

Results Meeting for 1H of the Fiscal Year Ending March 2014

President and CEO

Kenji Watanabe

October 31, 2013

1. Business Overview	P.1-
2. Changes due to the External Environment	P.10
3. Progress of Business Plan	P.11
4. Performance Outlook of the Fiscal Year Ending March 2014	P.12-

1. Business Overview

A. Overview of 1H of FY2013

1) Overview (Consolidated)

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

	Actual for 1H of FY2013 (a)	Actual for 1H of FY2012 (b)	Difference YoY (c) = (a) – (b)	Difference YoY (%) (d) = (c) / (b) × 100	Forecast for 1H (announced on May 8) (e)	Difference (compared with forecast) (f) = (a) – (e)	Difference (Compared to forecast) (%) (g) = (f) / (e) × 100
Revenues	8,357	7,987	370	4.6	8,350	7	0.1
Operating Income	174	157	17	10.9	160	14	9.1
Ordinary Income	223	206	17	8.6	210	13	6.6
Net Income	74	113	(38)	(34.2)	(*) 65	9	14.5

(*) Revised forecasts announced on September 11, 2013

2) Business Indices

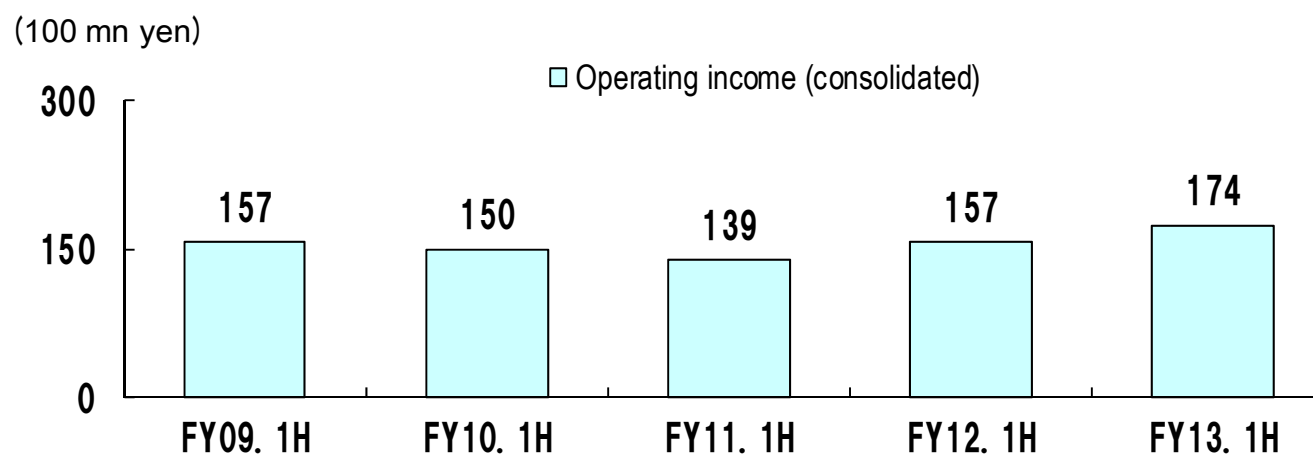
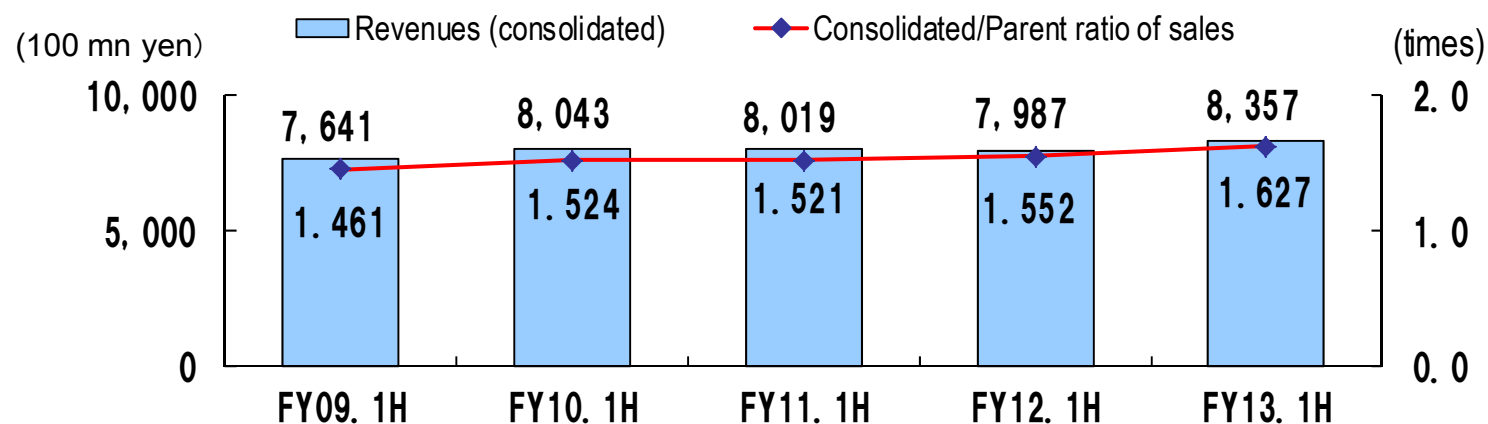
2Q Cumulative Total

