



**Business Report  
for the 103rd  
Interim Term**

From April 1, 2008 to September 30, 2008

With Your Life

 **NIPPON EXPRESS**



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During the first half of the fiscal year ending March 31, 2009, the Japanese economy continued to move deeper into a trend of economic slowdown. In addition to the high price of resources including crude oil and raw materials, the financial instability that can be traced back to the subprime mortgage crisis spread globally. Corporate earnings diminished and capital expenditures were down while movements in consumer spending were weak as a result of stagnant employee wages.

In the field of logistics, demand for international freight transportation fell as a result of weaker consumption due to a cool-down in the economy, particularly in the U.S. Likewise, demand for domestic freight transportation was also impacted by this situation, with no end in sight for the trend of decline.

Given this severe business environment, the Nippon Express Group has made all-out efforts to work on its current management plan “Power Up Three-Year Plan — Taking on the challenges of reform alongside our customers.”

During this first half, we have endeavored to expand our global business by strengthening our overseas network through facilities expansion, modal partnerships and system partnerships. Furthermore, while making efforts to expand our 3PL (Third-Party Logistics) business—through not only offering all transport modes, but also utilizing our ample know-how and diversified information systems—we have also striven to offer community-based services and expand business.

Additionally, in order to reinforce our management culture



and practices, we have endeavored to mobilize our management resources efficiently, establish a low-cost operating structure, improve capital efficiency, promote IT, and move ahead on streamlining group management. Moreover, with a view to perfecting our corporate social responsibility, we have sought to promote compliance management by implementing CSR education, and intensifying on-site inspection and guidance, and have driven forward reinforcement of our employees' on-site business capabilities by bolstering our internal training system and developing our human resources in order to further enhance our operating quality.

As a result of these initiatives and efforts, our consolidated business results for the first six months of the 103rd term were as follows:

Consolidated net sales of ¥951.8 billion  
(up 3.0% year-on-year)

Consolidated operating income of ¥18.8 billion  
(down 6.1% year-on-year)

Consolidated ordinary income of ¥22.8 billion  
(down 7.2% year-on-year)

Consolidated net income of ¥10.8 billion  
(down 15.8% year-on-year)

Concerning the interim dividend payments for the 103rd term, it was decided at the Board of Directors meeting held on October 31 to pay an interim dividend of 5 yen per common share with the starting day for payment being December 5, 2008.

Concerning the direction the economy for the rest of this fiscal year, the growing seriousness of the unstable financial situation that is spreading across the globe is expected to ensure the continuation of economic stagnation both domestically and overseas. Moreover, these severe circumstances currently clouding the future are expected to continue.

In the field of logistics, fuel prices, after soaring so high, have begun to fall. Nevertheless, the cool-down of the real economy is expected to result in a continuing reduction in the cargo volume. There are a number of issues that we must address, including intensifying cost competition and

environmental protection.

Amidst this business environment, the Nippon Express Group will continue to make all-out efforts to carry through the "Power Up" Three-Year Plan — Taking on the challenges of reform alongside our customers," which is now in its final year.

Under this Plan, we have set basic goals of "making the Nippon Express Group larger, stronger, and even more dynamic."

In order to achieve these basic goals, we have identified the following five principal areas of enhancement, and are making group-wide efforts to see them come true:

- Boosting sales — Boldly taking on challenges
- Enhancing local capabilities — Pursuing quality
- Discharging CSR — Fulfilling social responsibilities
- Improving management practices — Expanding income
- Strengthening small-lot cargo business — Advancing reform

Also, preparations are steadily advancing to integrate our small package business and on August 28, 2008, aiming to integrate the Pelican Express business with the Yu-Pack parcels business on April 1, 2009, Nippon Express entered into a shareholders agreement with Japan Post Service Co., Ltd.

Looking forward, we are committed to meeting the expectations of our shareholders by making our future operating foundations rock solid and maximizing the corporate value of the entire Nippon Express Group while responding promptly to changes in our business environment.

We humbly appreciate your understanding and support.

December 2008

President and Chief Executive Officer



 Corporate Information  Services Information

## Nippon Express completed construction of Minami Kyoto Distribution Center

Nippon Express completed construction of the Minami Kyoto Distribution Center, a new distribution center for south Kyoto Prefecture.

The Minami Kyoto Distribution Center is located near the border of Kyoto and Osaka prefectures, and close to the Kumiyama Industrial Park and the Hirakata Business Park for small and medium-sized enterprise. It has ideal accessibility to transportation routes as it close to the Kumiyamaminami IC on the Second Keihan Highway, from which it is possible to access the Meishin Expressway, and the Keiji Bypass.

The center will not only handle acceptance, dispatch and storage, it also has space to conduct distribution processing and it is fully equipped to handle the storage of precious items. Moreover, in addition to two high-speed advanced-function elevators and a vertical conveyor system, it also serves as a center for small package delivery service including Pelican Express, which handles transportation, storage, processing, packaging, small package delivery, as well as other services. Now that the Minami Kyoto Distribution Center has been completed, together with the Automobile Logistics Office, completed on September 2004, the Company now has in place two large logistics centers that cover south Kyoto Prefecture and north Osaka Prefecture.



