



We Find the Way

Business Report for the 112th Interim Term

From April 1, 2017 to September 30, 2017



NIPPON EXPRESS

We Find the Way

NIPPON EXPRESS Group marked the 80th anniversary of its founding this year, and 145 years since it started business. Throughout our history, we have contributed to the development of society through transportation.

Our commitment to that mission has never changed. We have consistently exercised innovative thinking to find and deliver the best way to serve our customers.

On our 80th anniversary, we manifest our commitment to customers in our Corporate Message: “We Find the Way.”

In the future as in the past, we will continue to open new roads to bring better possibilities to reality.



NIPPON EXPRESS

We

Our unified strength makes us unique, driving everything we do on the frontline and in the background to deliver unparalleled logistics services. The word “we” speaks to a complex system of individuals with specialized skills that work together to become an unstoppable force.

Find

Every client, project, and task is different, and sometimes we have to innovate to achieve our goals. Our work demands exploration and thinking outside the box. It’s how we find the best way. The verb “*find*” in its present form tells a story of a company willing to dig deeper for the best results.

the Way

Sure, there are many solutions, but there’s only one best way. We don’t find a way or some way; we find the best way, and we do it with passion and perseverance. Our efforts build connections to and between individuals and businesses.

I would like to take this opportunity to thank our shareholders for their continued support and understanding.

I, hereby, present the Business Report for the 112th Interim Term.

President and Chief Executive Officer

Mitsuru Saito



TOP MESSAGE

During the second quarter of the fiscal year ending March 31, 2018, the Japanese economy remained on a moderate recovery track as production activities and capital investment by companies showed signs of picking up amid gradual recovery in overseas economies.

Under these economic conditions, in the field of logistics, domestic freight saw an increase in transportation demand, including for automobile parts and steel, although freight movements continued to lack vigor. International freight was strong overall primarily due to sustained robust airfreight for electronics components, mainly to Asia.

In this business environment, the Nippon Express Group made united efforts to improve growth and profitability by steadily implementing the key “area strategies” and “functional strategies” under its

three-year management plan “Nippon Express Group Corporate Strategy 2018 – New Sekai-Nittsu –.”

“Area strategies”

In Japan, the Group carried out reorganization of domestic regional blocks aimed at further strengthening the domestic business and continued to promote optimal allocation of management resources and organizational integration. Overseas, the Group pursued growth on the global level by concentrating investment of management resources in Southeast Asia where ongoing growth is anticipated, and expanding freight transactions to and from Asia.

“Functional strategies”

We worked to strengthen and upgrade core businesses through measures such as thoroughly reinforcing one-stop sales integrating land, sea and air and account management based on customer-oriented sales activities, as well as opening the Logistics Engineering Strategy Division as an organization for research and development of cutting-edge technologies in the logistics field. The Group also worked on strengthening management infrastructure by launching the new Diversity Promotion Group, in an effort to raise awareness and enhance its working environment with the aim of being a company where all employees can achieve job satisfaction.

As a result of the above, our consolidated business results for the first six months of the 112th term were as follows:

Revenues of	¥956.1 billion (up 5.2% year-on-year)
Operating income of	¥32.2 billion (up 31.8% year-on-year)
Ordinary income of	¥34.4 billion (up 22.4% year-on-year)
Profit attributable to owners of parent of	¥21.5 billion (up 17.9% year-on-year)

Concerning the interim dividend payments for the 112th term, it was decided at the Board of Directors meeting held on October 31, 2017 to pay an interim dividend of ¥6 per common share with the starting day for payment being December 4, 2017.

In terms of the economic trend for the second half of the fiscal year, overseas economies are on a recovery trend overall. However, in addition to rising geopolitical risks, there are many potential areas of uncertainty, including the unstable economic outlook in China and other emerging countries in Asia and uncertainty with regard to political situations and government policies. In the Japanese economy, while domestic demand continues to be driven mainly by capital investment, the pace of growth in external demand is expected to weaken.

In light of these economic trends, transportation demand is expected to remain firm in the logistics field for both domestic and international freight. However, this field as a whole is being called upon to transform into a value creation-oriented industry, which includes implementation of work-style reforms and efforts to secure and nurture human resources, in addition to development of labor-saving logistics services that incorporate cutting-edge technologies.

