Japan (Tokyo, Nagoya, and Osaka) • Making Japanese domestic business profitable (e.g. real estate business, security transportation, small package, and unprofitable businesses)
Overseas	<p>Driving the growth of the Nippon Express Group through overseas business operations</p> <ul style="list-style-type: none"> • Overseas Revenues FY2015 : 364.6 billion yen --> FY2018 : 428.1 billion yen(+62.5 billion yen) <p>Growth in the countries of South Asia and Oceania</p> <ul style="list-style-type: none"> • Revenues (South Asia and Oceania) FY2015 : 70.2 billion yen --> FY2018 : 91.8 billion yen(+21.6 billion yen) 	<ul style="list-style-type: none"> • Expanding logistics networks within South Asia • Making prior investments in India and African countries profitable • Making warehouses and other investment projects profitable

Functional strategy	Achievements	Challenges carried over to the next term
Thorough strengthening sales activities	<ul style="list-style-type: none"> ■ Reorganizing business units currently divided by transportation modes (ground, ocean, and air) by regional blocks to achieve one-stop sales. ■ Newly establishing account management branches. 	<ul style="list-style-type: none"> ■ Promoting marketing activities by industry and further pursuing target industries. ■ Expanding sales to non-Japanese accounts.
Reinforcing and improving core operations	<ul style="list-style-type: none"> ■ Reinforcing procurement power in global forwarding. ■ Efforts to promote overseas logistics business. • Establishing the Mekong Development Center • Promoting railway business between China and Europe. 	<ul style="list-style-type: none"> ■ Promoting reform in ocean transport business ■ Venturing into logistics for pharmaceutical/medical supplies ■ Effectively using advanced technologies
Reinforcing group management	<ul style="list-style-type: none"> ■ Purchasing the Traconf S.r.l group 	<ul style="list-style-type: none"> ■ Reinforcing governance as a global business group. ■ Optimizing business within the Nippon Express group.
Enhanced management foundations	<ul style="list-style-type: none"> ■ Building the Shared Services Center (SSC) ■ Newly established organizations at HQ(e.g. ,Logistics Engineering Strategy Division, Diversity Promotion Group) 	<ul style="list-style-type: none"> ■ Improving productivity of sales and business process while cutting administrative costs ■ Efforts in IT structural reform
Further strengthening Group CSR management	<ul style="list-style-type: none"> ■ Contributing protect the global environment through our business activities. ■ Reinforcing overseas audits 	<ul style="list-style-type: none"> ■ Specific initiatives to achieve long-term environmental goals ■ Further promotion of diversity-oriented management ■ Efforts to comply with governmental policies such as “equal labor, equal pay” and “working-style reforms”

4. Long-term Vision

A Working towards our centennial anniversary (2037 Vision)

Business growth

A logistics company with a strong presence in the global market

Customers and society

A company that contributes achieve a sustainable society through logistics

Shareholders

A company that achieves sustainable growth by establishing corporate governance

Employees

A company whose employees come from a variety of backgrounds, are proud of their work, support customers and society, and play active roles

Values to be changed Creating new value through innovation

**Values to be sustained Safety, Compliance, Quality (priorities)
 We Find the Way (Corporate Message)**

Nippon Express Group Corporate Philosophy
 Our Mission: Be a Driving Force for Social Development
 Our Challenge: Create New Ideas and Value that Expand the Field of Logistics
 Our Pride: Inspire Trust Every Step of the Way

5. Nippon Express Group Business Plan 2023 ~ “Dynamic Growth” ~

A Challenges of the New Business Plan

- Defines a Three-Dimensional (Customer (Industry) , Business, and Area) approach as a **growth strategy for our core business**
- Defines a realization of the high profitability to build the base of our growth strategy as a **strategy to enhance domestic businesses in Japan**
- Defines M&A as a **inorganic growth strategy** to reinforce and expand our global management base
- Establishes **ESG-oriented business management to realize sustainable development** (e.g. ,global governance) and improve corporate value



5. Nippon Express Group Business Plan 2023 ~ “Dynamic Growth” ~

B Numerical targets

Item	FY2019 Forecast	FY2021 targets
Revenues	¥2,150.0 billion	¥2,250.0 billion
Operating income	¥68.0 billion	¥83.0 billion
Operating income ratio	3.2 %	3.7 %
Net income	¥45.0 billion	¥54.0 billion
Overseas Revenues	¥450.2 billion	¥520.0 billion
ROE	8 %	9 %
Forwarding volume	Ocean cargo: 760,000 TEU Air cargo: 900,000 Ton	Ocean cargo: 1,000,000 TEU Air cargo: 1,200,000 Ton

6. Forecast of Consolidated Financial Results for FY2019

A Consolidated results forecast

(100 million yen)

Item	1H			2H			Full year		
	FY2019 forecast	FY2018 results	Difference [%]	FY2019 forecast	FY2018 results	Difference [%]	FY2019 forecast	FY2018 results	Difference [%]
Revenues	10,500	10,403	96 [0.9]	11,000	10,981	18 [0.2]	21,500	21,385	114 [0.5]
Operating income [Operating income margin]	270 [2.6]	340 [3.3]	(70) [(20.6)]	410 [3.7]	455 [4.2]	(45) [(10.0)]	680 [3.2]	795 [3.7]	(115) [(14.6)]
Ordinary income	300	377	(77) [(20.6)]	430	480	(50) [(10.4)]	730	858	(128) [(14.9)]
Profit attributable to owners of parent	170	234	(64) [(27.5)]	280	258	21 [8.2]	450	493	(43) [(8.8)]