(Figures in parentheses are the results for the same period of the previous year.)

• Operating Income Margin	2.1%	(2.0%)
• Ordinary Income Margin	2.7%	(2.6%)
• ROE	2.9%	(4.7%)
• ROA	1.2%	(1.8%)

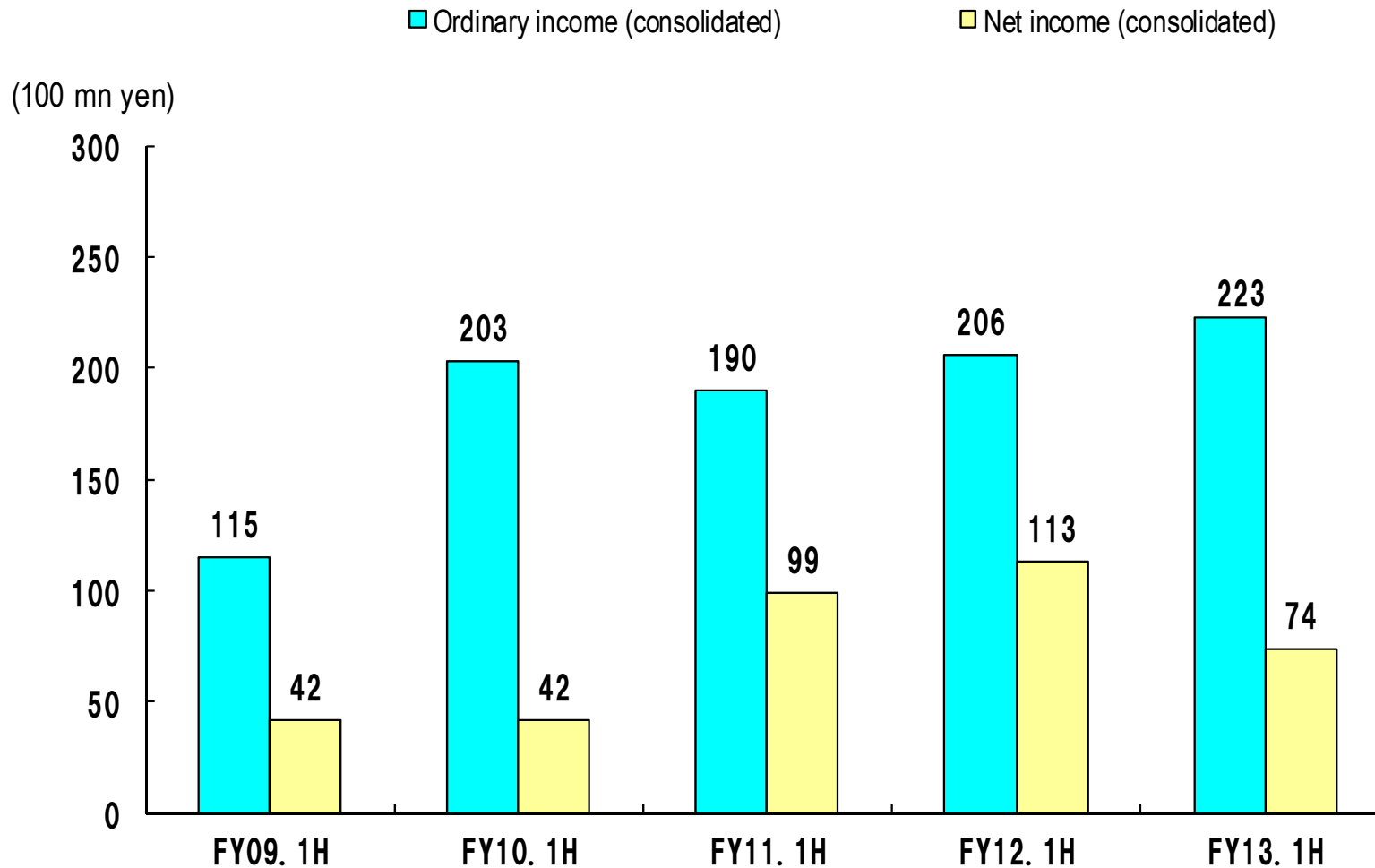
1. Business Overview

B. Trend of Revenues and Operating income for the past 5 years



1. Business Overview

C. Trend of Ordinary income and Net income for the past 5 years



1. Business Overview

D. Overview by reportable segment

1) Combined Business

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	3,532	3,460	72	2.1	3,487	101.3	45
	Segment Income	52	15	37	246.5	33	155.0	18
2 Q	Revenues	1,784	1,737	46	2.7	2Q Operating Income Margin (FY2012)		
	Segment Income	29	10	18	184.4	1.6 (0.6)		
	Overview	<ul style="list-style-type: none">• Growth in income resulted from strong performance primarily of warehousing and delivery center business, along with the recovery in demand for automobile transportation• Increase in profit associated with strengthening of marginal profit management and other cost containment drives						

2) Security Transportation

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	273	294	(20)	(7.1)	277	98.7	(3)
	Segment Income	4	9	(4)	(47.3)	10	48.1	(5)
2 Q	Revenues	136	146	(10)	(7.1)	2Q Operating Income Margin (FY2012)		
	Segment Income	1	2	(1)	(42.5)	1.2 (2.0)		
	Overview	• Decrease in both income and profit due to decline in unit service price under tight business environment						

1. Business Overview

D. Overview by reportable segment

3) Heavy Haulage & Construction

