



CSR Report
2010

Editorial Policy

- This report covers Nippon Express's corporate social responsibility (CSR) initiatives during fiscal 2009, and comprises such features as an explanation of our CSR management structure, reports on our activities and performance data.
- We have attempted to provide an understanding of the logistics industry's CSR efforts by describing industry conditions, environmental challenges, recent policy measures and other factors behind our initiatives.
- In addition to the use of illustrations and photographs, we have endeavoured to keep the text easy to understand.
- In writing this report we have referred to the *Environmental Reporting Guidelines (2007 Version)* (published in June 2007 by Japanese Ministry of the Environment) and the *GRI Sustainability Reporting Guidelines 2006*.
- This report also includes information about ongoing initiatives launched in or prior to fiscal 2008. This is to provide an overall understanding of CSR in our business.

Scope of This Report

This report covers CSR-related initiatives and management structure of Nippon Express as a unit (some group companies are also included).

Applicable Period

April 1, 2009 to March 31, 2010

In certain places we have used data covering up to June 2010 for matters deserving special mention.



About the Cover Illustrations

Scene of Yokohama Kaigan-dori

Created: May 1872

Artist: Hiroshige Utagawa III

Collection: Kanagawa Prefectural Museum of Cultural History (owned by Nippon Express Co., Ltd.)

Photography provided by: Museum of Logistics Collection

In 1858, Japan signed Treaties of Amity and Commerce with five countries—the United States, Netherlands, Great Britain, Russia and France—which led to the opening of the port of Yokohama on July 1, 1859. Construction soon began to transform Yokohama, a mere fishing village at the time, into a new town geared for foreign trade and the influx of many relocated Japanese tradesmen. Foreigners were permitted to live and conduct business in a predetermined area called a “settlement.”

This painting, created 13 years after the opening of the port, depicts the scene of the Yamashita foreign settlement. It is thought that this street front, lined with mercantile establishments of various countries, is the area sandwiched between the current

Osanbashi Pier and Yamashita Park. One can see the *bezaisen* boat (classical Japanese large transport craft), with its sails furled, floating alongside the foreign sailing vessel, as well as crafts such as *setoribune* boats, carrying cargo from ships positioned further out at sea, and smaller boats ferrying between the larger ships. To the right edge of the picture, we can also see the storage shed for the West Foreign Trade Office (customs house) piled high with cargo.

Yokohama developed into the main port for foreign trade and is characterized as the birthplace of modern logistics in Japan. Nippon Express Co., Ltd. was established under the name *Riku-un Moto Kaisha* just around the time this work of art was presented to the public.

Nippon Express CSR Report 2010

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■ Safety Symbol at Nippon Express Headquarters



Poem of Wind and Light—A, artist: Itaru Mishiku

Top Message

Through fulfilling our social responsibilities within the field of logistics, we will continue to pursue further growth.



Introduction

The Nippon Express Group has been supporting the quality of life and development of industries through transporting goods since its establishment.

Currently, the Nippon Express Group is building one of the largest independent networks in the world by actively advancing both domestically and internationally.

The Nippon Express Group will continue contributing to society, gaining society's trust through logistics.

**New Management Plan:
Nippon Express Group Corporate Strategy 2012**

The business activity of the Nippon Express Group was severely affected by the dramatic downturn of the world economy as the demand for cargo transport decreased greatly since the year before last.

However, we are beginning to see positive signs such as an increase in exports from promising Asian economy and recovery in the corporate earnings.

Based on these facts, the Nippon Express Group has set a new management plan called the "Nippon Express Group Corporate Strategy 2012 — Towards New Growth" to pursue further growth.

The new management plan is based on the following four key strategies:

- Growth as a Global Logistics Company
- Promotion of Strategic Environmental Management
- Enhancement of Management Infrastructure
- Promotion of Corporate Social Responsibility (CSR) Management

Through implementing steadily all the measures specified in each strategy, we will strive to materialize our "Vision" as a group. This "Vision," as follows, was set based on our corporate philosophy representing the ideal form of the Nippon Express Group.

- A Global Logistics Company
- A Company that Fulfills its Responsibility to the Earth
- A People-friendly Company

Environmental and Safety Initiatives

As logistics is a business of a high public nature, the Nippon Express Group covers various areas of social responsibility. As a leading company in the logistics industry, we take the responsibility of protecting the earth's environment very seriously and have revised our "Environmental Charter" to reflect recent trends.

The Nippon Express Group does not consider initiatives for environmental conservation simply as a burden but rather as new business opportunities. In other words, we will be promoting our strategic environmental management as one of the key strategies in the new management plan.

Continuously responding to the trust we have gained from society and maintaining safety are essential for the Nippon Express Group whose business activities are carried out by utilizing the public infrastructure.

In April 2010, we renewed our safety measures by reviewing, reorganizing and consolidating the content of all of our previous safety management measures into the "Nittsu Safety & Health Management (NSM) System."

With the strengthening of these initiatives, we aim to achieve zero accidents and disasters.

Promoting CSR Management

Compliance with the law is the prerequisite when considering Corporate Social Responsibility. Therefore, enhancement of the management system and the implementation of various training programmes are taken for granted in the Nippon Express Group. Thorough compliance of the Nippon Express Group is materialized by cultivating awareness as a responsible citizen and promoting highly ethical behavior of each employee.

Based on this background, in addition to the environmental and safety initiatives I already mentioned, I think it is essential to proactively promote concern for employment and human rights, respect for diversity, social



contribution and risk management.

The stakeholders of the Nippon Express Group include customers and shareholders, community and administration, suppliers and employees. We will continue developing the relationship of trust with stakeholders by listening to various opinions and providing information enthusiastically through diverse channels and opportunities.

In Conclusion

We highly value the comments we receive regarding the content of our CSR report and our business activities. We hope to use such information to further improve the CSR activities of the Nippon Express Group. Please feel free to send us your opinions.

June 2010

Masanori Kawai
Masanori Kawai
 President
 Nippon Express Co., Ltd.

Corporate Philosophy

As part of the 70th Anniversary Commemorative Projects to celebrate the founding of Nippon Express, we officially adopted the "Nippon Express Group Corporate Philosophy" in October 2007. The Nippon Express Group will continue striving to realize this corporate philosophy, which follows the spirit of the previous Nippon Express motto, "Warera no kotoba".

Nippon Express Group Corporate Philosophy

Our Mission

Be a Driving Force for Social Development

Our Challenge

**Create New Ideas and Value that
Expand the Field of Logistics**

Our Pride

Inspire Trust Every Step of the Way

Since our founding, the Nippon Express Group has employed our logistical strengths to connect people, businesses and regions throughout the world. In so doing, we have continuously supported social development.

While our mission never changes, we continuously advance to meet the world's changing needs.

Making no compromise in safety and maintaining a deep focus on environmental issues, we continuously strive to deliver innovative solutions at the next frontier of logistics.

We will forever take pride in our ability to inspire trust and answer the call of society.

Every move we make is aimed at advancing society and bringing an enriched life to future generations.



Vision

(Nippon Express Group's to-be model)

- ◆ **A Global Logistics Company:**
Supports customers worldwide through logistics services
- ◆ **A Company that Fulfills its Responsibilities to the Earth:**
Cares for the environment and works to realize a low-carbon society
- ◆ **A People-friendly Company:**
Values its employees and helps them to achieve job satisfaction

(Declared as the Nippon Express Group model for the decade ahead.)

Nippon Express CSR Initiatives Concept

Management Philosophy

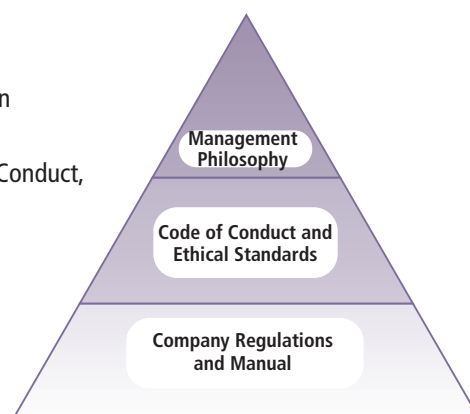
Nippon Express Group
Corporate Philosophy, Vision

Code of Conduct and Ethical Standards

Nippon Express Charter of Conduct,
Environment Charter and
Compliance Regulations

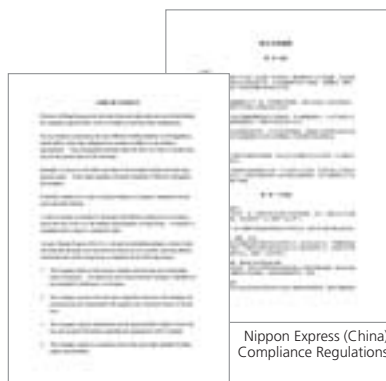
Company Regulations and Manuals

Various regulations and
manuals such as the
Employment Regulations



Charter of Conduct and Regulations Overseas

Like Nippon Express, overseas subsidiaries of the Nippon Express Group are in the process of establishing Charter of Conduct and compliance regulations. Based on the Nippon Express Charter of Conduct and the Nippon Express Group Compliance Regulations, these conduct charters and regulations are adapted to incorporate specific conditions of each country. Nippon Express is also working hard to realize fair global competition. In October 2005, we sent a written communication to our representatives in our overseas subsidiaries urging them to observe the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, which prohibits actions to secure business by offering illegal benefits to staff members of governmental agencies and international bodies overseas, and the Unfair Competition Prevention Act amended in January 2005, which laid down penalties for acts of bribery of foreign public officials.



Nippon Express (H.K.)
Code of Conduct

Background of Response to Fair Trade Commission Orders

On March 18, 2009, Nippon Express was handed down a cease and desist order and a surcharge payment order from the Fair Trade Commission regarding violation of the unfair restraint of trade regulations. The latter was specified based on Nippon Express's consultation with other shipping companies in JAJA (Japan Air cargo Forwarders Association) to determine burden sharing of the surcharge imposed from air carriers. This was based on permission by the Ministry of Land, Infrastructure, Transport and Tourism, and resulted in a fuel surcharge billed to the customer.

In response to this, Nippon Express submitted a report on June 26 to the Fair Trade Commission and began the sequential implementation of the measures we developed to prevent any recurrence.

In addition to the creation and distribution of a manual for compliance to the Antimonopoly Act, *The Antimonopoly Act Handbook*, we also implemented another measure that utilizes e-learning to educate and train employees to ensure their understanding of the laws concerning business activities.

Nippon Express will continue to promote compliance management, following our declaration in the "Nippon Express Charter of Conduct" that we will put forth our best efforts to abide by the rules of competition "as a leading company in the industry, and take the initiative in competition that is fair, transparent and open."

CSR Activities of Nippon Express

To fulfil our corporate social responsibility as a global logistics company, Nippon Express is carrying out measures with considerations for the environment in everything we do, from domestic and international transport operations to office operations, continuously promoting CSR initiatives. We value working hand in hand with our stakeholders. While improving the transparency of our business activities, we direct our efforts to activities that protect the environment.



Nippon Express's Responsibility to its Stakeholders

■ Customers

- Providing secure and reliable logistic services
- Disclosure of company information

■ Shareholders and Investors

- Disclosure of IR information
- Stable dividends

■ Community

- Showing consideration for the community
- Cooperation in environmental conservation

■ Administrative Authorities

- Permits, authorization, notifications
- Cooperation for transport- and traffic-related measures

■ Suppliers

- Practicing fair trade
- Maintaining and enhancing quality

■ Employees

- Initiatives for human resource development and respect for human rights
- Promoting occupational safety and health

Targets and Achievements

Targets and achievements of our overall CSR are organized and described in this section with the items measured last year for importance (materiality analysis).

Selection of Materiality Issues

In fiscal 2008, Nippon Express extracted and organized issues of high priority from the following two perspectives, "sustainable development of the society" and "further improvement of the corporate value of the Nippon Express."

This measurement of materiality was implemented for sustainable development of business activities harmonizing with the society.

The figure below classifies the most important areas (circled in dotted lines) into three fields*1 and maps each item accordingly.

Every year we list the current year's CSR activity goals and corresponding actual results along with the following year's CSR goals. This year we added the key issues clarified by the materiality measurement results to the process of determining the CSR activity goals for fiscal 2010.

*1 Explanation of the Three Fields

● Pattern 1: Field of Materiality

This field is of great importance for both our stakeholders and Nippon Express. We believe that continued focus and effort is necessary in this field.

● Pattern 2: Field of Management

This field is of higher priority for our stakeholders than to Nippon Express. We believe that improving internal awareness and materializing the solutions for existing problems are necessary in this field.

● Pattern 3: Field of Communication

This field is of higher priority for Nippon Express than to our stakeholders. We believe further enhancing communication with our stakeholders and improving social recognition are necessary in this field.

Selecting Materiality Issues

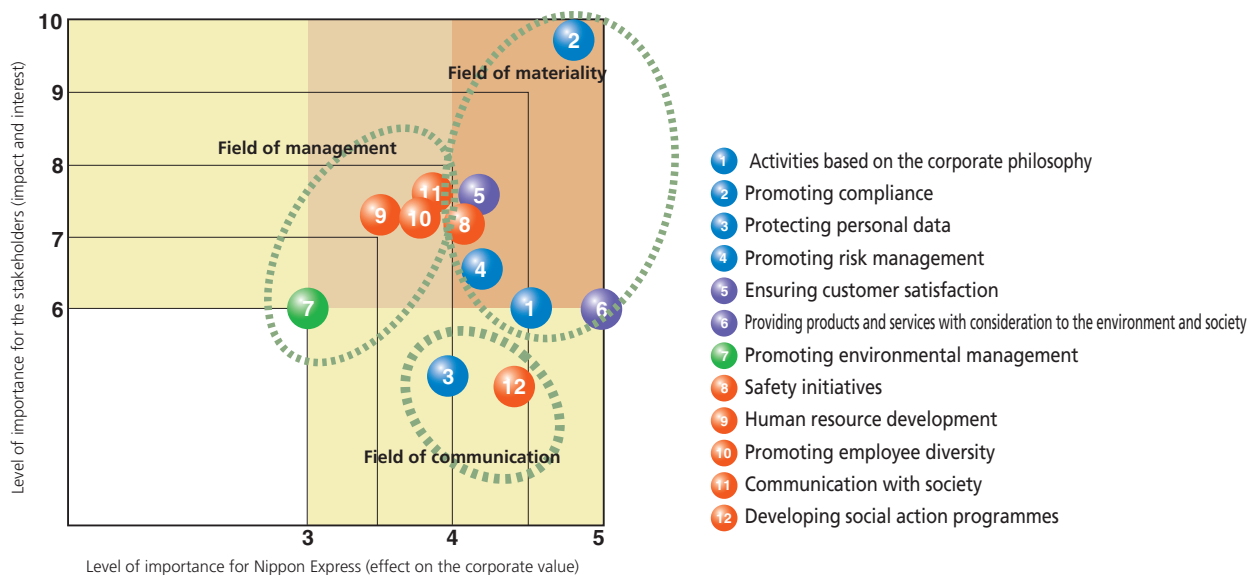
The level of importance for 145 topics, which stakeholders are likely to request, was measured according to the following two axes, "level of importance (impact and interest) for the stakeholders" and "level of importance for the Nippon Express (effect on the corporate value)."

The "level of importance for the stakeholder," which indicates the level of impact and interest for the stakeholders, was measured based on the contents and frequency of requests made in various guidelines, surveys, rating agency research items and other information outlets. Moreover, "the level of importance for Nippon Express" indicates mid- and long-term effects on corporate value from the perspectives of both management and commu-

tion. This includes various factors which lead to the improvements of the corporate value.

Upon the measurement, we interviewed the representatives of relevant departments. During the interview, we focused on the following three points: understanding the consciousness that the interviewees had based on business activity situations, fostering self-motivated awareness on materiality and sharing of acknowledgements.

These activities were carried out under the supervision of the Caux Round Table (CRT)*2 with an effort to reflect the perspective of our stakeholders.



*2 Caux Round Table (CRT): CRT, comprised of business leaders from around the world, was established in Caux, Switzerland, in 1986. This group is active in projects promoting healthy economies and societies through business.

FY2009 Achievements in CSR as a Whole and FY2010 Targets—Based on Materiality

Field	Item	FY2009 Targets	FY2009 Achievements	FY2010 Targets	Reference page
Field of Materiality	Activities based on the corporate philosophy	<ul style="list-style-type: none"> Promote our corporate philosophy and vision throughout the company by fostering human resources 	<ul style="list-style-type: none"> Developed further understanding of the corporate philosophy through seminars held at headquarters for each rank 	<ul style="list-style-type: none"> Promote new management plan based on the corporate philosophy 	P4-5
	Promoting compliance	<ul style="list-style-type: none"> Educate employees Ensure full compliance through inspection and training 	<ul style="list-style-type: none"> Held antimonopoly act training meeting for branch managers nationwide Conducted employee education (creation and distribution of <i>Antimonopoly Act Handbook</i>, practicing various e-learning programmes) Branch inspections and instructional activities conducted by Headquarters and improvement study groups held based on inspection results Conducted compliance survey targeting all employees 	<ul style="list-style-type: none"> Educate employees Hold a meeting of compliance leaders Ensure full compliance through inspection training Assisting the education of each group company 	P5 P46
	Promoting risk management	<ul style="list-style-type: none"> Submit internal controls report 	<ul style="list-style-type: none"> Developed Business Continuity Plan (BCP) 	<ul style="list-style-type: none"> Revise Business Continuity Plan (BCP) against new risks 	P44-45
	Ensuring customer satisfaction	<ul style="list-style-type: none"> Further development of the VOCS (Voice Of Customer Solution) system for continuous management of customer inquiries 	<ul style="list-style-type: none"> 65 out of 79 homepage inquiries have been resolved or responded to through VOCS system 	<ul style="list-style-type: none"> Support all contact channels through VOCS, advance detailed analysis of accumulated VOCS data. 	P31-34
	Providing products and services with consideration to the environment and society	<ul style="list-style-type: none"> Upgrade initiatives to obtain environmental certification Add 3,600 environmentally-friendly vehicles Improve fuel economy, reduce diesel vehicle fuel consumption by 1.0% over previous year, increase modal shift rate to 50% 	<ul style="list-style-type: none"> ISO14001: newly acquired by Nippon Express (South China) Co., Ltd. Green Management Certification: Decreased due to branch reorganization, etc Achieved total fleet of 4,485 environmentally-friendly vehicles* (as of end of March 2010) Achieved 1.60% better fuel economy compared to previous year Modal shift rate: 50.7% (FY2008) 	<ul style="list-style-type: none"> Proactively develop an environmentally-friendly business, establish environmentally-friendly logistics bases, proactively develop environmentally-friendly logistics products and services, expand modal shift focusing on transport and coastal shipping Achieve total fleet of 4,580 environmentally-friendly vehicles 	P12-25
	Safety initiatives	<ul style="list-style-type: none"> Continue transport safety management 	<ul style="list-style-type: none"> Implemented internal audit: no noncompliant items 	<ul style="list-style-type: none"> Continue transport safety management 	P19 P26-29
Field of Management	Promoting environmental management	<ul style="list-style-type: none"> 1.5% reduction of CO₂ emission compared to FY2008 Nippon Express Group results Promote green purchasing, increase rate to more than 50% 	<ul style="list-style-type: none"> 3.3% CO₂ reduction rate compared to FY2008 Green purchasing rate: 41.1% 	<ul style="list-style-type: none"> Reduce CO₂ emissions by 1% (standard units) compared to FY2009 Nippon Express Group results Promote green purchasing, green purchasing rate of over 60% 	P12-25
	Human resource development	<ul style="list-style-type: none"> Childcare leave: Men—three or more; women with newborns—80% or more Continued employment rate of 77.5% 	<ul style="list-style-type: none"> 36 employees took childcare leave (70.6% of women with newborns) Continued employment rate: 77.5% 	<ul style="list-style-type: none"> Childcare leave ratio: 80% or more Rate of employees remaining on the job for one year or more after returning from childcare leave: 78% 	P35-39
	Promoting employee diversity	<ul style="list-style-type: none"> Continually achieve mandatory proportion of jobs for handicapped individuals Proactively recruit women 	<ul style="list-style-type: none"> Worked to maintain employment ratio of handicapped individuals 2009 results: 2.05% Proactively recruited women, 2009 results: 27.5% 	<ul style="list-style-type: none"> Continually promote employment of handicapped individuals Proactively recruit and assign women 	P35-39
	Communication with society	<ul style="list-style-type: none"> Review and build relationships with outside stakeholders 	<ul style="list-style-type: none"> Streamlined relationships with suppliers 	<ul style="list-style-type: none"> Strengthen relationships with stakeholders 	P6-7 P30
Field of Communication	Protecting personal data	<ul style="list-style-type: none"> Educate all employees Ensure full compliance through inspection and training Renew privacy mark 	<ul style="list-style-type: none"> Educated all employees Conducted workplace exchange inspections Maintained privacy mark 	<ul style="list-style-type: none"> Educate all employees Ensure full compliance through inspection and training Renew privacy mark 	P46
	Developing social action programmes	<ul style="list-style-type: none"> Hold forest cultivation activity in Iide Town twice a year Begin new forest cultivation project Continue community beautification activities Distribute revised environmental education materials 	<ul style="list-style-type: none"> Held forest cultivation activity in Iide Town twice Western Japan: began forest cultivation project in Nichinan-cho, Tottori Prefecture Continued earth beautification activities Distributed revised environmental education materials 	<ul style="list-style-type: none"> Hold forest activities four times: twice in Eastern Japan, twice in Western Japan Distribute revised environmental educational materials and expand the number of classes Expand educational tours and hands-on experience in the workplace for children and students 	P40-43

* Changes were made to the scope of applicable environmentally-friendly vehicles.