(rounded down to 100 million yen)

6. Forecast of Consolidated Financial Results for FY2019

B Forecasts by reportable segment

(100 million yen)

Segment	Item	Full-year forecast	Actual for FY2018	Difference YoY	Difference YoY (%)	[Reference] FY2021 interim target
Japan	Revenues	12,618	12,568	49	0.4	13,000
	Segment Income	472	559	(87)	(15.7)	520
The Americas	Revenues	1,037	986	50	5.1	1,200
	Segment Income	47	42	4	10.2	62
Europe	Revenues	1,252	1,148	103	9.0	1,350
	Segment Income	30	22	7	32.1	46
East Asia	Revenues	1,263	1,227	35	2.9	1,500
	Segment Income	33	30	2	9.7	41
South Asia & Oceania	Revenues	950	918	31	3.4	1,150
	Segment Income	43	37	5	15.9	51
Security Transportation	Revenues	739	726	12	1.7	750
	Segment Income	(18)	12	(30)	(245.1)	3
Heavy Haulage & Construction	Revenues	480	477	2	0.5	500
	Segment Income	43	45	(2)	(4.9)	40
Logistics Support	Revenues	4,758	4,839	(81)	(1.7)	5,050
	Segment Income	126	127	(1)	(1.4)	127

(rounded down to 100 million yen)

6. Forecast of Consolidated Financial Results for FY2019

C Changes due to the external environment and other variable factors (forecast)

Variable factors	Impact on consolidated results (Full-year forecast)	Reference
Impact of change in unit fuel price	<p>¥(1.00) billion (cost decrease)</p> <p>*FY2018: ¥2.73 billion (cost increase)</p>	<p>Unit price per ℓ [Yearly average in FY2018]</p> <ul style="list-style-type: none"> • Light oil: ¥100.00 [¥104.09] • Gasoline: ¥132.60 [¥137.30] • Heavy oil: ¥49.10 [¥55.71]
Impact of foreign exchange	<p>Revenues: ¥(4.27) billion</p> <p>Operating income: ¥(0.11) billion</p> <p>*FY2018: Revenues: ¥(0.83) billion Operating income: ¥(0.03) billion</p>	<p>Average annual exchange rate* [Yearly average in FY2018]</p> <ul style="list-style-type: none"> • USD: ¥111.10 [¥110.43] • EUR: ¥125.10 [¥130.42] • HKD: ¥14.10 [¥14.09] • RMB: ¥16.50 [¥16.72] <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>
Increase in amortization of actuarial differences in retirement benefit accounting	<p>Operating income: ¥(1.73) billion</p>	

6. Forecast of Consolidated Financial Results for FY2019

C Changes due to the external environment and other variable factors (forecast)

Variable factors	Impact on consolidated results (Full-year forecast)	Reference
Impact from disasters (Special factor in FY2018)	Operating income: ¥1.01 billion *1H: ¥0.9 billion 2H: ¥0.1 billion	(Reference) Impact in FY2018 <ul style="list-style-type: none"> • Transportation opportunity loss due to suspension of operation of customers' factories as a result of disasters: ¥(2.43) billion • Response to non-routine transportation needs, such as substitute transportation: ¥1.41 billion
Changes associated with employee system reform	Operating income: ¥(8.0) billion	<ul style="list-style-type: none"> • Japan: ¥(6.26) billion • Security Transportation: ¥(1.68) billion • Heavy Haulage & Construction: ¥(0.05) billion
Environment investments	Operating income: ¥(1.0) billion	<ul style="list-style-type: none"> • Japan: ¥(1.0) billion
Impact from change of the period applicable to bonus payment	Operating income: ¥(5.0) billion	<ul style="list-style-type: none"> • Japan: ¥(3.85) billion • Security Transportation: ¥(1.03) billion • Heavy Haulage & Construction: ¥(0.12) billion

6. Forecast of Consolidated Financial Results for FY2019

D Progress of KPIs of the Nippon Express Group Business Plan 2023 (forecast)

1. Growth strategy for core businesses

Item	Indicator	Actual for FY2018	FY2019 forecast	KPI (FY2023)
Further business development in the electric and electronics industry*	Revenues	¥115.4B	¥116.0B	¥120.0B
Further business development in the automotive industry*	Revenues	¥51.2B	¥57.0B	¥90.0B
Further business development in the apparel industry*	Revenues	¥16.3B	¥17.5B	¥24.5B
Further business development in the pharmaceutical/medical industry*	Revenues	¥16.7B	¥18.0B	¥36.0B
Increase of non-Japanese accounts (GAM, GTA)	Revenues	¥26.0B	¥27.0B	¥43.0B
Expansion of marine freight forwarding	Volume (TEU)	680,000 TEU	760,000 TEU	1,300,000 TEU
Expansion of air freight forwarding	Volume (tons)	900,000 tons	900,000 tons	1,400,000 tons

*Priority industries: Actual and KPIs indicated are for domestic businesses in Japan only. (KPIs are to be set for overseas businesses.)