Nippon Express, Kintetsu World Express Inc., and All Nippon Airways Co., Ltd. established All Express Corporation in accordance with the agreement to jointly establish an international express company, announced on December 18, 2007.

4 April

5 May



Nippon Express started its ground shipping service "Mekong Land Bridge Express" between Hanoi and Bangkok, to complete its road transport route "SS7000" connecting Shanghai and Singapore.

## Nippon Express Vietnam to open bonded warehouse in Hanoi's Minh Quang Industrial Zone

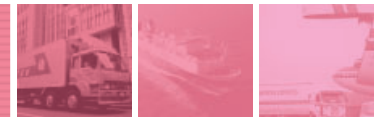
Nippon Express (Vietnam) Company Ltd., a subsidiary of Nippon Express, is building its own bonded warehouse within the Minh Quang Industrial Zone on the outskirts of Hanoi, Vietnam, a country attracting increasing interest as an overseas base for Japanese companies.

The Minh Quang Industrial Park is in a convenient location along National Route 5, connecting Hanoi with the port of Haiphong, the gateway to northern Vietnam. It is only 90 minutes from Hanoi's Noi Bai International Airport. The park is also expected to serve as a base for trade between China and Vietnam due to its easy access to the border route connecting Vietnam and China. The new warehouse being built in this park will become a transit point in northern Vietnam along the SS7000 road transport route.

The new warehouse will be equipped with temperature-controlled facilities as well as Nippon Express' proprietary warehouse management system REWARDS, enabling it to provide customers with Vendor Managed Inventory (VMI), Just-in-time (JIT) inventory and other high-quality logistics services.







### Event & Convention Specialist Team of Nippon Express Travel Business Division aided Opening Ceremony for the Tokyo Metro Fukutoshin-Line

Travel Business Division of Nippon Express provided overall support for the running of the Opening Ceremony for the Tokyo Metro Fukutoshin-Line, which began operation on June 14.

The Company was contracted by Tokyo Metropolitan Government and Tokyo Metro co., Ltd. to manage the overall running of the opening ceremony. In January this year, the Company formed a project team, who proceeded to prepare for the event under an infallible system. Shintaro Ishihara, Governor of Tokyo, and Midori Matsushima, Senior Vice-Minister of Land, Infrastructure, Transport and Tourism led the list of guests, which included the chiefs of the local government wards that the Fukutoshin-Line runs through, and members of the Tokyo Metropolitan Assembly. On the day, 694 guests attended the Opening Ceremony and staff oversaw the ceremony and celebratory banquet.



To provide one-stop support from comprehensively organizing all services required for the event or convention to running it on the day, the Event & Convention Specialist Team of the Company's Travel Business Division utilizes its individually developed integrated management software called "Taikai-kun" to manage the participants of large events and academic conferences as well as its know-how gained from vast experience in managing academic conferences and various types of other seminars and conferences. The Event & Convention Specialist Team continues to plan, manage and direct events and conventions, serving in the comprehensive role of producer.



Nippon Express started full-fledged sales of the seamless transportation service to Russia that utilizes rail transportation (providing as options packaging support and transportation insurance).

6 June

7 July



Nippon Express Russia LLC opened a large warehouse in the Moscow suburbs.



### "Transportation of automotive parts by TOYOTA LONG PASS EXPRESS" won "9th Logistics Environment Award" from the Japan Federation of Freight Industries

Nippon Express, TOYOTA MOTOR CORPORATION, TOYOTA TRANSPORTATION Co., Ltd., and Japan Freight Railway Company, entered the 9th Annual Logistics Environment Award sponsored by the Japan Federation of Freight Industries under a joint entry called "Transportation of automotive parts by TOYOTA LONG PASS EXPRESS," and were successful in winning this award.

TOYOTA LONG PASS EXPRESS is the collaborative initiative of the above four companies. Aiming to strengthen the production system of Iwate Plant of KANTO AUTO WORKS, LTD., the initiative achieved an annual reduction in CO<sub>2</sub> emissions of approx. 14,000 metric tons by executing a modal shift of freight equivalent to 160 10-ton truck loads per day by putting into operation customized train



vehicles that use 31-foot containers making two return trips over a stretch of approx. 900 km between Aichi and Iwate (Nagoya Minami Freight Station to Morioka Freight Terminal), which is the major arterial route for transportation of automotive parts. The initiative was also commended for shortening of the required lead time for these parts from 3.0 days to 2.25 days, and won the Logistics Environment Award, which is a system that commends organizations, companies and individuals for their contribution to the development of the distribution industry from the perspective of reducing impact on the environment.

 Corporate Information
  Services Information

## Nippon Express developed container for small passenger planes: Use started at Fukushima Airport

Many of the planes that Nippon Express uses for incoming and outgoing international and domestic air freight at the regional airports are small aircraft such as Boeing 737s. Because of the frequent cases of being unable to use the existing airfreight containers owned by airline companies, the Company has developed, and put into operation, containers designed for small aircraft. Prior to this, the conventional method of loading freight on small aircraft was to directly handle each individual freight item. Compared with the use of a container, this method had problems with regard to freight quality, including damage to freight items such as during mid-flight and water damage in times of severe weather during the loading and offloading at airports. The newly developed custom flight container is made of polypropylene and weighs in at approx. 5.5 kg. It has a holding volume of 120 cm × 60 cm × 50 cm, and can carry approx. 850 kg. Although it is lightweight, it is also strong, which enables the provision of safe and reliable freight services using small aircraft.