Business Outline

The Nippon Express Group comprises Nippon Express and 282 subsidiary and sub-subsidiary companies (including 257 consolidated companies), and 63 affiliates: a total of 346 companies. Our core operations are distribution and transport operations, such as truck and railway cargo transport. We are also expanding in related sales, real estate and other businesses.

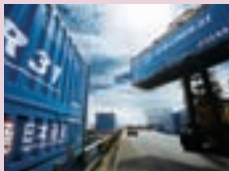
Domestic Companies (276 Companies Including Nippon Express)

Distribution and Transportation Operations

Railway transport



Domestic and international freight transport services utilizing railways, with major freight stations in Japan established as hubs.



Motor transport



Employing our network of transport centres throughout Japan to provide special consolidated freight transport and general freight transport for reserved cargo shipping.



Air freight and travel



Import and export services utilizing aircraft and a domestic freight forwarding service founded on advanced know-how and a network that spans the globe. Also included are domestic and international travel planning and sales services.



Heavy haulage and construction



Hauling of heavy loads, equipment installation, plant construction, maintenance services and high-tech factory equipment transport and installation both within Japan and overseas.



Warehousing



Warehouses that function not only as places for product storage but also as centres for distribution processing as well as transport and delivery, operating as the distribution centres for many locations across Japan.



Marine transport



Domestic shipping services mainly handling marine container shipping for companies within Japan. International transport services mainly for import/export combined multimodal transportation, as well as in-port transport services for on-ship and harbour cargo work.



Goods Sales Operations

Goods Sales

Subsidiaries and affiliates such as Nittsu Shoji Co., Ltd., Taiyo Nissan Auto Sales Co., Ltd. and Nittsukicoh Co., Ltd. conduct sales and leasing of various products ranging from distribution equipment, wrapping and packing materials, vehicles, petroleum and LP gas, and also offer vehicle maintenance services, insurance sales and other services.



Other Businesses

Real Estate

Subsidiaries and affiliates such as Nittsu Real Estate Co., Ltd. are mainly engaged in letting, brokerage, appraisals, designing of buildings and warehouses, and facility management.

Other

Nittsu Research Institute and Consulting, Inc., works in investigation, research and consulting, Nittsu Driving School provides automobile operation instruction, and Careerroad Inc. serves as a dispatch company for workers.

Overseas Companies (70 Companies)

Our group companies overseas cover a broad range of businesses such as air and sea transport, warehousing, and moving services, connected across the globe with locations in 37 countries. While Nippon Express U.S.A., Inc. serves North America; Nippon Express (Nederland) B.V., Nippon Express (U.K.) Ltd. and Nippon Express (Deutschland) GmbH serve Europe; Asia and Oceania are served by Nippon Express (Singapore) Pte Ltd., Nippon Express (H.K.) Co., Ltd. and Nippon Express (Malaysia) Sdn, Bhd. We also have subsidiary travel agencies in major world cities, starting with Nippon Express Travel U.S.A. Inc. and Nippon Express Tours (Nederland) B.V.



Office building and truck at Nippon Express (Deutschland) GmbH



Nippon Express (India) Pte. Ltd.



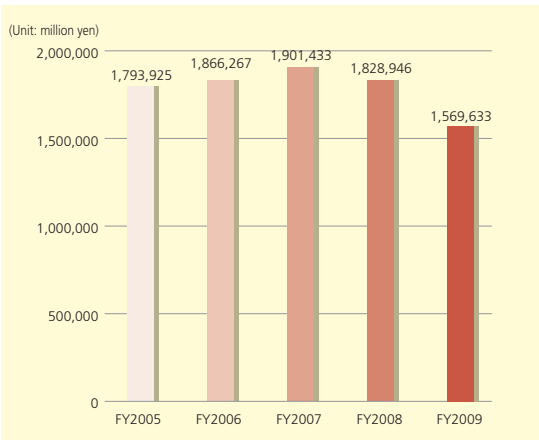
Nippon Express U.S.A. warehouse



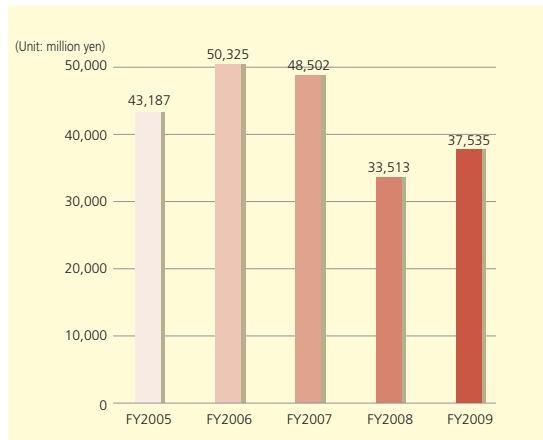
Trucks at Nippon Express (China) Co., Ltd

Financial Details

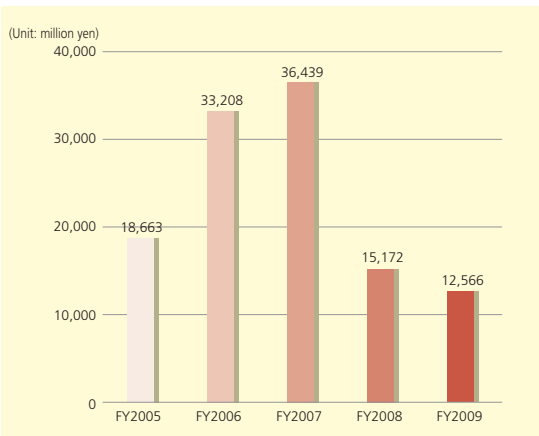
Revenues (Consolidated)



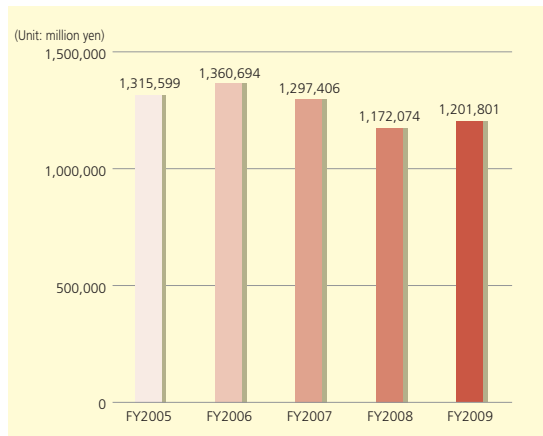
Operating income (Consolidated)



Current net income (Consolidated)



Total assets (Consolidated)



Environmental Initiatives

The whole of mankind is faced with the huge challenge of providing for future generations without harming the global environment. Those of us who have developed society have simultaneously continued to pollute the earth by emitting harmful CO₂ gases and other pollutants. We at the Nippon Express Group, as transport professionals, want to help provide for the people of the world through the transport of goods while striving to achieve more energy-efficient "earth-friendly logistics."

Environmental Charter

In April 2010, Nippon Express revised the Environmental Charter, which it first established in May 2001. The new revisions signal a step up from preservation-focused environmental management to strategic environmental management and set goals in correspondence to changes to the contents of environmental initiatives demanded of companies. They also establish environmental regulations regarding specific issues that need to be addressed.


Established: May 10, 2001
Revised: April 1, 2010

Nippon Express Environmental Charter

Basic Philosophy
Nippon Express shall be mindful of its responsibilities as a corporation to society and the general public, shall proactively contribute to environmental conservation as a "good corporate citizen," by practicing environmental management.

Code of Conduct
Preservation of the earth's environment is a challenge facing all mankind, and, in recognition of requirements indispensable to our company's existence and activities, we shall independently and proactively strive to fight global warming, preserve biodiversity and construct a recycling-based society.

- 1. We will promote green logistics.**
 - We will decrease our burden on the environment through the curtailment of harmful greenhouse gases by practising environmentally-friendly logistics.
 - We will work to develop environmentally-friendly logistics products, services and packaging.
- 2. We will work to more efficiently use natural resources and energy.**
 - We will work to construct a recycling-based society by promoting the 3Rs and the conservation of energy and resources.
 - We will expand our use of renewable energies.
 - We will support our customers' efforts toward building a recycling-based society.
- 3. We will adhere to environmental laws and ordinances.**
 - We will adequately respond to the Act on the Rational Use of Energy, municipal ordinances and all other environmental laws.
- 4. We will train environmental personnel.**
 - We will develop personnel with environment-oriented mindsets who will practice strategic environmental management.
 - We will develop environmental personnel through environmental education and preservation initiatives.
- 5. We will promote an environmental social action programme.**
 - We will work to achieve social contribution in the fields of environmental preservation and environmental education of future generations.
- 6. We will report information about our environmental initiatives to society.**
 - We will work to communicate with society and proactively submit information concerning environmental initiatives.
- 7. We will continually improve upon our environmental management system.**
 - We will create a company-wide environmental management system and effectively implement its functions.
 - We will continually improve upon our efforts toward the environment and strive for successful promotion of environmental management.

 **NIPPON EXPRESS**

Promoting Modal Shift

Modal shift in freight transport means switching from transport mostly by trucks to transport utilizing railways and ships. In keeping with the objective of the Green Logistics Partnership Conference, Nippon Express promotes collaboration and cooperation between sender companies and freight companies, and in FY2009 successfully implemented numerous cases of modal shift, switching from a truck-centred form of transport to one that makes much use of railways and ships. The Nippon Express Group is also expanding modal shift activities overseas as well as within Japan.

Rail

- Highly regular and fast
- Capable of large bulk transport
- Low CO₂ emissions

vs.

Trucks

- No restrictions on timing of shipments
- Ships directly to destination
- Can ship smaller loads

vs.

Domestic marine

- No cargo damage
- Excellent safety
- Long-distance transport of large quantities
- Low cost

Choose
the best combination
while making
the most of
strong points

Create
transport routes
that are dependable
and low
in emissions

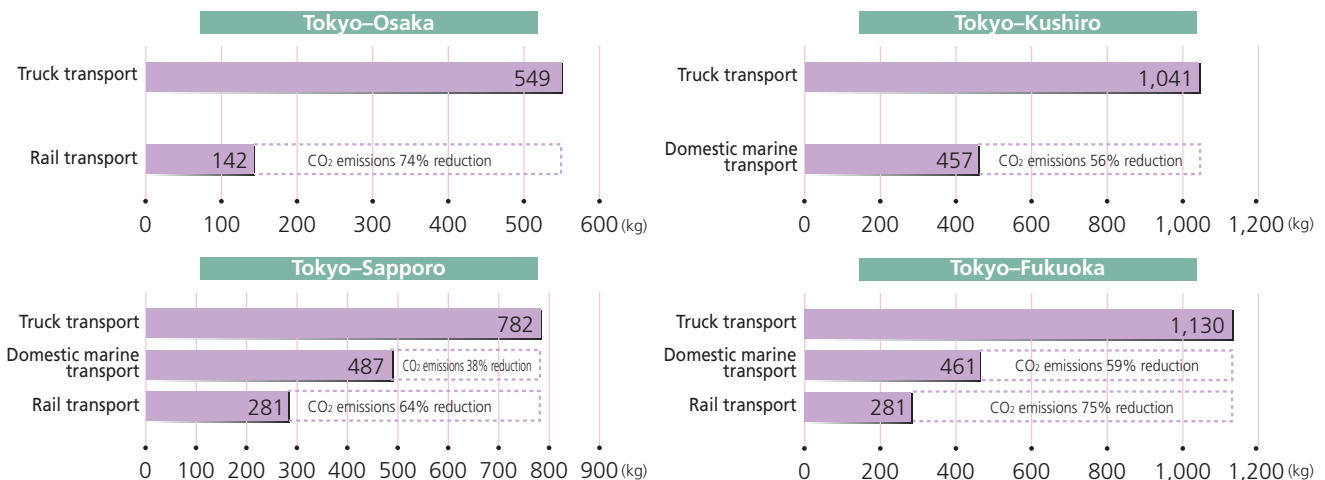
●CO₂ Emission Basic Units by Transport Mode

Transport Mode	CO ₂ Emission Basic Units (g-CO ₂ /t-km*)
Commercial large-sized trucks*	90
Rail	22
Domestic marine	39
Air	1,490

*Maximum load for trucks 10,000 kg-11,999 kg; load ratio provisionally calculated at 100%

Source: The Ministry of Economy, Trade and Industry Notification No. 66 (March 29, 2006), "Method of Calculating the Energy Usage Involved in the Transport of Cargo Carried out by Freight Haulers"

■ Comparison of CO₂ Emission Reductions Due to Modal Shift (calculated using the Revised T-km Method*2 in the case of transporting a 10-ton cargo)



*1 t-km: the value obtained by multiplying the weight (t) and haul distance (km) of shipped cargo
 *2 Revised T-km Method: Calculation method described in the amended Act on the Rational Use of Energy (Energy Saving Act), which was revised in April 2006. This method computes the amount of energy used for a shipment based on the ton-kilometre value calculated with the actual cargo weight and transport distance.

Modal Shift to Rail Transport

Railways can transport large quantities of freight with good regularity and economy as well as high energy efficiency. Another significant feature is that CO₂ emissions per unit distance and weight are lower than those of trucks.

Nippon Express is actively promoting the truck-to-rail shift, thereby improving service, heightening the efficiency of operations, minimizing energy use and thus decreasing the environmental burden.

We have a wide variety of initiatives aimed at facilitating a smooth switch from current truck transport to rail, such as using containers that suit the amount and type of cargo and introducing a system that can easily transfer cargo between trucks and ships.

One example of these initiatives is the Super Green Shuttle Train, which was selected as a model project by the Green Logistics Partnership Conference. The Super Green Shuttle Train is specially equipped to handle 31-ft containers. It commenced operation between Tokyo and Osaka and received the Minister's Prize from the Ministry of Land, Infrastructure, Transport and Tourism (formerly known as Ministry of Land, Infrastructure and Transport) in fiscal 2006.

The Shikoku Branch was also recognized at the Green Logistics Partnership Conference for using return rail transport to carry procured materials after making product deliveries; the branch received the Minister's Prize from the Ministry of Land, Infrastructure, Transport and Tourism in fiscal 2007 for contributing to CO₂ emission reductions. The Obihiro Branch received commendation from the Director General for Policy Planning at the same ministry for low-energy consumption with a modal switch from truck to rail transport for potato distribution. Furthermore, the Yokohama Branch has introduced specially made containers equipped with earthquake and shock resistant capabilities in transporting mobile phone base stations. By making this shift from truck to rail, they reduced CO₂ emissions and were awarded the Minister's Prize from the Ministry of Land, Infrastructure, Transport and Tourism in fiscal 2009.

In addition, Nippon Express joined Toyota Motor Corporation, Toyota Transportation Co., Ltd. and Japan Freight Railway Company in June 2008 to create the Toyota Long Pass Express for auto parts transport. The project received the 9th Logistics Environment Award from the Japan Federation of Freight Industries.

A Manager's Perspective

Case Study: Kobe Steel, Ltd.



Hayato Kikuchi
Supervisor, Kobe Container Centre
Kobe Branch

Kobe Steel, Ltd. is now using railway containers to carry the steel material (wire rods) it manufactures in its factories from Kobe to Hokuriku (Imizu City) and Kanto (Sagamihara City).

As an initiative to decrease the burden on the environment by decreasing the amount of CO₂ emissions, we asked Kobe Steel to consider making a modal shift from conventional trailers to railway containers in shipping their wire rods. As of May 2004, they started using railway container transport to Hokuriku.

We met with Kobe Steel multiple times regarding how to stow and protect their wire rods for transport. After doing test shipments,



we were able to realize reliable shipping by making stowing stands compatible for container transport.

Kobe Steel's resolve to promote further modal shifts and the results from transport using dedicated stands became the



basis for them to use railway container transport to the Kanto Area as well starting in fiscal 2009. Currently, Nippon Express handles between 600 and 700 containers per month.

Because wire rods are vulnerable to water, expanding facilities where operations can be carried out even in rainy weather is a key issue, while Nippon Express believes that safety and quality improvements are most important in Kobe Steel's shift from trailer transport to rail transport. We aim to provide higher quality transport services while ensuring customer confidence.

Overseas – China and Europe

Up until now, truck transport has made up a large portion of the cargo transport handled by the Nippon Express Group within China. Currently, however, we are promoting a modal shift by bolstering rail transport which uses high-speed trains operated by Chinese railway companies. Moreover, along with shorter lead times compared to truck transport, we benefit from the regularity of shipments which only high-speed rail can

provide. We repeatedly performed durability tests regarding vibrations to confirm the safety of this service.

In Europe as well, we are making efforts to implement a modal shift by speeding up the transition from conventional trucks to rail transport in shipping goods from Rotterdam Port and Hamburg Port to inland countries such as the Czech Republic.

Modal Shift to Domestic Marine Transport

In 1964, Nippon Express initiated combined land-sea services with Japan's first container vessel, the *Dai-ichi (No.1) Tennichi Maru*, between Tokyo and Muroran, followed by the *Dai-ni (No.2) Tennichi Maru* between Osaka and Muroran.

