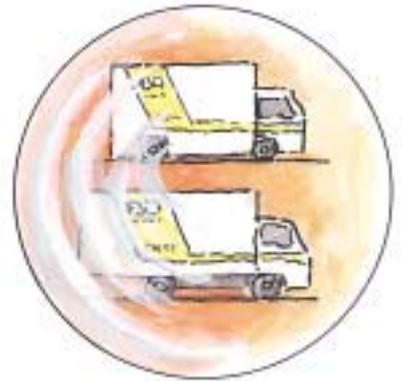


*Carrying Our Beautiful Earth
into Tomorrow*

Environmental Report 2003



NIPPON EXPRESS

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Editorial Policy

This report presents the endeavors of Nippon Express in the field of environmental conservation in fiscal 2002, and includes an explanation of its organization for the promotion of such endeavors, details concerning environmental conservation activities, relevant data and so forth.

Our aim in creating this publication is to cultivate understanding of our endeavors in the field of environmental conservation as a member of the freight industry, through introducing the environmental issues faced by the industry, and our recent policies and efforts.

We have used illustrations and photographs to aid understanding of the contents of this report, the text of which was also written in a style that will hopefully make for easy reading.

We composed this report in accordance with the Ministry of the Environment (Japan) *Environmental Reporting Guidelines* (fiscal 2000 version).

We also introduce certain endeavors carried over from 2001 and earlier to aid understanding of the overall relationship between Nippon Express' business and the environment.

Scope of This Report

This report is concerned with the endeavors of Nippon Express as a whole, including all facilities owned and operated by the company, in the field of environmental conservation.

We have also included such data as electricity consumption and solid waste quantities for ISO 14001-certified facilities.

Applicable Period

This report applies to fiscal 2002 (April 1, 2002 to March 31, 2003).

With the introduction of speed limiters for large vehicles and the full-scale implementation of the Automobile NOx and PM (Particulate Matter) Emissions Law and particle emissions limits on diesel vehicles set by Tokyo and surrounding municipalities, this coming year is likely to be a critical one for members of the freight industry where their efforts to preserve the environment are concerned. These restrictions place a big burden on freight transporters, but are entirely understandable from the point of view of protecting health, and we both accept their need, and are working to accommodate them.

However, in the current economic climate, there are limits on the extent to which the efforts of a single freight company can resolve the existing cost issues, and this year will really be a crucial time for the freight industry. We at Nippon Express have been doing our utmost to update our fleet to meet the latest emissions standards through the introduction of hybrid, natural gas and LPG vehicles, and as a result of those efforts, our complement of low-emission vehicles topped 1,000 in September 2002.

We also organized study trips aimed at expanding our modal shift to rail and marine transport in place of trucks for trunk route transport by giving customers a first-hand view of port facilities, vessels, cargo stations and container trains. To boost our marine transport capabilities, last year we began the construction of two Ro-Ro vessels, which have already been launched and will go into operation within this year.

Another of last year's initiatives was the development of a vehicle capable of transporting wind turbine blades in a vertical position. The blades of large wind turbines can measure close to 40 meters in length, and their structure makes transportation in parts impossible. For such reasons, the transport of blades for the construction of wind turbines in remote inland and mountainous locations has often required the cutting of trees and widening of roads. The vehicle that we developed, which is already in operation, reduces such requirements to a minimum.

One of our company creeds is "to justify society's trust by devotion to the mission of transportation," but we also believe that "carrying our beautiful Earth into tomorrow" is another important mission of ours. We shall endeavor to achieve that mission and contribute to the building of a recycling-based, sustainable society both through the development of transportation technology that reduces the impact of our operations on the environment, and through the further introduction of low-emission vehicles and a shift to rail and marine transport.

September 2003



岡部正彦

Masahiko Okabe
President

Our Approach to Environmental Conservation

We seek to contribute to the achievement of a sustainable society through our freight operations.

Basic Philosophy One of the guiding principles underlying management and planning at Nippon Express is to contribute to society through helping to preserve the environment and, based on our company creed, we have established a basic philosophy for protecting the environment and a set of three basic guidelines for environmental action.

Company Creeds

To justify society's trust by devotion to the mission of transportation

To work for the company's future by improving operations

To lead a proper life by keeping mind and body healthy and whole

Basic Philosophy on Environmental Conservation

Nippon Express shall be mindful of its responsibilities as a corporation to society and the general public, shall contribute to environmental conservation as a "good corporate citizen," and shall strive to earn the full trust and confidence of society at large.

Basic Guidelines on Environmental Conservation

1. We will work to find solutions for global environmental problems and urban pollution.
2. We will do our part to build a resource-conserving, recycling-based society.
3. We will conduct educational and awareness-raising activities on the environment.

* Basic Philosophy and Guidelines adopted April 1993

Key Initiatives of Fiscal 2002

Helping to Alleviate Global Environmental Problems and Urban Pollution ▶ pp.11-17

We have continued to introduce more clean energy (low-emission) vehicles and establish our own clean energy filling stations. We have also made further progress in our modal shift from trucks to more energy-efficient rail and marine transport, introducing new sea routes and developing new containers.



The first large truck in Japan to be powered by CNG (compressed natural gas)

▶ p.16



R&S container that can be carried by both domestic shipping and rail

▶ p.13

Contributing to Society through Communicating the Importance of Environmental Conservation ▶ p.22

We have endeavored to promote automobile and freight industry technology that contributes to environmental conservation by participating in various symposiums and trade fairs and, as international shippers, we have helped to ship relief supplies overseas. Our new headquarters building also contains facilities for cultural interaction with the local community.



Logistics Symposium 2002 panel discussion

▶ p.22



Nippon Express booth at the Tokyo International Packaging Exhibition

▶ p.22

Building a Resource-Efficient, Recycling-Based Society—Showing Consideration for the Environment in Our Workplaces ▶ pp.18-21

We have developed a wide variety of reusable packing that also uses low environmental impact materials. We are also expanding our involvement in the transport and construction of wind turbines and waste transport. Our new headquarters building, completed in July 2003, features a very durable exterior, and energy-efficient air conditioning and lighting systems.



Our Eco-packing materials are designed for repeated use.

▶ p.18



We handled the transport and construction of the wind turbine of J-Wind Tokio's Tokyo Kazaguruma Waterfront Power Station.

▶ p.19



Nippon Express' new energy- and resource-efficient headquarters building

▶ p.20

Support for the Shipment of Cargo for the Johannesburg Summit 2002

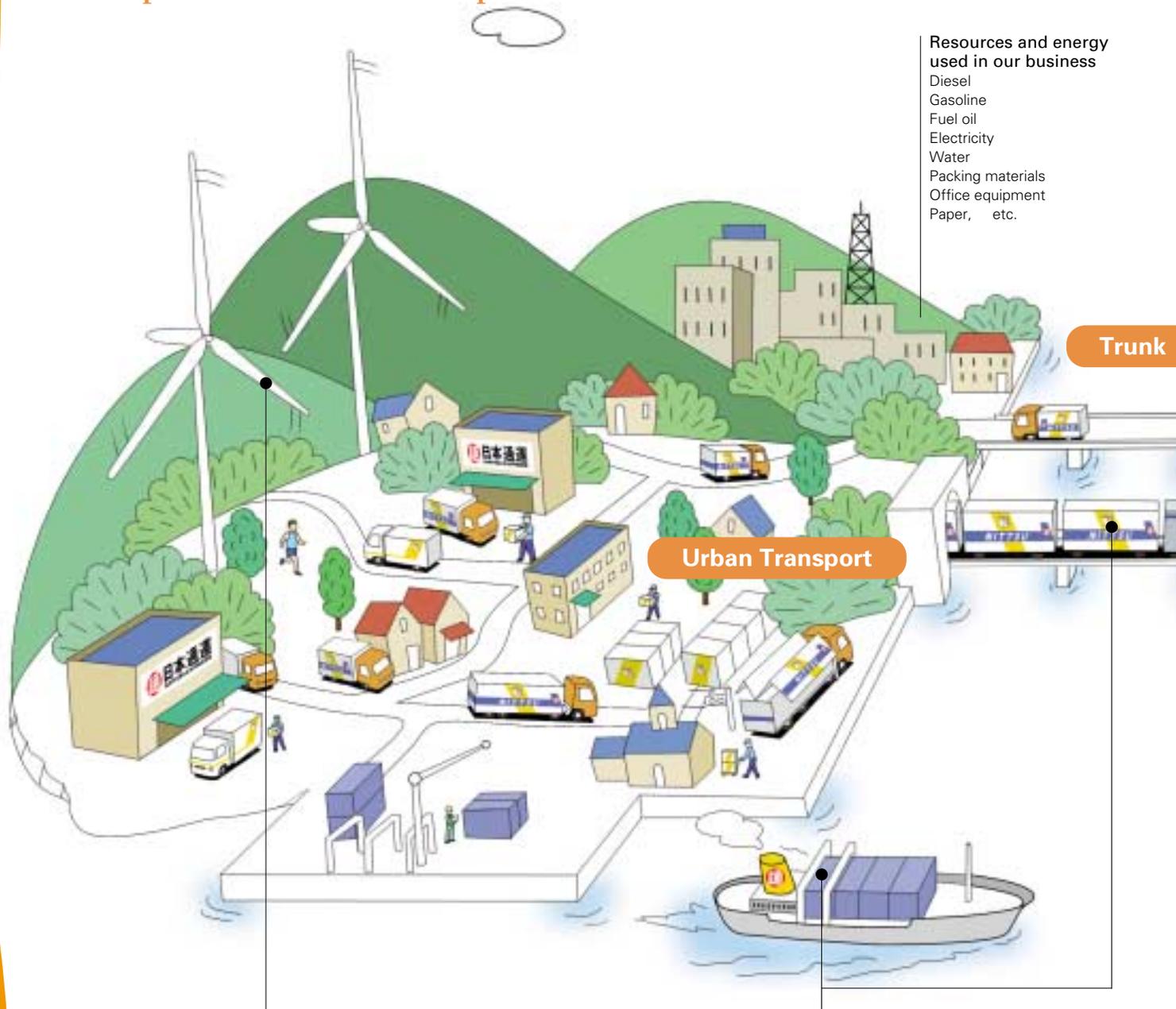
Leaders of nations throughout the world gathered at the World Summit on Sustainable Development held in Johannesburg in 2002 to discuss a common aim of all mankind, the prevention of global warming. Nippon Express handled the shipping of all the cargo related to the Japanese delegation, including the panels and hybrid car featured in the Japanese exhibit, with its Johannesburg Office staff handling the import of the cargo and all local transport, assembly and return shipping processes.



Loading cargo into a cargo jet

Business and Environment

We seek to reduce our impact on the natural environment in all aspects of our business operations.



Nippon Express' Environmental Business ▶ p.19

We use our capabilities as a freight company to offer various services, including resource recovery systems for recycling, and the transport and assembly of clean energy generation facilities.

- Logistics systems for recycling
- Waste product transportation for specialized processing
- Construction of clean energy generation facilities

Caring for the Environment in Our Freight Operations ▶ pp.11-18

We are reducing energy consumption of our freight operations through shifting to greater use of rail and marine transport, and we are also adopting various measures to reduce the impact of our operations on the urban environment.