*GAM: Global Account Management

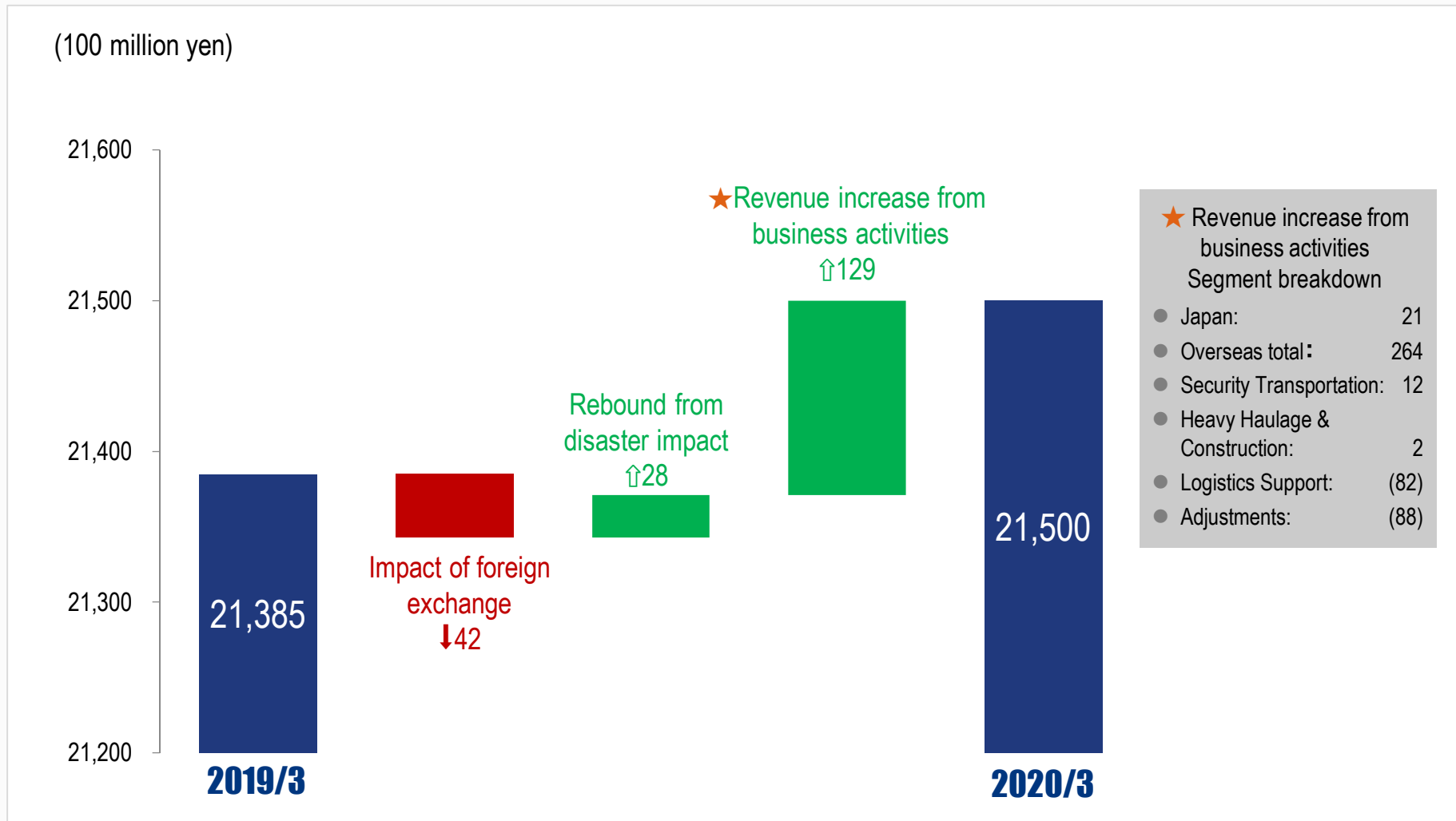
*GTA: Global Target Accounts

*Forwarding volume: Annual volume for a calendar year from January to December

6. Forecast of Consolidated Financial Results for FY2019

E Breakdown of revenues and operating income

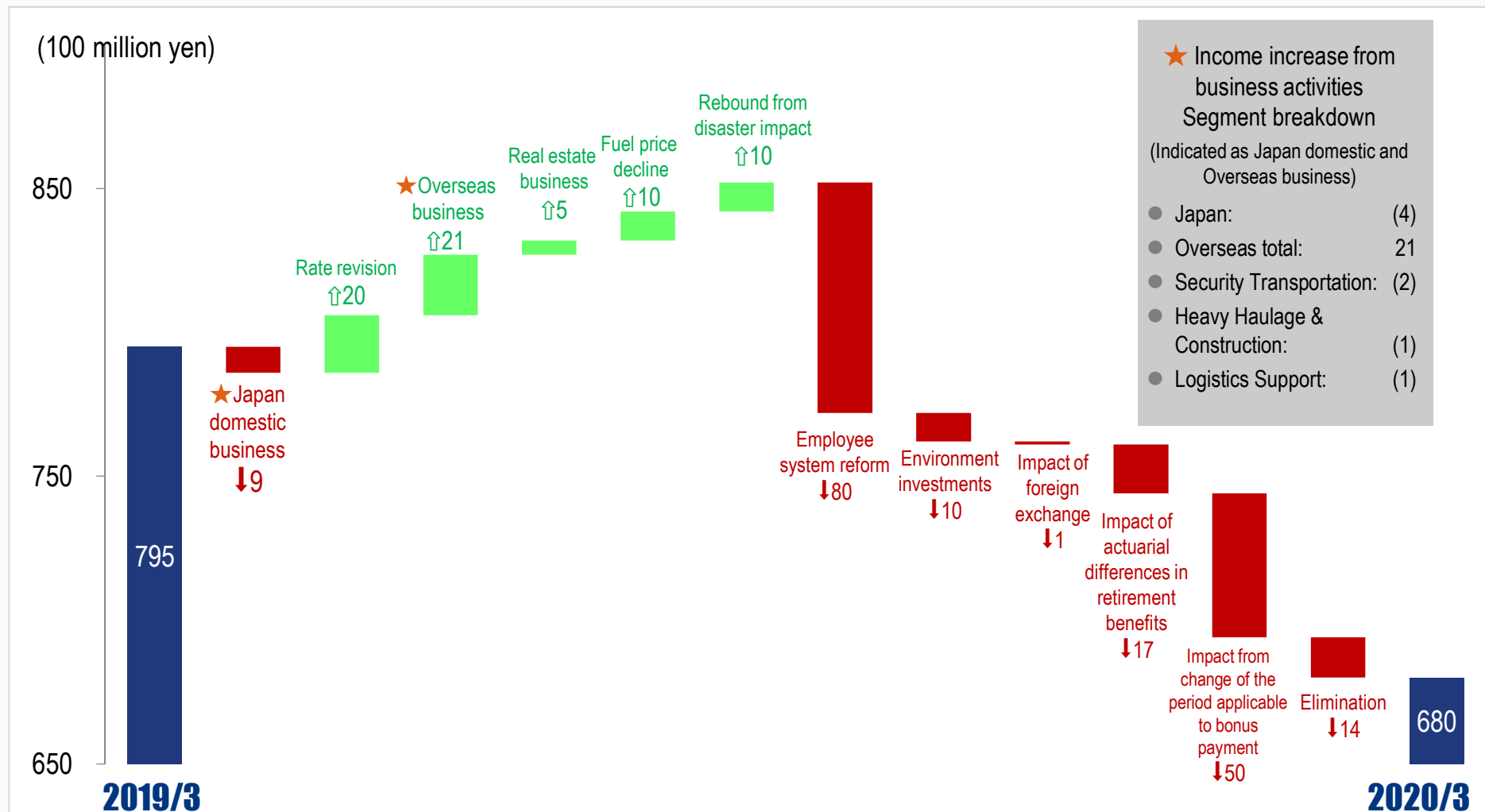
1. Revenues



6. Forecast of Consolidated Financial Results for FY2019

E Breakdown of revenues and operating income

2. Operating income



7. Segment Overview of FY2019 Forecast

A Japan segment

(100 million yen)

1. Full-year forecast

Item	FY2019	Comparison with FY2018		
		FY2018	Difference	Difference (%)
Revenues	12,618	12,568	49	0.4
Operating income*	472 [3.7]	559 [4.5]	(87)	(15.7)

2. Half-year forecast

Item	1H			2H		
	FY2019	FY2018	Difference[%]	FY2019	FY2018	Difference[%]
Revenues	6,196	6,157	38 [0.6]	6,422	6,410	11 [0.2]
Operating income*	186 [3.0]	238 [3.9]	(52) [(22.0)]	286 [4.5]	321 [5.0]	(35) [(10.9)]

* Figures in brackets indicate operating income margin (%).

Overview

- About a ¥10 billion increase in expenditures due to cost increases associated with the employee system reform and change of the period applicable to bonus payment.
- Revenues from air export freight forwarding cargo movement will slow down.
- Vigorously promote Three-Dimensional (Customer (Industry), Business, and Area) enhancement.
- Continue rate revisions and enhance operational efficiency.

Special factors

[Rebound from disaster impact in FY2018] Yearly: 10 (from 2Q onward)
 [Cost increase associated with the employee system reform] Yearly (62)
 [Change of the period applicable to bonus payment] 1H: (38)
 [Increase in amortization of actuarial differences in retirement benefit accounting] Yearly (13)

B The Americas segment

(100 million yen)

1. Full-year forecast

Item	FY2019	Comparison with FY2018		
		FY2018	Difference	Difference (%)
Revenues	1,037	986	50	5.1
Operating income*	47 [4.5]	42 [4.3]	4	10.2

2. Half-year forecast

Item	1H			2H		
	FY2019	FY2018	Difference[%]	FY2019	FY2018	Difference[%]
Revenues	494	472	21 [4.6]	543	514	28 [5.5]
Operating income*	20 [4.0]	22 [4.7]	(2) [(10.1)]	27 [5.0]	20 [4.0]	6 [32.4]

* Figures in brackets indicate operating income margin (%).