In 2003, Nippon Express and MOL Ferry Co., Ltd. launched a joint service between Tokyo and Hakata. At present, Nippon Express connects points nationwide with eight cutting-edge large ships, including three regular routes and some vessels operated jointly with MOL Ferry.

In domestic marine transport, Nippon Express is implementing various low fuel consumption initiatives to reduce CO₂ emissions. In particular, we outfitted our high-speed RORO vessels, *Himawari 5* and *6*, which were phased into operation for coastal service between Tokyo and Kyushu and Setouchi routes, with auto-controlled engines that match fuel injection with vessel speed. The vessels employ a narrow shape to create less water resistance. In addition, we increased the propulsion power of the newest propellers and put movable blades on the hulls to prevent rolling, making for smoother voyages.

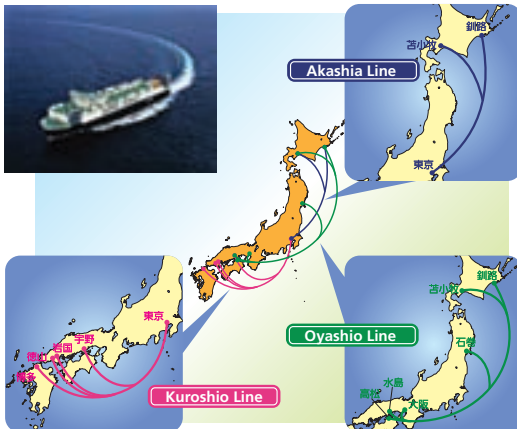
On every voyage in each of our sea routes, Nippon Express

takes various data such as freight weight, transport distance and fuel consumption to constantly research and analyse, ultimately realizing energy saving navigation. We also check sea current speed and direction for each season to select the most energy-efficient sea routes.

In addition to its environmentally-friendly aspects, Nippon Express's domestic marine transport provides reliable delivery times by running vessels regularly and assures cargo safety through door-to-door intermodal transport. While we create information systems that make full use of the latest information technology and engage in other efforts to enable us to accommodate increasingly diverse and sophisticated customer needs, we are actively switching from truck to coastal marine transport.

Nippon Express and three other companies launched a collaborative service between Hakata and Shanghai called "Shanghai Super Express." The result is a high-speed marine transport service between Shanghai and Kanto/Hokkaido with Hakata Port as a transit point.

Domestic Marine Transport Service Network



Himawari 1



Himawari 6

A Manager's Perspective

Case Study: Unisia Kyushu Corporation



Hidekata Mukouzaka
Supervisor,
Tokyo Regular Sea Shipment Group
Hakata Port Branch

Unisia Kyushu Corporation manufactures propeller shafts, an automobile component. Since 2005, they have shipped products to Ota City in Gunma Prefecture primarily using our "trailer-based land-sea transport service," which incorporates our coastal vessel, the *Himawari*. However, because the manufacturing process requires the expedient return of the containers specially made for the propeller shafts, containers were being returned to the factory by truck.

Recently, we received a request from Unisia Kyushu to review transport methods again because the time frame for returning empty containers to the factory had increased to three days after product delivery due to a production system revision (a change to the set inventory levels).

In response, Nippon Express suggested "comprehensive round trip trailer transport" incorporating land and sea transport methods, which offers two advantages: a decrease in CO₂ emissions through a modal shift and a decrease in shipping costs by using a marine container trailer.



Transport System Improvements

Improving our transport system is another way in which Nippon Express is pushing forward our initiatives to reduce the impact on environment.

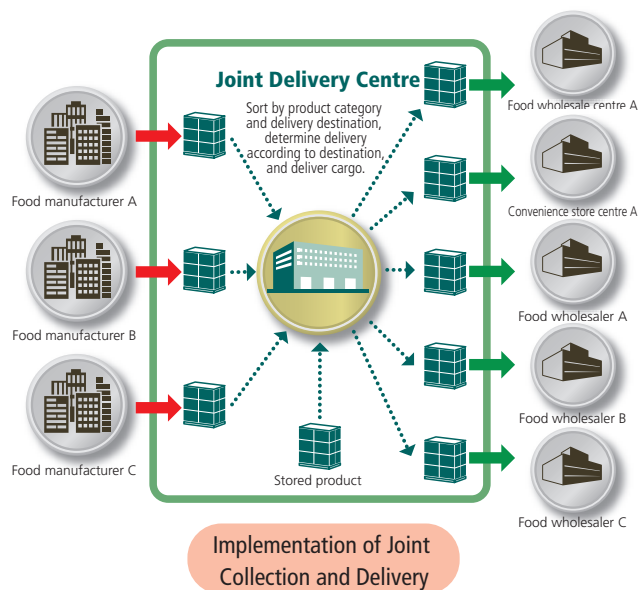
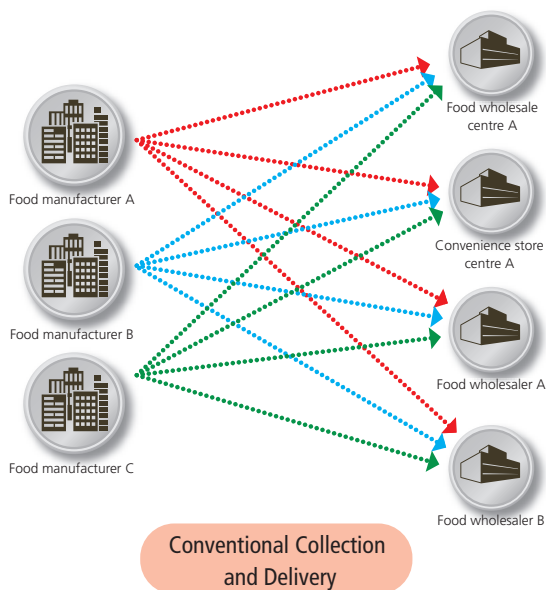
Joint Collection and Delivery

In urban areas, where trucks are widely used for transport, distribution has been causing major problems such as air pollution from CO₂, NO_x,*¹ PM*² and other emissions, and traffic congestion. Many of these problems are seen to have resulted from a higher frequency of collections and deliveries due to smaller lots, a lack of cargo processing facilities and

increased street side parking for pickups and deliveries.

To address this situation, we are advancing joint collection and delivery to cut exhaust emissions and to mitigate traffic congestion. This also increases inner- and inter-city distribution efficiency by making more effective use of truck carrying capacity.

Joint Collection and Delivery Flow



Manufacturers deliver product independently. Inefficient transport methods result in high CO₂, NO_x and PM emissions.

Bulk delivery based on product type and delivery destination improves delivery efficiency and ultimately lowers CO₂, NO_x and PM emissions.

Initiatives to support Act for Promoting Generalized and Efficient Distribution Services (consolidation of logistics centres, etc.)

With the urgent need to reduce greenhouse gases (CO₂) emitted by the transport industry, the Act for Promoting Generalized and Efficient Distribution Services was implemented in 2005 as support for "comprehensively and effectively lowering logistics costs and reducing environmental burdens."

By establishing large warehouses in various locations throughout Japan, Nippon Express has been able to consoli-

date previously scattered distribution centres into single, large warehouses, achieving lower CO₂ emissions through shorter delivery distances and streamlined cargo handling. These activities fulfilled compliance with the Act for Promoting Generalized and Efficient Distribution Services, and Nippon Express obtained certification for eight divisions (as of March 31, 2010).

*1 NO_x: Abbreviation for nitrogen oxide. In particular, high concentrations of nitrogen dioxide can be harmful to the human respiratory apparatus and cause acid rain precipitation.

*2 PM: Abbreviation for particulate matter. High concentrations of PM adhered to the lungs or trachea can cause damage to the human respiratory apparatus and may be a cause of cancer.

Industrial Waste Collection and Transport for Recycling

Nippon Express collects and transports industrial waste as part of the comprehensive logistic business. Nippon Express received permission from 109 local governments nationwide* as the operator of recycling logistic business. Currently, this is of high demand as effective waste recycling system.

Utilizing a combination of rail and ship transport to provide wide-area consolidated transport—waste collection from manufacturing through post-consumption—Nippon Express has a composite strength unrivalled by other companies, and offers its customers the benefits of a safe and dependable service cultivated over many years in the logistics business.

We are actively working to implement such business initiatives, which we have named “Eco-business,” in an effort to contribute to a recycling-based society.

*Approval not yet obtained for certain items.

Initiatives on Industrial Waste Collection and Transport

In terms of industrial waste, we collect and transport waste products throughout the entire process—collecting from the company discharging industrial waste, conveying the load to an intermediate treatment facility and carrying it on to the final disposal plant.

For example, we use rail containers for the collection and transport of discarded fluorescent lamps (collected by municipalities) to treatment plants. Effluent and sludge is collected and transported from factories to incineration facilities using rail containers; a safe and dependable method that has minimal environmental impact. Open-top containers are used for effluent and sludge to meet specific material requirements.



Sludge removal using open-top containers

Contributing to a Recycling-based Society

In addition to the recovery of products that are required by law to be recycled, under the Law for the Promotion of Effective Utilization of Resources, we are also supporting manufacturers who are proactively engaged in recycling initiatives.

As a household appliance recycling service initiative, Nippon Express operates a designated collection point for manufacturers observing the Law for the Recycling of Specified Kinds of Home Appliances (Home Appliance Recycling Law), including the collection and transport of appliances to the recycling plant. Our other collection transport activities target automobiles, construction debris, containers and packaging.



Designated collection point

PCB Waste Transportation

The manufacture and use of PCBs, which were used mainly as insulation in transformers in the 1950s and 1960s, was prohibited in 1972 owing to their strong hazardous properties, after which we were required to hold in strict safekeeping PCB oil and electrical equipment containing PCB oil.

Under the Law Concerning Special Measures against PCB Waste that came into force in 2001, we have the responsibility to dispose all PCBs in Japan by 2016. Since December 2004, a disposal corporation with the 100% financial backing of the government has begun to dispose PCBs.

Nippon Express carries out safe and dependable operations with particular care being taken with respect to the collection and transport of PCBs to treatment facilities and when transferring to storage.



PCB delivery vehicle

Initiatives to Introduce Low-pollution Vehicles and Enhance Fuel Economy

Nippon Express is making vigorous efforts to reduce emissions of CO₂, NO_x (nitrogen oxide) and PM (particulate matter), as well as putting environmentally-friendly vehicles into service to improve fuel efficiency.

Environmentally-friendly (Low-emission) Vehicles

Instead of merely obeying the law, Nippon Express went a step beyond and actively introduced environmentally-friendly vehicles including specially developed new models.

In April 2005, we reviewed the definition of “clean energy vehicle” that we had been adopting until then and revised our policy, shifting the emphasis to decreasing emissions from our large vehicles and revising the name to “environmentally-friendly vehicles.” Since then, we have increased the number of CNG, hybrid and LPG trucks, while focusing on the addition of low-emission diesel trucks that conform to the new long-term regulations for large-sized vehicles throughout Japan, growing our fleet to a total of 4,485 vehicles as of March 2010.

■ Number of environmentally-friendly Vehicles in Fleet (as of March end, 2010)

Vehicle type	Number		
	Total	Nippon Express non-consolidated	Affiliate companies
CNG vehicles (compressed natural gas)	378	311	67
Hybrid vehicles	564	498	66
LPG vehicles	669	581	88
New long-term regulation vehicles	2,874	2,008	866
Total	4,485	3,398	1,087

* Includes passenger cars for business use.

* Includes only related distribution companies managed by affiliates.

* The range of vehicles included in these numbers has varied each fiscal year. As of January 2010, we standardized the scope (for example, excluding ultra-low PM vehicles), compiling and reviewing past data as well. In addition, as previous data lacked continuity due to numerous vehicle transfers from changes in business organization, etc., the chart only shows the current fiscal year.

Environmentally-friendly Vehicles



Compressed Natural Gas (CNG) Trucks

Fuel for these trucks is the same natural gas used by urban households, compressed under high pressure. CO₂ emissions are 20 to 30% lower than petrol, NO_x emissions are much lower than diesel and there is no PM exhaust. However, further problems that need to be solved include making fuel tanks smaller and lighter and enhancing fuelling stations.



Bi-fuel CNG Trucks

Used mainly in air service deliveries and for transport of valuables, these modified vehicles run on both CNG and regular petrol. Once the CNG is depleted, the motor can be manually switched to petrol, eliminating any apprehensions of running out of CNG while out on the road and covering quite a long distance in one day.



Hybrids

Hybrids use a combination of motive force, including ordinary engines and electric motors. Energy created by the engine and braking is converted to electricity and stored, then used as supplemental driving power when starting, accelerating and climbing.



LPG Trucks

Engines are fuelled with liquefied petroleum gas, which is commonly used by taxis. Compared to diesel engines, NO_x emissions are far lower and there is no PM exhaust. Because more and more fuelling stations (LPG stations) are found nationwide, we have increased the number of LPG trucks in the fleet.

Eco-driving Education

“Eco-driving” has two meanings: ecological driving and economical driving. The idea behind eco-driving, or driving in an eco-friendly manner, is to protect the environment and resources while reducing costs. Furthermore, it involves seeking greater safety through moderate and responsible driving.

Every year, Nippon Express gathers employees from facilities around the country and provides comprehensive instructor training for the participants, all of whom play a central role in driving instruction. This training, called “Driving Instructor Training Course,” focuses on mastering eco-driving,

learning how to drive safely and having participants see how driving smoothly, without sudden acceleration and braking, is an integral element of safe driving. Those who complete the course are designated as in-house driving instructors, who then train and instruct drivers personally. This course enables instructors to understand eco-driving with both mind and body, and they further educate fellow drivers at their respective branches. Every year, around 1,200 drivers attend the “eco-driving” course at Izu Training Centre.

Installation of Digital Operation Recorders

Through the installation of digital operation recorders, operation data items standardized for the entire company are accumulated in the operation management system’s server via our intranet, enabling people in all sections, branches and headquarters to share objective data on fuel economy, engine idling and other information.

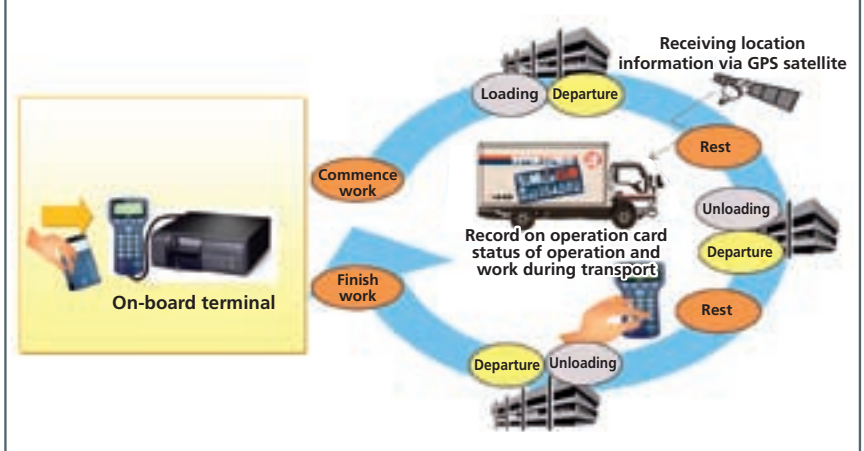
This system now makes it possible to calculate eco-driving factors for each vehicle, such as excessive vehicle speed,

sudden acceleration and braking, idling time and excessive engine speed. When values set in advance are exceeded, the date, time, place and other data are recorded on a card, and an operation manager will use the performance output following vehicle operations to give the driver meticulous guidance. This continual driver guidance and supervision concerning daily vehicle operations lead to both fuel efficiency improvements and safety enhancements.

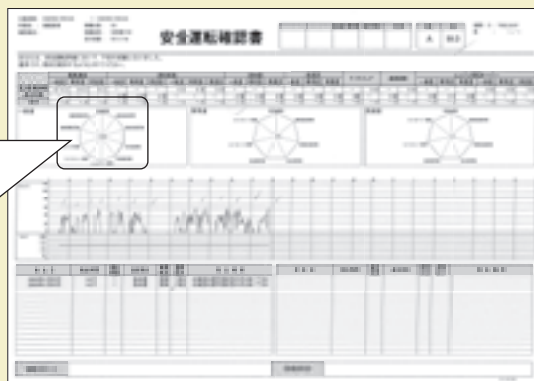
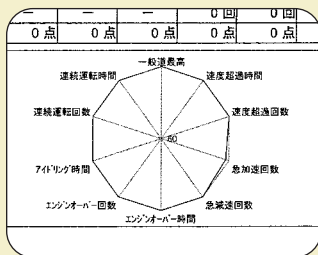


Digital operation recorder

Digital Operation Management System (conceptual diagram)



Safe Driving Confirmation Note



The following measurements indicate each driver’s eco-driving and safe driving performance.

- Maximum speed on general roads
- Continuous driving time
- Shift overtime
- Idling time
- Excess engine rev (frequency)
- Excess engine rev (time)
- Rapid deceleration (frequency)
- Rapid acceleration (frequency)
- Exceed speed limit (frequency)
- Exceed speed limit (time)

Initiatives for Promoting Resource and Energy Conservation

In addition to implementing initiatives to promote environmentally-friendly truck transport, we are actively conserving resources used in packaging and promoting initiatives to ensure energy conservation in warehouses and offices.

Development of Reusable Packing Materials for Moving

Under the theme of resource conservation, waste reduction and improvement of operating efficiency, Nippon Express developed its own reusable packing materials for moving in 1992. Since then, we have drastically reduced the amount of waste generated from the use of rolled cardboard and bubble wrap, further contributing to the protection of the earth's environment. *Ecologicompo* (Full Pack), which was developed mainly by female employees, is an example of environment- and customer-friendly moving service. This service uses reusable packing materials developed by reviewing packaging methods and materials for all types of household effects.



Ecologicompo packing materials

TOPICS Promoting Energy Conservation through Alternative Light Fixtures

We are currently applying for Ministry of Land, Infrastructure, Transport and Tourism's subsidy for the implementation of equipment and technology promoting energy conservation. We are replacing conventional light fixtures with high-efficiency equipment. A total of 96 light fixtures have been replaced in the Nagoya Cargo Centre at the Nagoya Air Service Branch, as shown below, resulting in a 51% reduction in electricity used for lighting.



TOPICS Solar Panels Installed on New Los Angeles Air Cargo Branch Building - Nippon Express U.S.A. Inc.

In February 2010, Nippon Express U.S.A. Inc. completed construction of the Los Angeles Air Cargo Branch building in California with installation of solar panels on the roof.

This new building features low power consumption and reduced CO₂ emissions and complies with Nippon Express U.S.A.'s Environmental Manifesto. It is fitted with high functionality glass, high efficiency lighting and controls, and high performance system air-conditioning, and was constructed with recycled materials and heat insulation materials boasting a high R-value. Located in southern California, where yearly rainfall is extremely low and the debate continues on the applicability of solar energy as a resource, the new building has been implemented with a solar power generation system that is expected to cover 10 percent of the branch's annual energy requirements.

As Nippon Express U.S.A. has promoted a company policy of "environment-friendly management," they have been taking advantage of the completion of the new building and installations as a turning point to further enhance sales activities toward environment-related industries.



TOPICS Promoting Energy Conservation with the Green Plan

- Nippon Express (Belgium) N.V./S.A.