The development of this custom airfreight container was the result of collaboration between the public and private sector. It was developed principally by the Product Development Team of the Company's Sendai Air Service Branch together with the cooperation of local government bodies such as Fukushima Prefecture which are aiming to invigorate their local airport, Onahama Branch Customs, and airline companies who operate regularly from Fukushima Airport.



As an industry first, Nippon Express has introduced a "freight tracing system," an international airfreight tracing service that utilizes RFID on the UHF band.

(Service offers high quality and real-time traceability on the route between Narita and Shanghai [Pudong Airport])

8 August

9 September



Nippon Express U.S.A., Inc. opened a branch in Indianapolis, Ind.



## Nippon Express Malaysia opened first Japanese-company-run transshipment facility

On August 4, Nippon Express (Malaysia) Sdn. Bhd., the Company's Malaysian arm, opened the "Padang Besar Office" in Padang Besar, which is the first truck transshipment facility to be run by a Japanese logistics company in Malaysia.

Because of a legal agreement between Thailand and Malaysia, when transporting overland between Malaysia and Thailand—a route that is expected to have increased transportation demand—freight must be transferred from Thai-nationality trucks to Malaysian-nationality trucks (or vice-versa) at the border. This transshipment process is currently being carried out with the cooperation of local-based companies, but because these companies also carry out the transshipment work of other transportation companies, delays occur sometimes while waiting for this work to be carried out, and improvement of the quality of this work had become a management issue. To solve these issues, Nittsu Transport Service (M) Sdn. Bhd., a subsidiary of Nippon Express (Malaysia) established the Padang Besar Office, the first Japanese-company-run transshipment facility dedicated to their own transshipment needs. The Padang Besar Office performs transshipment work by the container and deals with freight that has pre-approved for export and import between Thailand and Malaysia. It is planned that the office will handle approx. 700 containers each month.





## Initiatives Towards Strengthening Competitiveness

Nippon Express' small package business, Pelican Express, stands to become more competitive as the scale of its business grows. To take advantage of this scale benefit, we have made structural reform of our small package business a key business strategy in recent years. After considering our approach from many angles, we decided to merge our small package business with that of another major enterprise. On October 5, 2007, Nippon Express reached a basic agreement to merge our Pelican Express with the Yu-Pack service of Japan Post Service Co., Ltd., part of the Japan Post Group, to form a new small package business company. In accordance with the basic agreement, we established the equally owned joint venture JPEXpress Co., Ltd. on June 2, 2008, and concluded a shareholders agreement on August 28, 2008. We intend to launch full-scale small package delivery services as a combined company from April 2009.

Nippon Express began preparing for this integration of small package business with the November 2007 launch of its Small Package Business Strategy Headquarters, which is managing the transfer of personnel and facilities to the new company as well as the funds to be invested in it. The details are still to be finalized, but the new company is expected to use Nippon Express bases as collection and delivery terminals, and to make use of Nippon Express expertise for the IT systems used to manage cargo data and perform invoicing and collection processes, and for cargo transport trunk line and terminal operating methods.

Also, because of the uneven geographic distribution of the business (70% of parcel deliveries are within 10% of Japan's area), the new company will use both parent companies' assets to build a suitable collection and delivery network in regions with a high concentration of businesses, while using Japan Post Group's existing network in areas with a lower concentration. This will ensure an operating system with a high level of service quality and efficiency.

Anticipating the integration of this small package business, we are also initiating efforts to reorganize Arrow Express, our combined freight truck service for cargo exceeding Pelican Express' size and weight limits. While establishing the details of the new joint venture, we will create a stronger and more efficient Arrow Express that uses its business-to-business focus for outstanding competitiveness.