To respond swiftly to such a business environment, the Nippon Express Group will strive for greater growth and further enhance our corporate value, with the aim of becoming a truly global logistics company that can compete on the world stage, in order to meet the expectations of all shareholders. We would be grateful for your continued understanding and support.

December 2017

Special Feature

80 years of history since our founding

1937 ▶ Foundation of Nippon Express Co., Ltd.

Nippon Express Company, Ltd. was established on October 1, 1937 in line with the Act on Nippon Express Company, Ltd., as a so-called semi-government (half-public, half-private) transportation enterprise. In 1942, as World War II progressed, the need for a centralized approach to transport deepened throughout Japan, and the government combined the transportation companies operating in all the nation's major cities into what would later become Nippon Express. In 1950, under the Express Business Act, the Company was relaunched as a purely private concern, and, since that time, Nippon Express has expanded and developed its business along with the reconstruction and growth of the Japanese economy.

Early Showa era

Land transport by horse-drawn wagon



5,250 wagons in 1945, with 183 still remaining in 1960

1940

1949

Full-scale expansion into marine transport business



Japan's first full automobile carrier introduced by Nippon Express in 1957 – the Dai-ichi Kintsunamaru

1950

1952

Dominant share of truck transport

▶ Short-haul rail freight transport (50km range) shifted to trucks by order of GHQ

1955

Start of air transport



Ship parts transported by air

1958

Assigned the first batch of employees to New York

1960

1962

NIPPON EXPRESS U.S.A., INC. is established

1964

Performs services for the Olympic Games in Tokyo



Torch for Olympic torch relay

1965

Establishes the Security Transport Business Division

1970

1970

Performs services for the International Exposition in Osaka



Delivery of Apollo 8

1973

NIPPON EXPRESS (SINGAPORE) PTE. LTD. is established

1977

NIPPON EXPRESS (NEDERLAND) B.V. is established

1978

Nippon Express Hawaii, Inc. is established

1979

NIPPON EXPRESS (H.K.) CO., LTD. and NIPPON EXPRESS DO BRASIL LTDA. are established



1980

1981

NIPPON EXPRESS (U.K.) LTD. and NIPPON EXPRESS (DEUTSCHLAND) GMBH are established

1983

NIPPON EXPRESS (BELGIUM) N.V./S.A. and NIPPON EXPRESS CANADA LTD. are established

1984

NIPPON EXPRESS (MALAYSIA) SDN. BHD. is established

1985

NIPPON EXPRESS (AUSTRALIA) PTY., LTD. and NIPPON EXPRESS FRANCE, S.A.S. are established

Performs services for International Exposition in Tsukuba



1986

NIPPON EXPRESS (ITALIA), S.R.L. is established

1987

NIPPON EXPRESS (SCHWEIZ) AG is established

1988

NIPPON EXPRESS DE ESPAÑA, S.A. and NIPPON EXPRESS (TAIWAN) CO., LTD. are established

1989

NIPPON EXPRESS (THAILAND) CO., LTD. is established

1990

1990

Nippon Express De Mexico, S.A. DE C.V. is established

1992

Global network expands to more than 200 operational bases

1994

Shanghai Express International Co., Ltd. and NIPPON EXPRESS (SHENZHEN) CO., LTD. are established

1995

NIPPON EXPRESS PHILIPPINES CORPORATION is established

The Great Hanshin-Awaji Earthquake



Connecting severed lifelines

1997

NIPPON EXPRESS (ZHUHAI) CO., LTD. and PT. NITTSU LEMO INDONESIA LOGISTIK are established

1998

Opens the Fine Arts Business Division

1999

Number of overseas employees exceeds 8,000

2000

2001

Number of overseas employees exceeds 10,000

2005

Performs services for Aichi Expo 2005



2006

Nippon Express (St. Petersburg) LLC is established

2007

Nippon Express (India) Private Limited is established

2008

Nippon Express marks the 50th anniversary of its overseas expansion

2009

Renews vehicle paint design



2010

2010

Establishes "NEX-TEC Shibaura" Human Resources Center

2011

The Great East Japan Earthquake



Performs emergency transport of relief supplies

2015

Major internal reorganization for the first time in 53 years

▶ Building a one-stop sales management structure spanning land, sea and air

2017

Nippon Express marks the 80th anniversary of its founding

Origin of 福 logo



Historical mark used on pass permits or as signs for express messenger chiefs since the Edo era. The photo above shows the corporate flag of Naikoku Tsu-un (Domestic Express), Nippon Express's predecessor, featuring capital "E"s ("E" for "Express") on either side of the Japanese character 福. When Nippon Express was established, the "E"s were removed to create the logo used today.