Nippon Express Belgium is promoting energy conservation as part of the Green Plan—a component in the 2010 Activity Plan established by the Safety Committee Meeting, a group composed of corporate representatives and internal labour union representatives. Posters displayed in company buildings relate information about paper conservation and electricity conservation, such as upper temperature limits for heating during the winter season.



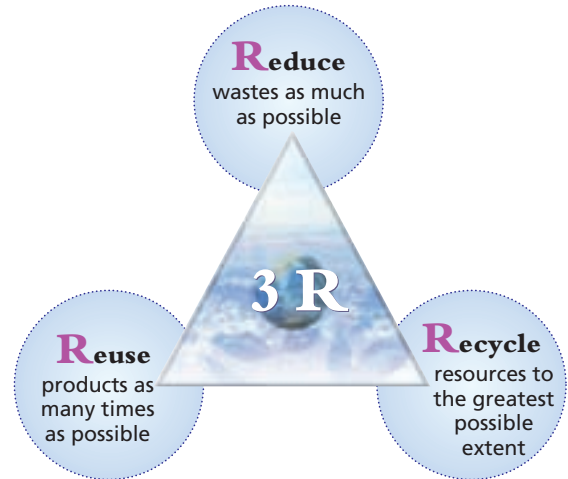
Reducing Waste and Advancing the 3Rs

Through methodical separation of waste generated in all business locations, Nippon Express is able to promote proper waste processing and recycling. We also continue to implement green purchasing as well as electricity and water conservation.

Advancing the 3Rs

The 3Rs is a principle for efforts to build a recycling-based society. It stands for “reducing” the volume of wastes generated, “reusing” materials whenever possible and “recycling” used products as resources.

At Nippon Express we do our best to reduce waste from all business locations as well as sort paper and other waste generated in our offices for easy recycling.

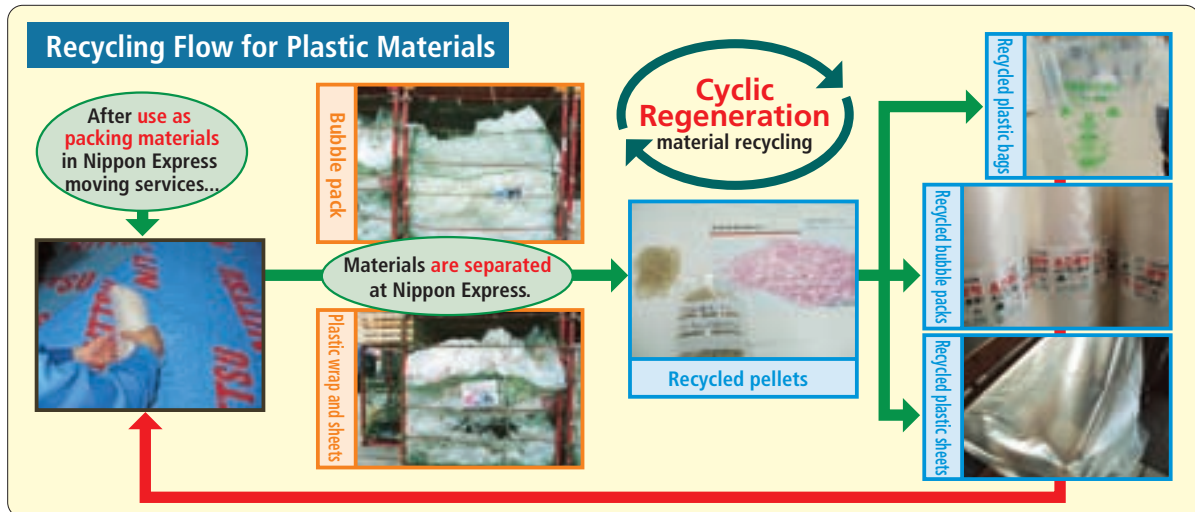


TOPICS

Promoting Recycling and In-house Reuse of Used Packing Materials

Although returnable packing materials are used in our *Ecologicompo* and other moving services in Japan, overseas moves involve much longer distances, making it necessary to use conventional packing materials to ensure the more robust protection of cargo.

At the Tokyo Overseas Removals Branch, materials generated from overseas moves are carefully separated, and materials that were previously disposed of as “garbage” are processed for reuse.



The key point in this initiative is “methodical separation.” Paper tape and other packing materials are carefully removed from the plastic sheets, separated according to type, and reduced to simplified resources. The resources are then delivered to a vendor for processing into renewed materials, which we later purchase as a “recycled material.”

In this manner, Nippon Express is able to expand on our initiative of “Reduce” generated waste, “Recycle” waste as resources and “Reuse” resources as much as possible.



Separating materials for recycling

Obtaining Environmental Certifications

To further advance activities with respect to environmental conservation at its facilities, Nippon Express is actively working to obtain certification for ISO 14001, the international standard on environmental management systems, as well as Green Management Certification at each facility.

Obtaining ISO14001 Certification

In June 1998, Nippon Express obtained ISO 14001 certification for three service centres (since consolidated into two) at the Tokyo Air Service Branch in Baraki (Ichikawa City, Chiba



ISO 14001 registered certification for Nep Logistics, Inc.



ISO 14001 registered certification for Nippon Express (South China) Co., Ltd.

Prefecture). As of March 2010, we have obtained certification for a total of 13 centres around the world.

First certifications, June 24, 1998

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

Additional certifications, March 30, 2000

- Tokyo Air Service Branch: Narita Airport Logistics Centre
- Nagoya Air Service Branch: Nagoya Distribution Centre
- Osaka Air Service Branch: Nanko Air Cargo Centre
- Fukuoka Air Service Branch: Fukuoka Air Cargo Centre

Additional certifications, March 30, 2001

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

Additional certifications, March 29, 2002

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

New certification, May 31, 2005

- Shikoku Heavy Haulage Construction Branch

New certification, May 10, 2007

- Nep Logistics, Inc. (Philippines)

New certification, March 24, 2010

- Nippon Express (South China) Co., Ltd.

Obtaining Green Management Certification

Green Management Certification is a system of certifying and registering businesses that promote environment friendly management (Green Management) and have achieved a certain level. The certifying body for Green Management is the Foundation for Promoting Personal Mobility and Ecological Transportation, which comes under the jurisdiction of the Ministry of Land, Infrastructure, Transportation and Tourism.

The Green Management Certification system began as a basic environmental certification for small- and medium-sized trucking businesses. However, Nippon Express developed this further by instituting initiatives at each approved facility—placing emphasis on environmental performance evaluation followed by certification through third-party screening—after which they are considered to be effective environmental management systems operating at the facility level. Currently,

we are focusing our efforts on the certification of mainly trucks and warehouses.

The Kyoto Protocol Target Achievement Plan adopted by the Japanese Cabinet in April 2005 refers to the “dissemination and acceleration of Green Management in transport businesses,” while the operation policy of the Revised Energy Conservation Law which came into force in April 2006 recommends the selection of freight haulers who are considerate of the environment (businesses that have obtained ISO 14001 certification and Green Management Certification).

In the truck division, as of March 2010, 240 Nippon Express facilities and 22 facilities in 12 group companies have obtained certification. In our warehousing division, which was established in July 2005, 32 Nippon Express facilities and one facility in one group company have obtained certification.

■ Initiatives for Obtaining Green Management Certification

Specific initiatives to obtain Green Management Certification involve recognizing the environmental impacts in the table below regarding vehicles, taking steps to deal with them, and recording the results.

Inspection/repair items with environmental impacts	Specific impacts	Responses
■ Exhaust gases	● Black smoke: needs maintenance	<ul style="list-style-type: none"> ● Routine visual checks for black smoke are important. ● Regularly use tester to measure black smoke concentration. ● Immediate inspections (determining causes) and maintenance are important when something is wrong.
■ Air filter	<ul style="list-style-type: none"> ● Poor fuel economy: increases CO₂ ● Black smoke: needs maintenance 	<ul style="list-style-type: none"> ● Regular cleaning and changing is important.
■ Engine oil	<ul style="list-style-type: none"> ● Poor fuel economy: increases CO₂ 	<ul style="list-style-type: none"> ● Regular oil changes are important.
■ Tyre air pressure	<ul style="list-style-type: none"> ● Black and white smoke ● Poor fuel economy: increases CO₂ (10% pressure drop worsens fuel economy about 3%) 	<ul style="list-style-type: none"> ● Routine tyre pressure checking with tyre gauge is important.
■ Muffler	<ul style="list-style-type: none"> ● Improper installation or damage cause noise 	<ul style="list-style-type: none"> ● Listen for unusual noises.
■ Air conditioner	<ul style="list-style-type: none"> ● Leaking refrigerants are greenhouse gases. 	<ul style="list-style-type: none"> ● If air conditioner cools poorly, immediately inspect and repair.



Black smoke check using black smoke chart



Air-conditioner gas status check using sight glass



Air pressure measurement using tyre gauge



Air pressure measurement using pen-type tyre gauge

Environment-related Data

In our *Environmental and Social Report 2006*, for the first time we disclosed data pertaining to the Nippon Express Group's energy usage, waste and emissions, as well as CO₂ emitted by sources other than mobile emission sources such as trucks and ships. This compiled data includes estimated quantities calculated from the purchase value as well as annual estimates based on fixed monthly quantities.

■ Energy Usage, Etc. of Nippon Express Group (FY2009)

Type	Unit	Nippon Express non-consolidated	Affiliates		Total	Nippon Express non-consolidated CO ₂ emissions (t)	Domestic Group company CO ₂ emissions (t)	
			Domestic	Overseas				
Energy	Electricity	1,000 kWh	420,652	40,146	97,274	558,072	233,462	22,281
	Diesel oil	kℓ	81,679	104,757	14,964	201,400	210,732	270,273
	Petroleum	kℓ	7,474	5,074	1,568	14,116	17,340	11,772
	Natural gas	1,000 m ³	2,176	611	—	2,787	4,526	1,271
	LP gas	ton	6,227	1,996	—	8,223	18,681	5,988
	Heavy fuel oil	kℓ	204	4,422	—	4,626	553	11,984
	Heavy fuel oil (for ships)	kℓ	55,435	90,125	—	145,560	166,305	270,375
	Kerosene	kℓ	1,075	648	—	1,723	2,677	1,614
Total CO ₂						654,275	595,557	

Type	Unit	Nippon Express non-consolidated	Affiliates		Total
			Domestic	Overseas	
Water	m ³	2,268,049	—	—	2,268,049
Copy/printer paper	10,000 sheets	47,087	88,630	—	135,717
Waste	General waste	ton	35,203	3,720	38,923
	Industrial waste	ton	36,359	6,876	43,235
	Total	ton	71,562	10,596	82,158

Notes:

1. Data shown here is the aggregate of Nippon Express non-consolidated and consolidated companies (domestic 200, overseas 57) total 257 (as of March 31, 2010)
2. The Nippon Express non-consolidated and consolidated data for Japan was aggregated from various network systems, and the data of the overseas consolidated companies was aggregated from questionnaire surveys. The overseas consolidated data reflects survey results of 42 companies but does not include data concerning 15 companies where either offices are included in other consolidated companies or where no Japanese representative is present.
3. The numerical values include provisional calculations of quantities used from purchase value or provisional calculations restored to annual quantities from fixed monthly quantities.
4. The CO₂ emissions basic unit was calculated in accordance with the Ministerial Ordinance on Calculation of Greenhouse Gas Emissions Pertaining to Business Activities by Specified Emitters (Ordinance of the Ministry of Economy, Trade and Industry and the Ministry of the Environment, No. 3 of 2006)

■ Industrial Waste Emissions by Item (FY2009: Nippon Express nonconsolidated)

Industrial waste items	No. of control manifests for industrial waste	Weight (kg)	Weight distribution ratio	
1	Sludge	187	275,793	0.76%
2	Waste oil	207	135,249	0.37%
3	Inflammable waste oil	4	893	0.00%
4	Waste acid	15	44,790	0.12%
5	Waste alkali	21	168,501	0.46%
6	Waste plastics	13,071	12,013,782	33.04%
7	Waste metal	1,406	2,758,547	7.59%
8	Waste glass	160	95,466	0.26%
9	Combustion residue	1	100	0.00%
10	Debris	16	80,700	0.22%
11	Mixed waste	888	1,062,670	2.92%
12	Animal and plant residues	270	1,497,042	4.12%
13	PCB waste	14	888	0.00%
14	Infectious waste	1	6	0.00%
15	Wood shavings	5,634	18,092,190	49.76%
16	Others	164	132,771	0.37%
Total	22,059	36,359,388	100.00%	

Notes:

1. Items recorded in units other than weight or volume (cars, roll containers, etc.) have been converted to weight (kg) or volume (m³).
2. Items expressed as volume (m³) were converted into weight based on a table of specific gravities by industrial waste item. For mixed waste, the specific gravity for general waste was applied.
3. The aggregate does not include cases where waste cardboard and the like is handed over to a used paper recycler, or where in buildings leased for commercial use the waste disposal for the entire occupied building is managed and the corresponding charge included in the rent.
4. Contrary to the case 3 above, where a company other than Nippon Express occupies a facility, this may be totalized as emissions of Nippon Express.

Emissions of Substances Reportable under the PRTR Law (FY2009)

Although none of our facilities is required to report under the PRTR Law (Law Concerning Reporting of Releases into the Environment of Specific Chemical Substances and Promoting Improvements in Management), the facilities shown on the right handle reportable substances.

Facility type	No. of facilities	Total amount used (kg/y)	Main substance	Main use
Reportable business category but amount used by facility is under reporting threshold	22	512	Methyl bromide	Warehouse fumigation
Not reportable business category but facility uses reportable substance	29	44,341	Methyl bromide, Hydrogen cyanide	Fumigation for operations incidental to import customs clearance

CO₂ Emission Reductions in FY 2009

Product Name	Basic unit (kg-CO ₂)	CO ₂ emissions (t-CO ₂)
Conventional form	87.926	16,708
<i>Ecologicompo</i>	Full Pack	5.506
	Half Pack	43.129
	Self Pack	67.141
	Subtotal	11,583

Notes:

- Expresses the difference between the emissions with the moving service actually provided and the case where all the removals are carried out in the conventional style.
- Ecologicompo* Full Pack: moving plan in which the mover handles everything for the customer, including the packing and unpacking of smaller objects
- Ecologicompo* Half Pack: moving plan in which the mover handles all packing and unpacking, including smaller objects as specified by customer
- Ecologicompo* Self Pack: moving plan in which the customer handles the packing and unpacking of smaller objects
- The "basic unit" in the chart is calculated as the average amount of household goods handled by Nippon Express in accordance with LCA (life cycle assessment)* basic unit for each individual material used.

Conventional form CO₂ emissions 16,708 (t-CO ₂)	-	<i>Ecologicompo</i> CO₂ emissions 11,583 (t-CO ₂)	=	Amount of CO₂ reduction 5,125 (t-CO ₂)
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Environmental Accounting

Nippon Express regards the introduction of environmental accounting as an important indicator for evaluating environmental management. In the future, we intend to develop more

detailed indicators but, for this year, we are reporting the main investments in environmental conservation.

Investments in Environmental Conservation (FY2009)

Investment category	Major examples	Amount (million yen/year)
Investment in modal shift	Rail transport containers (Eco-Liner 31, Big Eco-Liner 31, etc.)	260
	Ship containers (R&S container, etc.)	170
	Tractors and trailers for freight containers	293
Investment in reusable packing materials for moving	<i>Ecologicompo</i> , netted blankets, high-pad, etc.	193
Vehicle-related investments (environmentally-friendly vehicles, etc.)	CNG, hybrid and LPG vehicles, heavy-duty vehicles that meet fuel efficiency	1,710
Costs for appropriate waste disposal and management	Costs related to Manifest Management Centre	36
Costs for Environmental Management System registration	ISO 14001 and Green Management certification	20
Investment in planting greenery	Forest cultivation project, landscape gardening and other work at branches	104
Total		2,786

*LCA (life cycle assessment): Life cycle assessment is the method of assessing the environmental impact of a product from its manufacture through to its use and disposal.

Safety Initiatives

The Nippon Express Group aims to meet all the transport needs of our customers, from ultra-large cargo such as wind-power generating equipment to valuable articles such as art and money. The cornerstone of our business is safety. Mindful that our most critical social responsibility is ensuring safety, we actively promote safety management initiatives, contributing to the creation of a society safe for all to live in.

Safety Initiatives

At the Nippon Express Group, we aggressively promote our safety initiatives, starting with Transport Safety Management*, enabling us to provide highly reliable logistics services.

Commitment to Safety

Driven by respect for the preciousness of life, we in the Nippon Express Group regard it as our mission to support and raise the standards of safety and prosperity for all society.

We will strive our utmost to fulfil this mission, earn the trust of society and prevent accidents, thus ensuring sustainable company operations and the happiness of our employees and their families.

Herewith, we formally pledge and announce for all to hear our Commitment to Safety.

We will
abide by all applicable laws and rules
and prioritize safety above all else.

We will
never forget past accidents and
always learn from them.

We will
undertake daily risk prevention activities.

We will
improve our expertise in order to
conduct safer operations.

We will
remain conscious of safety and
endeavour to prevent accidents.



* Transport Safety Management: A method in which the transport company establishes a transport safety management system that involves all company members, from top executives to employees at the worksite; the status of transport safety management is reported to and reviewed by the government.

2010 Safety and Health Management Policy

Employee safety and health is the foundation of the company's competitive existence and assuring the safety and health of our employees is considered the social responsibility of the company. We shall establish our safety-first policy in the workplace through implementation of the following guidelines in accordance with a management philosophy based on human dignity.

1. Implement "Safety First" in the workplace.
2. Adhere to relevant laws/regulations and in-house regulations; be thorough in basic activities.
3. Continually improve upon the transport safety management system.
4. Promote mental health measures for employees.
5. Promote measures to prevent health problems and disability due to overwork.
6. Promote measures to prevent the onset of lifestyle-related diseases.

Transport Safety Management

The Nippon Express Group is actively implementing Transport Safety Management in an effort to uphold our corporate social responsibilities through transport safety. While we proactively implement initiatives to improve transport safety based on senior management leadership, we are building a safety management system within the company for the proper application of the PDCA (plan, do, check, action) cycle based on the cultivation of two-way communication between business management divisions and the workplace.

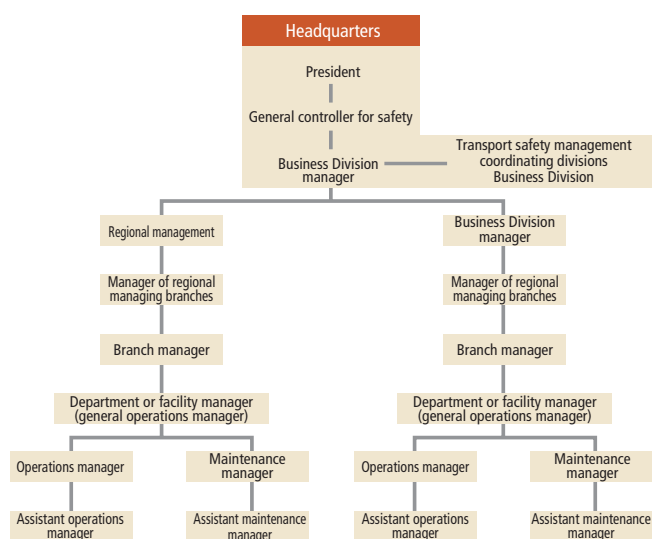
In accordance with the Motor Truck Transportation Business Act, we formulated a new Transport Safety Management Regulations, appointed a general controller for safety (responsible for and in charge of issues related to ensuring transport safety) and notified the Minister of Land, Infrastructure and Transportation of the appointment.