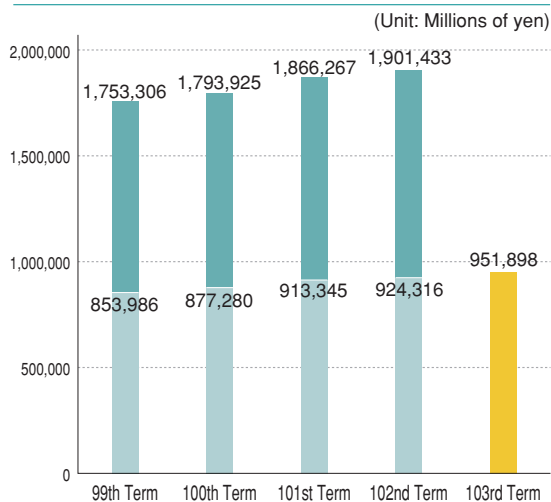


# Transition of Business Results

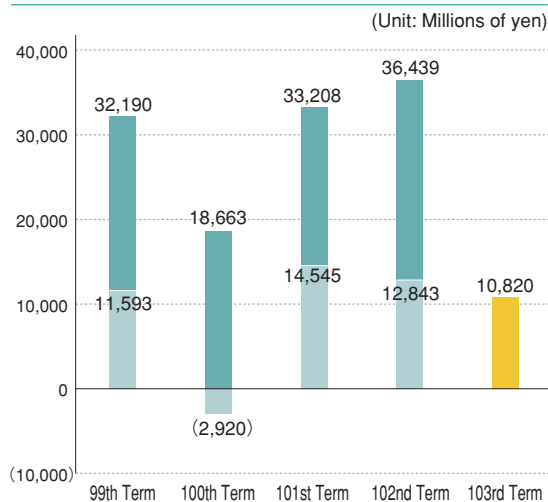
■ 1H ■ FY ■ 1H of 103rd Term

## Consolidated basis

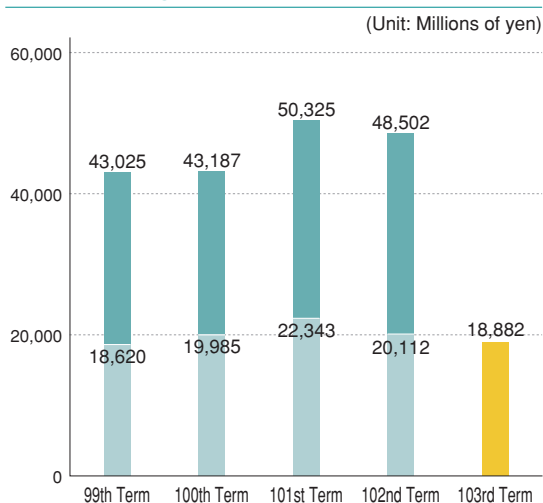
### Net Sales



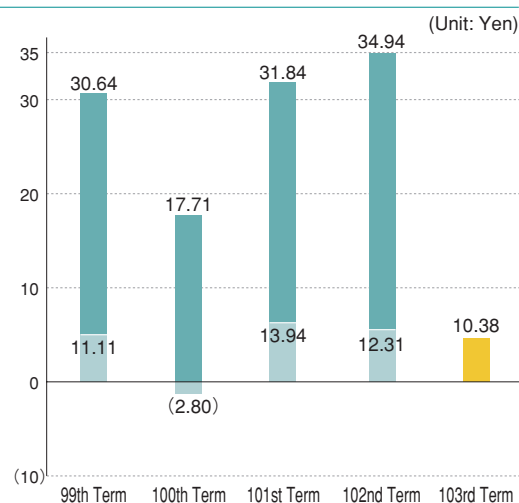
### Net Income



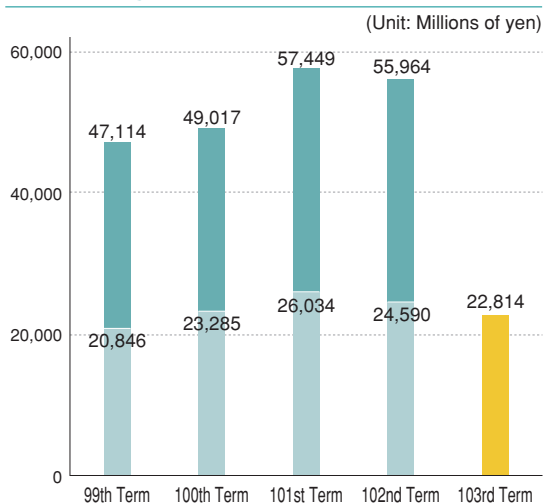
### Operating Income



### Net Income per Share



### Ordinary Income



### Forecasts of Consolidated Business Results

(Unit: Billions of yen)

	Forecast for 103rd Term	(Reference) Actual Result of 102nd Term
Net Sales	1,943.8	1,901.4
Operating Income	45.4	48.5
Ordinary Income	52.1	55.9
Net Income	25.6	36.4



## Net Sales by Business Segment

(First Six Months of 103rd Consolidated Term)

Business	Net Sales	
	Actual Results (Unit: Millions of yen)	Year-on-year Change (%)
Distribution & Transportation	793,523	1.2
Goods Sales	197,100	10.7
Other	13,308	0.9
Elimination & Other adjustments	(52,033)	—
<b>Total</b>	<b>951,898</b>	<b>3.0</b>

## Net Sales by Geographic Segment

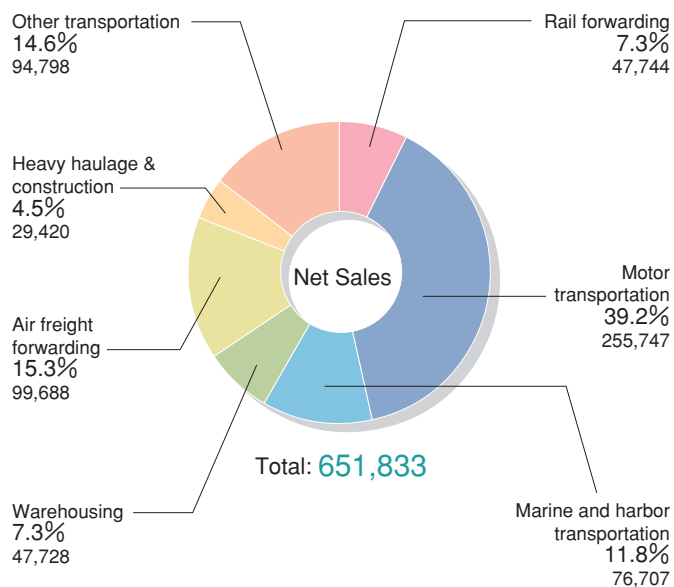
(First Six Months of 103rd Consolidated Term)