- Shift to more energy-efficient modes of transport
- Introduction of low fuel consumption and clean energy vehicles.
- Reduction of resource consumption, and development of low environmental impact packing materials and transportation technology

Fuel consumption and CO₂ and NO_x emissions of our freight operations

Fiscal Year	Fuel consumption (kL) *1			CO ₂ emissions (tons-CO ₂) *2		NO _x emissions (tons) *3	
	Diesel	Gasoline	Fuel oil C		Index *4		Index *4
1998	152,814	11,301	50,603	579,421.5	77	3,097.6	68
1999	142,697	11,070	52,721	558,352.0	74	2,919.3	64
2000	149,701	13,275	47,965	568,094.3	75	3,046.0	66
2001	146,319	12,930	56,464	583,317.0	77	3,016.3	66
2002	139,008	11,469	55,003	556,246.3	73	2,864.5	63

*1 Fuel consumption: CO₂ and NO_x emission quantities are calculated from fuel purchases.

*2 CO₂ emissions: Ministry of the Environment Eco-Action 21 Environmental Activity Evaluation Program (pub. September 1999) emission coefficients used. (CO₂ emission coefficient for diesel: 2,644 kg-CO₂/kL; for gasoline: 2,359 kg-CO₂/kL; for fuel oil: 2,939 kg-CO₂/kL)

*3 NO_x emissions: Ministry of the Environment Eco-Action 21 Environmental Activity Evaluation Program (pub. September 1999) emission coefficients used. (NO_x emission coefficient for diesel: 18.3 kg/kL; for gasoline: 8.2 kg/kL; for fuel oil: 4.12 kg/kL)

*4 Index: Comparison with a value of 100 for 1990 emissions



Emissions generated by our business

- CO₂
- NO_x
- PM
- SO_x
- Noise
- Vibration
- Wastewater
- Other solid waste, etc.

Line Transport

Urban Transport

Our Place in Society

▶ p.22

We seek to promote conservation of the environment and play a positive role in local community life.

- Promotion of environmental conservation
- Contributions to society

Caring for the Environment in Our Facilities ▶ pp.20-21

Warehouses and offices are vital elements of our freight operations, and we do all we can to reduce our impact on the environment in such facilities, too.

- Reduction of workplace energy consumption
- Reduction of workplace resource consumption

Environmental Management

We are implementing initiatives for environmental conservation on a company-wide basis.

Principles of Action One of the aims of Nippon Express' management plan is to work for the benefit of society and the environment, and we practice principles of action that were established in accordance with our basic philosophy and guidelines for environmental conservation. We are taking measures that reduce our impact on the environment both in our freight operations using public roads, and in our offices and other facilities. We are also implementing a company-wide management system for environmental conservation that includes comprehensive auditing and employee education.

Freight Operations Environmental Initiatives

Switch in Modes of Transport ▶ pp.11-14

- Promotion of modal shift
- Promotion of joint transport and delivery
- Use of node terminals
- Expansion of full-load round-trip operations
- Efficient placement of distribution depots
- Improvement of vehicle and ship allocation, operation, and loading ratio

Improvement of Vehicles and Other Means of Transport ▶ pp.15-17

- Promotion of the use of low-emission vehicles
- Updating of fleet to vehicles that meet the latest emission standards
- Use of recyclable materials in vehicle bodywork, and reduction of vehicle weight
- Implementation of energy-efficient driving practices
- Thoroughgoing maintenance of vehicles, ships, diesel trains, and cargo loading equipment
- Use of larger vehicles
- Reduction of noise and vibrations

Improvement of Packing Materials ▶ p.18

- Re-use of packing materials
- Use of re-usable packing materials
- Development and use of resource-efficient, low environmental impact packing materials

Workplace Environmental Initiatives

Reduction and Appropriate Disposal of Waste Products ▶ p.21

- Reduction of waste and promotion of recycling through sorting
- Appropriate handling of hazardous chemicals
- Appropriate disposal of CFCs and halons

Reduction of Resource Consumption and Use of Recycled Products ▶ pp.20-21

- Promotion of green purchasing
- Reduction of water and electricity consumption
- Use of recycled products
- Reduction of paper consumption
- Use of public transport
- Energy-efficient driving

Restoration of the Natural Environment ▶ p.18

- Promotion of greenification of new facilities at the design stage
- Promotion of greenification of existing facilities

Environmental Conservation Initiatives

Implementation of an Environmental Management System, and Environmental Auditing ▶ pp.6-9

- Implementation and regular review of an environmental management system (EMS)
- Compliance with environment-related laws and regulations, and implementation of environmental auditing

Employee Education on Environmental Conservation Issues ▶ p.10, p.17

- Education that raises employee awareness of the importance of environmental conservation, energy and resource efficiency, workplace safety measures, and other relevant issues (group training courses, distance learning, provision of manuals, publication of company newsletters, promotion of awareness among employees' families, etc.)

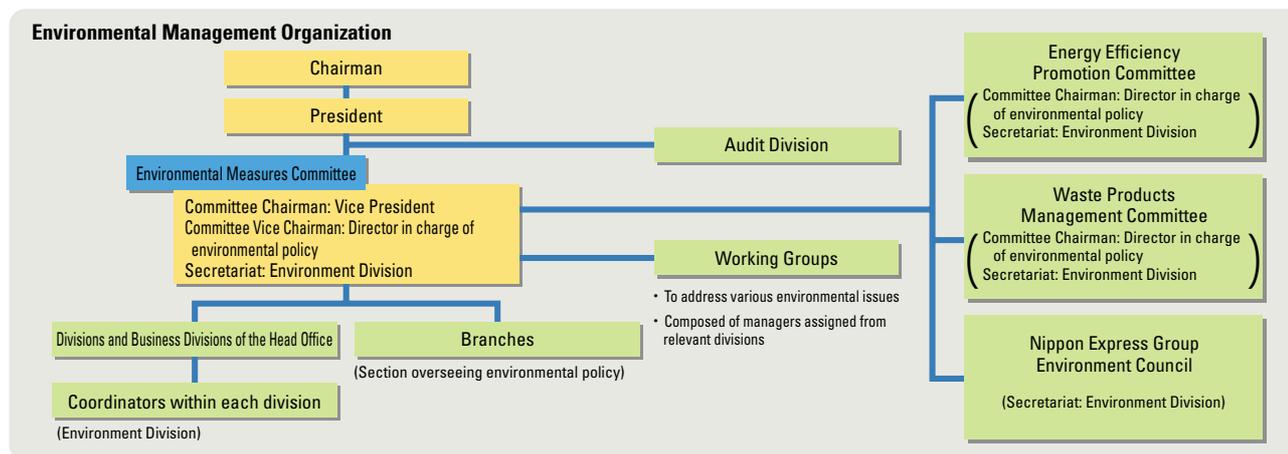
Interaction with Local Communities ▶ p.22

- Examination of local environmental codes, etc., prior to business development, and active participation in environmental conservation, both in Japan and overseas



Environmental Management Structure

At Nippon Express, we have created a company-wide organization called the Environmental Measures Committee that considers environmental management and decides general company policy with respect to the environment. We have also established the Environment Division as a section devoted exclusively to environmental affairs.



Roles of Each Section

Environmental Measures Committee

With the vice president of Nippon Express acting as the chair, this committee decides on general environmental policy by proposing basic guidelines for promoting environmental conservation and so forth.

Working Groups

The working groups serve under the Environmental Measures Committee. Composed of managers assigned from relevant divisions of the company, working groups consider specific environmental issues and courses of action to be followed by branches and other facilities.

Audit Division

The Audit Division conducts internal audits to monitor both compliance with various environmental laws and regulations, and the general stance on environmental conservation within the company.

Nippon Express Group Environment Council

This council was established to promote environmental management among the Nippon Express Group as a whole, and it serves as a forum for over 2,000 workplaces, including Group companies, to bring their thinking on environmental issues in line with each other and nurture cooperation. The Council coordinates courses of actions and allocation of roles, facilitates the exchange of information and disseminates information on new laws and regulations regarding the environment.



Energy Efficiency Promotion Committee

This committee promotes the efficient use of energy in accordance with the Law Concerning the Rational Use of Energy.

Waste Products Management Committee

This committee considers and decides policy for the appropriate treatment and reduction of waste products, and the promotion of recycling.

Landmarks in Environmental Management Organization Development

September 1991: Environmental Measures Committee founded

The Environmental Measures Committee was initially created with the vice president as committee chairman. At the same time, the Expert Committee on Motor Vehicle Transport and the Expert Committee on Resource Measures were established for the multifaceted consideration of specific measures with regard to transport and resource use.

April 1994: Establishment of Environmental Policy Group in the Quality Control Division

An Environmental Policy Group was established in the Quality Control Division for the purpose of ensuring that Nippon Express fulfills its responsibilities with respect to society through further promoting environmental conservation endeavors and activities that serve both the local and global community.

September 1996: Further development of Environmental Affairs Organization

The environmental affairs organization was extended down to the level of company branch offices so as to strengthen environmental initiatives.

October 1996: Reorganization of Environmental Measures Committee

The two Expert Committees on transport and resources were dissolved because of the growing common ground between the matters under their respective jurisdictions, and the number of new issues that neither was capable of resolving alone. In their place, it was decided to establish a mechanism for creating ad hoc working groups to address specific issues as occasion demanded, with members consisting of managers assigned from the relevant company divisions. Actions taken by the working groups would be reported back to the Environmental Measures Committee for review.

June 2001: Environmental Policy Office created

As a result of reorganizations, the Environmental Policy Group within the Quality Control Division (currently the Work Processes Control Division) was re-launched as the Environmental Policy Office.

January 2003: Environment Division launched

To promote more comprehensive environmental management throughout the company, the Environmental Policy Office was replaced by a new Environment Division, comprised of two groups—Environmental Policy and Environmental Conservation.

Environmental Management

Our ISO 14001 Initiatives To encourage environmental conservation endeavors at its facilities, Nippon Express continues to support their efforts to obtain ISO 14001 certification, the international standard for environmental management.

Expanding Certification

Nippon Express is endeavoring to constantly expand the number of its ISO 14001-certified facilities. In June 1998, three service centers (which have since been reorganized into two centers) of the Tokyo Air Service Branch in Baraki, Ichikawa City, were the first to acquire certification. Five more centers were certified in May 2000, followed by another two in March 2001, and Nagoya Air Cargo Center and Takamatsu Air Cargo Center in March 2002.



First certifications obtained on June 24, 1998

- Tokyo Air Service Branch: Baraki Export Cargo Center
- Tokyo Air Service Branch: Baraki Air Cargo Distribution Center

Additional certifications obtained on March 30, 2000

- Tokyo Air Service Branch: Narita Airport Logistics Center
- Nagoya Air Service Branch: Nagoya Distribution Center
- Osaka Air Service Branch: Nanko Air Cargo Center
- Fukuoka Air Service Branch: Fukuoka Air Cargo Center
- Tokyo Air Service Branch: Yokohama International Air Cargo Center (moved)

Additional certifications acquired on March 30, 2001

- Hiroshima Air Service Branch: Hiroshima Domestic Air Cargo Center
- Sendai Air Service Branch: Sendai Airport Logistics Center

Additional certifications acquired on March 29, 2002

- Nagoya Air Service Branch: Nagoya Air Cargo Center
- Takamatsu Air Service Branch: Takamatsu Air Cargo Center

Site Report

The Initiatives of Nagoya Air Service Branch—Nagoya Distribution Center, and Nagoya Air Cargo Center

The Nagoya Air Service Branch is implementing environmental conservation activities centered on the Nagoya Distribution Center and the Nagoya Air Cargo Center under its jurisdiction.

