

## <Earnings Presentation Memo>

### 1. Details of revenues

#### ○ Railway Container

(Unit: Number of containers)

	1H of FY2017	1H of FY2016	Difference	Difference (%)
Number of containers	953,226	912,475	40,751	4.5
Unit price (Yen per container)	42,292	42,221	71	0.2

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

(Unit: Millions of yen)

	1H of FY2017	1H of FY2016	Difference	Difference (%)
North America	7,942	6,652	1,290	19.4
Europe	4,000	4,316	(316)	(7.3)
Asia & Oceania	15,965	15,915	49	0.3
Other	2,151	2,058	93	4.5
Total	30,061	28,943	1,117	3.9

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

(Unit: Millions of yen)

	1H of FY2017	1H of FY2016	Difference	Difference (%)
North America	12,059	8,479	3,580	42.2
Europe	8,133	7,361	771	10.5
Asia & Oceania	20,775	16,133	4,642	28.8
Other	2,836	2,103	732	34.8
Total	43,804	34,077	9,726	28.5

#### ○ Revenue related to Security Transportation

(Unit: Millions of yen)

	1H of FY2017	1H of FY2016	Difference	Difference (%)
Revenue related to Security Transportation	35,937	36,513	(576)	(1.6)

\* 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 FY2017	1H of FY2016	Difference	Difference (%)
Revenue related to Warehousing	58,188	58,750	(561)	(1.0)

#### ○ Revenue from Heavy Haulage & Construction

(Unit: Millions of yen)

	1H of FY2017	1H of FY2016	Difference	Difference (%)
Work in Japan	28,935	24,872	4,063	16.3
Work overseas	2,218	2,699	(480)	(17.8)
Total	31,153	27,571	3,582	13.0

## 2. Details of operating expenses

### ○ Employment costs

(Unit: Millions of yen)

		1H of FY2017	1H of FY2016	Difference	Difference (%)
Drivers/workers	Nationwide employees	3,149	3,511	(362)	(10.3)
	Other employees	56,479	56,599	(120)	(0.2)
	Subtotal	59,628	60,111	(482)	(0.8)
Office personnel	Nationwide employees	54,589	56,365	(1,775)	(3.2)
	Other employees	12,515	11,932	583	4.9
	Subtotal	67,105	68,297	(1,192)	(1.7)
Total		126,733	128,409	(1,675)	(1.3)

### ○ Railway forwarding costs

(Unit: Millions of yen)

		1H of FY2017	1H of FY2016	Difference	Difference (%)
Railway forwarding costs		21,481	20,455	1,025	5.0
(Reference) Railway utilization transportation revenue		41,603	39,772	1,831	4.6

### ○ Marine forwarding costs

(Unit: Millions of yen)

		1H of FY2017	1H of FY2016	Difference	Difference (%)
Marine forwarding costs		13,853	11,617	2,236	19.3
(Reference) Marine transportation revenue		36,342	34,905	1,437	4.1

### ○ Air forwarding costs

(Unit: Millions of yen)

		1H of FY2017	1H of FY2016	Difference	Difference (%)
Air forwarding costs		22,579	16,413	6,165	37.6
(Reference) Air transportation revenue		76,106	65,155	10,951	16.8

### ○ Vehicle chartering and subcontracting costs

(Unit: Millions of yen)

		1H of FY2017	1H of FY2016	Difference	Difference (%)
Vehicle chartering costs		96,154	92,128	4,025	4.4
Subcontracting costs		121,643	115,725	5,918	5.1
Worker dispatching costs		4,527	5,191	(664)	(12.8)
Total		222,324	213,045	9,279	4.4

○ Depreciation and amortization

(Unit: Millions of yen)

	1H of FY2017	1H of FY2016	Difference	Difference (%)
Vehicles	1,247	2,874	(1,626)	(56.6)
Buildings/structures	6,682	6,303	379	6.0
Software	1,696	1,687	8	0.5
Other	2,740	2,965	(224)	(7.6)
Total	12,366	13,830	(1,463)	(10.6)

○ Facility usage charges

(Unit: Millions of yen)

	1H of FY2017	1H of FY2016	Difference	Difference (%)
Vehicles	2,094	1,998	96	4.8
Buildings/land	25,972	25,974	(1)	(0.0)
Other work-related	5,902	5,773	128	2.2
Other operation-related	1,871	1,917	(45)	(2.4)
Total	35,841	35,663	178	0.5

○ Other

(Unit: Millions of yen)

	1H of FY2017	1H of FY2016	Difference	Difference (%)
Other work expenses	31,837	30,758	1,079	3.5
(Merchandise)	(194)	(197)	(△2)	(△1.5)
(Fuel oil costs)	(4,277)	(3,733)	(544)	(14.6)
Other operating expenses	22,600	21,815	784	3.6
(Office outsourcing costs)	(5,923)	(5,525)	(398)	(7.2)
(Advertising expenses)	(1,458)	(1,545)	(△86)	(△5.6)
(Repair expenses)	(2,451)	(2,381)	(69)	(2.9)
(Fuel oil costs)	(206)	(199)	(6)	(3.3)
Taxes	5,655	5,489	166	3.0
Bad debts written off	67	124	△ 57	△ 45.9
Total	60,161	58,187	1,973	3.4