Location	Net Sales	
	Actual Results (Unit: Millions of yen)	Year-on-year Change (%)
Japan	851,861	3.1
The Americas	29,043	(1.0)
Europe	36,758	2.3
Asia & Oceania	54,238	4.0
Elimination & Other adjustments	(20,003)	—
<b>Total</b>	<b>951,898</b>	<b>3.0</b>

## Status by Operating Units

(First Six Months of 103rd Non-consolidated Term)

(Component ratio: %) (Unit: Millions of yen)



## Note Concerning Expressions in This Booklet

Beginning this fiscal year, the system of quarterly reporting of financial results based on the Financial Instruments and Exchange Law has been adopted. Although the content of expressions have changed to conform with the above, taking into consideration the convenience of shareholders, the following presentation methods are used in this booklet.

- Figures related to earnings are the cumulative amount from the beginning of the year.
- The financial information for the first six months of the 103rd term is different to the financial information for the corresponding period of the prior year with respect to accounting standards, glossary expressions and other items.

# Financial Statements (Consolidated Basis)

## Consolidated Balance Sheets

(Unit: Millions of yen)

Item	First six months of 103rd Term (As of September 30, 2008)
<b>(Assets)</b>	
<b>Current assets</b>	<b>486,600</b>
Cash and deposits	136,017
Notes receivable	16,601
Accounts receivable—trade	270,782
Inventory	8,354
Other	56,133
Less: allowance for doubtful accounts	(1,288)
<b>Fixed assets</b>	<b>782,956</b>
Property, plant and equipment	583,879
Vehicles (net)	34,222
Buildings (net)	235,288
Land	170,055
Other (net)	144,312
Intangible fixed assets	40,972
Investments and other assets	158,105
Investment securities	121,182
Other	38,880
Allowance for doubtful accounts	(1,957)
<b>Total assets</b>	<b>1,269,557</b>

Item	First six months of 103rd Term (As of September 30, 2008)
<b>(Liabilities)</b>	
<b>Current liabilities</b>	<b>481,847</b>
Notes payable	10,382
Accounts payable—trade	158,637
Short term debt	78,980
Income tax payable	8,504
Allowance for bonuses payable	21,582
Other	203,759
<b>Fixed liabilities</b>	<b>273,942</b>
Corporate bonds	20,000
Long term debt	171,546
Provision for retirement benefits	48,430
Other	33,965
<b>Total liabilities</b>	<b>755,790</b>
<b>(Net assets)</b>	
Shareholders' equity	460,654
Capital stock	70,175
Capital surplus	26,908
Earned surplus	375,100
Treasury stock	(11,529)
Unrealized gains/losses and exchange rate adjustment	42,462
Net unrealized gains/losses on securities	41,128
Gains/losses on deferred hedge	(27)
Unrealized gains/losses on exchange rate adjustment	1,361
Minority holdings	10,650
<b>Net assets total</b>	<b>513,767</b>
<b>Total liabilities and net assets</b>	<b>1,269,557</b>

Note: Amounts less than one million yen are disregarded.



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

Item	First six months of 103rd Term (April 1, 2008 to September 30, 2008)
<b>Net sales</b>	<b>951,898</b>
Cost of sales	891,610
<b>Gross operating profit</b>	<b>60,288</b>
Selling, general and administrative expenses	41,405
<b>Operating income</b>	<b>18,882</b>
Non-operating income	6,815
Interest	665
Dividend income	1,891
Income from equity method affiliates	354
Other	3,904
Non-operating expenses	2,883
Interest expenses	2,135
Other interest expenses	748
<b>Ordinary income</b>	<b>22,814</b>
Extraordinary income	498
Proceeds from sale of fixed assets	358
Other	139
Extraordinary loss	3,624
Losses from sale of fixed assets	1,451
Appraisal loss of investment marketable securities	1,327
Impairment loss	340
Other	504
<b>Net income before taxes</b>	<b>19,687</b>
Income taxes	8,558
Minority interests	309
<b>Net income</b>	<b>10,820</b>

Note: Amounts less than one million yen are disregarded.

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

Item	First six months of 103rd Term (April 1, 2008 to September 30, 2008)
Cash flows from operating activities	42,559
Cash flow from investing activities	(44,685)
Cash flow from financing activities	(6,750)
Effect of exchange rate changes on cash and cash equivalents	(1,590)
Net increase (decrease) in cash and cash equivalents	(10,468)
Cash and cash equivalents at beginning of year	144,639
Cash and cash equivalents at end of year	134,170

Note: Amounts less than one million yen are disregarded.

**1 Cash Flows from Operating Activities**

Net cash provided by operating activities reached ¥42.5 billion. This figure was calculated by accounting for such items as income before income taxes of ¥19.6 billion, depreciation and amortization expenses of ¥42.8 billion, decrease in notes and accounts receivable-trade of ¥10.0 billion, and a decrease in notes and accounts payable-trade of ¥8.5 billion.