Overview

- Handling of automobile-related items will remain solid.
- Cargo movement in marine & harbor transportation, truck transportation, and warehousing will remain high.
- Promote rate revisions.

7. Segment Overview of FY2019 Forecast

C Europe segment

(100 million yen)

1. Full-year forecast

Item	FY2019	Comparison with FY2018		
		FY2018	Difference	Difference (%)
Revenues	1,252	1,148	103	9.0
Operating income*	30 [2.4]	22 [2.0]	7	32.1

2. Half-year forecast

Item	1H			2H		
	FY2019	FY2018	Difference[%]	FY2019	FY2018	Difference[%]
Revenues	604	559	44 [7.9]	648	588	59 [10.2]
Operating income*	13 [2.2]	7 [1.3]	5 [79.8]	17 [2.6]	15 [2.6]	1 [9.8]

* Figures in brackets indicate operating income margin (%).

Overview

- The warehousing & distribution business will remain solid throughout Europe.
- Steadily promote sales to non-Japanese accounts.
- The decline is being offset by regaining lost business and gaining new business. Step up sales & marketing to further expand business.

D East Asia segment

(100 million yen)

1. Full-year forecast

Item	FY2019	Comparison with FY2018		
		FY2018	Difference	Difference (%)
Revenues	1,263	1,227	35	2.9
Operating income*	33 [2.6]	30 [2.5]	2	9.7

2. Half-year forecast

Item	1H			2H		
	FY2019	FY2018	Difference[%]	FY2019	FY2018	Difference[%]
Revenues	596	588	7 [1.3]	667	639	27 [4.4]
Operating income*	14 [2.3]	11 [2.0]	2 [20.5]	19 [2.8]	18 [2.9]	0 [2.9]

* Figures in brackets indicate operating income margin (%)

Overview

- Concerns about possible economic slowdown due to U.S.-China trade friction.
- Expected to gain business for export/import freight forwarding to/from other regions.
- Continue negotiations for rate revisions.

7. Segment Overview of FY2019 Forecast

E South Asia & Oceania segment

(100 million yen)

1. Full-year forecast

Item	FY2019	Comparison with FY2018		
		FY2018	Difference	Difference (%)
Revenues	950	918	31	3.4
Operating income*	43 [4.5]	37 [4.0]	5	15.9

2. Half-year forecast

Item	1H			2H		
	FY2019	FY2018	Difference[%]	FY2019	FY2018	Difference[%]
Revenues	456	444	11 [2.5]	494	474	19 [4.2]
Operating income*	20 [4.4]	19 [4.3]	0 [3.4]	23 [4.7]	17 [3.7]	5 [29.4]

* Figures in brackets indicate operating income margin (%).

Overview

- The warehousing & distribution business will remain solid throughout the region.
- The level of cargo movement will continue in air and marine export/import freight forwarding.
- Continue investment for example in expansion of bases to expand physical distribution to/from Asia and within Asia.

F Security Transportation segment

(100 million yen)

1. Full-year forecast

Item	FY2019	Comparison with FY2018		
		FY2018	Difference	Difference (%)
Revenues	739	726	12	1.7
Operating income*	(18) [(2.4)]	12 [1.7]	(30)	(245.1)

2. Half-year forecast

Item	1H			2H		
	FY2019	FY2018	Difference[%]	FY2019	FY2018	Difference[%]
Revenues	368	359	8 [2.3]	371	366	4 [1.2]
Operating income*	(19) [(5.2)]	2 [0.8]	(21) [(749.1)]	1 [0.3]	9 [2.6]	(8) [(89.4)]

* Figures in brackets indicate operating income margin (%).

Overview

- A loss is expected because of a substantial cost increase related to personnel expenses mainly due to the employee system reform.

Special factors

- [Cost increase associated with the employee system reform] Yearly (16)
- [Change in treatment of provision for bonuses] 1H: (10)
- [Increase in amortization of actuarial differences in retirement benefit accounting] Yearly (3)

7. Segment Overview of FY2019 Forecast

G Heavy Haulage & Construction segment

(100 million yen)

1. Full-year forecast

Item	FY2019	Comparison with FY2018		
		FY2018	Difference	Difference (%)
Revenues	480	477	2	0.5
Operating income*	43 [9.0]	45 [9.5]	(2)	(4.9)

* Figures in brackets indicate operating income margin (%).

Overview

- 1H: Continued increase in revenues expected from heavy electric-related and wind power-related projects.
- 2H: Lower income is expected because of uncertain projects.

2. Half-year forecast

Item	1H			2H		
	FY2019	FY2018	Difference[%]	FY2019	FY2018	Difference[%]
Revenues	270	248	21 [8.6]	210	228	(18) [(8.2)]
Operating income*	22 [8.1]	20 [8.4]	1 [5.3]	21 [10.0]	24 [10.6]	(3) [(13.6)]

Special factors

- [Cost increase associated with the employee system reform] Yearly (0.5)
- [Increase in amortization of actuarial differences in retirement benefit accounting] Yearly (0.4)
- [Change in treatment of provision for bonuses] 1H: (1)

H Logistics Support segment

(100 million yen)

1. Full-year forecast

Item	FY2019	Comparison with FY2018		
		FY2018	Difference	Difference (%)
Revenues	4,758	4,839	(81)	(1.7)
Operating income*	126 [2.6]	127 [2.6]	(1)	(1.4)

* Figures in brackets indicate operating income margin (%).