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	181	191	(10)	(5.4)	173	104.9	8
	Segment Income	10	18	(8)	(44.5)	7	139.9	2
2 Q	Revenues	87	87	0	0.5	2Q Operating Income Margin (FY2012)		
	Segment Income	5	8	(3)	(38.4)	5.9 (9.7)		
	Overview	<ul style="list-style-type: none">Revenues in line with the level of the year earlier thanks to favorable progress of revenue from overseas constructionsDecrease in profit due to decline in the number of large projects compared to the year earlier						

1. Business Overview

D. Overview by reportable segment

4) Air Freight Forwarding

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	881	935	(54)	(5.8)	961	91.7	(79)
	Segment Income	24	18	5	28.8	20	116.9	3
2 Q	Revenues	445	458	(13)	(2.9)	2Q Operating Income Margin (FY2012)		
	Segment Income	13	8	5	66.7	3.0 (1.8)		
	Overview	<ul style="list-style-type: none">Decrease in income due to ongoing drop in the volume of exportIncrease in profit reflecting the costs kept low including air freight costs						

5) Marine & Harbor Transportation

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	672	630	42	6.7	649	103.7	23
	Segment Income	33	30	2	8.0	31	106.5	2
2 Q	Revenues	333	309	23	7.7	2Q Operating Income Margin (FY2012)		
	Segment Income	12	13	(1)	(11.5)	3.6 (4.4)		
	Overview	<ul style="list-style-type: none">• Increase in income thanks to imports and coastal shipping services remaining solid along with exports bolstered by equipment transportation• Decrease in profit as a result of decreased sales volume in overseas moving services from the year earlier						