**2 Cash Flows from Investing Activities**

Net cash used in investing activities came to ¥44.6 billion. A total of ¥48.7 billion was spent on the purchase of fixed assets.

**3 Cash Flows from Financing Activities**

Net cash used in financing activities came to ¥6.7 billion. A total of ¥5.3 billion was spent on cash dividends paid.



## Profile

Company name:	Nippon Express Co., Ltd.
Formal establishment:	October 1, 1937
Paid-in capital:	¥70,175,276,622
Number of employees:	39,597

## Major Operating Bases

Headquarters: 1-9-3, Higashi Shimbashi, Minato-ku, Tokyo 105-8322  
Tel. 03-6251-1111 <http://www.nittsu.co.jp/>

Management branches: 64 branches including Sapporo, Sendai, Gunma, Tokyo (Chuo-ku, Tokyo), Yokohama, Nagoya, Osaka, Shikoku (Takamatsu-shi), Hiroshima, Fukuoka, Tokyo Air Service (Minato-ku, Tokyo), Tokyo Travel (Minato-ku, Tokyo), Tokyo International Transport (Shinagawa-ku, Tokyo), and Tokyo Security Transport (Koto-ku, Tokyo)

\* In addition, a total of 196 branches, as well as 181 sales branches, sub-branches, and offices are set in place across Japan, and five representative offices are maintained abroad.

## Consolidated Subsidiaries and Companies Accounted by the Equity-method

The number of consolidated subsidiaries is 264, and the number of companies accounted by the equity-method is 23, including:

Nittsu Shoji Co., Ltd.	Nippon Express (Taiwan) Co., Ltd.
Nippon Truck Co., Ltd.	Nippon Express (Thailand) Co., Ltd.
MC Nittsu China Holdings Co., Ltd.	Hakodate Air Service Co., Ltd.
Nittsu Real Estate Co., Ltd.	Nippon Shipping Co., Ltd.
Nittsu Research Institute and Consulting, Inc.	Shanghai Super Express Co., Ltd.
Nippon Express Capital Co., Ltd.	Nittsukicoh Co., Ltd.
Nittsu Driving School Co., Ltd.	Hokuoh Transportation Inc.
Careerroad Inc.	Kita Nippon Kaiun Co., Ltd.
Taiyo Nissan Auto Sales Co., Ltd.	Tsutai Warehouse Co., Ltd.
Nippon Express U.S.A., Inc.	Tohoku Truck Co., Ltd.
Nippon Express (Nederland) B.V.	Shiogamako Unso Co., Ltd.
Nippon Express (U.K.) Ltd.	Sendai Port Silo Co., Ltd.
Nippon Express (Deutschland) GmbH	Osaka Warehouse Co., Ltd.
Nippon Express Belgium N.V/S.A.	Tokushima Express Co., Ltd.
Nippon Express (France) S.A.S.	Bingo Express Co., Ltd.
Nippon Express (Singapore) Pte. Ltd.	Sakaiminato Kairiku Unso Co., Ltd.
Nippon Express (H.K.) Co., Ltd.	





## Directors, Officers and Corporate Auditors

Chairman		Masahiko Okabe			
President and Chief Executive Officer		Masanori Kawai	Managing Officer	Regional General Manager, Chugoku Region General Manager, Hiroshima Branch	Noriyuki Marumoto
Executive Vice President and Executive Officer	Head, Domestic Business Headquarters Chief Managing Officer, Administrative Headquarters Chief Managing Officer, Small Package Business Strategy Headquarters	Masaki Izumikawa	Officer	In charge of Sales Promotion Division III and Government Business Division	Yoichiro Tsuru
Executive Vice President and Executive Officer	Head, Sales Promotion Headquarters Chief Managing Officer, International Business Headquarters In charge of Railway Forwarding Division	Keiichi Nakatani	Officer	Regional General Manager, Hokkaido Region General Manager, Sapporo Branch	Satoshi Miyahara
Director and Senior Managing Officer	Regional General Manager, Tokyo Metropolitan Region General Manager, Tokyo Branch	Kenji Watanabe	Officer	Regional General Manager, North Kanto & Shin-Etsu Region General Manager, Gunma Branch	Tsutomu Takeuchi
Director and Managing Officer	In charge of Small Package Division	Mitsuzo Segawa	Officer	Regional General Manager, North & South America Director and President, Nippon Express U.S.A., Inc.	Kenryo Senda
Director and Managing Officer	In charge of Corporate Planning Division and Real Estate Development Division	Takakazu Omae	Officer	Regional General Manager, Yokohama & Shizuoka Region General Manager, Yokohama Branch	Sakae Uematsu
Director and Managing Officer	In charge of Sales Planning Division, Customer Service Center, e-Logistics Division, Third Party Logistics Division, and Removals Sales Division	Takao Ohara	Officer	Regional General Manager, Tohoku Region General Manager, Sendai Branch	Shotaro Moriya
Director and Managing Officer	In charge of Air Cargo Business Division, Travel Business Division, and Overseas Planning Division	Yasuo Ito	Officer	Regional General Manager, Kyushu Region General Manager, Fukuoka Branch	Yukio Nagata
Director and Managing Officer	In charge of Marine Transport Business Division and Fine Arts Business Division	Jiro Nakamura	Officer	Regional General Manager, Europe Director and President, Nippon Express (Deutschland) GmbH Director and President, Nippon Express (Schweiz) AG	Yoshiaki Ishii
Director and Managing Officer	In charge of Information Technology Promotion Division, Public Relations & Advertising Division, General Affairs & Labor Division, Business Division, Compliance Division, Personal Data Protection Division, and Environment & Social Contributions Division	Hiroaki Sano	Officer	In charge of Heavy Haulage & Construction Business Division General Manager, Heavy Haulage & Construction Business Division	Masatoshi Nakano
Director and Managing Officer	Regional General Manager, Kansai Region General Manager, Osaka Branch	Keiji Hagio	Officer	In charge of Security Transport Business Division General Manager, Security Transport Business Division	Kenichiro Nanri
Director and Managing Officer	In charge of Sales Promotion Division I, Sales Promotion Division II, and Eco-Business Division	Masao Hosokoshi	Officer	Regional General Manager, Asia & Oceania Director and President, Nippon Express (H.K.) Co., Ltd.	Shuji Kojima
Director and Managing Officer	Regional General Manager, Chubu Region General Manager, Nagoya Branch	Keiichiro Yokoyama			
Director and Officer	In charge of Finance & Accounting Division	Minoru Miida			
Full-time Corporate Auditor		Ryoichi Hashimoto			
Full-time Corporate Auditor		Osamu Abe			
Full-time Corporate Auditor		Zenjiro Watanabe			
Corporate Auditor		Yuzuru Fujita			