Overview

- Nittsu Shoji's handling of packing services for export to China is expected to decrease.
- In addition to the prospect that the logistics support business will struggle, unit selling prices of oil are expected to decrease.

2. Half-year forecast

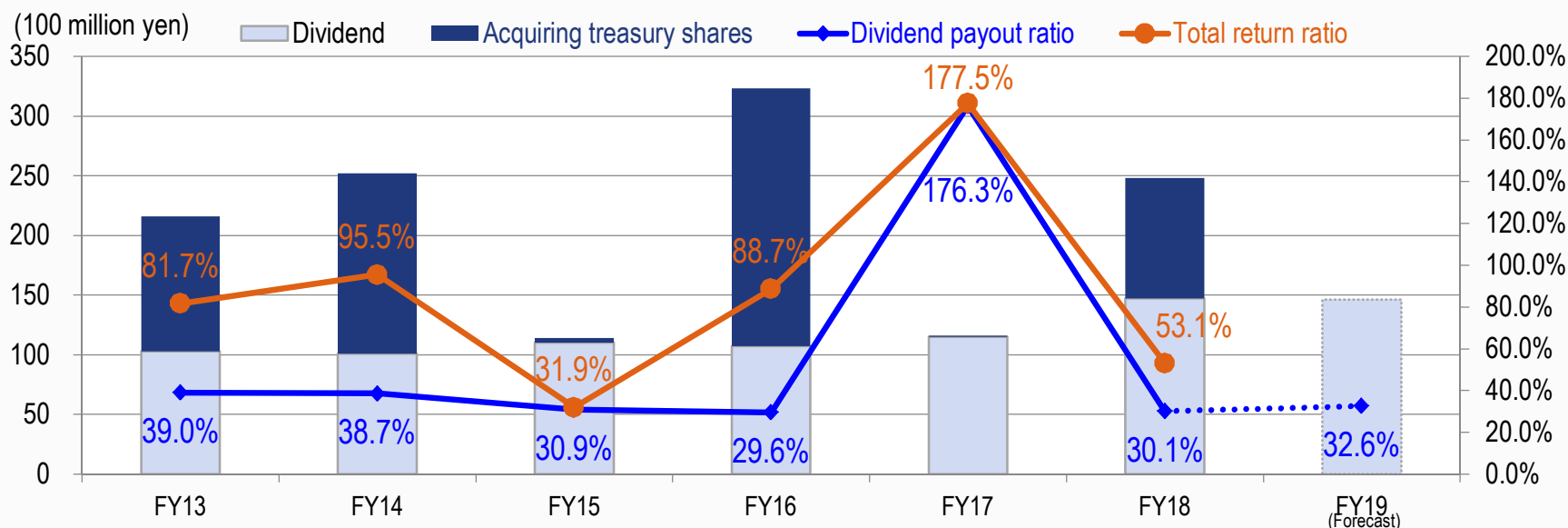
Item	1H			2H		
	FY2019	FY2018	Difference[%]	FY2019	FY2018	Difference[%]
Revenues	2,279	2,285	(6) [(0.3)]	2,479	2,553	(74) [(2.9)]
Operating income*	58 [2.5]	57 [2.5]	0 [0.6]	68 [2.7]	70 [2.7]	(2) [(3.0)]

8. Return to Shareholders

A Capital policy

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

B Trend of indices



Dividend per share (Full year)	10	10	11	11	120*	155	155 (forecast)
ROE	5.2	5.1	6.8	6.9	1.2	9.2	8.0 (forecast)

* The Company consolidated 10 shares of its common stock into 1 share, effective October 1, 2017. The amounts of dividends from FY2017 onwards reflect this consolidation of shares.

Organizational Reform of April 15, 2019

Overarching reorganization into 4 Sections and 7 HQs

◆ Clarification of authority and responsibility and faster decision-making

Business Solutions Section

- Global Sales Strategy HQ
- Overseas Business HQ

Implementation of growth strategy for core businesses and promotion of Group-wide marketing activities and international business

Japan Business Section

- Japan Business HQ
- Network Transport Business Promotion HQ

Implementation of strategy to enhance domestic businesses in Japan and promotion of network transport business

Corporate Solutions Section

- Corporate Support HQ
- CSR HQ

Support of business activities as well as promotion of health and safety and CSR management