Special Feature

Projects Marking the 80th Anniversary of Nippon Express

On the 80th anniversary of our founding, Nippon Express carried out the following commemorative projects.

1

Social contribution project (donation project)

Mobile blood collection units (blood donation buses) donated to the Japanese Red Cross Society

Left: Executive Vice President Taketsu making the donation
Right: President Konoe of the Japanese Red Cross Society



Blood donation bus "Kenketsu Express"

The history of Nippon Express has paralleled the development of society, which the Company has supported through logistics. To demonstrate our commitment to continue fulfilling that responsibility in the future, and express our gratitude as we celebrate the 80th anniversary of our founding, we have provided financial assistance for blood donation activities as a social contribution project.

The number of blood donors has continued to decline in recent years, in step with an aging society and declining birth rate. To enable and encourage blood donation, one of society's most accessible volunteer activities, we donated three mobile blood collection units (blood donation buses) to the Japanese Red Cross Society. Each of the units will be assigned to the blood collection centers in Tokyo, Aichi Prefecture and Osaka Prefecture, and are expected to play an active role for many years providing a new source of mobility for blood donation.

We Find the Way

Creation of Corporate Message

2

Nippon Express formulated its Corporate Message to be a company that continuously grows by constantly taking up the challenge of creating new value through logistics. Since we do not have products that can be seen, the answer to the question “What is Nippon Express?” is embodied in each and every employee. It is the accumulated daily actions and attitudes of our employees that generate the distinctive character of Nippon Express.

We therefore set forth “We Find the Way” as a phrase that straightforwardly expresses the unique value that we provide, or in other words, the Nippon Express brand. We are carrying out initiatives to make “We Find the Way” take root both internally and externally in order to encourage all employees to think about and understand the value provided by Nippon Express, and, as a result, make changes in their day-to-day actions.

3

System enhancement project related to safety and quality

Refurbishment of Izu Training & Education Center “NEX-TEC Izu”

In order to continue to be a company that is needed and trusted by society, the Company will implement the refurbishment of the Izu Training & Education Center as a project to enhance its systems related to safety and quality, which are the sources of our pride.

The Center is a facility that symbolizes the enhancement of safety and quality skills of Nippon Express. Every year, many employees strive to hone and pass on their skills, and to generate new ideas there. On the occasion of this 80th anniversary, we will develop the Center into a new skills training facility that considers the environment and diversity of human resources, so as to be a source of pride for Nippon Express Group employees in the future.

New name: **NEX-TEC Izu**
(**N**IPPON **E**XPRESS **T**raining & **E**ducation **C**enter)



Nippon Express JUST NOW!

CHECK
events during
the past six
months!



Thilawa Logistics Center

TOPICS¹

New multifunctional logistics hub opened in Myanmar Special Economic Zone

~Thilawa Logistics Center~

Nittsu Logistics Myanmar Co., Ltd. opened the Thilawa Logistics Center, a new multifunctional logistics hub, which commenced operations on June 1. The two-story facility with a floor area of 4,518m² is located in the Thilawa Special Economic Zone, Myanmar's first special economic zone, which has excellent access to downtown Yangon and the nearest port. Increased demand for logistics is anticipated as many companies are expected to move into the zone in the future, which offers tax incentives including reduced import taxes for construction materials, production equipment and raw materials. The facility is also equipped with a 1,000m² (to be expanded to 2,000m² in the future) air-conditioned room and other features addressing Myanmar's hot and humid climate, making it possible to meet a wide range of customer needs.