1. Business Overview

D. Overview by reportable segment

6) The Americas

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	335	260	74	28.6	346	96.9	(10)
	Segment Income	11	9	1	19.0	10	115.2	1
2 Q	Revenues	176	142	33	23.8	2Q Operating Income Margin (FY2012)		
	Segment Income	8	5	3	56.6	5.1 (4.0)		
	Overview	<ul style="list-style-type: none">Strong performance in warehousing and delivery and automobile transportation in the US, as well as automobile-related business in MexicoRevenue in line with the level of the year earlier excluding the impact of exchange ratesIncrease in profit thanks primarily to the reduction of costs including facility usage charges						

7) Europe

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	341	222	119	53.5	341	100.1	0
	Segment Income	3	5	(1)	(32.8)	8	46.7	(4)
2 Q	Revenues	177	112	65	57.8	2Q Operating Income Margin (FY2012)		
	Segment Income	2	3	(0)	(24.6)	1.5 (3.2)		
	Overview	<ul style="list-style-type: none">Decrease in both income and profit excluding the impacts of exchange rates and the newly consolidated subsidiariesBusiness remains tough in warehousing and intra-region transportation in addition to air freight and marine forwarding						

1. Business Overview

D. Overview by reportable segment

8) East Asia

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	420	344	75	22.0	414	101.5	6
	Segment Income	6	7	(0)	(12.6)	12	55.2	(5)
2 Q	Revenues	223	172	51	30.0	2Q Operating Income Margin (FY2012)		
	Segment Income	4	4	0	17.8	2.2 (2.4)		
	Overview	<ul style="list-style-type: none">Decrease in income but increase in profit, excluding the impacts of exchange rates and the newly consolidated subsidiariesForwarding for Europe and America yet to recover, resulting in poor performance						

9) South Asia & Oceania

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	243	226	17	7.7	244	99.8	(0)
	Segment Income	5	10	(4)	(46.4)	10	52.5	(5)
2 Q	Revenues	128	111	17	15.4	2Q Operating Income Margin (FY2012)		
	Segment Income	3	4	(1)	(23.6)	2.8 (4.3)		
	Overview	<ul style="list-style-type: none">Decrease in both income and profit excluding the impact of exchange ratesMassive drop in air freight exports as backlash from the surge in emergency transportation following the flood in Thailand, with slight increase in warehousing and delivery, and automobile transportation						

1. Business Overview

D. Overview by reportable segment

10) Goods Sales

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	1,903	1,837	66	3.6	1,890	100.7	13
	Segment Income	20	32	(12)	(37.5)	26	78.8	(5)
2 Q	Revenues	989	917	72	7.8	2Q Operating Income Margin (FY2012)		
	Segment Income	10	12	(1)	(15.9)	1.0 (1.3)		
	Overview	<ul style="list-style-type: none">• Increase in income associated with an increase in the unit sales price of oil despite decrease in sales volume• Decrease in profit due to delayed recovery in the export package handling						

11) Other

(100 million yen)

(100 million yen)

		Actual	Comparison with FY2012			Comparison with forecast (announced on May 8)		
		FY2013	FY2012	Difference	Difference (%)	Forecast	Progress (%)	Difference
1 H	Revenues	201	191	10	5.6	209	96.6	(7)
	Segment Income	6	6	(0)	(0.3)	6	99.4	(0)
2 Q	Revenues	110	105	4	4.1	2Q Operating Income Margin (FY2012)		
	Segment Income	4	4	0	1.0	4.5 (4.7)		
	Overview	• Increase in income thanks to the favorable logistics finance business at Nippon Express Capital Co., Ltd., however, income margin stagnated						

2. Changes due to the External Environment

Change factors

Change factors	Consolidated (2Q Cumulative Total)	Reference	
Impact of change in unit fuel price	Fuel cost: +¥0.90 billion (cost increase)	Average	
		1H of FY2013	(1H of FY2012)
		Light oil: ¥112.72/ℓ	(¥105.85)
		Gasoline: ¥145.92/ℓ	(¥137.55)
Impact of foreign exchange (weak yen)	Revenues: +¥22.39 billion Operating income: +¥0.78 billion	Heavy oil: ¥ 69.37/ℓ	(¥ 61.59)
		Average exchange rate for	
		1H of FY2013 (*)	(1H of FY2012)
		USD: ¥ 95.59	(¥ 79.74)
		EUR: ¥125.50	(¥103.45)
		HKD: ¥ 12.32	(¥ 10.28)
		RMB: ¥ 15.47	(¥ 12.65)

(*) The average exchange rates for 1H of FY2013 and FY2012 are the reference rates. For the preparation of financial reports, average quarterly rates are applied to the quarterly results of businesses on a local currency basis.