\* Corporate Auditors Osamu Abe, Zenjiro Watanabe and Yuzuru Fujita are Outside Corporate Auditors.

# Status of the Company's Shares (as of September 30, 2008)



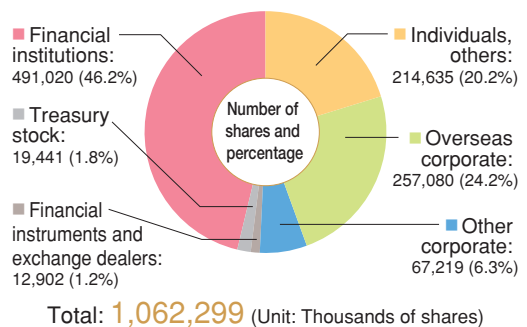
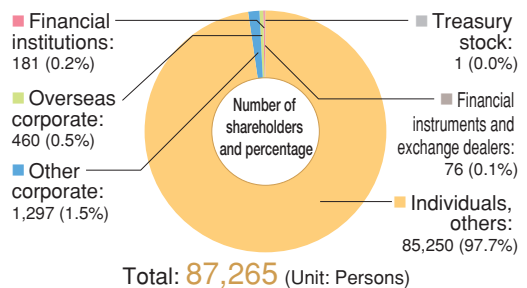
## Status of the Company's Shares

Number of shares	Total number of shares authorized	3,988,000,000 shares
	Total number of shares issued	1,062,299,281 shares
Number of shareholders		87,265 persons

## Major Shareholders

	Status of investment in the Company	
	Number of shares held (Thousands of shares)	Investment ratio (%)
Asahi Mutual Life Insurance Company	65,464	6.2
Japan Trustee Services Bank, Ltd. (Account in Trust)	56,536	5.3
Mizuho Bank, Ltd.	51,766	4.9
Nipponkoa Insurance Co., Ltd.	50,294	4.7
The Master Trust Bank of Japan, Ltd. (Account in Trust)	49,756	4.7
Mizuho Corporate Bank, Ltd.	41,477	3.9
Japan Trustee Services Bank, Ltd. (Account in Trust No. 4G)	30,453	2.9
Japan Trustee Services Bank, Ltd. (Account in Trust No. 4)	25,798	2.4
Nippon Express Employees' Shareholding Association	24,372	2.3
JPMorgan Chase Bank 380055	21,759	2.0

## Distribution of Shares by Type of Shareholder



## Notice in Connection with the Implementation of the Electronic Share Certificate System (January 5, 2009)

### 1. Outline of the special account

#### [1] Bookkeeping of account balance in special account

Shareholders who do not use the Custody/Book-Entry Transfer System will have their shares registered in a special account to be opened at Mitsubishi UFJ Trust and Banking Corporation (the scheduled date for registration is January 26, 2009). The information concerning such matters as the number of shares that are registered in the special account, is planned to be sent by Mitsubishi UFJ Trust and Banking to the shareholder's address during the middle of February 2009.

#### [2] Procedures concerning shares registered in the special account

For inquiries concerning procedures related to shares registered in the special account (request for transfer to the shareholder's account, request for the Company to purchase/sell odd shares, notification of change of address, nomination of account to receive dividend payments, etc.), please contact Mitsubishi UFJ Trust and Banking (see opposite page for contact details) after the implementation of the electronic share certificate system. For inquiries concerning procedures related to the shareholders registered in the special account, the head office and nationwide branches of Mitsubishi UFJ Trust and Banking will serve as intermediary.

#### [3] Starting date for acceptance of requests by account managing institution

Please note that requests or notifications concerning shares registered in the special account, such as a request for transfer to the shareholder's account, and a request for the Company to purchase/sell odd shares, and other such procedures will be possible from January 26, 2009 (Mon), onwards.