One of the branch's environmental objectives is the reduction of electricity consumption and, to attain this objective, the two facilities are both seeking to reduce the electricity consumption of the cigarette and beverage

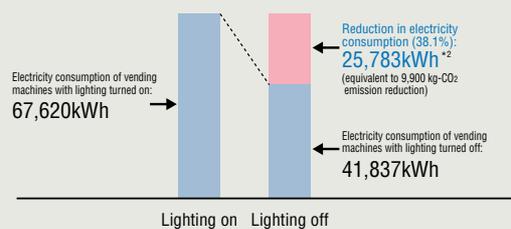
vending machines on their premises by turning off the product display lighting. The staff had doubts at first about the effectiveness of such a measure, but it yielded results that far exceeded expectations. Such a measure leads to reduction not only in CO₂ emissions but also costs, and Nagoya Air Service Branch intends to apply it to all 23 vending machines installed in the 19 under its management.



Facility vending machines with their product display lighting turned off

Product display lighting is turned off

Estimated annual electricity consumption reduction if all Nagoya Air Service Branch facilities turn off vending machine product display lighting*1



*1 Total estimate for 23 vending machines

*2 Reduction is equivalent to annual electricity consumption of 7-8 average households

Compliance with Laws and Regulations

Nippon Express endeavors not only to observe all laws and regulations related to its operations, but also to take the initiative in promoting environmental conservation and the building of a recycling-based society.

Laws Related to Our Operations

Japan's Basic Environment Law provides the legal framework for environmental conservation in Japan within which various environment-related laws concerning specific environmental issues are administered. In recent years, another umbrella law, the Basic Law for Establishing a Recycling-Based Society,

together with laws under it governing the disposal of specific kinds of waste, was established to further promote the building of a recycling-based society. Nippon Express is implementing its own environmental conservation measures in addition to complying with such environmental legislation.

Basic Law	Purpose	Law	Motor vehicles (including car wash facilities)	Distribution centers and warehouses	Ships and stevedoring equipment	Air cargo facilities	Offices	Environmental business
Basic Environment Law	Prevention of global warming and protection of the ozone layer	Law Concerning the Promotion of the Measures to Cope with Global Warming						
		Energy Conservation Law *1						
		Law Concerning the Protection of the Ozone Layer through the Control of Specified Substances and Other Measures						
		Law Relating to the Prevention of Marine Pollution and Maritime Disaster						
		Fluorocarbons Recovery and Destruction Law *2						
		Environmental Impact Assessment Law						
	Reduction of atmospheric pollution	Air Pollution Control Law						
		Automobile NOx Law *3						
		Offensive Odor Control Law						
	Reduction of noise and vibrations	Noise Regulation Law						
		Vibration Regulation Law						
	Reduction of water pollution	Water Pollution Control Law						
		River Law						
		Sewerage Law						
		Law Concerning Special Measures for Conservation of Lake Water Quality						
		Private Sewerage System Law						
	Reduction of soil contamination	Agricultural Land Soil Pollution Prevention Law						
		Soil Contamination Countermeasures Law						
	Management of chemicals	Law Concerning Special Measure against PCB Waste						
		Law Concerning Special Measures against Dioxins						
		PRTR (Pollutant Release and Transfer Register) Law *4						
Agricultural Chemicals Regulation Law								
Nature preservation	Nature Conservation Law							
	Urban Green Space Conservation Law							
	Law for the Conservation of Green Belts around the National Capital Region							
Basic Law for Establishing a Recycling-Based Society	Reduction of waste products and promotion of recycling	Waste Management Law *5						
		Law for Promotion of Effective Utilization of Recyclable Resources						
		Containers and Packaging Recycling Law *6						
		Home Electrical Appliances Recycling Law *7						
		Construction Material Recycling Act						
		Food Recycling Law						
		Law on Promoting Green Purchasing						
Automobile Recycling Law								

*1 Law Concerning the Rational Use of Energy

*2 Law Concerning the Recovery and Destruction of Fluorocarbons

*3 Law Concerning Special Measures for Total Emission Reduction of Nitrogen Oxides and Particulate Matter Specified Areas

*4 Law Concerning Reporting of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management

*5 Waste Disposal and Public Cleansing Law

*6 Law for Promotion of Sorted Collection and Recycling of Containers and Packaging

*7 Law for the Commercial Reuse of Specific Home Electrical Appliances

Environmental Management

Employee Education The resolution of environmental problems requires that government, private industry, NGOs and the general public possess a common awareness of the issues and work together to tackle them. Nippon Express shares such an understanding, and endeavors to provide its employees with the education and awareness that will enable them to work as one for environmental conservation.

Employee Training

Employees attend group training courses held at Nippon Express' Central Training Center, Izu Training Center, and regional head branches, and also complete distance learning programs aimed at enhancing awareness and improving management and practical skills. In fiscal 2002, we made extensive efforts to cultivate human resources and develop employee skills to meet the demands of the new era of logistics and fulfill our responsibilities to society as a global logistics company.

We have specifically incorporated environmental education into all level- and function-based employee

training curriculums to instill all employees with an interest in environmental conservation and encourage environmental best practices.



Our Central Training Center (above), and a class in progress

Main courses held in fiscal 2002 incorporating environmental education (organized by head office)

Course title	Attendees	Purpose of environmental education aspect	Length (days)	Number of attendees
Training session for assistant general managers in charge of operations	Assistant general managers in charge of operations	Education in recent trends in environmental conservation, and appropriate waste product management	1	73
Course for newly appointed branch assistant general managers	Newly appointed branch assistant general managers Newly appointed sub-branch general managers	Strengthening of awareness of environmentally sound management Provision of check points for instruction of branch staff in environmental conservation	3	86
Training session for department managers in charge of operations	Department managers in charge of operations	Acquisition of practical knowledge in environmental regulation trends and company endeavors	2	71
Training session for managers in charge of work efficiency	Newly appointed managers in charge of work efficiency	Acquisition of practical knowledge in environmental regulation trends and company endeavors Acquisition of practical methods for ensuring environmental conservation with respect to work efficiency	3	141
Training session for branch operations company general managers	Branch operations company general managers	Acquisition of practical knowledge in environmental regulation trends and company endeavors	2	161
Basic course for department managers in charge of modal shift	Department managers in charge of modal shift	Acquisition of basic knowledge in modal shift Acquisition of concrete methods for promoting modal shift	1	47
Training course for driving examiners	Driving instructors	Acquisition of methods for examining the driving of drivers educated by driving instructors Acquisition of fuel-efficient driving (eco-driving) and vehicle maintenance techniques	8	146
Training session for driving instructors	Driving instructors	Improvement of the instructional skills of driving instructors who train new company employees and teach periodic driver training sessions Acquisition of fuel-efficient driving (eco-driving) and vehicle maintenance techniques	3	325
Driving instructor qualification course	Drivers	Improvement of the instructional skills of driving instructors who train new company employees and teach periodic driver training sessions Acquisition of fuel-efficient driving (eco-driving) and vehicle maintenance techniques	4	343
Driving skills training course	Drivers	Acquisition of advanced driving and everyday maintenance skills sufficient for company-wide education Acquisition of sufficient fuel-efficient driving (eco-driving) skills to promote eco-driving	4	121
Training session in waste product treatment	Waste product management officers	Training to ensure appropriate treatment of waste products	1	771

Company Communications

Nippon Express encourages not only its employees but also their families to care for the environment through running articles and information on environmental conservation in its company newsletter, *Nittsu Dayori* (Nippon Express News).

We also produce a new *Reference Guide to Environmental Issues* every year. This booklet, which is distributed to all branches, is designed to familiarize employees with new laws and regulations, and deepen their understanding of environmental issues.

Caring for the Environment in Our Freight Operations

We are boosting the energy efficiency of our freight operations through the use of rail and marine transport in addition to trucks, and we are also implementing measures to reduce the impact of our operations on the urban environment.

Shift to Energy-Efficient Transport Modes

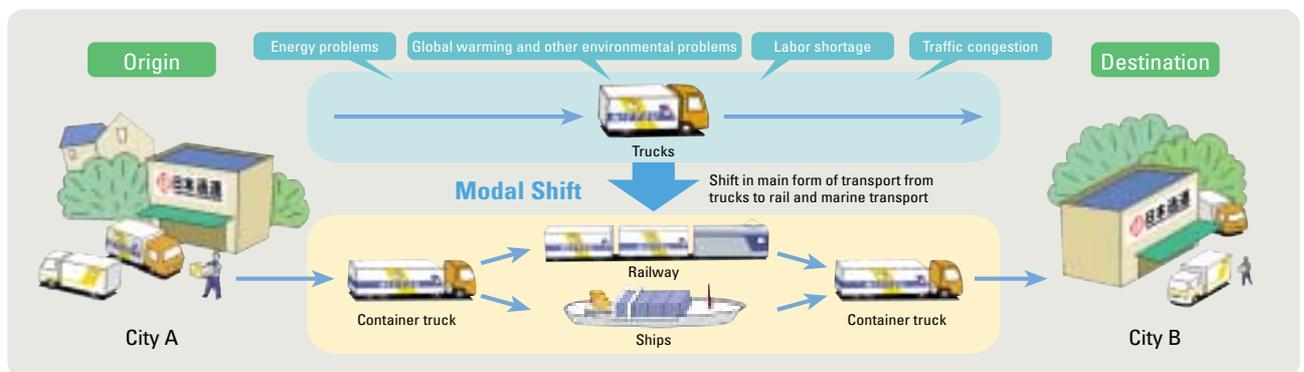
Taking advantage of our capability to combine land, sea and air transport as occasion demands, we have been implementing a modal shift from trucks to more energy-efficient rail and marine transport for long-distance cargo, as well as promoting joint collection and delivery in cities.

Modal Shift

The New Comprehensive Distribution Policy Outline endorsed by the Cabinet in 2001 calls for the creation of a new and efficient distribution system that is not only internationally competitive, but also meets the needs of the 21st century by being of low environmental impact and contributing to a recycling-based society. One of the key policies it contains is the encouragement of a modal

shift from trucks to rail and marine transport, which respectively generate one-eighth and one-fifth the CO₂ emissions of ordinary trucks. Nippon Express is promoting such a modal shift through developing containers that facilitate transferring cargo between different modes of transport, and establishing new domestic shipping routes.

Modal shift outline



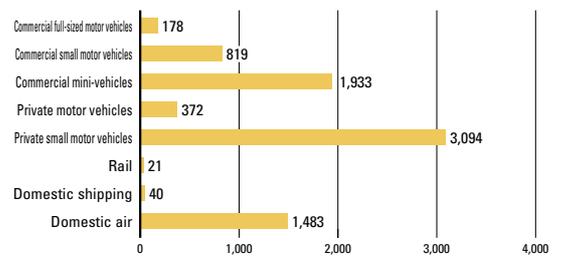
Energy consumption according to type of transport

Unit: kJ/ton-kilometer

Transport type	FY	1996	1997	1998	1999	2000
JR Freight		484.9	484.0	495.5	505.6	473.7
Private rail		457.5	528.2	604.5	575.5	545.7
Rail (average)		484.5	484.6	496.8	506.5	474.6
Commercial motor vehicles		2,927.6	2,916.0	2,878.6	2,814.3	2,786.7
Private motor vehicles		9,561.5	9,628.2	10,018.4	10,427.9	11,077.6
Motor vehicles (average)		4,496.5	4,443.8	4,422.7	4,340.5	4,311.4
Domestic shipping		541.6	547.9	549.4	548.9	541.2
Air (domestic)		22,148.6	21,933.0	22,929.7	21,715.2	22,067.2
Average		2,683.3	2,679.4	2,698.6	2,665.5	2,621.1

Source: Survey on Transport Energy by the Ministry of Land, Infrastructure and Transport

CO₂ emissions according to type of transport in fiscal 2000



Source: EcoMo Foundation
Note: Full-sized motor vehicles are those of 2,000kg load capacity and over

Modal Shift Campaign

Nippon Express has established a Modal Shift Promotion Committee to steer its ongoing efforts to make further progress in the shift to energy-efficient transport modes. One of those efforts was the 1st Modal Shift Campaign, organized in fiscal 2002, to publicize our increasing use of rail container and domestic maritime transport both within the company and to the world at large. During the campaign, we boosted employee awareness and organized study tours of relevant facilities. We also readily volunteered for Ministry of Land, Infrastructure and Transport experiments in trunk route transport aimed at reducing the environmental impact of freight operations.