3. Progress of Business Plan

Nippon Express Group Corporate Strategy 2015 - Innovation and Moving Forward - Progress of basic strategy

Basic Strategy	Item	Progress
Further Expanding Our Global Logistics Business	40% of sales from overseas-related business in FY2015	Actual for 1H of FY2013 32.4% (Actual for FY2012 29.7%)
	Growth in the global market	1) Establishment of Guanajuato Logistics Center (Mexico) 2) Establishment of Nippon Express (Xi'an) Co., Ltd. (China) 3) Establishment of Nippon Express Global SCM(Shanghai) Co., Ltd. (China) 4) Establishment of Haiphong Truck Control Center (Vietnam)
Strengthening Management Practices for Our Domestic Businesses	3% of operating income margin for Domestic combined business in FY2015	Actual for 1H of FY2013 1.5% (Actual for FY2012 1.0%) (Actual for 1H of FY2012 0.4%)

4. Performance Outlook of the Fiscal Year Ending March 2014



A. Consolidated forecast (After adjustment)

(100 million yen)

	FY2013 Forecast (a)	Comparison with FY2012			Adjustments to BOY forecast (announced on May 8)		
		Actual for FY2012 (b)	Difference (c) = (a) – (b)	Difference (%) (d) = (c) / (b) × 100	BOY forecast (e)	Difference (f) = (a) – (e)	Difference (%) (g) = (f) / (e) × 100
Revenues	16,900	16,133	766	4.8	16,900	±0	±0.0
Operating Income	400	332	67	20.5	370	30	8.1
Ordinary Income	480	415	65	15.7	450	30	6.7
Net Income	250	238	11	4.9	250	±0	±0.0

4. Performance Outlook of the Fiscal Year Ending March 2014

B. Overview by reportable segment (After adjustment)

1) Combined Business

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	7,120	6,992	127	1.8	7,054	66	0.9
	Segment Income	138	70	68	96.1	105	33	31.9
2 H	Revenues	3,587	3,532	54	1.5	Segment Income Margin forecast (FY2012)		
	Segment Income	86	55	30	55.2	Full year 2.0 (1.0)	2H 2.4 (1.6)	

2) Security Transportation

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	548	588	(40)	(6.9)	547	1	0.2
	Segment Income	10	17	(7)	(39.8)	16	(5)	(33.7)
2 H	Revenues	274	294	(19)	(6.7)	Segment Income Margin forecast (FY2012)		
	Segment Income	5	8	(2)	(31.8)	Full year 2.0 (3.0)	2H 2.2 (3.0)	

4. Performance Outlook of the Fiscal Year Ending March 2014

B. Overview by reportable segment (After adjustment)

3) Heavy Haulage & Construction

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	345	371	(26)	(7.2)	331	14	4.2
	Segment Income	19	29	(10)	(34.6)	13	5	39.1
2 H	Revenues	163	180	(16)	(9.2)	Segment Income Margin forecast (FY2012)		
	Segment Income	8	10	(1)	(18.0)	Full year 5.6 (7.9)		2H 5.5 (6.1)

4. Performance Outlook of the Fiscal Year Ending March 2014

B. Overview by reportable segment (After adjustment)

4) Air Freight Forwarding

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	1,786	1,821	(35)	(1.9)	1,899	(113)	(6.0)
	Segment Income	51	39	12	30.3	42	9	22.7
2 H	Revenues	904	886	18	2.1	Segment Income Margin forecast (FY2012)		
	Segment Income	27	20	6	31.7	Full year 2.9 (2.2)		2H 3.0 (2.4)