TOPICS2

Holding of Nittsu Group 2017 Nationwide Contest for Drivers and Forklift Operators

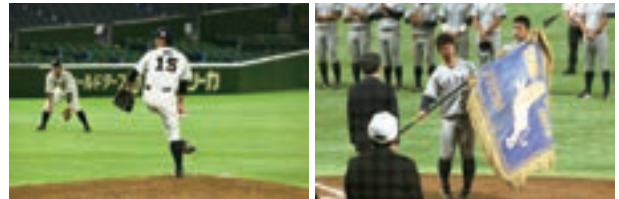
Nippon Express held its Nationwide Contest for Drivers and Forklift Operators at the NIPPON EXPRESS Izu Training & Education Center on May 20 and 21. Through the contest, Nippon Express seeks to improve driving skills incorporating fuel-efficient driving and maintenance inspection skills, and to further promote prevention of traffic and workplace accidents and reduction of environmental impact.



TOPICS3

Nippon Express Baseball Team Runners-up at 88th Intercity Baseball Championship

The Nippon Express baseball team advanced to the finals for the first time in 20 years at the 88th Inter-city National Baseball Championships held at Tokyo Dome. Players and fans at the stands were united as the team earned consecutive wins, with a notable no-hitter by pitcher Abe in the second round. Although defeated just inches away from their first championship victory in 53 years at the end of a fierce match against NTT East in the finals on July 25, the team took the runner-up spot for the fourth time.



Pitcher Abe achieved a no-hitter

Captain Urabe received the flag at the victory ceremony

Other Topics (April 1, 2017 through September 30, 2017)

May 2017 **Launch of Diversity Promotion Group to be a company where all employees can achieve job satisfaction**

Nippon Express promoted awareness-raising and enhancement of the environment with a view to cultivating a corporate culture where all employees can make the most of their abilities and which fosters interaction between diverse individuals.

May 2017 **Research and development of cutting-edge technologies in the logistics field Launch of Logistics Engineering Strategy Division**

Nippon Express promoted research and development aimed at practical application of cutting-edge technologies such as truck platooning, unattended operation and labor saving at logistics centers, logistics solutions using artificial intelligence (AI), and multi-purpose utilization of drones.

July 2017 **Tree-planting activities in Shanghai and Seoul**

Tree-planting activities were carried out at local subsidiaries, NIPPON EXPRESS GLOBAL LOGISTICS (SHANGHAI) and NIPPON EXPRESS KOREA, as part of Nippon Express's Global CSR, which promotes environmental conservation and CO₂ reduction across the Group, including overseas.

July 2017 **[Narita Temperature Controlled HUB] Opening of "Narita Temperature Controlled HUB," a new large-scale freezer/refrigerator facility in the Narita area**

Nippon Express developed a temperature control system in accordance with global quality standards and expanded its transport and storage services for international airfreight such as pharmaceuticals that require strict temperature control.

August 2017 **Opening of Kenya Branch as first business location in Africa**

With the opening of the Kenya Branch, Nippon Express will improve the sales management structure that can swiftly respond to an increasing number of companies moving into the country, and growing logistics needs.

Please access our press release on our Group website for further details.

<http://www.nittsu.co.jp/press/>
(Japanese only)

Consolidated Business Results Highlight

(First six months of the fiscal year ending March 31, 2018)

Full-year Forecasts

Revenues	¥956.1 billion	¥1,940.0 billion
Operating income	¥32.2 billion	¥69.0 billion
Ordinary income	¥34.4 billion	¥72.0 billion
Profit attributable to owners of parent	¥21.5 billion	¥43.0 billion

Logistics Support

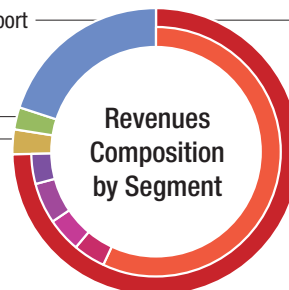
19.9%

Heavy Haulage & Construction

2.4%

Security Transport

2.8%



Logistics

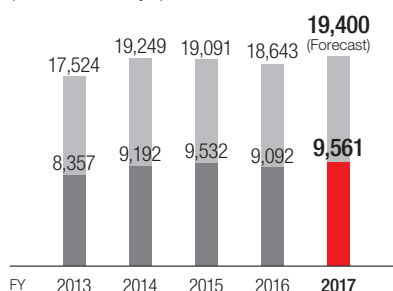
74.9%

- Japan 76.2%
- The Americas 5.8%
- Europe 5.7%
- East Asia 7.1%
- South Asia & Oceania 5.2%

*Compositions in the above chart exclude adjustments.