Modal Shift Campaign pamphlet

Modal Shift Study Tours

As one of the components of the Modal Shift Campaign, we invited customers to participate in study tours of our rail container and domestic marine cargo terminals and other facilities to cultivate understanding of our modal shift, and promote the use of rail and marine transport. Such study tours were held in Sapporo, Tokyo, Fukuoka, Osaka, Kyoto, Okayama and Takamatsu, and drew a total of 242 participants.



Study tour to modal shift facility (rail container terminal)



Study tour to modal shift facility (domestic marine cargo terminal)

Caring for the Environment in Our Freight Operations

Shift to Rail Transport

Enabling large amounts of cargo to be transported overland in bulk, rail transport is not only highly reliable and economical, but is also very energy-efficient. Another major advantage is that CO₂ emissions per ton-kilometer are much lower than for trucks.

Through the development of a proprietary mobile communications-based information system for the management of collection and delivery vehicles, and active implementation of a shift from road to rail transport, Nippon Express is seeking to not only improve its services and boost the efficiency of its operations, but also lower the amount of energy they consume, and their impact on the environment. We use a variety of systems to facilitate the shift from road to rail transport, including different containers adapted to carry cargo of certain volume and type, and systems to facilitate the

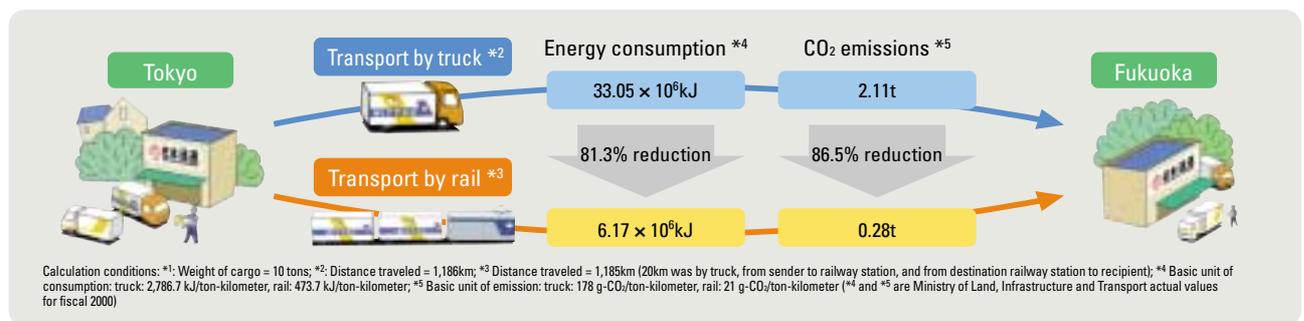
transfer of cargo between trucks and cargo vessels. In fiscal 2002, we introduced a specially developed R&S container that can be used for both rail and marine transport, and a new and improved open top container that can handle a wider range of cargo.

Specifications for some Nippon Express private-use containers (rail)

Container type *1	Length (feet) *2	Floor area (m ² approx.)	Internal volume (m ³ approx.)
2-ton container	6	4	8
5-ton container	12	8	18
Open top container	20	12	15
10-ton container	20	14	30
L10-ton container	30	21	46
Ecoliner 31	31	21	47
Swappable body	31	22	50

*1 Various other containers also exist, depending on the type of cargo and the loading/unloading methods. These include R&S containers for dual rail and marine transport, tank containers, and refrigerated containers. *2 1 foot ≈ 30.5cm

Modal shift benefits—rail vs. road *1



Nippon Express Container Types



2-ton container

About half the size of a 5-ton container, this container was developed to enable the transport of small amounts of cargo by rail. These containers are available in major cities throughout the country.



Open top container (conventional type)

A container with lids opening on both sides, making it ideal for loading and unloading of such industrial waste as construction waste soil, sludge, and incinerator ash. Demand is growing as a result of the increase in societal recycling demands.



Open top container (new type)

Unlike the conventional container, this new container, which was introduced in fiscal 2002, can itself be loaded and unloaded by crane. It also features a reinforced floor to enable it to tolerate concentrated loads.



Ecoliner 31

Featuring sides that open like wings to facilitate loading and unloading and reduce transport times, these containers are now used on 11 routes, including Tokyo–Osaka, and Osaka–Fukuoka.



Swappable body system

The truck load-carrying platform is detachable, enabling transfer of cargo loads as they are from truck to rail. This system is used on the Tokyo–Fukuoka route.



Rail drayage transport

We are shifting the transport of international marine containers from ports, until now dependent on trailer transport, over to rail transport.

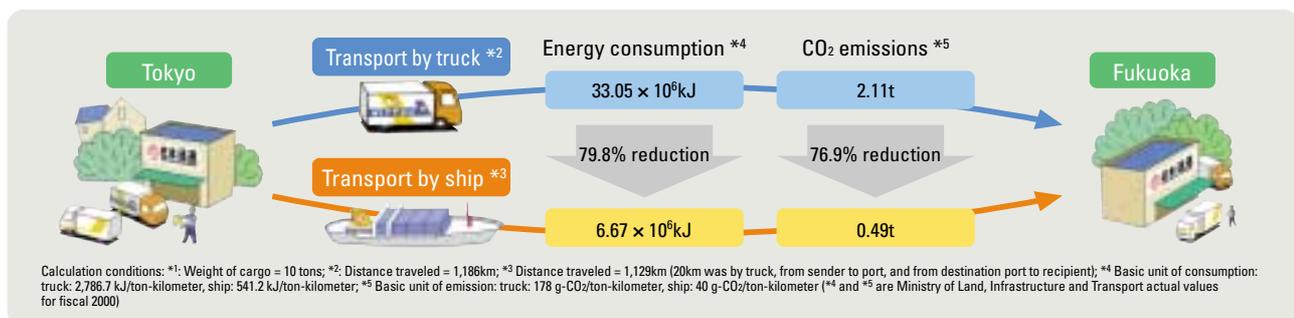
Shift to Domestic Marine Transport

Nippon Express launched combined land-sea services when it put the *Dai-ichi Tennichi Maru*, Japan's first container ship, into service between Tokyo and Muroran in 1964, followed by the *Dai-ni Tennichi Maru* between Osaka and Muroran. Today, we have four regular lines, including the Akashia-Erimo line between Tokyo and Tomakomai, and nine container ships, which together connect various parts of Japan. We continue to implement a shift from road to domestic marine transport, offering transport systems of low environmental impact that also best meet increasingly diverse and complex customer demands through the operation of regular routes with large and ultra-modern cargo ships, door-to-door transport to ensure cargo safety, and the implementation of an information system that uses the latest IT to administer and track cargo.

In fiscal 2002, we reached an agreement with Shosen Mitsui Ferry to jointly operate the route between Tokyo and Hakata that both companies had already been operating independently. Two high-speed Ro-Ro ships ("Roll-on Roll-off" ships that enable trucks to be driven on and off board) will be added to the service by each company in stages from October 2003, increasing the amount that each company is able to transport by 30%, and also reducing transport time. Daily departures with the exception of Sunday are due to begin in January 2004.

We have also introduced an R&S container that is designed for both road and marine transport in order to increase the types of cargo able to be transported by sea, and a new height-adjustable Super Rack container to boost loading ratios for international shipping.

Modal shift benefits—marine vs. road *1



Nippon Express' domestic marine transport system

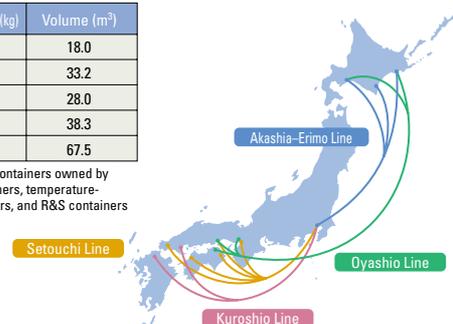
Name of line	Ship name	Capacity (number of 12ft containers)	Ports of call
Akashia-Erimo Line (Hokkaido line)	<i>Himawari 1</i>	460	Tokyo-Tomakomai-Kushiro
	<i>Himawari 2</i>	460	
	<i>Musashino Maru</i>	310	Tokyo-Tomakomai-Tokachi-Kushiro Tokyo-Tomakomai (arrives in port on morning of 3rd day)
	<i>Nichiaki Maru</i>	310	
Kuroshio Line (Kyushu line)	<i>Hakata Maru</i>	380	Tokyo-Hakata-Iwakuni
	<i>Kuroshio Maru</i>	320	
Oyashio Line (Hokkaido line)	<i>Oyashio Maru</i>	310	Osaka-Tamashima-Takamatsu-Tomakomai-Kushiro
	<i>Uraga Maru</i>	434	
Setouchi Line	<i>Kotoku Maru</i>	200	Tokyo-Han'nan-Ube-Matsuyama-Tamashima-Komatsushima

Nippon Express container specifications (domestic marine transport)

Container type	Loaded weight (kg)	Volume (m ³)
12ft container *	5,000	18.0
20ft container	17,980	33.2
20ft refrigerated container	13,790	28.0
24ft container	15,000	38.3
40ft container	20,000	67.5

*Aside from conventional containers, 12ft containers owned by Nippon Express also include cooled containers, temperature-controlled containers, high-profile containers, and R&S containers for joint rail and sea transport.

Domestic marine transport network



Newly Introduced Transport Equipment

R&S container

This container can be carried by both rail and ship. Railway and ship container anchoring devices differ, but the R&S container was designed to fit both types of anchoring, making it possible to choose between rail and marine transport as occasion demands, and accordingly contributing to the modal shift away from road transport.



R&S container

Super Rack container

The Super Rack is the world's first height-adjustable flat rack container, which is designed for large cargoes that cannot be fit into box-shaped containers. With standard rack containers, if the height of the cargo exceeds that of the flat rack, no more racks can be stacked on top, creating dead space, but the height of the height-adjustable Super Rack can be extended to a maximum of 3.4m, enabling the efficient use of space, and accordingly boosting the amount of cargo able to be carried by a vessel.



Super Rack container



The launching of the *Himawari 5*, a Ro-Ro container ship due to go into service shortly.

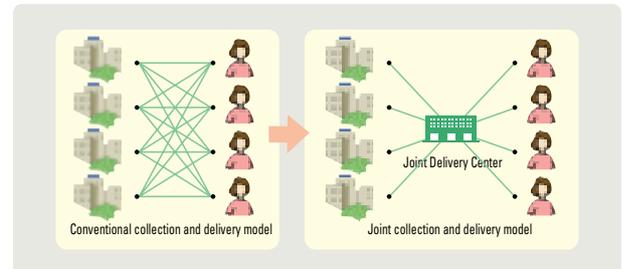
Caring for the Environment in Our Freight Operations

Joint Collection and Delivery/ Joint Operations

Traffic congestion and air pollution caused by CO₂, NO_x and PM are major issues for the freight industry, since in urban environments the majority of operations are carried out by trucks. Exacerbating such problems is the growth in frequency of collections and deliveries of small loads, shortage of truck cargo processing facilities, and increase in roadside parking for collection and delivery. The concept of joint collection and delivery of cargo is being promoted as one solution for cutting emissions, alleviating traffic congestion on the roads, and achieving efficient distribution within cities by improving truck loading efficiency. Efforts are being made throughout the

country to establish joint distribution centers to centralize the collection and delivery operations of freight companies.