The Nippon Express Group will continue our sincere efforts to ensure transport safety through the enhancement of our transport safety management system.

Actual Costs Incurred for Transport Safety (FY2009)

Item	(Unit: million yen)
Labour cost of safety-related positions (domestic)	1,575
Educational costs (training at headquarters)	550
Material publishing	6
Nippon Express Group National Safety and Health Convention	1
Traffic control system (digital recorder), etc.	330
Accident and disaster prevention awareness material, etc.	8
SAS screening test	22
Accident and disaster record database	8
Other safety measures	78
Total	2,578

Transport Safety Management (Operation Management, Maintenance Management) Organization Chart



Nippon Express Group National Safety and Health Convention

Nittsu Safety & Health Management System

Until now, the Nippon Express Group had developed its own safety and health policy based primarily on the Occupational Health and Safety Law. After a thorough review of the existing system, in April 2010, we instituted the renewed Nittsu Safety & Health Management System (NSM), featuring enhanced and reinforced initiatives based on the ISO methods. All employees of the Nippon Express Group shall continue to work together as a team to eradicate traffic and labour accidents in the workplace and ensure occupational health for everyone.



Izu Training Centre for safety education and training

Nippon Express Group All-Japan Driver & Forklift Operator Contest

Every year the Nippon Express Group All-Japan Driver & Forklift Operator Contest is held as part of our effort to improve driving performance, including compliance with traffic rules and fuel efficiency driving, and maintenance inspection skills. While this greatly aids in preventing traffic accident, lower costs and reducing the burden on the environment, it also instills a sense of professional pride in our drivers and reminds them of their responsibility as a member of society. We also



Nippon Express Group All-Japan Driver & Forklift Operator Contest

actively participate in various contests sponsored by other industry-related organizations. The education and training for participation in such competitive arenas is considered one aspect of our training for skills upgrading. Most contenders that participate in such competitions later take on key roles as instructors in the training and education of their workplace colleagues for further skills upgrading.



Hiroshi Sakamoto (Yatsushiro Branch), Champion of the 41st All-Japan Truck Driver Contest (Trailer Division) makes a courtesy call on former Prime Minister Hatoyama. The contest is organized by the Japan Trucking Association.

Obtaining Certification under Safety Evaluation Programme

The safety evaluation programme is a system for fairly evaluating and certifying facilities proactively working toward ensuring transport safety, with the aim of making it easier for transport users to select safe and secure transport providers. In order to establish regularity in evaluations of cargo transport via truck, the government entrusted the National Freight Motor Transport Rationalization Programme Implementation Agency (the Japan Trucking Association) to establish evaluation criteria in the areas of: (1) legal compliance pertaining to safety; (2) accidents and violations; and (3) vigorousness of safety efforts. Evaluations comprise 41 items and results are referred to the Safety Evaluation Committee (part of the Japan Trucking Association), which then issues certifications after approval.

The total number of Nippon Express facilities certified as “excellent safety facilities” as of fiscal 2009 was 595 (90% of all applicable facilities). In addition, a total of 286 facilities among the Nippon Express Group companies have been certified.

The Nippon Express Group will continue to implement transport safety initiatives by working to obtain certification for more facilities.



Excellent safety facility logo

Alcohol Check

As part of Nippon Express Group's effort to eradicate drunk driving, all drivers and forklift operators are required to take a sobriety test with an alcohol detector.

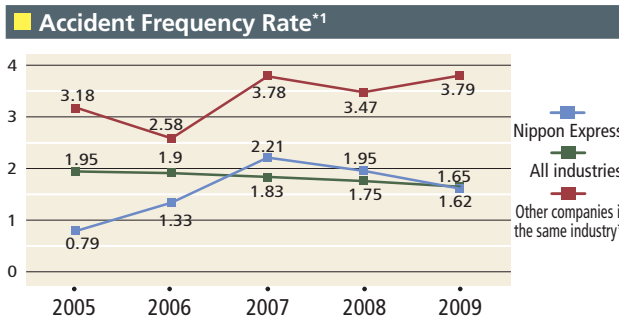
Blood alcohol checks are enforced both before and after shifts. In addition, we take advantage of all safe driving training programmes to introduce further education to eradicate drunk driving.



Employee taking an alcohol check

Labour Accident Prevention Training

At Nippon Express, all of our employees are our most valuable assets, and we consider maintaining the safety and health of our employees a fundamental social responsibility. Nippon Express's 2009 accident frequency rate* improved but our severity rate* worsened in comparison to 2008 results.



* 1 The accident frequency rate is an international indicator showing the rate at which labour accidents occur.
 No. of deaths and injuries per 1,000,000 hours worked

$$= \frac{\text{No. of deaths and injuries}}{\text{Total hours worked}} \times 1,000,000$$

* 3 Refers to general freight haulers for goods transported by road.

Causes of Traffic Accidents

We regret to report that Nippon Express incurred nine traffic accidents in 2009 that were infractions of the Transportation Safety Management Regulation Article 2.

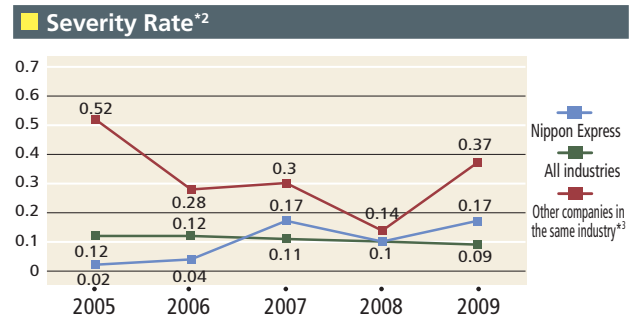
We performed a full analysis of each incident to determine the cause and are currently implementing measures to prevent similar accidents from happening again. The members of Nippon Express Group continue to work together to prevent any future traffic accidents.

Number of Accidents (FY2009) Related to Transportation Safety Management Regulation Number 2

Type of accident	At fault*	No fault*	Total
Rollover	1	0	1
Falling	0	0	0
Collision	2	0	2
Serious injury, etc.	5	0	5
Vehicle malfunction	0	1	1
Total	8	1	9

* At fault: Accident is due to negligence of Nippon Express
 No fault: Accident is not due to negligence of Nippon Express

Our goal for 2010 is to proactively work to prevent labour accidents through the promotion of initiatives such as improving the Safe Working Procedure Manual and enhancing risk prediction training.



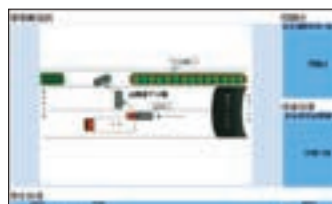
* 2 The severity rate is an international indicator showing the level of injury as a result of labour accidents.
 No. of days lost per 1,000 hours worked

$$= \frac{\text{No. of working days lost}}{\text{Total hours worked}} \times 1,000$$

* 3 Refers to general freight haulers for goods transported by road.

Maintenance and Operation of the Accident and Disaster Search System

The Nippon Express Group has developed the Accident and Disaster Search System, a database accessible through the company intranet providing categorized information concerning past traffic and labour accidents. This system enables us to rapidly share information with every workplace within Japan concerning all traffic and labour accidents that occur in any location as well as share measures to prevent recurrences, while developing proactive prevention measures for similar types of accidents on a lateral basis. The Nippon Express Group continually works hard to ensure safe driving and safe work environments by never forgetting past accidents and always learning from them.



Proactive Risk Prediction Activities

With a heightened sensitivity towards potential risk, the Nippon Express Group is implementing risk prediction training in order to proactively prevent traffic and labour accidents. We report *hiyari-hatto* incidents—situations that had the potential of developing into an accident or disaster but did not—through a system implemented to share this information throughout the company. We will continue to proactively prevent traffic and labour accidents through various safety activities that enable us to discover, eliminate and reduce potential risks.



Risk prediction training during morning meetings

Together with Our Partners

From their driving manners on the road while making deliveries to the way they greet the customer upon delivery, we consider the attitude and actions of our subcontracted drivers, to whom we entrust transport of cargo, to be a reflection of the safety and quality levels of the Nippon Express Group overall. In order to fully respond to the diverse requests of our valued customers and society in general, we aim to fulfil our responsibilities as principal contractor, build trusting relationships as a partner and work to expand both our business as well as our partners' businesses.

Partner Involvement

The Nippon Group strives to build fair and equitable relationships with our partners. In particular, we will promote integrated CSR initiatives with the group companies, our core business partners.

Appropriate Transaction Initiatives

The Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontractor Act) was partially revised in 2003 to include the services provided in the transport industry. According to the revisions, almost all transactions between Nippon Express and its partners fall under the regulations of the Subcontractor Act. As compliance with this Act forms the

basis of appropriate business relationships, Nippon Express has taken advantage of our e-learning system to implement a training programme on the Subcontractor Act for all executive officers and employees. By doing so, we aim to enhance compliance awareness among all employees and build appropriate relationships with our partners.

Partner CSR Quality Maintenance and Enhancement Initiative

Nippon Express considers the promotion of CSR important not only within our own company, but for all of our partner companies as well. In order to expand CSR activities throughout all business relationships, we have developed the "External Perfor-

mance Evaluation Standards," an agreement comprising 16 standards, which potential suppliers must fulfil to be accepted as a partner. In addition, we encourage such partners to maintain and enhance the Nippon Express quality requirements of CSR activities.

Group Company Initiatives

Customers may have noticed trucks with the name of Nippon Express displayed as "Nippon Express XXX Transport" or "XXX Nippon Express" as our drivers make deliveries or are on the road. These vehicles belong to the Nippon Express Group. Our customers are served by an array of Nippon Express or Nittsu entities, from the 346 companies that comprise Nippon Express worldwide to the many group companies that perform as our

major partners. As a group company and as a partner, our suppliers aim to work in tandem to promote CSR initiatives.



Group CSR Initiatives

Nippon Express holds the "Nippon Express Group CSR Council" once a year with all of its group companies, who, in essence, are our major partners. This event was initiated in June 2001 as "Nippon Express Group Environmental Issues Information Exchange Committee," and developed into the "Nippon Express Environmental Committee," finally becoming

the "Nippon Express Group CSR Council" as of the fiscal 2005 event. In order to further advance our CSR initiatives as a group, we aim to expand the range of group company participants while continuing to hold this very valuable meeting.

Together with Our Customers

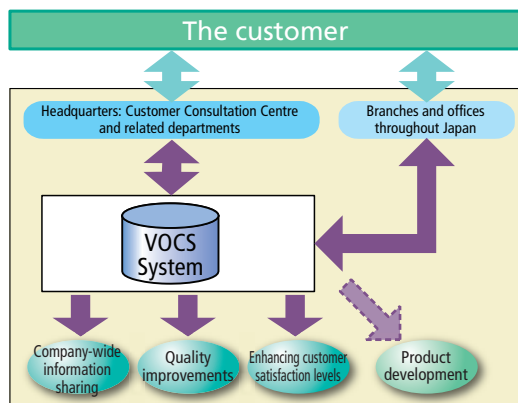
We at Nippon Express Group have established our group's corporate vision as follows: "A global logistics company — supports customers worldwide through logistics services." Earning the trust of our customers and ensuring they are satisfied with our goods and services are essential in making this vision a reality. Also, as values continue to diversify, our group does not merely offer products and services; even now, we endeavour to think alongside our customers and act in concert as partners with them.

For Customers' Trust and Satisfaction

At Nippon Express, we value the voice of our customers above all else in our efforts to realize greater customer trust and satisfaction. We listen sincerely to what they have to say and are consistently pursuing enhanced satisfaction and product quality from the standpoint of our customers.

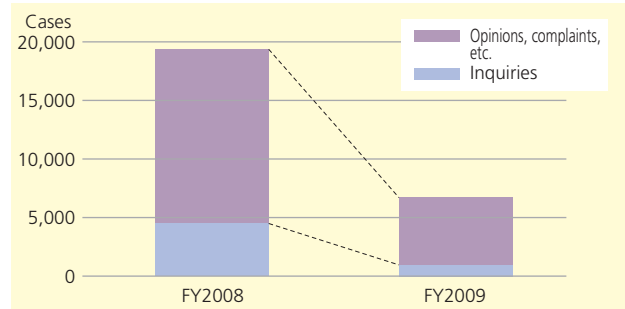
VOCS—Lending a More Attentive Ear to Our Customers

We consolidated and systematized inquiries, opinions and complaints received from customers via the company homepage and introduced the company-wide customer consultation system (VOCS: Voice of Customer Solution) in April 2007. Improvements were made to the system in 2009, and in April 2010, we installed a new, more convenient VOCS featuring



detailed analysis and graphing of accumulated data, as well as improved ease of use. At this point, more than ever before, we are lending our ear to what the customer says and applying our hand to improve our products and services.

Number of cases received through VOCS



	Inquiries	Opinions, complaints, etc.	Total
FY2008	4,494 cases	14,875 cases	19,369 cases
FY2009	956 cases	5,751 cases	6,706 cases

*Due to the succession of our courier service to Japan Post Express Co., Ltd., the results for fiscal 2009 do not include inquiries related to that service.

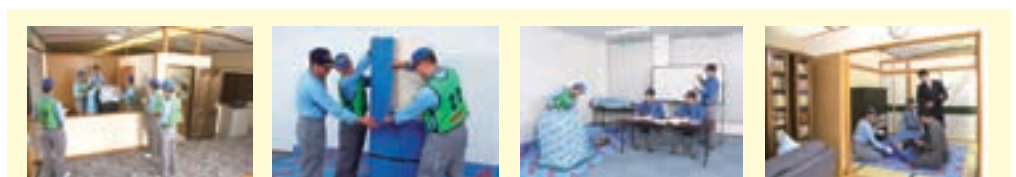
Pursuit of Quality for Full Satisfaction

As a domestic moving service, Nippon Express offers its customers *Ecologicompo*—moves that are kind to both the earth and the people who inhabit it. Utilizing reusable materials* independently developed by our company greatly reduces packaging time and allows us to offer moves that are fast and comfortable. Moreover, in order to continuously improve the quality of work involved in moves that utilize various materials independently developed by our company, we are

systematically carrying out efforts to upgrade packaging techniques and provide etiquette instruction at training centres across Japan. Moving is the work of transporting our customers' most important property, and, fully aware that moves are an integral part of such events as marriage, job transfer and new home construction—major turning points in our customers' lives—we are pursuing greater overall quality in order to provide maximum customer satisfaction.



Izu Training Centre



Moving staff in training

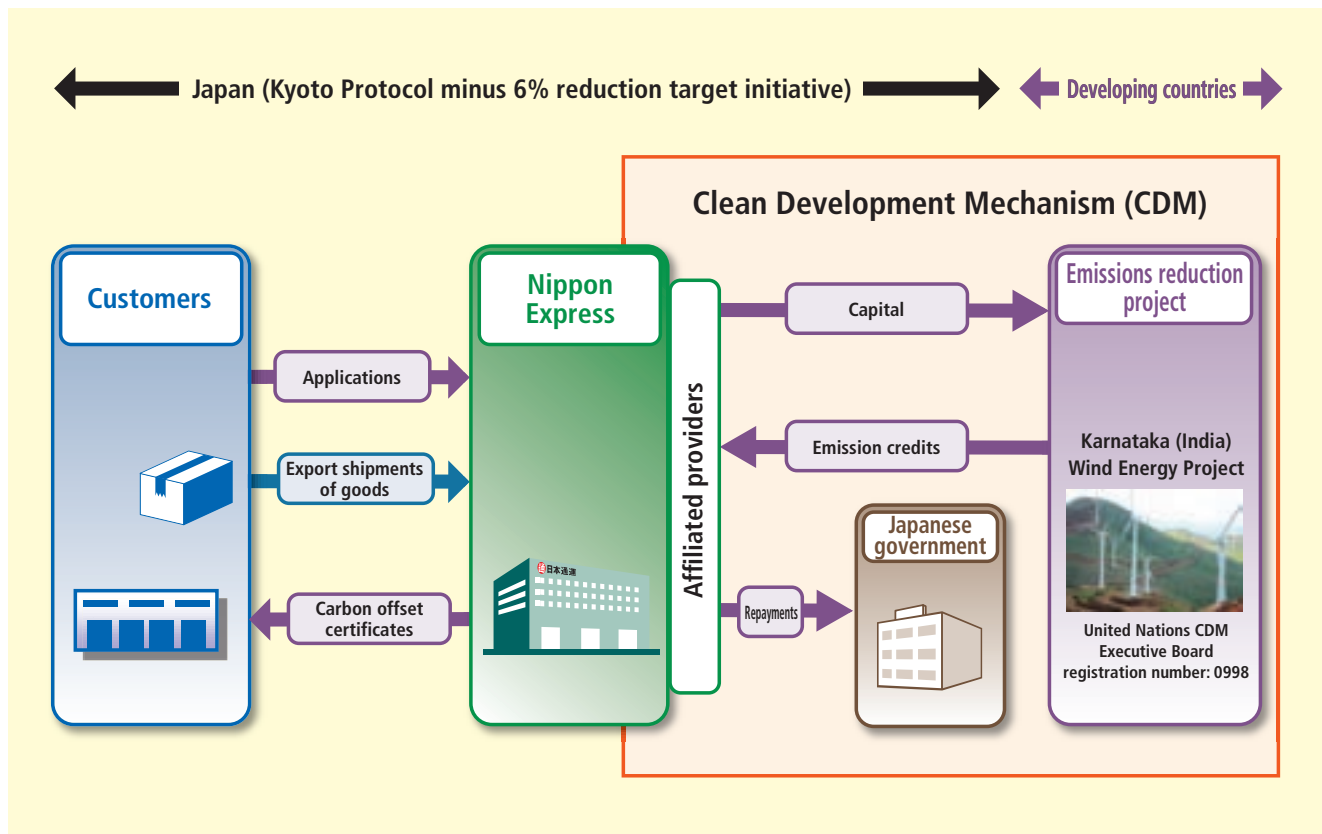
*Reusable materials: see page 20 (Development of Reusable Packing Materials for Moving)

Thinking and Acting Together with Our Customers

Nippon Express is aggressively promoting the development of environmentally-friendly logistics products and services for its business activities. We emphasize the importance of thinking and acting together with our customers, ultimately showing the results through our products and services.

Transport Service with CO₂ Credits (ECO₂ AWB)

Although we are already striving to reduce CO₂ emissions in our own business activities, we have also been contributing to Japan's greenhouse gas reduction goal of minus six percent*¹ through the sale of "ECO₂ AWB"*² since June 2009. "ECO₂ AWB" is an environmentally-friendly logistics service that combines international airfreight transport service and Kyoto mechanism-based*³ CO₂ emission credits. Nippon Express will continue to be an aware participant with its customers in regards to environmental conservation, and promote proposals of environmentally-friendly logistics products that take full advantage of various modes of transportation.