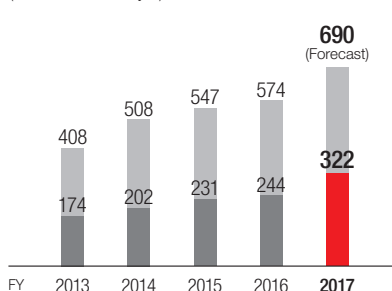
Revenues

(Unit: 100 millions of yen)



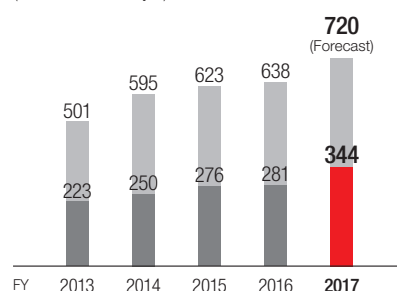
Operating Income

(Unit: 100 millions of yen)



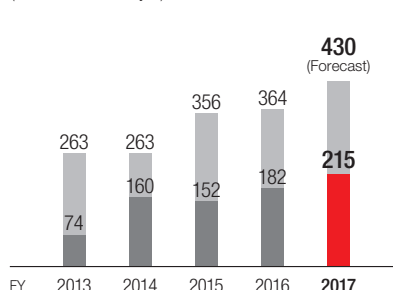
Ordinary Income

(Unit: 100 millions of yen)



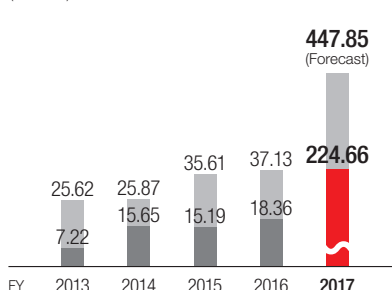
Profit Attributable to Owners of Parent

(Unit: 100 millions of yen)



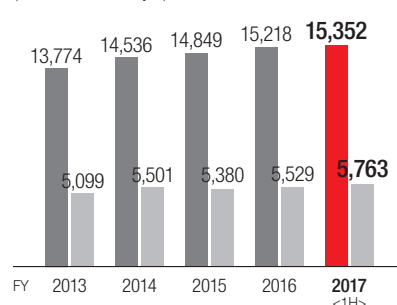
Net Income per Share

(Unit: Yen)



Total Assets and Net Assets

(Unit: 100 millions of yen)



*The effect of share consolidation is taken into account for FY2017.

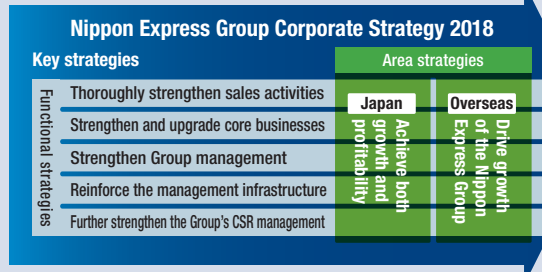
Status of Revenues by Segment

			1H of FY2017 (Millions of yen)	1H of FY2016 (Millions of yen)	Difference YoY (%)
Logistics	Japan	Revenues	584,247	566,292	3.2
		Segment income	20,087	16,487	21.8
	The Americas	Revenues	44,833	41,919	7.0
		Segment income	2,708	2,430	11.4
	Europe	Revenues	43,827	39,123	12.0
		Segment income	1,728	855	102.0
	East Asia	Revenues	54,787	47,648	15.0
		Segment income	768	597	28.7
	South Asia & Oceania	Revenues	39,538	34,138	15.8
		Segment income	1,633	1,118	46.1
Security Transport		Revenues	28,693	27,428	4.6
		Segment income	879	447	96.5
Heavy Haulage & Construction		Revenues	24,866	22,253	11.7
		Segment income	2,345	1,774	32.2
Logistics Support		Revenues	204,296	192,032	6.4
		Segment income	5,326	3,370	58.1
Adjustments		Revenues	(68,958)	(61,557)	—
		Segment income	(3,244)	(2,628)	—
Total		Revenues	956,131	909,278	5.2
		Segment income	32,232	24,452	31.8

Nippon Express Group Corporate Strategy 2018

<From April 1, 2016 to March 31, 2019>

Our key strategies are developed in line with a vertical axis formed by the “area strategies” covering each region, and a horizontal axis formed by the “functional strategies” targeting reinforcement and reform. We will focus investment on B2B in the priority business fields and growth regions, and promote Group management emphasizing earnings.