Joint collection and delivery concept



Marunouchi District Distribution TDM Experiment: a joint delivery system aimed at establishing efficient distribution in business districts

In February 2002, Nippon Express and other freight companies participated with the Ministry of Land, Infrastructure and Transportation, the Tokyo City Government and various research institutes in the Marunouchi District Freight TDM (Transportation Demand Management) Experiment, designed to examine the possibilities for the introduction of a joint delivery system aimed at boosting delivery efficiency and reducing environmental impact and roadside parking.

The experiment sought specifically to determine benefits, in terms of the number of delivery vehicles used, emissions generated, and decrease in roadside parking, resulting from the joint delivery of cargo to five buildings in the Marunouchi district of Chiyoda Ward from a single facility outside the district, and joint delivery within the concerned buildings. Altogether 26 transport companies participated, delivering a daily average of 388 packages.

The results of the experiment showed that not only did the number of transport company vehicles entering the district drop, but the time required to process deliveries, the amount of roadside parking, and the distance traveled by each vehicle also decreased.

Publicity efforts and expansion of relevant facilities will be required to further reduce handling costs, boost user numbers, and reduce the total distance traveled by delivery vehicles.

Experiment results

Efficient distribution: reduction in delivery vehicle numbers and parking time

Number of delivery vehicles entering experiment district was reduced by about two-thirds.

Parking time was reduced by about 30% due to reduction in total time required to process deliveries.

Traffic flow and environmental improvements: reduced environmental impact as a result of introduction of clean energy vehicles and overall vehicle numbers

Total distance traveled by delivery vehicles was reduced by about 7%.

NO_x and PM emissions were reduced by about 50%.

Reduction in roadside parking as a result of use of underground parking and delivery vehicle spaces

Delivery vehicles and private cars parked on roadside were reduced by about 50%.

Average roadside parking time was reduced by about 30%.

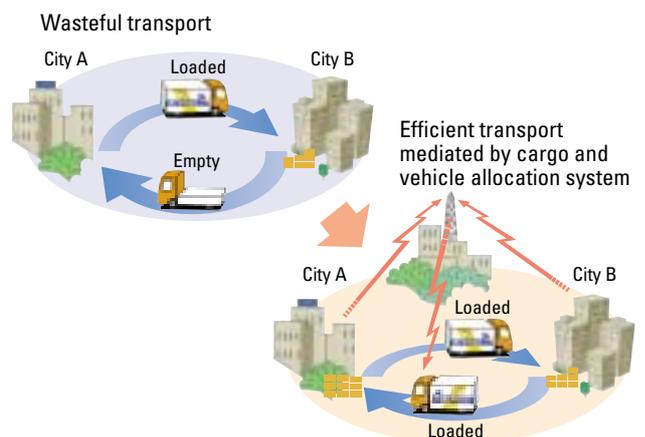
Number of vehicles parking in underground parking rose by about 40%.

Number of deliveries carried through front entrance was reduced by about 25%.

Cargo and Vehicle Allocation System Reform

Nippon Express operates a cargo and vehicle allocation system designed to strengthen its transport coordination facilities and information systems, and improve round trip and return trip vehicle loading ratio and overall operation efficiency.

Until recently this system was limited to company facilities connected by leased lines, but since July 2003, when the system came up for renewal, we have been using a system offered by Logilink Japan that we modified to match our specifications. This system was originally developed in 2000 by JILS (Japan Institute of Logistics Systems) at the request of the former Ministry of International Trade and Industry and Ministry of Transport, and then improved by Logilink Japan. Because it can be run on existing mainframe systems, it enables the linkage of a broad range of company systems, including group companies.



Use of Clean Energy and Fuel-Efficient Vehicles

Nippon Express is actively promoting the introduction of clean energy (low emission) vehicles and the practice of eco-driving to reduce fuel consumption and CO₂ and PM emissions generated by its operations.

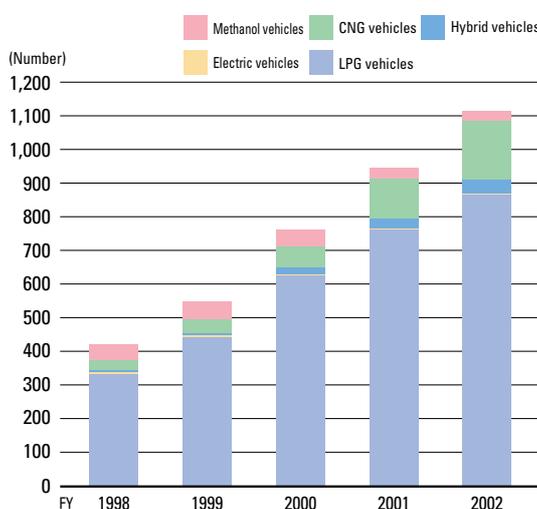
Introduction of Clean Energy (Low-Emission) Vehicles

In 1997, the 3rd Conference of the Parties (COP3) to the United Nations Framework Convention on Climate Change adopted the Kyoto Protocol that sets targets in greenhouse gas emission reductions. In 2001 agreement was reached on the mechanisms, known as the Kyoto Mechanisms, for effective implementation of the Protocol, and signatories have since been taking active steps towards the achievement of their respective emission reduction targets.

Japan, too, moved to strengthen its efforts leading up to its ratification of the Kyoto Protocol in June 2002, adopting in March 2002 a new Climate Change Program for the achievement of its target of 6% reduction in greenhouse gas emissions compared with 1990. One of the measures included in this program was the promotion of clean energy vehicle development and use but, even before then, Japan had already implemented measures to this end, introducing a tax policy for the “greening” of automobiles in April 2001, and in July of the same year drawing up an action plan for the development and popularization of low emission vehicles. Tokyo has already passed legislation that obliges businesses above a certain size to introduce clean energy vehicles.

Nippon Express has sought to go beyond mere compliance with laws and regulations, contributing to the development of clean energy vehicle technology through the addition of various clean energy vehicles to its fleet, including newly developed vehicles (→ p.16). In fiscal 2002 we purchased further CNG and hybrid vehicles, bringing our clean energy vehicle numbers to a total of 1,115. We shall continue adding to this number to achieve our target of 2,000 by the end of fiscal 2003.

Nippon Express clean energy (low-emission) vehicle numbers



Vehicle type \ FY	1998	1999	2000	2001	2002
Methanol vehicles	48	52	50	33	32
CNG vehicles	30	41	63	117	171
Hybrid vehicles	5	7	18	30	44
Electric vehicles	5	5	5	3	2
LPG vehicles	326	441	616	759	866
Total	414	546	752	942	1,115

Establishment of Clean Energy Filling Stations

One of the impediments to the spread of clean energy vehicles is the shortage of clean energy supply facilities *1. Nippon Express is installing its own filling stations in conjunction with the introduction of clean energy vehicles. In fiscal 2002 it added two stations to branches in its Nagoya Region, and one to its Matsue branch, and will continue to install further private-use stations as occasion demands while taking into consideration the spread of public filling stations for clean energy vehicles.



Small-scale CNG filling pump *2

*1 Clean energy filling station nationwide distribution status as of April 2003: 181 CNG filling stations (including 23 existing private-use stations, and 4 in construction), and 14 methanol filling stations. (source: Organization for the Promotion of Low Emission Vehicles)

*2 Small-scale CNG filling pumps: these devices compress natural gas (type 13A—the same type supplied as town gas to ordinary households) to the pressure of 20 MPa (about 200 atmospheres) required for CNG engines.

Nippon Express Group clean energy supply facilities

Type	Number
Methanol filling station	6 (some of which have been decommissioned)
Rapid recharging station	1 (decommissioned)
LPG station *	24
CNG station *	1
Small-scale CNG filling pump	5

* Operated by Nippon Express Group companies

Caring for the Environment in Our Freight Operations

Nippon Express Clean Energy (Low-Emission) Vehicles



Methanol vehicles

These trucks are fitted with engines that use methanol, a very high octane fuel. Because methanol has a low density, these trucks require a fuel tank that is double the size of gasoline-powered trucks, but they have the advantage of emitting no PM, and much less NOx than diesel trucks.



CNG vehicles

These trucks are powered by compressed natural gas (CNG) identical to the town gas supplied to urban households. CO₂ emissions are 20% to 30% lower than gasoline-powered trucks, NOx emissions are much lower than those of diesel trucks, and PM emissions are zero. Developing smaller fuel tanks and increasing the number of filling stations are challenges that remain to be met to ensure further popularization.



Hybrid vehicles

These trucks use several different sources of energy, such as conventional engines and electric motors, with energy generated by the conventional engine, or coincidentally by application of the brakes, being converted to and stored as electrical energy that is then used to augment the conventional engine power on starting and accelerating, and when climbing.



Electric vehicles

These vehicles use electric power stored in their batteries to drive motors. No emissions are generated during running but, if the electricity source is a thermal power station, emissions are of course produced in the generation of that electricity. However, these trucks are more energy-efficient than conventional vehicles, and emission quantities lower.



LPG vehicles

These trucks are powered by liquefied petroleum gas (LPG), and LPG taxis are already very common. NOx emissions are much lower than for diesel vehicles, and no PM is produced. Because there are LPG filling stations distributed throughout Japan now, these are the most common clean energy vehicles.

Another example



CNG-powered forklifts

These are used in operations at the Sapporo Central Wholesale Market. Nippon Express also utilizes electric forklifts, LPG forklifts and other clean energy cargo handling vehicles.

The World's First Capacitor-Powered Hybrid Truck

Nippon Express is the first freight company in the world to introduce capacitor-powered hybrid trucks, the latest thing in clean energy vehicles. In addition to a diesel engine and electric motor, these trucks are equipped with a capacitor that stores vast amounts of electricity that can be released all at once. These trucks are much more fuel-efficient than conventional diesel trucks, and accordingly emit less NOx and PM. Our Hachioji Branch in Tokyo was the first branch



to operate these trucks, which are used on delivery routes that involve a lot of stopping and starting.

Capacitor-powered hybrid truck

Low-Emission Large Trucks

Up until recently, 4-ton trucks were the largest trucks powered by CNG, but in fiscal 2002, Nippon Express became the first in Japan to introduce newly developed models that can carry one or two JR 5-ton containers, as a means of further reducing the environmental impact of road transportation from JR container terminals.



CNG-powered large truck (JR 5-ton single container model)



CNG-powered large truck (JR 5-ton two container model)

Promotion of Eco-Driving

The “eco” in eco-driving stands for both “ecological” and “economical.” Eco-driving refers to such practices as gentle, constant-speed driving without sudden starts, rapid acceleration and sudden braking, and not leaving a vehicle idling while parked. These practices cut motor vehicle emissions that cause global warming and air pollution, reduce the consumption of limited fossil fuel resources, and contribute to noise reduction and road safety.

For a number of years now, Nippon Express has created manuals, displayed posters, and taken other steps to educate its drivers in eco-driving, encouraging its use both to cut operating costs and to reduce environmental impact. To further promote eco-driving, in our driving instructor training sessions, driving instructors experience for themselves the benefits of eco-driving with actual vehicles and learn about proper vehicle maintenance and safe driving. At our various branch offices, company-certified driving instructors accompany drivers on the road, providing behind-the-wheel instruction and encouraging eco-driving practices.

To assess the effectiveness of such eco-driving

promotion efforts by driving instructors, in September 2000 we began a campaign to cut fuel consumption and increase fuel efficiency on the road by at least 10% over the previous year. We have also installed digital tachographs to further promote eco-driving.