Corporate Strategy Section

- Corporate Strategy HQ

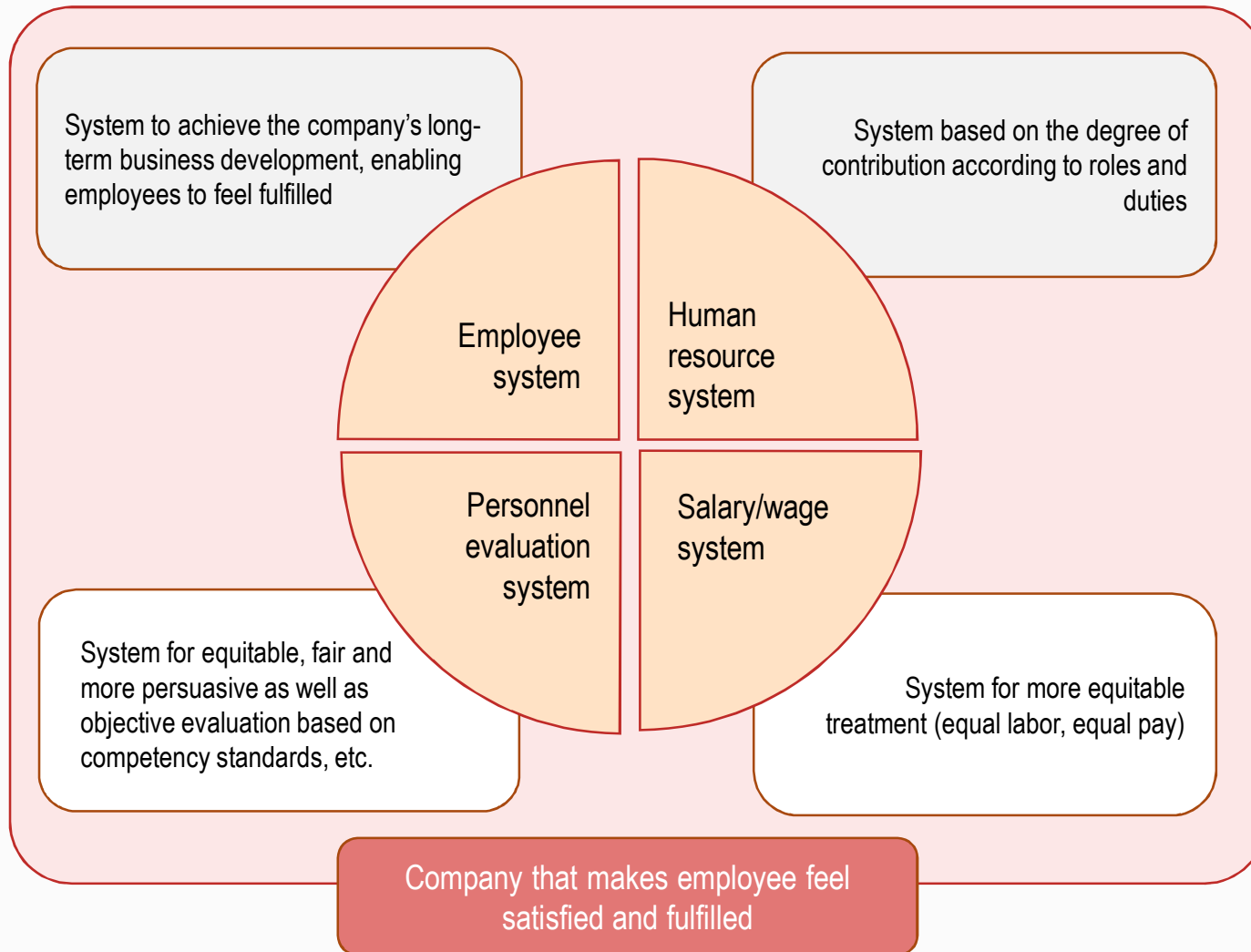
Implementation of corporate strategy of the entire Group, restructuring of business portfolios, enhancement of corporate governance, etc.

Achieve “Dynamic Growth”

Structure for swift promotion of measures under Business Plan

Agile decision-making and implementation

Work Style Reform



Strategy for Enhancing Japanese Domestic Business

Step 1 Further reorganization of branches

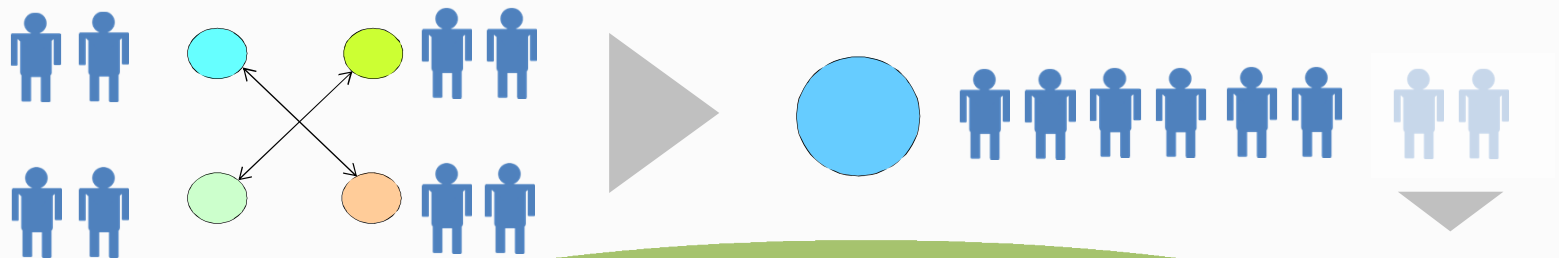
- Larger branches and appropriate allocation of human resources
- Accelerating one-stop sales