*1 This refers to indirect participation in national efforts to achieve Japan's greenhouse gas reduction initiative known as *Team Minus 6%* (a six percent reduction from 1990 levels) as established in the Kyoto Protocol's first set timeframe (2008–2012). Nippon Express is a registered participant in this initiative. (*Challenge 25* succeeded *Team Minus 6%* in January 2010; Nippon Express continues to be a participating member.)

*2 "ECO₂" and "ECO₂ AWB" are registered trademarks of Nippon Express.

*3 This refers to flexible measures that enable the achievement of the emissions reduction goal as established in the Kyoto Protocol. Specifically, this system allows the amount of harmful greenhouse gases a developing country has reduced to be converted into the achievement of that country's reduction target.

TOPICS

"ECO₂ AWB" in Use

- Case Study : Spectra-Physics K.K.

Spectra-Physics K.K., a 100-percent Japanese corporation founded by the United States-based company Spectra-Physics, Inc., has earned high praise, along with its parent company, as a market leader that has consistently stood atop the world of laser technology since its establishment in 1981. Up until now, Spectra-Physics K.K. used our company primarily for freight imports from overseas. Since August 2009, however, they have been using "ECO₂ AWB" with the freight exports they ship back overseas.



Please tell us why you decided to use "ECO₂ AWB" and your impressions of it so far.

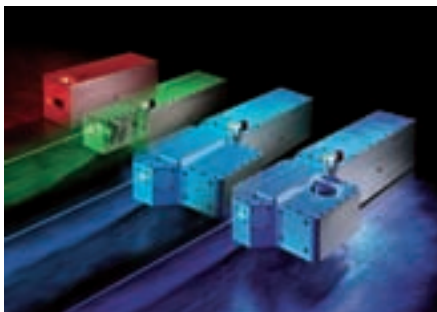
Kenny Mayuzumi (left)
Finance and Administration Manager

While, in general, environmental problems are being taken more seriously, I couldn't help but think about how Nippon Express in particular is taking an active role with a variety of initiatives. Also, because the explanation from the sales department was so easy to understand, and because "ECO₂ AWB" allows us to contribute to the environment at a bare minimum expense, we had no trouble getting our company president to consent. Our Japan-based customers can be categorized into two fields: universities and government administration conducting basic research and manufacturers conducting research in various industrial fields, such as solar powered batteries. Recently, we have seen a rise in the number of requests for environmental efforts from customers in both fields. "ECO₂ AWB" is a service that fits the needs of our company and our customers. We have started using it with exports and are hoping to further expand the programme in the future.

As someone involved in exports, please tell us what you expect of Nippon Express and the "ECO₂ AWB" service in the future.

Nami Iwamuro (right)
Executive Assistant

Although I think CO₂ reduction is a big issue for the field of distribution, the idea behind "ECO₂ AWB" CO₂ credits really surprised and pleased me. Being as small as we are, it is really difficult for Spectra-Physics of Japan to achieve the same initiatives expected of major Japanese manufacturers, but this service made it possible for us to do something to help the environment. As someone who works with exports, I see a lot of large laser equipment being shipped back overseas for repairs, and our urgent requests for products to be picked up at our customer's location and placed on an airplane for shipment are increasing. In response to these requests, the staff at Nippon Express has endeavoured to speed up the work involved on their end and move quickly, even for pick-ups from the customer. I hope Nippon Express will continue to be a company we can always rely on.



Q-SWITCH DIODE PUMPED SOLID STATE LASER

A Manager's Perspective

Thinking with Our Customers



Hideki Nozaki (left) Manager, Nihonbashi Air Service Branch Export Dept. No.3

Thank you very much for your opinions; we really appreciate them. I feel that "ECO₂ AWB," which allows both our firm and our customers to help the environment by making equal contributions through the purchase of CO₂ credits, has really led to a closer customer-company relationship than we've ever shared. As the best partner for our customers, I hope to continue the promotion of various initiatives for the sake of further strengthening consumer confidence in our company.

Takayuki Matsubara (right) Assistant Manager, Nihonbashi Air Service Branch Export Dept. No.3

We suggested "ECO₂ AWB" to Spectra-Physics and, by making use of the programme, we were again able to gain a deeper understanding of the environmental problems surrounding product distribution. It was also a chance for us to consider the environment with our customers while performing our regular job. I hope we can continue to live up to our customers' expectations by promoting various proposals.

Environmentally-friendly Logistics Bases Join Customers in Clean-up Efforts



While Nippon Express has laboured diligently to apply modal shift and other initiatives for the reduction of CO₂ emissions stemming from the transport business, we are also aggressively working on protecting the environment at our distribution centres. The Hokko Logistics Centre at the West Osaka Branch, completed in 2007, won the Osaka Sustainable Architecture Award 2008*¹ as an advanced environmentally-friendly structure that combines safety and functionality in its pursuit of environmentalism. In 2008, it also received the Green Management Certification*².



*¹ A system established to recognize the owners and architects behind the creation and construction of exceptionally environmentally-friendly buildings, targeting structures registered under Osaka Prefectural Ordinance Article 15 (ordinance regarding the prevention of global warming and related issues in Osaka Prefecture) that were completed during the two years prior to the fiscal year of the award's presentation.

*² A system employed by The Foundation for Promoting Person Mobility and Ecological Transportation, which, serving as a certification authority, carries out the evaluation, certification and registration of companies engaged in efforts that go above and beyond the levels prescribed in the Green Management Promotion Manual.

Hokko Logistics Centre, in partnership with staff from a tenant company (Sapporo Logistics Systems Co., Ltd.), periodically carries out clean-up efforts at distribution centres and areas in the vicinity of the nearest train station (JR Mitejima Station).



A Manager's Perspective

Taking Action with Customers



Hitoshi Sugiyama
Branch Manager,
West Osaka Branch

Hokko Logistics Centre is the central warehouse for the Hanshin area, planned with extreme care and built into a five-story iron-reinforced earthquake-proof structure based on technology available in 2007. By installing all-weather truck accommodating berths on each floor and using large openings for driveway walls, we were able to greatly reduce the energy required for lighting and transportation of freight between floors. Other efforts as well, such as increasing greenery on the premises, make this an "environmentally-friendly logistics bases" for the entire warehouse operation.

We continue to carry out clean-up efforts around the facility and in the vicinity of the nearby train station on a regular basis, and recently, with the approval of tenant company Sapporo Logistics Systems, these efforts have become a joint activity with members of our corporate customers. Such activities have allowed us to gain a renewed understanding of the importance of taking social action with our customers in addition to our business relationship.

Together with Our Employees

In order to truly win “society’s trust and empathy,” a concept introduced in the Nippon Express Conduct Charter, it is essential that each and every employee share a common awareness for this concept and be able to act accordingly. For that reason, Nippon Express Group values its employees and strives to create a work environment conducive to job satisfaction. The type of human resources Nippon Express Group desires most are individuals who possess a personal code of conduct in line with our own corporate philosophy—individuals who make efforts to improve themselves. We develop our human resources in a way that will allow all of our employees to work up to the heights of their ability.

Personnel Training and Workplace Environment Initiatives

The training of personnel who are the driving force behind our business, along with the maintenance of the workplace environment, can be said to be an especially daunting proposition considering the tough, labour-intensive work that comes with being in a service industry mainly involved in logistics, as is Nippon Express.

Personnel System

Nippon Express’s personnel system has a basic philosophy comprising the following three principles.

● Human Dignity

Regard each employee as an individual with emotions and will, not as mere labour.

● Emphasis on Performance

Implement an ability-focused personnel system based on demonstrable achievements.

● Utilize Talent

Endeavour to place talented employees in non-clerical jobs.

Personnel System Reform

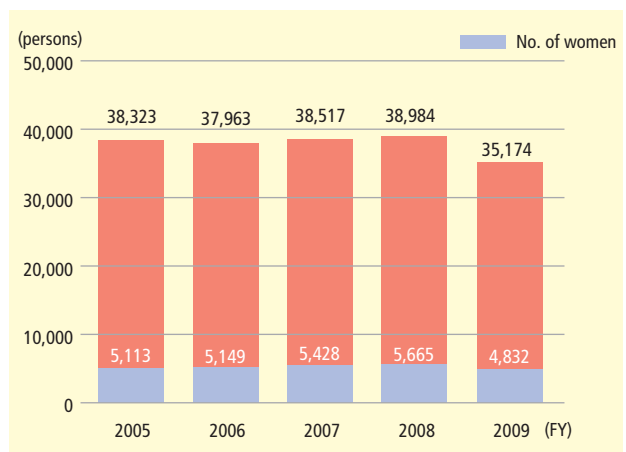
To make the personnel system more acceptable to employees and to increase their job motivation through fair and impartial evaluations, we instituted a Job Function Qualification System and Goal-based Personnel Evaluation System in April 1999.

The Job Function Qualification System sets capabilities that the company expects in each qualification category (job function requirements), and creates criteria to judge whether those capabilities have been attained (promotion criteria),

Human Resources Development

To ensure continuous corporate growth, it is important to nurture “the culture for developing human resources.” At the same time, a rapidly changing business environment requires companies to develop independent-minded employees and next-generation leaders. It is also important to reinforce business and frontline operations, promote CSR education, and cultivate personnel who can help realize our corporate goals. To respond to these demands, we established our education and training policy from fiscal 2010 as described as follows, and are promoting human resources development.

Total Number of Employees



Employees (FY2009)

Total no. of employees	35,174	Average age	40.3
Men	30,342	Average years of service	16.7
Women	4,832		

thereby making it necessary to fulfil the established conditions and criteria for promotion.

Education and Training Policy (3-year plan from fiscal 2010 through fiscal 2012)

A. Promote corporate philosophy and establish corporate ethics

We aim to create a company trusted by society, a company in which employees can take personal pride and a company that provides its employees with job satisfaction. Furthermore, we aim to establish a code of corporate ethics through continuous compliance education, CSR practise and training to foster environmental awareness.

B. Foster a corporate climate for personnel development

Establish an OJT plan (on-the-job training plan) and create a corporate culture of personnel development. Make sure the results of group training are reflected in the workplace by sharing the fruits of on-the-job training and applying them toward performance improvements at the workplace.

C. Develop independent-minded employees

We encourage change in our employees, from passive staff who just wait for instructions to independent-minded employees who act on their own thinking. We will strengthen our personal development system and support the career development of each and every employee.

D. Promote succession of logistics skills and create a knowledgeable employee pool

We will develop professional human resources with high-level specialized knowledge, skills, and expert craftsmanship concerning logistics.

E. Bolster frontline and business capabilities

We will gird up our frontline capabilities to establish a strong corporate structure that can adapt to change. Along with fostering customer focus and business mentality, we will develop human resources that can provide business solutions.

F. Develop next-generation leaders

We will develop next-generation leaders who can adapt to a

rapidly changing business environment and promote innovations in the company.

G. Develop global human resources

In order to contribute to the company's growth as a global logistics company, Nippon Express will develop global human resources through the training and education system. In addition, we will support the development of local staff in overseas affiliates.

H. Promote diversity management

We will support the introduction of training programmes and the promotion of diversity management to foster a corporate culture in which women can continue to flourish.



Leader Development Workshop (management class)

Establishment of NITTSU Group University

The Nippon Express Group plans to unify and innovate its conventional human resources development strategies and systems to develop professional personnel who will lead the logistics industry. The NITTSU Group University was established on April 1, 2010, as an organization within the company. In addition, the NEX-TEC Shibaura (Nippon Express Training and Education Center), the main campus of the university, was completed in May and features environmentally-friendly installations such as street lights that run on wind and solar power.

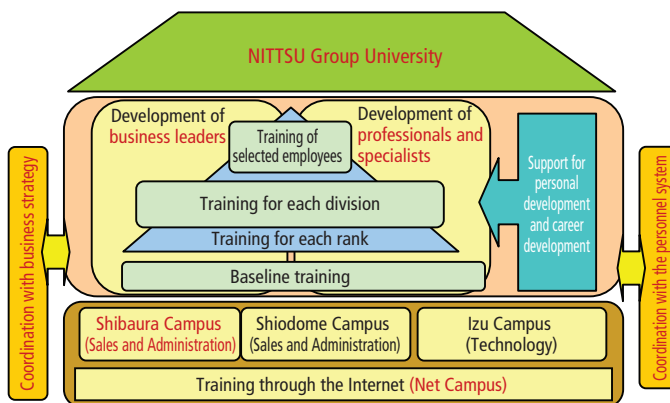
By bringing together Nippon Express Group's knowledge and skills, we aim to take on the challenge of creating new values, while



NEX-TEC Shibaura

promoting a corporate culture that nurtures human resources and encompasses the entire Nippon Express Group.

Human Resource Development Framework (Overall Image)



Relationship with the Labour Union

The Nippon Express Worker's Union was launched in 1946 and, as of the end of May 2010, has approximately 27,000 members. Nippon Express and the Nippon Express Worker's Union have affirmed that within their relationship of mutual trust they have built, both parties will respect the other's situation, maintain the order between labour and management and cooperate together while aspiring to the common goals of developing business and improving the labour environment. At Nippon Express, we value communication between labour and management. In order for company management to reflect the collective will of the employees, management and labour exchange opinions concerning the management of the company in two venues: the Central Management Council, which is for general discussions between headquarters and the Nippon Express Worker's Union Central Division, and Branch Committees, which are held between company branches and union branches. Furthermore, labour and management hold special committee meetings focused on topics such as promoting work-life balance and safety and health. These committees analyse current conditions and discuss future actions.

Commitment to Human Dignity

Nippon Express's compliance rules recognize the United Nations' Universal Declaration of Human Rights,* and on that basis, prohibit all actions leading to discrimination, sexual harassment and so on.

In line with this thinking, we use every opportunity to provide training on preventing discrimination against minorities and other human rights issues in group training and meetings. When hiring employees we always use fair screening procedures and completely exclude discriminatory treatment. In the event of sexual harassment, power harassment, or any other such treatment, we have arrangements for reporting and consultation through our whistleblower system—"Nittsu Speak Up"—which enables us to prevent and address discrimination and similar behaviour through immediate action.

*Article 2 of the Universal Declaration of Human Rights, which was adopted by the United Nations General Assembly in 1948, reads, "Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status."

Initiatives to Support the Nurturing of the Next Generation

Based on the Law Concerning the Promotion of Measures to Aid the Nurturing of the Next Generation of Children, Nippon Express values the various ideas regarding the balance between work and personal life, such as child rearing and all other work-life balance issues, under the premise that all employees will be able to sufficiently bring out their abilities in their work. We are actively contributing to activities centred on individuals independently realizing various life designs, as well as child rearing in the local community, in order to fulfil our social responsibility as a corporate citizen.

During the first period of the General Employer Action plan, between April 2005 and the end of September 2007, 116 men and women took childcare leave. The second term of this plan was

initiated in October 2007 and will last for a period of three and a half years. Based on our General Employer Action Plan, we continue to encourage employees to take childcare leave, implement self-awareness training for the purpose of reducing overtime work and have instituted an onsite education programme as part of our social contribution activities in each region.

Starting in fiscal 2010, we will take up improving employee job satisfaction as a key measure based on the Nippon Express Group Corporate Strategy 2012 – Towards New Growth, and will continue to hold discussions between management and labour to promote a balance between work and personal life and realize a better work environment.

Workplace Healthcare

Nippon Express has assigned health advisors who are certified nurses, or certified with specialized knowledge regarding medicine or health, to all branches for employee health guidance. Advisors provide individual health counselling by making regular rounds in the workplace.

Concerning the recent rise in mental health issues throughout society, we have received the Guidelines for Improvement of Preservation of Workers' Mental Health from the Ministry of Health, Labour and Welfare and have heightened the priority of mental health measures as a key item within our safety and health management policy. The following measures are currently underway.

- Self-care: An email magazine is distributed specifically for employees.

- Workplace Health Care: Mental health training sessions for workplace managers are held in each region of Japan, taught by outside specialists.
- In-house Care by Industrial Healthcare Staff: Health counsellors undergo an outside training course called Mental Consultation Specialty Training and the consultation system is being improved.
- Care by Outside Specialists and Organizations: The Mental and Physical Health Consultation Line, an outside consultation service which can be reached online or by telephone, has been established.

In addition, we have set targets aimed at decreasing overall work hours to eliminate long work hours as a health impairment prevention measure for overwork. We are also making an effort to streamline the tasks of employees and making joint workplace inspections with the labour union.

Women in the Nippon Express Workforce

As active involvement of women is imperative for corporate expansion, Nippon Express is aggressively promoting the hiring of female employees.

At its Izu Training Centre, Nippon Express tutors employees in fundamental driving and maintenance skills as well as providing safe driving and operational practice designed to prevent driving and forklift operating accidents. Female forklift

operators work as instructors, playing an important role in the development of a "strong workplace."

Female employees also oversee curricula planning and management for educational training programmes at the same centre, allowing drivers, forklift operators and other employees from across the country to enjoy smooth progress through our educational training course.

Transition of the Number of Employed

Fiscal year	No. employed	No. of women	
		No. of women	Percentage
2003	786	113	14.4%
2004	923	144	15.6%
2005	1,004	226	22.5%
2006	1,373	471	34.3%
2007	1,515	416	27.5%
2008	1,680	519	30.9%
2009	1,257	366	29.1%
2010	972	268	27.6%



Education & training staff at Izu Training Centre



Forklift operator instructor

TOPICS

Working While Raising a Child

I returned to work in October 2009 after being granted childcare leave to tend to the birth of my first son. Although I was completely absorbed in the task of raising my first child immediately following his birth, thanks to the "Childcare Leave Work Return Support System," an original initiative introduced by the Marine Transport Business Division, I could see human resource data, read advice on child-rearing and also work on e-learning whenever I found time to do so. This really helped me feel connected to the company while on leave.

Around the time when I thought I would finally try to return to work, I was having difficulty finding a nursery school. I talked to the company about it on numerous occasions and even considered prolonging my childcare leave. Luckily, my son was eventually accepted into a nursery school, and I was able to return to work as planned.

Everybody at the workplace has been very considerate; the sharing of my workload and a one-hour work reduction system have particularly helped me to continue working. Everyday, I am grateful for the cooperation of everyone around me who made my personal decision to work while raising a child possible.

Kuniko Kanazawa

NVO Center employee
Tokyo International Transport Branch
No. 2 Sales Department



Employment of Disabled People

In an effort to step up employment of disabled people, Nippon Express is expanding the range of occupational fields offered at every centre throughout Japan. As part of these activities, Nittsu Heartful Co., Ltd. was founded in November 1997, and was accredited as a preferential subsidiary of Nippon Express under the Handicapped Persons' Employment Promotion Act in May 1998. Nittsu Heartful handles internal mail and business card printing for Nippon Express headquarters. Our Gambaritai Group is another business support service, assigning disabled employees to various Nippon Express locations in the Tokyo area. In support of the Gambaritai Group, we position a dedicated manager in each location to act as a close liaison between the employee, family, special-needs school, etc., to help the employee feel comfortable in his or her workplace.