5) Marine & Harbor Transportation

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	1,303	1,242	60	4.9	1,302	1	0.1
	Segment Income	54	46	8	17.2	56	(1)	(2.5)
2 H	Revenues	630	611	18	3.1	Segment Income Margin forecast (FY2012)		
	Segment Income	21	15	5	35.2	Full year 4.2 (3.8)		2H 3.4 (2.6)

4. Performance Outlook of the Fiscal Year Ending March 2014

B. Overview by reportable segment (After adjustment)

6) The Americas

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	687	540	146	27.2	703	(16)	(2.3)
	Segment Income	26	20	5	26.2	21.5	4	22.8
2 H	Revenues	351	279	72	25.8	Segment Income Margin forecast (FY2012)		
	Segment Income	14	11	3	32.5	Full year 3.8 (3.9)	2H 4.2 (4.0)	

7) Europe

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	688	442	245	55.5	706	(18)	(2.5)
	Segment Income	7	15	(7)	(50.8)	22	(15)	(66.8)
2 H	Revenues	346	219	126	57.6	Segment Income Margin forecast (FY2012)		
	Segment Income	3	9	(5)	(61.3)	Full year 1.1 (3.5)	2H 1.1 (4.4)	

4. Performance Outlook of the Fiscal Year Ending March 2014

B. Overview by reportable segment (After adjustment)

8) East Asia

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	892	688	203	29.6	814	78	9.6
	Segment Income	21	13	8	62.6	24	(3)	(12.2)
2 H	Revenues	471	343	128	37.2	Segment Income Margin forecast (FY2012)		
	Segment Income	14	5	9	175.0	Full year 2.4 (1.9)		2H 3.1 (1.5)

9) South Asia & Oceania

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	516	442	73	16.5	529	(13)	(2.5)
	Segment Income	15	16	(1)	(8.2)	21	(6)	(27.8)
2 H	Revenues	272	216	55	25.7	Segment Income Margin forecast (FY2012)		
	Segment Income	10	6	3	52.2	Full year 3.0 (3.8)		2H 3.7 (3.0)

4. Performance Outlook of the Fiscal Year Ending March 2014

B. Overview by reportable segment (After adjustment)

10) Goods Sales

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	3,987	3,837	149	3.9	3,907	80	2.0
	Segment Income	50	58	(8)	(13.8)	56	(6)	(11.8)
2 H	Revenues	2,083	1,999	83	4.2	Segment Income Margin forecast (FY2012)		
	Segment Income	29	25	4	16.8	Full year 1.3 (1.5)		2H 1.4 (1.3)

11) Other

(100 million yen)

		Forecast	Comparison with FY2012			Adjustments		
		FY2013	FY2012	Difference	Difference (%)	BOY forecast	Adjusted amount	Rate
Full year	Revenues	411	418	(7)	(1.7)	426	(15)	(3.5)
	Segment Income	16	17	(0)	(4.9)	17	(1)	(6.3)
2 H	Revenues	209	226	(17)	(7.8)	Segment Income Margin forecast (FY2012)		
	Segment Income	9	10	(0)	(7.6)	Full year 4.0 (4.1)		2H 4.8 (4.7)

4. Performance Outlook of the Fiscal Year Ending March 2014

C. Assumptions for external factors

	Impact on 2H consolidated results	Assumptions	
Impact of change in unit fuel price	Fuel cost: +¥0.56 billion (cost increase)	Average	
		FY2013	(Yearly average in FY2012)
		Light oil: ¥112.20/ℓ	(¥106.93)
		Gasoline: ¥147.02/ℓ	(¥139.06)
		Heavy oil: ¥ 68.53/ℓ	(¥ 62.07)
		Assumes the same amount of fuel will be used as that of the previous year.	
Impact of foreign exchange	Revenues: +¥24.05 billion Operating income: +¥0.76 billion	FY2013	(FY2012(*))
		USD: ¥ 96.71	(¥ 79.89)
		EUR: ¥127.35	(¥101.80)
		HKD: ¥ 12.47	(¥ 10.30)
		RMB: ¥ 15.70	(¥ 12.70)

*The exchange rates for FY2012 used in the assumptions are the reference rates. For the preparation of financial reports, average quarterly rates are applied to the quarterly results of local businesses.



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.