Driving Instructor Training Sessions to Ensure Safe Driving and Promote Eco-Driving

Nippon Express organizes training sessions every year for employees at its operations centers throughout the country who play a central role in driver instruction. These sessions are held over a period of four days at Nippon Express' Izu Training Center, with those completing the sessions being recognized as instructors able to provide behind-the-wheel instruction for the company driving examination.

The aim of the sessions is to acquire safe driving and eco-driving knowledge and skills, and instill an understanding of the way in which the practice of smooth

and steady driving leads to safe driving. In addition to video presentations, the curriculum includes behind-the-wheel instruction and analysis of driver performance, discussions and evaluations based on type of vehicle, and so forth.

Role playing sessions aimed at providing training in the instruction of colleagues are also conducted. As part of such training, participants are also given practice in the instruction of physical exercise drills developed by Nippon Express to maintain the fitness and improve the overall health of drivers.

Training sessions at Izu Training Center



Key Points to the Practice of Eco-Driving

1. Frequent high gear changes (rapid gear changes to boost use of seventh high speed gear)
2. Reduce engine revs during upward gear changes
3. Moderate speed, and attempt to maintain as constant a speed as possible
4. Make maximum use of downward gear changes to reduce speed (when fuel is not being burned)
5. Avoid hasty starts, sudden braking, rapid acceleration, and idling

Caring for the Environment in Our Freight Operations

Resource-Efficient, Low Environmental Impact Packing and Transport Technology

Nippon Express operates an all-in-one moving service that includes the packing, transport, unpacking and placement of even small lots, and has developed a wide variety of packing materials to both meet the needs of customers and boost transport and resource efficiency.

Use of Reusable Packing

Nippon Express has since 1992 been developing and using its own reusable packing materials for its moving services with the aim of conserving resources, reducing waste, and boosting operational efficiency. The cleaning and repair of soiled or worn materials enables their repeated use, considerably reducing waste that would otherwise have been produced through the use of rolled cardboard and vinyl packing rope.

Estimated reductions in consumption of previously used packing materials as a result of the use of reusable packing materials (source: Nippon Express. Unit: 10,000)

Material	FY 2000	2001	2002
Rolled cardboard	32	31	30
Bubble wrap	11	11	10
Cardboard hanger boxes	32	31	30
Packing rope	21	21	21
Kraft tape	16	16	15

Eco-packing

This is a moving service developed mostly by a team of female employees that is designed to benefit both customers and the natural environment, and Nippon Express staff carry out all processes from initial preparations to final cleaning up. The packing materials, which are all reusable, were developed through reviewing packing methods for a wide variety of items. For example, reusable urethane, bubble wrap and other materials are used to pack tableware in our Tableware Box, rather than paper wrapping.



Some of the many different kinds of eco-packing materials developed by Nippon Express



Wrapping a drawer with clothing left inside

I-packing

This is a highly insulated container for freeze-transporting. Its interior is designed to allow circulation of air chilled by the coolant contained in the lid, enabling the maintenance of a constant temperature from shipping to delivery without necessitating refrigerator vehicles and other cooling materials. Low environmental impact materials such as polypropylene are used, and the use of returnable packing and need for less boxing of individual items enables further reductions in waste.



I-packing

Folding containers

These are reusable plastic containers that can be folded flat when not in use, and are employed in quantity, together with our OA cartons for desktop and notebook computers and other packing materials, for large office moves and so forth.



Folding containers

"Hampukun" reusable packing

These are reusable packing materials developed by Nippon Express for moving, and include netted blankets and rental hanger boxes.

These materials are available at about 600 branches throughout the country that offer moving services, and moving personnel are given thorough instruction in their use.



"Hampukun" reusable packing

"Pasocompo" PC packing

These are packing boxes for PCs and other IT equipment that are designed to protect the items from vibration and shock. Contents are suspended firmly in place within the box by special film, a method that results in much less waste than the previously used polystyrene foam. The boxes are very sturdily built, and can be reused many times.



"Pasocompo" PC packing

Handling Extra-Large Cargoes

Nippon Express possesses all kinds of proprietary transport technologies, including the development of large vehicles and trailers for transporting extra-large cargoes such as wind turbine blades. We have handled the transport and construction of over 70% of the wind turbines now operating in Japan.

Blade vertical transport system

We have developed a system that enables the blades of large wind turbines, which can measure close to 40 meters in length, to be transported vertically. This reduces the need to cut trees or widen roads for the transport of blades, minimizing the environmental impact of installing wind turbines.



Wind turbine blade transport using our blade vertical transport system.

Nippon Express' Environmental Business

Nippon Express makes use of its capabilities as a freight company to provide such services as recyclable resource recovery and the transport and assembly of alternative energy equipment.

Recycling-Oriented Logistics Systems

Nippon Express handles the recovery both of materials and products that are required by law to be collected and recycled, and other items whose recycling is considered to be desirable. We provide support for the recycling and reuse of incidental waste products generated by all processes from manufacturing to sales and use.

Recovery for recycling

- Consumer electronic appliance and OA equipment recovery system
- Printer cartridge recovery system
- Copier replacement system
- Construction by-products recovery system
- Waste mercury recovery system (used fluorescent lighting, etc.)
- PET bottle recovery system
- Industrial machinery recovery system
- Workplace uniform recycling system
- Paper recycling system
- Vehicle-mounted compression and packaging system

Transport of Waste Products for Special Treatment

Certain types of waste product require special treatment available only at certain pretreatment or final treatment facilities. Nippon Express undertakes the transport of such waste products to the appropriate facility.

Transport of waste products for special treatment

- Transport of waste oil
- Transport of waste food products, etc.
- Transport of waste sundries, etc.
- Transport of waste products, etc., resulting from fires and other disasters
- Transport of illegally dumped waste products

- Transport of surplus soil generated at urban development construction sites
- Transport of contaminated soil from former factory sites, etc.

Construction of Alternative Energy Generation Facilities

Nippon Express has been involved in the construction of many wind turbines, including the transport and assembly of turbines for Tokyo Kazaguruma, the wind power generation facility established on the Tokyo waterfront by J-Wind Tokio, a joint venture between Tokyo Metropolitan Government and private industry. Each of the blades for this project measures 26m, and the height of assembled turbines including blades is 70m. Construction of the facility, slated to generate about 2.5 million kWh of electricity a year, was completed in March 2003. In addition to Tokyo Kazaguruma, in 2002 we transported the turbines for a wind power station



constructed in Ryuyo, Shizuoka Prefecture, a project that involved the negotiation of some very narrow roads and many crossings.

Construction of Tokyo Kazaguruma

Restoration of Setouchi's Natural Environment

Transport of Industrial Waste from Teshima

Work finally began in April 2003 on the removal of industrial waste illegally dumped over the space of many years on Teshima, a Kagawa Prefecture island located in the Seto Inland Sea that suffered from high local dioxin levels and pollution of surrounding waters as a result. Nippon Express has been contracted by Kagawa Prefecture to recover an estimated 670,000 tons of contaminated soil, and transport it to a newly constructed intermediate treatment plant on Naoshima. To carry out this project, Nippon Express developed trucks designed to carry containers boasting superior anticorrosion, airproofing and waterproofing qualities, and the *Taiyo*, Japan's first vessel designed specifically for the safe transport of waste products requiring special management. The *Taiyo* makes two return trips a day between Teshima and Naoshima, transporting a maximum of 300 tons per day.



The *Taiyo*, designed specifically for the safe transport of waste products requiring special management



Special trucks designed for the transport of contaminated soil on Teshima

Caring for the Environment in Our Facilities

Warehouses and offices are vital elements of our freight operations, and we do all we can to reduce our impact on the environment in such facilities.

Reduction of Energy Consumption in Company Facilities

We seek to reduce energy and resource consumption, and the environmental impact not only of our means of transporting cargo, but also of the offices, warehouses and other facilities that are vital to such operations.

Environment-Friendly Design of the New Headquarters Building

The new Nippon Express headquarters building located in the Shiodome district of Tokyo's Minato Ward was completed in July 2003. Boasting 32 floors, including 4 basement floors, and total floor space of 54,214m², the building was designed to become the nucleus of the information and transport networks operated by Nippon Express as a global freight company, and equipped to provide it with the ideal environment for the Information Age. It is not only built for comfort, and to withstand earthquakes and other threats, but also incorporates many features contributing to energy and resource efficiency.

Highly durable materials were used for the exterior of the building to extend its lifespan, and glass with excellent insulation and sunlight filtering properties was used for its windows. Various measures were taken to reduce the burden of air conditioning, including the installation of vents both above and below windows.

The building features various other measures designed to reduce energy consumption for lighting and air conditioning, including automatic control of lighting and window blinds through the use of sensors, an atrium that contributes to nighttime cooling of the building through a natural ventilation system, and a thermal system that combines high efficiency electric and gas heating with an ice thermal storage tank. Rainwater is utilized through the incorporation of a rainwater collection system.

The building was also designed to contribute to the local community, incorporating such cultural facilities as a martial arts hall, sumo hall, and the Museum of Logistics, and facilities that enable the headquarters to serve as a designated public body in the event of disasters.



The new headquarters building



The Sumo Hall

Low-Temperature Latent Heat Storage System

Nippon Express continues in its efforts to reduce electricity consumption in freezer and refrigerated warehouses that are vital to the distribution of marine products and vegetables, and the emission of greenhouse gases caused by electricity generation. At Nippon Express, to reduce the burden on the environment, we installed one of the world's largest low-temperature thermal energy storage system in the warehouses at our Tokyo Foodstuff Terminal, which was completed in 1999 and handles primarily imported produce. This system uses nighttime power, a lower proportion of which is generated by burning fossil fuels, to cool down a thermal storage unit (chiller unit). By almost completely switching off refrigeration systems for a period of 4 to 12 hours starting around 1pm, which is the period of peak power demand, and using the cold stored during the night, power consumption can be reduced by about 500 kWh per day.



Tokyo Foodstuff Terminal



Low-temperature thermal energy storage system

Other Energy Conservation Equipment

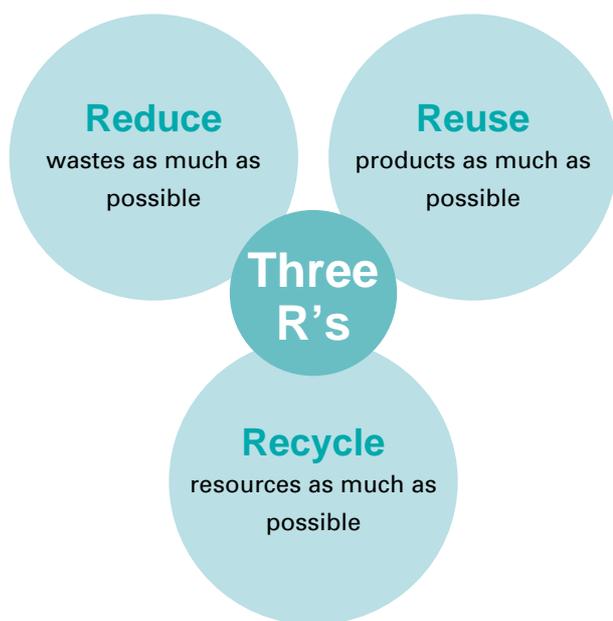
We are also implementing electrical energy conservation measures at our delivery centers and other warehouses. At our new Yao and Ibaraki warehouses opened in Osaka in 2002, we use high efficiency fluorescent lighting that consumes 35% less electricity, and is 5% brighter than conventional lighting. The fluorescent bulbs used in emergency exit guide lights also consume less electricity than earlier types, and have a life span of about 6.5 years.