Nittsu Heartful staff

Increased Employment Rate of Disabled People (total per FY)

FY2005	1.92%	FY2008	2.08%
FY2006	1.95%	FY2009	2.05%
FY2007	2.05%		



Internal mail service



Internal mail service



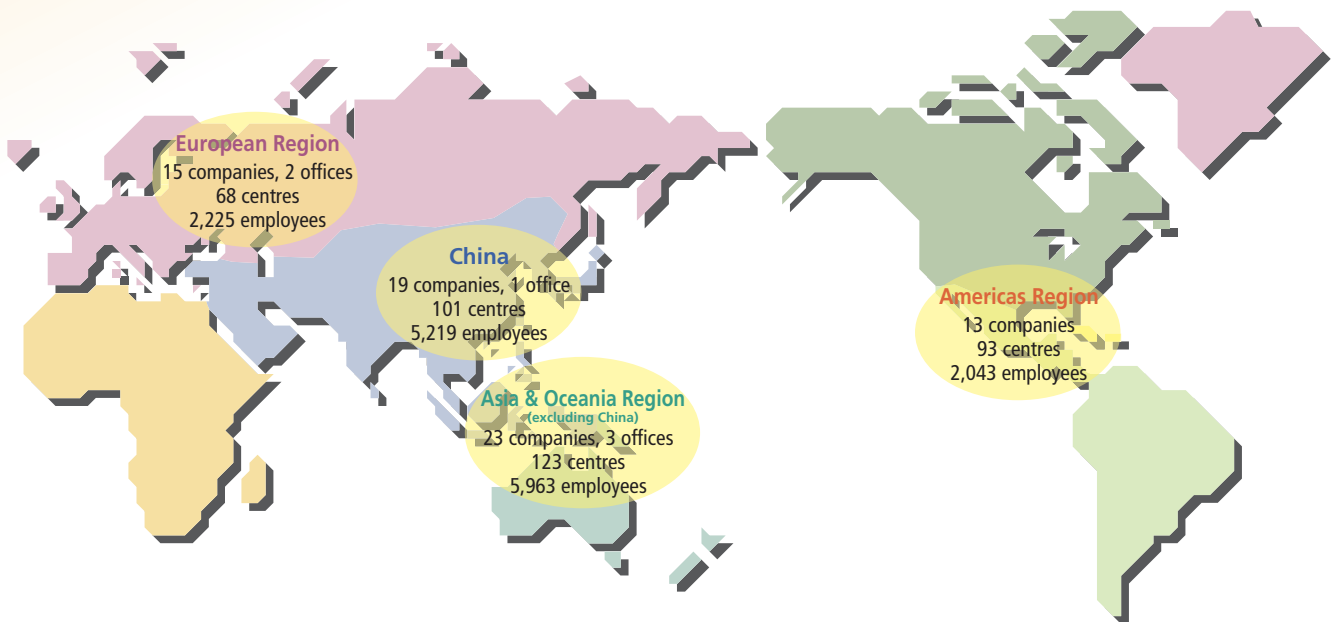
Business card printing service

Employees Supporting Overseas Networks

It was 1958 when Nippon Express established its New York representative office, the first overseas office, and 2008 marked the 50th anniversary of its overseas reach. We currently have 15,450 employees in 385 locations within 210 cities spanning 37 nations, providing international services such as marine and air cargo transportation and overseas travel. We

continue to proactively pursue domestic and regional product logistics that conform to the circumstances affecting each area. Nippon Express Group is reinforcing the development of national staff (local hires) in an effort to provide pluralistic services with local companies in each country, as a global logistics provider.

Overseas Network Outline



As of March 31, 2010

TOPICS

Initiatives to Promote Localization through Human Resource Management

Since I joined the company in 1998, my view toward work has changed—I have developed a more professional outlook and see my job as a lifetime project. In accordance with the corporate policy of “promoting localization,” Nippon Express (China) introduced the GL System* in 2005 to improve human resource management. We incorporated job clarification, goal management and evaluation-dependent rewards into a management strategy responsive to management practices in China. This strategy, uniquely tailored to fit the needs of our company, has been officially adopted at Nippon Express (China).

In 2009, Uni Sky Express Service, Co., Ltd. changed its name to Nippon Express (China) Co., Ltd., and, both in name and reality, carved its place as a member of the Nippon Express Group. Our company has not eased up on efforts to intensify human resources development despite the maelstrom emanating from the global economic downturn. We held 13 rank-based educational programmes targeting all branches for the first time ever in 2009. As the person in charge of these programmes, I sensed the company’s expectations for all employees to increase group management capabilities and seek new challenges. In addition to bringing out the absolute best of our company’s personnel through rank-based educational programmes, I would like to launch work-division exchange training sessions, etc., and increase the comprehensive strength of our company.

I believe that to take action is the first step toward improvement.

Zuo Jingcheng

Manager, Administration Division
Nippon Express (China) Co., Ltd.



*GL System: Abbreviation for Grade/Level System. Human resource evaluation system which categorizes job responsibilities based on grade of difficulty (grade) and level of proficiency to determine personnel promotions

Together with Society

The work we do at the Nippon Express Group depends on the use of highways, railways, marine ports, airports and other public infrastructure. Being so closely intertwined with society, the Nippon Express Group cannot function without earning society's trust. For that reason, the maxim "Our pride: inspire trust every step of the way" is an integral element of the Nippon Express Group corporate philosophy. We proactively strive to establish strong communication with the community, promoting mutual advancement as a trusted member of society.

Communicating with Society

Communicating through arts, sports and other activities helps us foster our valued relationships with people who reside in the areas around our business locations, as well as with the children and students who will someday carry our precious world on their shoulders.

1. Involvement in the Environment

● Forest Cultivation Project

Western Japan's Nittsu Forest was born in Nichinan-cho, a town in the heart of the mountainous area of Tottori Prefecture in the Chugoku region. A group of 30, comprising employees and their family members, gathered here in November 2009, and, while the children encountered nature through the inoculation of *shiitake* mushrooms, the adults put their muscles into improving the rugged mountain forest throughout the two days and one night of scheduled activities.

Forest cultivation activities were also held twice—once in July

and again in October—in the Nakatsugawa area of Iide Town in Yamagata Prefecture, with participation of 80 individuals in all. In the autumn, the planting of 400 beech saplings was carried out in areas with large expanses of withered beech trees. Additionally, the successful growth and subsequent delivery of inoculated *nameko* and *kuritake* (Brick Cap) mushrooms to a neighbourhood facility in November 2009 was a moment of great joy for all involved in the cultivation project.



● Clean-up & Leaf-raking Activities

Since 2004, Nippon Express has conducted clean-up activities throughout Japan during Environment Month. The number of participants in these activities rose to 12,968 in 2009, of which the number of participating family members reached 131. Depending on the branch, activities are on average carried out twice over the course of the month, and some municipalities even show their gratitude by putting up billboards in their areas (Takamatsu My Road).

Hama-rikyu Gardens, which extends outward from the front of Nippon Express Headquarters (Shiodome, Tokyo), is known by many

as a place of indisputable beauty, but what many people may not know is that the park is also useful in the city's environmental protection efforts, helping to regulate atmospheric temperature for the entire area. Nippon Express's staff participates in leaf raking, an environmental protection activity held at the gardens which also serves as one of the biodiversity preservation initiatives conducted by businesses that greatly contribute to regional environmental protection. Launched in December 2009, plans are in place to hold this activity twice a year from here on out.



Takamatsu My Road billboard

Clean-up activity (Hiroshima Branch)



Leaf-raking activity by Nippon Express Headquarters' staff and their families

● “Click Donations”

Click Donations is a fundraising system that allows effortless donation to the Children’s Forest Programme just by clicking a single button accessible from our company’s homepage. As the result of Click Donations responses, Nippon Express donated 4,355,603 yen in fiscal 2009.

● Forest Biodiversity Study

A study of local bird populations inhabiting the expanse (277 hectares) of forest in Izu Nirayama was conducted in collaboration with the Wild Bird Society of Japan. Because of their place at the top of the food chain, birds are often used as an index for environmental change and biodiversity. This particular study was carried out in order to better understand whether the health of the forest’s ecosystem remains intact.

It was discovered that the *satoyama*, or mixed community forest, consisting mainly of sawtooth oaks, has been carefully managed and now maintains a favorable forest environment, featuring a healthy mixture of planted trees and natural broadleaf trees. Before dawn of the day of the study, the calls of owls were heard, and choruses of songbirds chimed in at the break of dawn. Study results confirmed the presence of 30 species of birds and verified the health of the forest.

The eastern side of the forest, on the other hand, having previously been used as an amusement park, is far from being what one could call a plentiful forest. We plan to continue our work on forest maintenance and, with the dream of increasing the presence of owls to levels previously thought to have thrived here, our immediate goal is to restore the eastern side of the forest.



Narcissus flycatcher:
provided by the Wild Bird Society of Japan



Biodiversity field study

2. Involvement in the Arts and Culture

● Nippon Express presents Saori Yuki & Sachiko Yasuda, *Songs With Your Life Concert* and *Homemade School Concert*

Based on their desire to “pass beautiful Japanese songs on to the children of the 21st century in the hope that they will inherit and continue to sing them,” sisters Saori Yuki and Sachiko Yasuda started this Children’s Songs concert. Nippon Express shares their cause and has continued to support the duo’s concerts since 1995.

Homemade School Concerts are exactly what their name implies—the pair visits junior high schools, borrows the gymnasium or auditorium, and produces a concert in collaboration with the schools’ students and staff. Nippon Express has supported these concerts since their inception in 2002 and, over an eight-year period, has held concerts at 60 schools across the country.



● Museum of Logistics

The Museum of Logistics, created by the Forwarders Council, is Japan’s first museum specializing in the freight transport industry. The museum was established in 1998 to widely promote the logistics industry to the public.

The museum houses approximately 7,000 archived documents, 200 videos and films from the industry’s past, over 100,000 photographs, and a variety of other unclassifiable specialty items—a number of which are owned by Nippon

Express.

The museum features permanent exhibition rooms, video viewing rooms, and other exhibits introducing the past and present of the logistics industry, as well as a range of hands-on experiences, such as “making delivery vehicles out of cardboard,” “wearing delivery driver uniforms,” “using delivery tools from the past,” and “using *furoshiki* (Japanese wrapping cloth).” In addition to group visitations for

elementary or junior high school field trips, company employee training, etc., special exhibits, movie events and lectures are also occasionally held, attracting visitors of all ages.

In fiscal 2009, a mini programme exhibition was held to commemorate the 50th anniversary of the start of railway container transport. The exhibition introduced the far-reaching history of container use, from the story of how they were finally put into regular use, to the first commercial operation of a container-dedicated limited express freight train (*Takara-go*) in 1959 and, finally, to the advances made up to today. Nippon Express supports the operation of the Museum of Logistics by offering donations, providing exhibit items and other means.



Museum of Logistics B1: Modern Logistics Exhibition Room

3. Involvement in Local Communities

● Participation in Local Events

The many branches of Nippon Express participate in and support a large number of regional festivals and other events.

Baseball Clinic with the Nippon Express Baseball Club

The Nippon Express Baseball Club holds a baseball clinic at Nippon Express's baseball grounds in Urawa-ku, Saitama City, for 200 eighth-grade students belonging to local junior high school baseball clubs. Fiscal 2009 marked the sixth year the event was held. This baseball clinic is held every February as an opportunity for us to interact with the local community, with the goal of improving not only the technical prowess but also the minds and bodies of the young athletes through the game of baseball.



Nagano Branch Contribution to Special Olympics

At the First Special Olympics Japan Tokai–Hokushinetsu Block Floor Hockey Athletic Meet, held at Mashima Sogo Sports Arena in Nagano City on April 25 and 26, 2009, the Nagano Branch contributed by using cardboard to create simplified venue walls, transforming the venue into a game court for competition. Nagano Branch employees carried out the installation of the walls.

Special Olympics is an international sports system that offers year-round athletic events where people with mental disabilities take part in various sports activities and hear the results of their performance announced. These activities are non-profit and are run based on volunteer staff and goodwill donations. Approximately 2,500,000 athletes from around the world participate in these Special Olympics activities.

Thoughts from a participating employee: "I learned a lot from volunteering this time around—the importance of working hard to achieve your goals, the difficulty of accomplishing something when starting from nothing, the kindness and consideration of supporting your fellows—all invaluable lessons I could have never learned from a textbook or lecture. That's how I felt after I saw the worn-out cardboard walls at the end of the tournament."



● Overseas Activities

Support for Social Contribution and Cultural Exchange through the Nippon Express Foundation (Nippon Express USA, Inc.)

In 1992, the Nippon Express Foundation was established in commemoration of the 30th anniversary of the founding of Nippon Express USA to enhance its contributions to society. Since its establishment, the Foundation has contributed to community and cultural activities all across America. In addition to support for various educational institutions, programmes promoting Japanese culture and other organizations, the Foundation has also donated to disaster relief—such as in February 2010 when it donated to help in the relief effort for Haiti earthquake victims through the American Red Cross.

Donations of Recycled Personal Computers to Neighbourhood Elementary Schools (Nippon Express (Thailand) Co., Ltd.)

Nippon Express (Thailand) continues to lead efforts to recycle computers by erasing all data on each one and donating them to neighbourhood elementary schools, in the hopes that the computers will be found useful for the children's education. Computers have been donated every year starting in 2002. By 2008, approximately 300 computers had been donated to area schools, and, in 2009 alone, 150 additional computers were donated. Many elementary schools have thanked the company in various ways, such as sending thank-you cards or holding presentation ceremonies, and, with the initiative taking root in the region and gaining popularity, Nippon Express (Thailand) plans to continue these efforts in the future.



4. Involvement with the Next Generation

● Environmental Education

youth X change

Youth X change, an introductory-level environmental book co-created by the United Nations Environment Program (UNEP) and United Nations Education, Scientific and Cultural Organization (UNESCO) for young people, was translated into Japanese for the first time and published on our website; the English version is available on the UNEP website. The target audience is individuals between the ages of 15 and 25, and the Japanese translation was adjusted to provide information more relevant to the situation in Japan, making the Japanese version slightly different from the original.

kids X change

Kids X change, which is based on *youth X change*, was created with upper-grade Japanese elementary students in mind. The Japanese and English versions can both be found on the Nippon Express website, while the English version is also available on the UNEP website. Opening the site leads to a user-friendly format, introducing topics such as global warming, energy, resources, water, garbage and consumption. The Japanese characters used in the document are limited only to those typically learned by fifth-grade students in Japanese elementary schools. Furthermore, a guidance plan is provided to teachers so that *kids X change* can be used in school lessons. This includes information on how the contents relate to the curriculum guidelines offered by the Ministry of Education, Culture, Sports, Science and Technology (MEXT), descriptions of typical lessons and worksheets designed to raise the effectiveness of student learning. *Kids X change* was used in 25 schools in fiscal 2009, and the number of schools our staff currently visits to provide onsite lessons has increased to four.



● Work Experience and Workplace Visits by Students

As a link to MEXT's career education, work experience and workplace visitation programmes are on the rise. In fiscal 2009, Nippon Express accepted 32 junior high school students from seven different schools in Tokyo alone.



Corporate Governance

Today's society demands that companies bolster corporate governance, enforce thorough compliance, fully grasp and manage potential risks, and ensure transparent operations. We at the Nippon Express Group actively strive for enhanced relationships of mutual trust with our stakeholders through our fundamental policy of "the realization of speedy management through quick decision making" and "the establishment of a clear division of responsibility."

Corporate Governance System

Nippon Express strives for transparent and efficient business management as we establish a firm corporate governance system.

Our Thinking on Corporate Governance

Nippon Express' fundamental thinking related with corporate governance is "the realization of speedy management through quick decision making" and "the establishment of a clear division of responsibility." Specifically, since June 2001 the number of the board members was reduced from 25 members or less to 15 members or less. Furthermore, the term was shortened from two years to one year. All this resulted in revitalizing the board and speeded up decision making. Attempts were made to clarify each directors' management responsibilities for each business year.

At the same time, the Company has introduced a board of

executive officers with the goal of ensuring rapid execution of operations. As of March 31, 2010, we had 14 directors and 28 executive officers (13 of who also acted as directors). In addition, our auditors attend board meetings and other important conferences, review key documents, visit our main facilities for audits, perform reviews at subsidiaries, and report all results at meetings of the board of auditors and the board of directors. The board of auditors functions as a supervisory institution that operates from an objective point of view. As of March 31, 2010, we had four auditors (three of who were outside auditors).

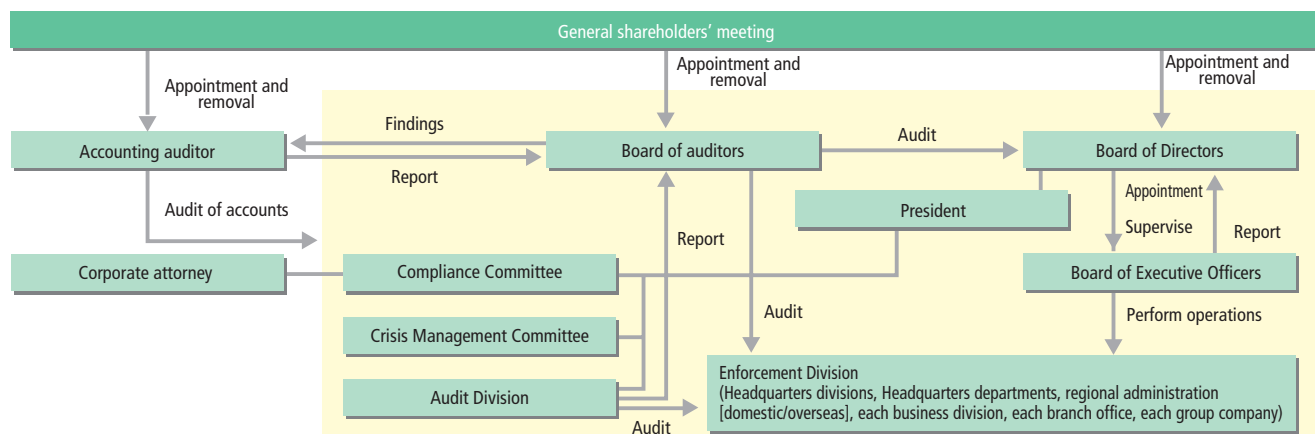
Creating Internal Control Systems

In order to conduct business fairly and efficiently, it is important to implement firm internal control systems. Nippon Express has created effective control systems, including a compliance system, a risk management system, an internal audit system and a system to assure fair business operations in all Group companies. In addition, with the enactment of the Corporate Law in May 2006, Nippon Express adopted and instituted the Basic Policy Relating to the Establishment of an

Internal Control System at a board of directors meeting.

In accordance with a partial revision of the Securities Listing Regulations at the Tokyo Stock Exchange, the Basic Policy for the Exclusion of Antisocial Forces was adopted and instituted at the Board of Directors meeting in April 2008, providing a response to the need for a regulation to prevent the intervention of antisocial forces in our corporate activities.

Corporate Governance Organization Chart



Crisis Management System

Nippon Express is actively involved in building a highly robust Crisis Management System preparing us to handle situations in any kind of disaster or emergency.

Creating a Crisis Management System

Nippon Express has created a crisis management system based on the Crisis Management Code, the Natural Disaster Management Code and the Management Code for New Strains of Influenza. Steps are also being taken against widespread disaster and new strains of influenza, risks to information systems and terror-related risks.

As a designated public agency under the Basic Act on Disaster Control Measures, Nippon Express provides emergency transportation in accordance with requests from the national and prefectural governments for large-scale earthquake disasters such as the Hanshin-Awaji (Kobe) Earthquake and the Niigata Prefecture Chuetsu-oki Earthquake.