### 2. Concerning the registration of shareholders' names and addresses

If there are characters in the name or address of shareholders that are not specified by the book entry transfer institution (Japan Securities Depository Center, Inc.; hereinafter "JASDEC"), the character(s) specified by JASDEC will be replaced by all or part of the character(s) in the name or address of the shareholder before it is registered in the Shareholder Registry. In this case, please note that the name written on the address of shareholder notifications will use the characters specified by JASDEC.



## System for Requesting the Company to Purchase/Sell Odd Shares

### System for Requesting the Company to Purchase Odd Shares

This is a request system designed to allow our shareholders to sell odd shares less than 1,000 to the Company at market value.

Odd shares (less than 1,000 shares) → Sold to the Company at market value → Converted into cash  
(Example) A shareholder holding 500 shares cannot sell them in the market, but the Company would purchase them at market value.

### System for Requesting the Company to Sell Odd Shares

This is a request system designed to allow our shareholders who hold odd shares to purchase additional shares in such a number of shares as to make a total holding of 1,000 shares at market value.

Odd shares (less than 1,000 shares) → Additional shares purchased from the Company at market value → 1,000 shares  
(Example) A shareholder holding 500 shares can purchase an additional 500 shares, making a total holding of 1,000 shares.

Interested shareholders are requested to contact the Administrator of Shareholder Registry shown below.

### Concerning the requests to purchase/sell odd shares before and after the implementation of the electronic share certificate system

Before and after the implementation of the electronic share certificate system, the following applies to requests to purchase/sell odd shares.

#### (1) Odd share requests by shareholders not using the Custody/Book-Entry Transfer System

##### 1) Requesting the Company to purchase odd shares

Such requests cannot be received during the period from January 5, 2009 (Mon), to January 25, 2009 (Sun).

Also, concerning requests received from December 25, 2008 (Thu), to December 30, 2008 (Tue), the purchase price will be the closing price of the day the request was received, but payment will be January 30, 2009 (Fri).

##### 2) Requesting the Company to sell odd shares

Such requests cannot be received during the period from December 12, 2008 (Fri), to January 25, 2009 (Sun).

#### (2) Odd share requests by shareholders using the Custody/Book-Entry Transfer System

Before and after the implementation of the electronic share certificate system, certain security companies which maintain shareholders' trading accounts may suspend intermediary services for a fixed period.

The precise schedule will be different depending on the securities company, therefore shareholders are requested to contact the security companies with which they maintain their trading accounts for more details.

## Request for Administrative Procedure Forms

The Administrator of the Shareholder Registry shown below accepts requests for administrative procedure forms related to the Company's shares (including notification of change of address, seal impression, name or any other registered matter; forms for requesting the Company to purchase/sell odd shares; forms for requesting name transfer; forms for designation of direct deposit of dividends) by phone or via the Internet 24 hours a day.

Note that after the implementation of the electronic share certificate system, it will only be possible to request administrative procedure forms related to shares registered in the special account.

## Contact and Mailing Address

### Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division

7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081

Tel. 0120-232-711 (toll-free)

Tel. 0120-244-479 (for requesting forms)

\* Interactive voice response system is available.

<http://www.tr.mufg.jp/daikou/>

● Mitsubishi UFJ Trust and Banking Corporation, as the Administrator of Shareholder Registry for Nippon Express Co., Ltd., performs share administration services for the Company.

# Memos for Shareholders

Fiscal Year:	From April 1 to March 31 of each year
Ordinary General Meeting of Shareholders:	June of each year
Dates of Record:	March 31 for Ordinary General Meeting of Shareholders March 31 for year-end dividend September 30 for interim dividend
Share Trade Unit:	1,000 shares
Stock Exchanges:	Tokyo, Osaka
Securities Code Number:	9062
Administrator of Shareholder Registry:	Mitsubishi UFJ Trust and Banking Corporation
Transfer Agent:	Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division 1-4-5, Marunouchi, Chiyoda-ku, Tokyo
(Mailing address:)	Mitsubishi UFJ Trust and Banking Corporation Corporate Agency Division 7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081 Tel. 0120-232-711 (toll-free)
Agents:	Branches in Japan of Mitsubishi UFJ Trust and Banking Corporation Head office and branches in Japan of Nomura Securities Co., Ltd.
Method of Announcement:	Electronic announcement If the Company is unable to make electronic announcement due to an accident or any other compelling circumstance, it will make an alternative announcement on the Nihon Keizai Shimbum circulated in Tokyo. ●URL for electronic announcement <a href="http://www.nittsu.co.jp/">http://www.nittsu.co.jp/</a>

## Concerning the “Agent” for the Administrator of Shareholder Registry

Because the Company will, as a general rule, have all procedures for shareholders managed via the securities company at which the account is established, after the implementation of the electronic share certificate system, it will abolish the “Agent” for the Administrator of Shareholder Registry.

Concerning the payment of unclaimed dividends, payment will be made at the head office and nationwide branches of Mitsubishi UFJ Trust and Banking, which will continue as Administrator of Shareholder Registry.

## Introduction of Nippon Express Website

Nippon Express is updating various information to introduce the corporate profile, including its latest news, IR and other service information.

### Top page of the Japanese Site



Top page of the Global Site

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