Reduction of Workplace Resource Consumption

In the offices at each of our service centers, our employees do their utmost to reduce waste and increase recycling rates, and also practice green purchasing, electricity and water conservation, and the use of public transport on a continual basis.

Promoting Three R's

The Three R's—"reduce" the volume of waste generated, "reuse" materials whenever possible, and "recycle" used products as resources—are basic principles of a recycling-based society. At Nippon Express, we do our utmost not only to reduce resource and energy consumption, but also to collect and sort paper and other waste generated in our offices for easy recycling.



Recycling boxes for collection and sorting of waste (Head Office)



A paper recycling collection box (Head Office)

Headquarters building energy and water consumption and wastewater generation

FY	Electricity (kWh)	Water consumed (m ³)	Wastewater (m ³)	Gas (m ³)	Heavy oil (L)
1998	5,018,360	28,359	21,600	169,047	36,914
1999	4,775,300	31,704	25,006	151,059	34,797
2000	4,816,800	30,501	22,988	176,918	36,235
2001	4,800,580	29,144	21,982	191,007	25,141
2002	4,806,684	29,988	22,314	209,223	43,918

Headquarters building waste generation and recycling ratio

FY	Waste (t)	Amount recycled (t)	Recycling ratio (%)
1998	251.9	156.5	62.1
1999	252.9	155.8	61.6
2000	228.6	149.5	65.4
2001	250.5	178.0	71.1
2002	261.4	178.4	68.2

(Source: Chiyoda Ward Annual Large Commercial Buildings Waste Reuse Plan)

Promoting Green Purchasing

"Green purchasing" refers to the preferential selection and purchase of products and services that have low impact on the environment. The Law on Promoting Green Purchasing enacted in April 2001 requires governmental organizations at all levels, national as well as local, to actively procure low environmental impact goods and services, and to publicly disclose their green purchasing track record each year.

The principle of green purchasing has since some time ago gained currency in the private sector. Nippon Express endorsed the Green Purchasing Network (GPN) created in February 1996 by private corporations, governmental bodies, and NGOs, participating in the network from its inception, and has worked hard since then to promote and expand green purchasing

throughout the company.

Whenever we purchase goods or services, we follow the basic purchasing guidelines created by the Green Purchasing Network. For example, we use recycled paper for any printed materials, and preferentially buy recycled photocopier paper, computer printer paper, stationery and office supplies bearing the Eco Mark, and electronic office equipment that is energy-efficient and easily recycled. We are also switching to recycled printer toner cartridges and so forth, and building up our fleet of clean energy vehicles, and we shall continue such efforts to switch to low environmental impact products on a company-wide basis.

Our Place in Society

We seek to play an active part in the local community, both to nurture environmental conservation and contribute to the community.

Nurturing Environmental Conservation

Nippon Express actively involves itself in society through various activities, with the aim of providing opportunities for businesses, individuals and NGOs to exchange information and views regarding environmental conservation and the building of a sustainable society, and contribute to the cultivation of a shared awareness of the challenges we face.

Nurturing Environmental Conservation

LPG truck exhibit at Eco-Car World 2002 Low Emission Vehicles Fair sponsored by the Ministry of the Environment, the Pollution-Related Health Damage Compensation and Prevention Association, and the Tokyo City Government (June 1–2, 2002 Yoyogi Park Event Square, Tokyo, etc.)
Tsu Branch exhibit in Environmental Fair (June 1–2, 2002 Yokkaichi Dome, Mie Prefecture)
Exhibit at Tokyo International Packaging Exhibition 2002 (Tokyo Pack 2002) sponsored by Japan Packaging Institute. Exhibit included reusable, resource-efficient, low-pollution packing materials for moving (Procompo), Decodan decorative cardboard boxes that can be used for both moving and everyday storage, and Pasocompo for the simple and reliable transport of PCs and other precision machinery. (October 1–5, 2002 Tokyo Big Sight, Tokyo)
Exhibit of Hampukun reusable packaging, videos and CDs on environment and transport, and distribution of environmental reports and pamphlets on moving services at the 14th National Lifelong Education Festival—Manabipia Ishikawa 2002, sponsored by Ishikawa Prefecture (October 1–5, 2002 Ishikawa Prefectural Industrial Exhibition Center, Kanazawa)
Panel exhibit at Traffic Environment Summit sponsored by Kinki Regional Transport Bureau (November 12, 2002 Osaka)
Panel exhibit at 1st Moving Festival sponsored by the Moving Festival Organizing Committee (November 27–28, 2002 Tokyo Trade Center)

Participation in Symposiums and Endowment of University Courses

Participated in Nationwide Logistics Improvement Case Study Meeting 2002, sponsored by Japan Institute of Logistics Systems (May 21, 2002 Nagoya Congress Center)
Endowed Environmental Problems and Logistics course at Ryutsu Keizai University (June 26, 2002)
Lecture on Environmental Problems and Logistics as part of private industry teacher training for elementary and junior high school teachers (July 29, 2002)
Participated in Logistics Symposium 2002, sponsored by Kyushu Regional Transport Bureau, Kitakyushu City and Kitakyushu Chamber of Commerce, cosponsored by Japan Federation of Freight Industries, Japan Institute of Logistics Systems (October 23, 2002 Riga Royal Hotel, Kitakyushu)
Endowed Green Logistics course at Waseda University (November 26, 2002)



Logistics Symposium 2002 panel discussion



Exhibition booth at Tokyo International Packaging Exhibition 2002

Contributing to Society

Nippon Express has long involved itself as a corporate citizen in activities that contribute to society, and accepts elementary school student social studies tours, private industry training for teachers, and study tours from overseas.

In fiscal 2002, we helped to send relief supplies to Africa and Cambodia, and our new headquarters building, which was completed in July 2003, contains cultural facilities designed to contribute to the local community (p.20).

Transport of Relief Supplies

Logistical support for Rishso Kosei-kai's Campaign for Sharing Blankets with People in Africa (May 1–June 31, 2002; 159,642 blankets)
Logistical support for Rishso Kosei-kai's Little Bags of Dreams Campaign (August 1–September 5, 2002; 8,173 boxes of writing materials and daily necessities)
Logistical support for Care Japan's Rainbow Project to send "everyone's heart" in the form of writing materials and toys to the children of developing countries (January 14–31, 2003; 255 boxes of writing and drawing materials)
Logistical support for Girls Scouts of Japan's Peace Pack Project (February 1–16, 2003; 4,835 boxes of writing materials, shoes and balls)
Pelican Tour participants' donation of wells to Cambodian villagers. Members of the Yokohama and Shizuoka branches

visited the World Heritage Site of Angkor Wat on a tour designed to make participants think about their relationship to tourism, and allow them an opportunity to communicate with local inhabitants.

(from January 9, 2002; 5 wells donated)



Pelican Tour (visiting World Heritage Site Angkor Wat and Vietnam)



One of the wells donated by tour participants

A Chronology of Our Endeavors for Environmental Conservation

Environmental Highlights at Nippon Express

1987	• Trial use of methanol vehicles (2-ton truck)	March	• Recipients of ISO 14001 certification increase in Air Cargo Business Division (5 more service centers are certified)
1989	• Launch of proprietary Nippon Express 2-ton containers for rail transport	April	• Development and introduction of Ecoliner 31 (wing-type containers) for use between Tokyo and Osaka to promote modal shift to rail transport
1990			• Completion of Izu Training Center for the improvement of vehicle maintenance and driving skills
September	• Adoption of company-wide policy of placing vehicle keys on chains and having drivers attach the chains to their trouser belts to prevent vehicle engine idling while parked		• Launch of Pelican Spot distribution centers to reduce environmental impact
1991		June	• Exhibit at 2000 Low-Emission Vehicle Fair held during Environmental Month
September	• Environmental Measures Committee established with the Executive Vice-President serving as the committee chairman		• Completion of a new node terminal, Tama Terminal
	• Trial use of electric vehicles (light vehicles on loan from Tokyo Metropolitan)	July	• Change in uniforms of Pelican couriers to polo shirts made of eco-materials
1992			• Exhibit at Energy Exhibition held prior to Kyushu Okinawa Summit
March	• Electric vehicles (1.5-ton trucks) added to fleet	September	• Publication of <i>"Environmental Report 2000: Carrying Our Beautiful Earth into Tomorrow"</i>
April	• Node terminal established in Nakai, Kanagawa Prefecture	December	• Awarded ratings of A (deviation value of at least 55) for all five categories in the Environmental Management Survey of non-manufacturing companies conducted by Nihon Keizai Shimbun, Inc.
May	• Entire company begins program to sort and recover paper waste, use recycled paper, and reduce paper use to make more effective use of paper resources		
1993		2001	
January	• Energy-Efficient Driving handbook prepared, and employee education program to reduce emissions and conserve resources launched (handbook is included in driver's logbook and distributed to all company employees)	February	• Head Office receives special award from Chiyoda Ward in Tokyo for its "Three R's" efforts
April	• Basic corporate philosophy on environmental conservation drawn up		• Exhibit at the Environmental Forum and Panel Exhibition sponsored by the Japan Federation of Freight Industries
	• Trial use of hybrid vehicles (3.5-ton trucks)	March	• Ecoliner 31 winged container use expanded to routes between Osaka and Fukuoka
June	• Reusable packing materials for moving developed and introduced		• Two more service centers in Air Cargo Business Division obtain ISO 14001 certification
July	• LP gas vehicles (1-ton trucks) added to fleet	April	• Launch of the large, high-speed Ro-Ro container ship <i>Himawari 1</i>
1994			• Ecoliner 31 container use expanded to Tokyo-Sapporo route
April	• Environmental Policy Group created in Quality Control Division	June	• Exhibit at Eco-Car World 2001 (low-emission vehicle fair) held during Environmental Month
November	• Joint transport commenced on truck business trunk lines (Tokyo-Osaka, Tokyo-Aichi)		• Nippon Express Group Environment Council established to examine Group efforts and exchange information with regard to environmental issues
1995			• Award of Second "Logistics Environment Award" sponsored by Japan Federation of Freight Industries
March	• Trial use (Tottori) of 3-ton trucks powered by LP gas engines		• Environmental Policy Group within the Quality Control Division re-launched as the Environmental Policy Office.
April	• Use of seals on Small Package Bags (Pelican bags) that do not generate trash	July	• Start of regular Hokkaido route by the large, high-speed RO-RO container ship <i>Himawari 2</i>
	• Expansion of joint transport on truck business trunk lines (Tokyo-Aomori, Tokyo-Fukuoka)	September	• Publication of <i>Environmental Report 2001: Carrying Our Beautiful Earth into Tomorrow</i> (Japanese and English versions)
June	• Trial use of CNG vehicles (2-ton trucks)	October	• Exhibit at Daily Life Festa Tokyo, a 2001 Tokyo Consumer Month project
1996		December	• Ranked 13th in the Environmental Management Survey of non-manufacturing companies conducted by Nihon Keizai Shimbun
February	• Joins Green Purchasing Network	2002	
June	• Each branch within the company conducts "Environmental Measures Self-Diagnosis" as part of Environmental Month	February	• Exhibit at Logistics and Environment Fair 2002 sponsored by Japan Federation of Freight Industries
September	• Node terminal in Sano, Tochigi Prefecture, opened	March	• Two more service centers in Air Cargo Business Division obtain ISO 14001 certification
1997		June	• Exhibit at Eco-Car World 2002 (low-emission vehicle fair) held during Environmental Month
January	• Launch of Procompo, a new line of reusable packing materials for moving		• Agreement reached with Shosen Mitsui Ferry to jointly operate the route between Tokyo and Hakata with four new high-speed Ro-Ro ships to be added from September 2003
March	• Publication of pamphlet entitled <i>Nippon Express' Policies on Environmental Conservation: To Preserve Forever Our Beautiful Earth</i>	July	• Customer study tours of marine/land transport facilities in Tokyo and Fukuoka in conjunction with modal shift promotion
April	• Launch of the large high-speed container ship <i>Uraga Maru</i> for coastal transport	August	• Customer study tour of marine transport facilities in Tomakomai in conjunction with modal shift promotion
July	• Launch of campaign to actively promote "eco-driving" by placing stickers on all company vehicles, educating employees, and asking for the public's cooperation		• R&S container developed for dual marine and road transport use (12 ft/5 ton)
December	• Launch of the high-speed Ro-Ro container ship <i>Hakata Maru</i>	September	• Customer study tours of marine/land transport facilities in Osaka in conjunction with modal shift promotion
1998		October	• Publication of <i>Environmental Report 2002</i> (Japanese)
February	• Trial transport of swappable body transport system between Tokyo and Osaka		• Exhibit of low environmental impact packing materials at Tokyo Pack 2002
June	• Development and marketing of uniform recycling system		• First company in the world to introduce capacitor-powered hybrid truck
July	• Air Cargo Business Division receives ISO 14001 certification at three service centers in the Baraki district of Ichikawa City	November	• Clean energy vehicles in fleet top 1,000
October	• Introduction of packing bags (bearing the Eco Mark) made with recycled paper for Pelican small package delivery service		• First in Japan to introduce single-container CNG-powered trucks for JR containers
December	• Head Office and Tokyo Security Transport Branch receive Chairman's Award sponsored by the Recycling Promotional Council, acknowledging the efforts of those who have promoted recycling	December	• Adoption of Logilink Japan ASP service for next vehicle and cargo allocation system
	• Tokyo Air Service Branch receives Minister for Transport Award in first Eco-Drive contest sponsored by the EcoMo Foundation for Promoting Personal Mobility and Ecological Transportation	2003	
1999		January	• Environment Division newly established, comprised of two groups—Environmental Policy and Environmental Conservation
January	• Launch of Nittsu Food Supply System (NFS), a nationwide joint foodstuffs delivery network		• Cooperation in Ministry of Land, Infrastructure and Transportation experiment to test truck/rail arterial transport system (for plastic waste) between Kawaguchi and Kawasaki
April	• Launch of use of swappable body transport system between Tokyo and Fukuoka	March	• First in Japan to introduce 2-container CNG-powered trucks for JR containers
June	• Exhibit at 1999 Low-Emission Vehicle Fair held during Environmental Month		• Development of wind turbine blade vertical transport system
November	• Employees selected as winners in Environmental Motto Contest sponsored by Japan Long Haul Trucking Association (one employee was the grand prize winner, another was a prize winner, and four received honorable mentions)		
December	• Awarded Director-General of the Environment Agency Award in the "Practice of Global Warming Preventing Activities Division," sponsored by the Environment Agency		
2000			
February	• Opens exhibit at Logistics and Environment Fair 2000 sponsored by the Japan Federation of Freight Industries		