Consolidated Financial Statements

Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

Item	First Six Months of 112th Term (As of September 30, 2017)
(Assets)	
Current assets	686,265
Cash and cash in banks	184,408
Notes receivable-trade	24,767
Accounts receivable-trade	295,547
Inventories	7,715
Other	174,917
Less: allowance for doubtful accounts	(1,090)
Noncurrent assets	848,954
Property and equipment	546,785
Vehicles, net	29,984
Buildings, net	256,925
Land	187,341
Other, net	72,534
Intangible assets	116,564
Goodwill	41,537
Other	75,027
Investments and other assets	185,603
Investment securities	136,257
Other	50,472
Less: allowance for doubtful accounts	(1,126)
Total assets	1,535,220

Item	First Six Months of 112th Term (As of September 30, 2017)
(Liabilities)	
Current liabilities	449,616
Notes payable-trade	6,490
Accounts payable-trade	151,043
Short-term loans payable	64,746
Income taxes payable	12,805
Provision for bonuses	21,948
Other provisions	382
Other	192,199
Noncurrent liabilities	509,243
Bonds payable	125,000
Long-term loans payable	190,801
Other provisions	1,569
Net defined benefit liability	155,901
Other	35,971
Total liabilities	958,859
(Net assets)	
Shareholders' equity	540,262
Common stock	70,175
Additional paid-in capital	24,707
Retained earnings	465,518
Less: treasury stock	(20,139)
Accumulated other comprehensive income	19,295
Valuation difference on available-for-sale securities	62,880
Deferred losses on hedges	(8)
Foreign currency translation adjustments	(45)
Less: Remeasurements of defined benefit plans	(43,530)
Non-controlling interests	16,802
Total net assets	576,360
Total liabilities and net assets	1,535,220

Note: Amounts less than one million yen are disregarded.

Quarterly Consolidated Statements of Income (Unit: Millions of yen)

Item	First Six Months of 112th Term (April 1, 2017 to September 30, 2017)
Revenues	956,131
Operating costs	870,564
Gross profit	85,567
Selling, general and administrative expenses	53,334
Operating income	32,232
Non-operating income	4,833
Interest income	247
Dividends income	2,086
Equity in earnings of affiliates	392
Other	2,107
Non-operating expenses	2,583
Interest expenses	1,650
Other	933
Ordinary income	34,482
Extraordinary income	2,221
Gain on sales of noncurrent assets	2,099
Gain on sales of investment securities	64
Other	56
Extraordinary loss	2,699
Loss on disposal of noncurrent assets	2,598
Other	100
Profit before income taxes	34,004
Income taxes	11,949
Profit	22,055
Profit attributable to non-controlling interests	484
Profit attributable to owners of parent	21,570

Note: Amounts less than one million yen are disregarded.

Quarterly Consolidated Statements of Cash Flows (Unit: Millions of yen)

Item	First Six Months of 112th Term (April 1, 2017 to September 30, 2017)
Cash flows from operating activities	45,965
Cash flows from investment activities	(65,790)
Cash flows from financing activities	(21,353)
Effect of exchange rate changes on cash and cash equivalents	(379)
Net decrease in cash and cash equivalents	(41,557)
Cash and cash equivalents at beginning of year	163,386
Cash and cash equivalents at end of period	121,829

Note: Amounts less than one million yen are disregarded.

Cash Flows from Operating Activities

Cash flows from operating activities resulted in a net inflow of ¥45.9 billion, remaining flat year on year.

Cash Flows from Investment Activities

Cash flows from investment activities resulted in a net outflow of ¥65.7 billion, a year-on-year increase of ¥32.2 billion. This was mainly due to the increase in payment for purchase of property and equipment.