Step 2 Improvement of productivity

- Labor saving and automation in clerical work and business operations
- Growth strategy for network transport business

Step 3 Establishment of highly profitable structure

- Improving profitability of main businesses
- Restructuring business portfolios



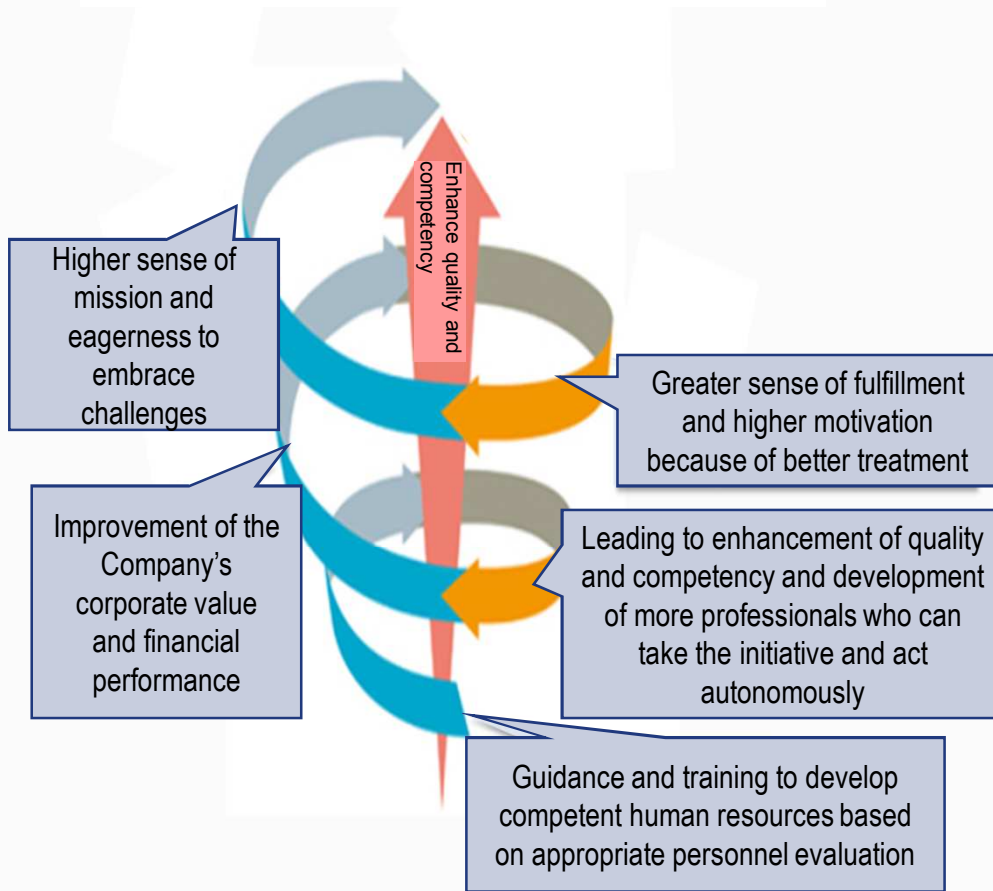
- Strengthen sales & marketing segments
- Enhance cost efficiency of operational support
- Strengthen corporate governance

Employee System Reform (Personnel Evaluation System) We Find the Way NIPPON EXPRESS

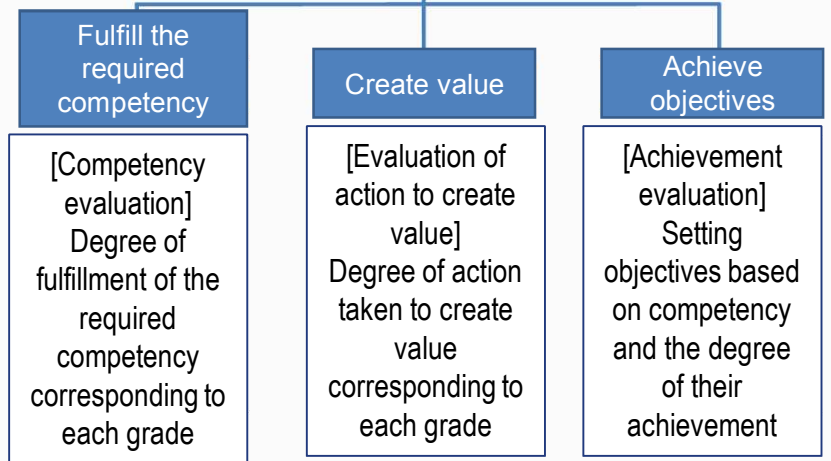
—System whereby each employee fulfills the required competency corresponding to each grade, creates value, and achieves objectives so that both the Company and human resources achieve growth—

Realization of Corporate Philosophy and Corporate Message

Impact of personnel evaluation on employee development



Required quality and competency



We Find the Way



This document is not aimed to solicit or gain investments in any of our securities that are to be issued.

The opinions and forecasts in this document are based on information available at the time of creation of this document. We do not guarantee or commit to the accuracy of this information, and it may be altered without notice.

We do not bear any responsibility for any damages caused by information contained in this document.