(Reference) Breakdown of fuel oil costs

○ Consolidated

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

		1H of FY2017	1H of FY2016	Difference	Difference (%)	
Light oil	Amount	6,013	5,405	608	11.3	721
	Usage	69,829	71,319	(1,490)	(2.1)	
	Unit price	86.12	75.79	10.33	13.6	
Gasoline	Amount	497	483	13	2.9	41
	Usage	4,136	4,384	(247)	(5.6)	
	Unit price	120.18	110.23	9.95	9.0	
Heavy oil for vessels	Amount	1,591	1,275	316	24.8	328
	Usage	38,597	38,996	(398)	(1.0)	
	Unit price	41.24	32.70	8.54	26.1	
Other	Amount	366	350	16	4.7	
Total		8,469	7,513	955	12.7	Total 1,091

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

○ Non-consolidated

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

		1H of FY2017	1H of FY2016	Difference	Difference (%)	
Light oil	Amount	2,982	2,660	321	12.1	356
	Usage	34,408	34,861	(453)	(1.3)	
	Unit price	86.68	76.33	10.35	13.6	
Gasoline	Amount	316	305	10	3.5	26
	Usage	2,633	2,775	(143)	(5.1)	
	Unit price	120.28	110.20	10.08	9.1	
Heavy oil for vessels	Amount	1,027	809	218	26.9	220
	Usage	25,586	25,664	(78)	(0.3)	
	Unit price	40.17	31.55	8.62	27.3	
Other	Amount	156	156	0	0.3	
Total		4,483	3,932	551	14.0	603

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

**(Reference) Balance of interest-bearing liabilities**

○ Consolidated

(Unit: Millions of yen)

	As of Sep. 30, 2017	As of Mar. 31, 2017	As of Sep. 30, 2016
Bonds payable	145,000	145,000	165,000
Loans payable	255,548	270,330	291,268
Employees' housing savings deposits	28,938	28,339	28,510
Lease obligations	4,253	4,432	4,121
Total	433,740	448,103	488,901

○ Non-consolidated

(Unit: Millions of yen)

	As of Sep. 30, 2017	As of Mar. 31, 2017	As of Sep. 30, 2016
Bonds payable	145,000	145,000	165,000
Loans payable	159,670	160,069	166,550
Deposits from employees	28,672	28,067	28,241
Lease obligations	8,578	9,123	9,009
Total	341,921	342,260	368,802

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

○ Consolidated

(Unit: Persons)

		As of Sep. 30, 2017	As of Mar. 31, 2017	As of Sep. 30, 2016	Difference (compared with Sep. 30, 2016)	
					Difference	Difference (%)
Logistics	Japan	42,797	42,850	43,481	(684)	(1.6)
	The Americas	2,802	2,691	2,578	224	8.7
	Europe	2,773	2,718	2,717	56	2.1
	East Asia	4,827	4,970	4,995	(168)	(3.4)
	South Asia & Oceania	6,974	7,136	7,088	(114)	(1.6)
Security Transportation		4,867	4,449	4,528	339	7.5
Heavy Haulage & Construction		831	810	822	9	1.1
Logistics Support		3,996	3,953	4,064	(68)	(1.7)
Adjustment *		101	96	91	10	11.0
Total		69,968	69,673	70,364	(396)	(0.6)

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

○ Non-consolidated

(Unit: Persons)

		As of Sep. 30, 2017	As of Mar. 31, 2017	As of Sep. 30, 2016	Difference (compared with Sep. 30, 2016)	
					Difference	Difference (%)
Drivers/workers	Nationwide employees	631	642	677	(46)	(6.8)
	Other employees	16,495	16,212	16,565	(70)	(0.4)
	Subtotal	17,126	16,854	17,242	(116)	(0.7)
Office personnel	Nationwide employees	10,983	10,876	11,090	(107)	(1.0)
	Other employees	4,446	4,278	4,336	110	2.5
	Subtotal	15,429	15,154	15,426	3	0.0
Total		32,555	32,008	32,668	(113)	(0.3)

## (Reference) Capital expenditures

### ○ Non-consolidated

(Unit: Millions of yen)

	Conducted in 1H of FY2017	Conducted in 1H of FY2016	Difference	Difference (%)	Annual plan
Vehicles	3,532	2,344	1,187	50.7	8,500
Buildings	4,299	14,309	(10,009)	(70.0)	19,000
Land	1,238	1,028	209	20.4	5,300
Software	2,027	1,649	378	22.9	10,000
Other	3,777	3,563	214	6.0	7,200
Total	14,875	22,894	(8,019)	35.0	50,000

### ○ Consolidated

(Unit: Millions of yen)

	Conducted in 1H of FY2017	Conducted in 1H of FY2016	Difference	Difference (%)	Annual plan
Vehicles	6,064	4,141	1,923	46.5	16,000
Buildings	24,083	16,071	8,012	49.9	29,000
Land	8,764	1,671	7,093	424.4	10,000
Leased assets	3,571	4,605	(1,034)	(22.5)	6,000
Other	11,095	9,166	1,928	21.0	29,000
Total	53,579	35,656	17,923	50.3	90,000

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

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