Cash Flows from Financing Activities

Cash flows from financing activities resulted in a net outflow of ¥21.3 billion, a year-on-year increase of ¥71.5 billion. This was mainly due to the decrease in proceeds from issuance of bonds.

Please access our IR information for details on business results:

<http://www.nipponexpress.com/hq/ir/>

Nippon Express IR

Search

General Overview of the Company

Directors, Officers and Corporate Auditors (As of September 30, 2017)

Directors

Representative Director and Chairman



Kenji Watanabe

Representative Director, President and Chief Executive Officer



Mitsuru Saitou

Representative Director, Executive Vice President and Chief Operating Officer



Yutaka Ito



Takaaki Ishii



Hisao Taketsu

Director and Senior Managing Executive Officer



Takumi Shimauchi



Katsuhiro Terai

Director and Managing Executive Officer



Fumihiko Sakuma



Susumu Akita

Director and Executive Officer



Naoya Hayashida



Satoshi Horikiri



Yoshiyuki Matsumoto

Director



Masahiro Sugiyama



Shigeo Nakayama



Sadako Yasuoka

* Directors Masahiro Sugiyama, Shigeo Nakayama and Sadako Yasuoka are Outside Directors.

Corporate Auditors

Audit & Supervisory Board Member



Takashi Wada



Tatsuya Suzuki



Tadashi Kanki

Audit & Supervisory Board Member



Toshiaki Nojiri



Yoshio Aoki

* Audit & Supervisory Board Members Tadashi Kanki, Toshiaki Nojiri and Yoshio Aoki are Outside Audit & Supervisory Board Members.

Officers

Managing Executive Officer	Yukio Yokoo	Executive Officer	Mitsuru Uematsu
Managing Executive Officer	Yasunori Takahashi	Executive Officer	Suguru Yoshioka
Managing Executive Officer	Akira Kondo	Executive Officer	Toshiro Uchida
Managing Executive Officer	Norifumi Ide	Executive Officer	Makoto Ikeda
Managing Executive Officer	Kazushi Tanaka	Executive Officer	Takeshi Sato
Managing Executive Officer	Yoichi Aoyama	Executive Officer	Ichiro Miyawaki
Managing Executive Officer	Tatsuo Sugiyama	Executive Officer	Masato Nakagawa
Managing Executive Officer	Eiichi Nakamura	Executive Officer	Hiroshi Kandori
		Executive Officer	Hirofumi Funaki
		Executive Officer	Shigeru Umino
		Executive Officer	Yutaka Nagai

Profile (As of September 30, 2017)

Company name: Nippon Express Co., Ltd.
(NIPPON EXPRESS CO., LTD.)

Formal establishment: October 1, 1937

Paid-in capital: ¥70,175 million

Employees: 32,533

Headquarters: 1-9-3, Higashi Shimbashi,
Minato-ku, Tokyo 105-8322
Tel. +81-3-6251-1111
[http:// www.nipponexpress.com/](http://www.nipponexpress.com/)

Consolidated subsidiaries and companies accounted by the equity-method:

Consolidated subsidiaries: 266
Companies accounted
by the equity-method: 24

Share-related Information (As of September 30, 2017)

Status of the Company's Shares

Number of shares	Total number of shares authorized	3,988,000,000 shares
	Total number of shares issued	998,000,000 shares
Number of shareholders		53,911 persons