Environmental Data

Reductions in Electrical Energy Costs

	Baraki Air Cargo Distribution Center	Narita Airport Logistics Center		Nagoya Distribution Center	Nanko Air Cargo Center	Hiroshima Domestic Air Cargo Center	Takamatsu Air Cargo Center	Fukuoka Air Cargo Center	Sendai Airport Logistics Center	
		General Cargo	Perishable Cargo							
Index	Consumption (kWh)		Consumption per ton of cargo handled (kWh/t)		Consumption (kWh)					
Target	15,000 kWh decrease from previous year	1% decrease from previous year	0.5% decrease from previous year*	1% decrease from previous year	1% decrease from previous year	1% decrease from previous year	1% decrease from previous year	2% decrease from previous year	10% decrease from previous year	
Performance	FY 2001	1,335,756	2,055,360	32.9	25.3	984,944	331,905	175,608	1,156,935	623,543
	FY 2002	1,163,070	2,598,192	34.7	27.0	1,026,673	323,849	180,717	1,180,110	627,807
	Comparison with previous year	-172,686	542,832	1.8	1.7	41,729	-8,056	5,109	23,175	4,264
		-12.9%	26.4%	5.5%	6.7%	4.2%	-2.4%	2.9%	2.0%	0.7%

*Including fumigation warehouse

Reduction/Reuse and Recycling of Waste

	Baraki Air Cargo Distribution Center	Narita Airport Logistics Center		Nagoya Distribution Center	Nanko Air Cargo Center	Hiroshima Domestic Air Cargo Center	Takamatsu Air Cargo Center	Fukuoka Air Cargo Center	Sendai Airport Logistics Center	
		General Cargo	Perishable Cargo							
Index	Weight of recycled/reused waste (kg)	Weight of paper recycled (kg)	Percentage of total waste recycled (%)	Monthly reduction in waste cardboard*	Weight of waste discharged (kg)			Percentage of waste (%)	Weight of waste generated by general business per year (kg)	
Target	2% increase over previous year	Over 10 tons per year	5% increase over previous year	3% decrease from previous year	3% decrease from previous year	1% decrease from previous year	3% decrease from previous year	Generated waste less than 0.45% of total cargo handled per year	10% decrease from previous year	
Performance	FY 2001	178,790	—	32.2	55	63,891.3	11,860.0	6,206.0	0.3709	11,342
	FY 2002	144,520	11,019.5	33.2	50	58,180.1	12,310.0	7,326.0	0.2088	8,415
	Comparison with previous year	-34,270	—	1.0	-5	-5,711.2	450.0	1,120.0	—	-2,927
		-19.2%	—	3.1%	-9.1%	-8.9%	3.8%	18.0%	-01621%	-25.8%

* In terms of wheeled containers for stacking cardboard

Reductions in Fuel Costs (Improvements in Fuel Economy)

	Baraki Air Cargo Distribution Center	Narita Airport Logistics Center (General Cargo/Perishable Cargo)	Nagoya Distribution Center	Nanko Air Cargo Center	Hiroshima Domestic Air Cargo Center	Takamatsu Air Cargo Center	Fukuoka Air Cargo Center	Sendai Airport Logistics Center	
	Index	Distance traveled per liter of fuel consumed (km/L)						Improvement in fuel economy (L)	Improvement in fuel consumption ratio (L/km)
Target	2% increase over previous year	1% increase over previous year	3% increase over previous year	Over 6.17km/L	0.5% increase over previous year	1% increase over previous year	200 liter decrease from previous year	5% decrease from previous year	
Performance	FY 2001	5.15	5.23	5.90	6.16	6.35	10.12	102,725	0.148
	FY 2002	5.11	5.40	5.93	6.25	6.30	10.14	91,690	0.147
	Comparison with previous year	-0.04	0.17	0.03	0.09	-0.05	0.02	-11,035	-0.001
		-0.8%	3.3%	0.5%	1.5%	-0.8%	0.2%	-10.7%	-0.7%

Funds Invested in Environmental Conservation (Procurement Price)

(unit: ¥1,000)

Item	FY	2000	2001	2002	Remarks
Investments aimed at promoting modal shift to rail		566,647	178,815	170,157	Includes development costs
Investments aimed at promoting modal shift to domestic marine transport		274,400	149,740	515,083	Includes development costs
Investments in reusable packing for moving services		1,000,900	40,000	523,700	
Investments in greenification of facilities		156,312	70,936	21,989	

Company Profile (as of March 31, 2003)

Name: Nippon Express Co., Ltd.
Established: October 1, 1937
Headquarters: Higashi-Shimbashi 1-9-3, Minato-ku, Tokyo 105-8322, Japan
 Telephone: +81-3-6251-1111
President: Masahiko Okabe
Paid-in Capital: ¥70,175 million
Number of Shareholders: 98,060
Business volume: 394.962 million tons
Total annual sales: ¥1,253,190 million
Number of employees: 40,081

Performance for each area of business

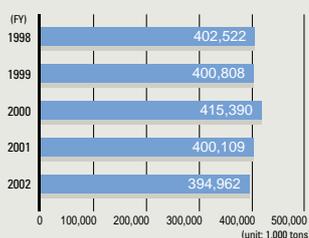
Division	Cargo handled (1,000 tons)	Percentage of total	Revenues (¥ million)	Percentage of total
Rail Forwarding	19,531	4.9	94,114	7.5
Motor Transport	79,792	20.2	550,278	43.9
Marine Transport	113,697	28.8	126,539	10.1
Warehousing	53,819	13.6	61,721	4.9
Air Cargo and Travel	848	0.2	192,958	15.4
Heavy Haulage/Construction	2,576	0.7	40,805	3.3
Incidental Operations/Others	124,699	31.6	186,772	14.9
Total	394,962	100.0	1,253,190	100.0

Major branches: 69, including Sapporo Branch, Sendai Branch, Chiba Branch, Tokyo Branch (Koto Ward, Tokyo), Yokohama Branch, Niigata Branch, Kanazawa Branch, Nagoya Branch, Osaka Branch, Shikoku Branch (Takamatsu), Hiroshima Branch, Fukuoka Branch, Tokyo Air Service Branch (Minato Ward, Tokyo), Tokyo International Transport Branch (Shinagawa Ward, Tokyo), Tokyo Security Transport Branch (Koto Ward, Tokyo), Nagoya Air Service Branch

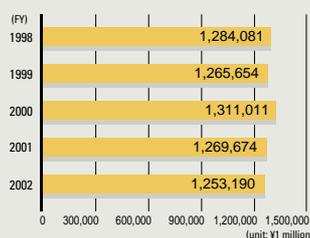
Major areas of business:

Rail Forwarding	Rail forwarding
Motor Transport	Special combined cargo transport on regular routes Reserved vehicle general cargo transport
Marine Transport	Container-based domestic marine transport International multimodal transportation (principally marine transport of export and import cargo) Wharfside cargo moving operations
Warehousing	Warehouse cargo storage and related operations
Air Cargo and Travel	Domestic and international air forwarding Domestic and international air travel services
Heavy Haulage and Construction	Transport and installation of heavy cargo, plant construction, maintenance services
Incidental and Other Operations	Services related to the above business, including on-site (factory) and moving-related operations, processing for distribution, etc.

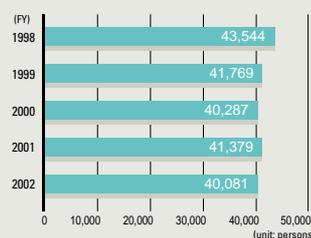
Cargo handled



Revenues



Number of employees



Note from the editors

We have endeavored in this publication to present our basic policies and actual steps taken in the field of environmental conservation during fiscal 2002, with particular reference to our freight business. We designed its layout in the hope that it will be even more readable and easy to understand than previous versions.

We shall continue in our efforts to contribute to society and environmental conservation, adopting a perspective that, like our freight operation network, extends from local communities to the world as a whole.

Please let us know your views

We at Nippon Express are eager to hear from all of you as we further expand our efforts in the areas of environmental conservation and contribution to society, and we invite you to let us know your views on this publication.

Environment Division, Nippon Express Co., Ltd.
 Higashi-Shimbashi 1-9-3, Minato-ku, Tokyo 105-8322, Japan
 Phone: +81-3-6251-1418 Facsimile: +81-3-6251-6668
 E-mail: green@nittsu.co.jp



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Environment Division, Nippon Express Co., Ltd.

Higashi-Shimbashi 1-9-3,
Minato-Ku, Tokyo 105-8322, Japan
Phone: +81-3-6251-1418 Facsimile: +81-3-6251-6668
URL: <http://www.nittsu.co.jp/>