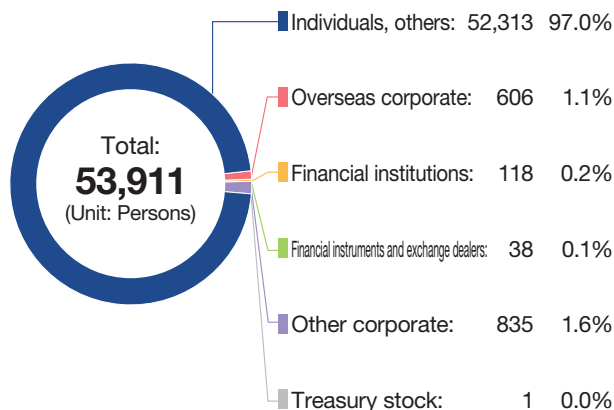
Major Shareholders

Major Shareholders	Number of shares held (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Account in Trust)	81,741	8.5
Japan Trustee Services Bank, Ltd. (Ac- count in Trust)	75,367	7.8
Asahi Mutual Life Insurance Company	56,019	5.8
Sompo Japan Nipponkoa Insurance Inc.	50,967	5.3
Mizuho Trust & Banking Co., Ltd. as trustee for Retirement Benefit Trust of Mizuho Bank, Ltd. (re-entrusted by Trust & Custody Services Bank, Ltd.)	41,500	4.3
Nippon Express Employees' Shareholding Association	34,743	3.6
Japan Trustee Services Bank, Ltd. (Account in Trust No. 4)	17,675	1.8
GOVERNMENT OF NORWAY	15,735	1.6
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	14,921	1.6
Japan Trustee Services Bank, Ltd. (Account in Trust No. 5)	14,040	1.5

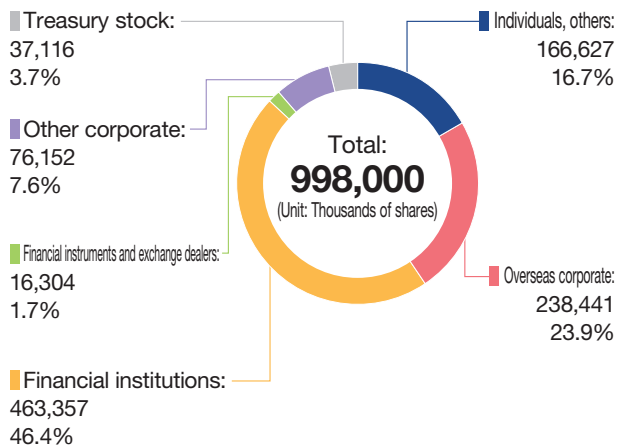
*Although Nippon Express holds 37,116 thousand shares of treasury stock, it is excluded from the major shareholders listed above.

Distribution of Shares by Type of Shareholder

<Number of shareholders and percentage>



<Number of shares and percentage>



Notice Concerning the Consolidation of Shares and Changes to the Number of Shares Constituting One Share Unit

Effective October 1, 2017, the Company consolidated its common shares at the ratio of 10 shares to 1 share, and changed the number of shares constituting one share unit from 1,000 shares to 100 shares. No specific procedures need to be taken by the shareholders for this consolidation of shares and the change in the number of shares constituting one share unit.

■ Effects of the consolidation of shares

While the consolidation of shares will decrease the number of shares held by the shareholders to one-tenth of the current number, the value of net assets per share will increase by 10 times compared to that prior to the share consolidation, and the asset value of the Company's shares held by the shareholders will not change, unless due to factors such as changes in the stock market, etc.

■ Handling of fractional shares of less than one share

If there was any fraction of less than one share as a result of the consolidation of shares, the Company disposed of all of such fractional shares together in accordance with the Companies Act, and the proceeds therefrom was distributed to the former holders of such fractional shares in amounts proportional to the former holdings of said shareholders.

Contact for inquiries

If you have any inquiries about the consolidation of shares and the changes to the number of shares constituting one share unit, please contact the securities company with which you have an account or the following administrator of shareholder registry.

[Administrator of shareholder registry]

Mitsubishi UFJ Trust and Banking Corporation

Tel. 0120-232-711 (Toll-free in Japan)

Memos for Shareholders

Fiscal Year:	From April 1 to March 31 of each year	Administrator of Shareholder Registry/Account Managing Institution of Special Account:	Mitsubishi UFJ Trust and Banking Corporation
Ordinary General Meeting of Shareholders:	June of each year	Contact	Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division 1-1, Nikkocho, Fuchu-shi, Tokyo Tel. 0120-232-711 Mailing address: Koto Shin-Tokyo Post Office Box No. 29 137-8081 Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division
Dates of Record:	March 31 for Ordinary General Meeting of Shareholders March 31 for year-end dividend September 30 for interim dividend	Method of Announcement:	Electronic announcement If the Company is unable to make electronic announcement due to an accident or any other compelling circumstance, it will make an alternative announcement on the Nihon Keizai Shimbun circulated in Tokyo. URL for electronic announcement http://www.nittsu.com/
Share Trade Unit:	100 shares (As of October 1, 2017)		
Stock Exchanges:	Tokyo		
Securities Code Number:	9062		

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