Concerning natural disasters, the Nippon Express Group Disaster Measures Regulations were adopted in October 2001, through which we are strengthening our cooperative effort within the Group. Our Reporting Procedures for Disasters establishes criteria for determining whether a report is required when a disaster occurs (for example, in

the case of an earthquake registering four or above on the Japanese seismic scale). Utilizing the Disaster Management System established on our intranet, these reporting procedures provide an early-warning reporting system between all branches and headquarters regarding the state of disasters, as well as a system for sharing information between branches.

Moreover, to enable us to respond when power failures occur or when mobile phone or other telephone networks are disconnected, we have introduced satellite phones and installed them in related divisions at headquarters and major branches.

Finally, as a counter-measure against influenza, we have made progress in increasing our stock of emergency hygienic items, such as masks, gloves and goggles. In response to the new strain of influenza that emerged in April 2009, we provided staff with masks and took measures to force infected staff or staff whose family had been infected to stay home from work.

About Business Continuity Planning (BCP)

In addition to the risk posed by the occurrence of natural disasters such as large earthquakes and typhoons, we are also now facing a reemerging threat from the spread of new strains of influenza. Even if some of these risks are only temporary, society demands that we take necessary measures and make plans for both preparation and action so that we are able to recover quickly and fulfill our primary obligations as a transportation company.

As a designated public agency under the Disaster Measures Basic Law, Nippon Express has been providing support when natural disasters occur.

In recent years, we have received a large number of requests asking us to develop comprehensive and systematic initiatives as a company capable of continuing its business in not only times of emergency, but in other challenging situations as well. In response,

we have developed BCM (Business Continuity Management) as well as a BCP (Business Continuity Plan) for Nippon Express.

The companies of the Nippon Express Group will continue to place the health and lives of employees and their families first when responding to states of emergencies caused by natural disasters, industrial disasters and man-made disasters. In addition to accomplishing the level of social responsibility sought from us as both a designated public agency under the Disaster Measures Basic Law and a maintainer of social functionality, we hope to ensure the continuity of our business practices as much as possible. In order to be able to conduct restoration efforts in the immediate wake of a disaster, we will implement initiatives to promote advance preparation, first responder capability and recovery activity readiness based on our BCP.

BCM Basic Policy

1. Priority of human life and safety

Whether faced with widespread disaster, new strains of influenza, conflagration, terrorism, system failure or any other risk, the company will place the lives and safety of its employees, as well as their family and relatives, above all else.

2. Contribution to society

Even in times of emergency, the company will work to achieve as much of its social mission as is possible. Also, when assistance is requested of us, whether by the federal authorities, local authorities or the local community, we will respond to the best of our ability and contribute to the good of society.

3. Minimization of effects on customers

In times of emergency, in time when our business operations are hindered or in cases when the continuity of all of those operations is in jeopardy, the company will continue to operate under the previously established priority operations for sustained continuity, place top priority on recovery and strive to minimize the effects of these issues on the customer.

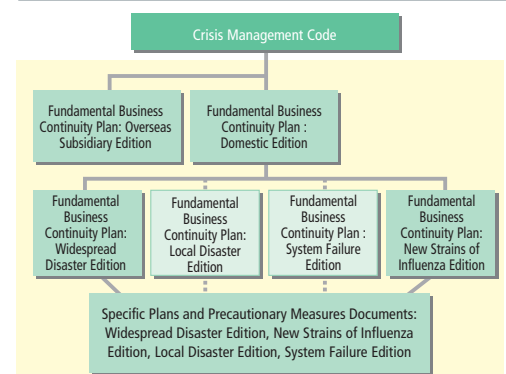
4. Thorough compliance with laws and regulations

Even in times of emergency, the company will adhere to all relevant laws, regulations and ordinances when conducting business.

5. Disaster preparation in times of normal business operations

In times of normal business operation, the company will build cooperation between the members of the Nippon Express Group to protect against the occurrence of disasters and other accidents by promoting stocks of emergency food rations and hygienic supplies and by carefully conducting necessary training drills while working to secure the resources necessary for business continuity.

Organizational Chart for Business Continuity System Documents



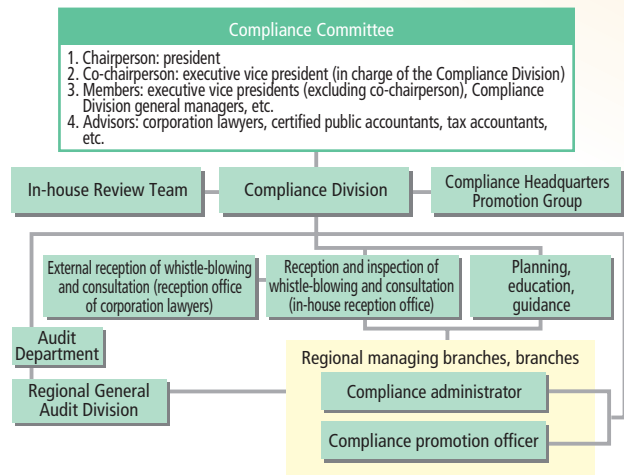
Compliance Initiatives

Nippon Express adheres to the rules set forth in the Nippon Express Conduct Charter, declares its intention to continue to conduct business activities as a good corporate citizen with a strong sense of social responsibility and strives for thorough compliance.

Compliance Management Promotion System

Stressing the importance of compliance management, Nippon Express established the Compliance Division in June 2003. Also, in October of the same year, Compliance Regulations were created, and, along with the establishment of a Compliance Committee chaired by the company president and an internal whistle-blower system (Nittsu Speak-up), several measures were undertaken to encourage honest and company activities.

Compliance Management Promotion System



Personal Data Protection and Management System

Along with the establishment of the Personal Data Protection Division in February 2005, a Personal Data Protection Policy and Personal Data Protection Code were also established—exemplifying Nippon Express's commitment to personal data protection management. Ongoing education utilizing DVDs and e-learning is offered to all employees in an attempt to make information about personal data protection better known within the company. Also, in March 2007, we received the Privacy Mark certification from the Japan Information Processing Development Corporation, which was later renewed in March 2009.

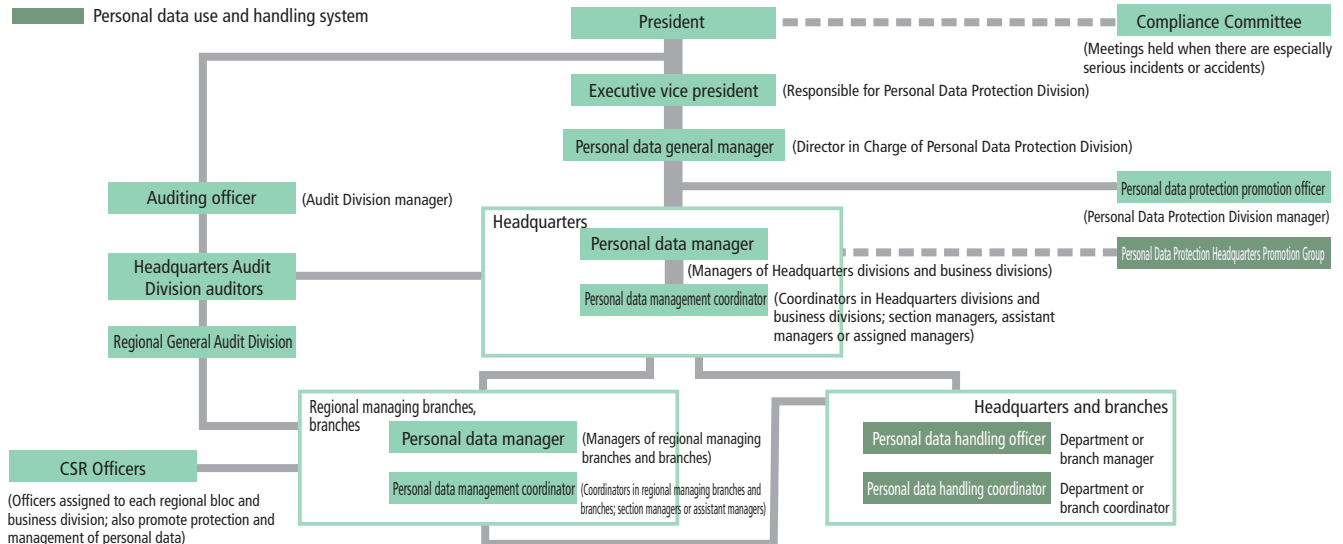
Personal Data Protection Policy (Items)

1. Respect for individuals' personal data
2. Personal data protection system
3. Secured management of personal data
4. Compliance with laws and other regulations pertaining to protecting personal data
5. Respond to complaints and counselling requests
6. Continuing improvement of programme for compliance with personal data protection policy

Revised October 26, 2007 (Adopted April 1, 2005)

Organizational Chart for Business Continuity System Documents

- Personal data protection and management system
- Personal data use and handling system



FY2009 Third-party Evaluation and Survey Results

Opinions Concerning CSR Report

Response by Nippon Express

Third-party View

Top priority is set at strengthening the “understanding beyond simple compliance” as the most important issue within the Selection of Materiality Issues in a way that includes all employees of Nippon Express Group companies. Therefore, Nippon Express should strengthen workplace capabilities through CSR training and implement it so that employees can better develop a spirit of trust beyond what is regulated.

Nippon Express conducted the Compliance Questionnaire Survey (11th time) in fiscal 2009, targeting approximately all 43,000 of our company’s employees. With the intent of raising employee awareness of compliance in the process, educational components were incorporated into the questionnaire. We hope to expand similar initiatives throughout the whole of the Nippon Express Group. Also, the Nippon Express Group CSR Committee, begun in fiscal 2001 to strengthen cooperation between the group’s major companies, was held in March 2009 for the 13th time. It’s our hope to continue making strides toward enhancing promotion of unified initiatives and expanding the number of group companies targeted.

I want to point out that initiatives involving suppliers (vendors and partner companies), who should be acknowledged as key stakeholders, seem to be left out of Nippon Express’s CSR activities entirely. I think it’s important that the company take a clear stance and develop a policy toward suppliers (fair trade, view on the environment and human rights, and other important issues).

Although information concerning suppliers (vendors and partner companies) was not included in CSR reports through last year, this year we introduce CSR-oriented initiatives conducted by the Nippon Express Group in a new section titled “Together with Our Partners.” The objectives of such initiatives are to develop fair and just relationships between our company and our suppliers and to expand with them and work with them to promote CSR initiatives.

CSR Report Survey, etc.

I think you should make CSR reports that are easy enough for elementary and junior high school students to read.

The editorial committee aims to use general and easy-to-understand expressions while avoiding industry-specific and overly formal terminology. This document was edited to make it accessible to as many readers as possible.

I’d like to see more on risk management, including information on economic trends and general industry-related issues.

We established Business Continuity Management and a Business Continuity Plan and made system-wide improvements in order to better respond to various states of emergency and achieve the level of social responsibility demanded of us.

I would like the Nippon Express Group to include more charts and figures.

While considering page balance, we did our best to use charts, figures, pictures and other graphics to provide clearer visual aids and improve readability.

The text is a bit small, making some parts hard to read.

The text of the report has been changed to a universal font in the hope that it will lead to a design that can be easily read by as many people as possible.

As far as I’ve read, I felt there was a lot of information in the form of reports, but not much content detailing measures or improvements.

This report is edited to help give readers an understanding of the fundamental thinking behind Nippon Express Group’s CSR activities and the contents of major activities conducted in fiscal 2009. When constructing the report, we do our best to organize initiatives according to the PDCA cycle in order to better recognize which information is essential and which information can be omitted.

I’d like to be able to more clearly understand trends regarding CO₂ emissions, such as those described in “Environment-related Data” (on page 24).

In the data up until fiscal 2008, estimated quantities calculated from the purchase value as well as annual estimates based on fixed monthly quantities were included. As of fiscal 2009, we have adopted a system that allows direct input of energy consumption, making it easier for us to report such information. We plan to continue examining the means through which we will disclose this kind of environment-related data in the future.

Third-party Evaluation

I would like to express my opinions concerning the Nippon Express Group's CSR activities.

The Nippon Express Group demonstrated their general direction to incorporate Corporate Social Responsibility (CSR) activities into their management in this uncertain time. This was clearly stated by President Kawai in his top message, the promotion of CSR management was considered as one of the key factors in the new management strategy, "Nippon Express Group Corporate Strategy 2012," which began in fiscal 2010. I would like to praise these actions.

In addition I would also like to commend the following CSR advancements.

- In response to last year's third-party comment concerning clear representation of relationships with suppliers (vendors and partner companies), the *CSR Report 2010* established a new section, "Together with Our Partners," introducing supplier-related initiatives in conjunction with group companies.
- The actions and stance of Nippon Express concerning the stakeholders and existing issues were clarified on the page introducing various initiatives.
- The 12 fields of high priority for Nippon Express were extracted through the selection of materiality issues in fiscal 2008. Consistency was established with these 12 fields and "targets and achievements of CSR overall" in this report.

However, if one were to point out the commonality of these evaluations, only the frameworks of each field were built in fiscal 2009. There is a Japanese saying about Buddha, which means "Plowing the field and forgetting the seeds." In other words, the framework is set, but the substance is missing. The ceaseless efforts to implement and enhance the contents of evaluations above will be of the utmost interest from here on.

On the other hand, I would also like to point out a few areas that require improvement.

To begin with, initiatives that involve all group companies, including affiliated companies, have not yet been covered in the

CSR activities. Although the Nippon Express Group CSR Committee was held involving major group companies, the details of collaboration and the future direction of CSR activities is yet to be clarified. Granted that it is imperative to consider the unique aspects of each local area in order to expand on a global basis, I encourage the development of consistent and unified CSR activities by the Nippon Express Group as a whole.

My second piece of advice concerns communication with the stakeholders. I feel that, in order to work toward the achievement of a new management strategy as a global logistics company, Nippon Express itself must appreciate and value a global perspective. Essential to gaining such an appreciation is establishing proactive dialogues with each stakeholder, developing a firsthand understanding of what they expect and desire from Nippon Express. Although expansion as a global company involves taking on many challenges, I strongly encourage every member to forge ahead, as this is necessary for the survival of the company.

For the further development of the Nippon Express Group as a global logistics company, clarification of policies and measures on contemporary subjects like the environment and human rights will be necessary in addition to communicating with its stakeholders. Although policies, implementation plans and initiatives regarding the environment are clear from the predisposition as a transportation industry, such issues have not been clarified when it comes to human rights. The primary task for the Nippon Express Group is to firmly establish a global vision, set policies on the position and actions demanded of the company, and clarify an overall direction without limiting itself to existing initiatives.



Hiroshi Ishida

Executive Director,
Caux Round Table-Japan
Assistant Professor, Institute of Business
and Accounting, Kwansei Gakuin University

A handwritten signature in blue ink, appearing to read "H. Ishida", written in a cursive style.

List of Consolidated Companies: 257 Companies (as of March 2010)

Domestic

Nippon Truck Co., Ltd.	Tokushima Express	Bingo Express	Nippon Shipping Co., Ltd.	MC Nittsu China Holdings Co., Ltd.	Hokuoh Transportation Inc.
Kita-Nihon Kaiun	Tsutai Warehouse Co., Ltd.	Touhoku Truck	Shiogamako Unso Co., Ltd.	Sendai Port Silo Co., Ltd.	Nipponkai Warehouse Co., Ltd.
Niigata Chuo Unso	Nittsu Nagoya Seitetsu Sagyo	Osaka Warehouse Co., Ltd.	Sakaiminato Kairiku Unso	Nagasaki Kowan Unso	Hakodate Air Service
Nippon Courier Service	NTS Co., Ltd.	Shanghai Super Express Co., Ltd.	Kato Transport Co., Ltd.	Nittora Logistics Service	Nittsu Sapporo Unso
Nittsu Sapporo Logistics Service	Nittsu Sapporo Market Freight Handling Service	Nittsu Otaru Unso	Nittsu Sapporo Terminal Logistics	Nittsu Muroran Unso	Nittsu Hakodate Unso
Nittsu Asahikawa Unso	Nittsu Soya Nonyu Service	Kitami Nittsu Unso	Nittsu Kushiro Unso	Shibecha Nittsu Unso	Nittsu Obihiro Unso
Hiroo Kaiun Cargo Handling	Nittsu Obihiro Ryutsu	Koun Yuso	Koun Butsuryu	Sendai Nittsu Unso	Nittsu Nennan Unso
Nittsu Soma-ko Unso	Nittsu Senhoku Unso	Nittsu Kesennuma Unso	Nittsu Sendai-ko Butsuryu	Sendai Pelican Service	Aomori Koun
Nittsu Hirosaki Unso	Nittsu Hachinohe Unso	Nittsu Iwate Unso	Nittsu Minami-Iwate Unso	Nittsu Akita Unso	Nittsu Akita Butsuryu
Nittsu Yokote Unso	Nittsu Odake Unso	Nittsu Yamagata Unso	Nittsu Nagai Unso	Nittsu Shonai Unso	Nittsu Sakata Butsuryu
Nittsu Koriyama Unso	Nittsu Fukushima Unso	Nittsu Aizu Unso	Nittsu Gunma Unso	Nittsu Maebashi Unso	Nittsu Ota Unso
Nittsu Utsunomiya Unso	Nittsu Takada Unso	Niigata Nittsu Unso	Sanjo Nittsu Unso	Nittsu Ojya Unso	Nittsu Nagano Unso
Shinano Truck	Nittsu Matsumoto Butsuryu	Nittsu Suwa Butsuryu	Nittsu Suwa Unso	Nittsu Ina Unso	Nittsu Tokyo Unso
Nittsu Tokyo Haiso	Nittsu Fluid Transport	Nittsu Tokyo Ryutsu Service	Nittsu Consumer Service	Nittsu Removal Service	Nittsu Sumidagawa Unso
Nittsu Kanda Chuo Unso	Nittsu Tokyo-nishi Unso	Nittsu Tokyo Security	Nittsu Yamanashi Unso	Ryoso Tsun	Nittsu Chiba-minami Ryutsu Service
Nittsu Chiba Freight Transport	Nittsu Funabashi Unso	Nittsu Sakura Unso	Nittsu Saitama Unso	Nittsu Kogoshi Unso	Nittsu Kashima Unso
Nittsu Ibaraki Unso	Nittsu Tsukuba Unso	Chikutetsu Unso	Nittsu Yokohama Unso	Nittsu Shonan Butsuryu	Nittsu Kawasaki Unso
Nittsu Shizuoka-chubu Unso	Nittsu Shizuoka-tobu Unso	Nittsu Hamamatsu Unso	Nittsu Nagoya Unso	Nittsu Komaki Unso	Chita Tsun
Nittsu Nagoya-kita Unso	Nittsu Higashi-Aichi Unso	Nittsu Mikawa Unso	Nittsu Tsu Unso	Nittsu Yamamori Butsuryu	Nittsu Mie Automobile Transport
Nittsu Gifu Unso	Nittsu Ogaki Unso	Nittsu Tajimi Unso	Ishikawa Nittsu Unso	Nittsu Komatsu Unso	Nittsu Toyama Unso
Toyama Nittsu Automobile	Nittsu Takaoka Unso	Nittsu Kurobe Unso	Fukui Nittsu Unso	Daiso Logi-Tech	Nittsu Osaka Unso
Nittsu Osaka Logistics Service	Nittsu Osaka Butsuryu	Nittsu Nara Unso	Nittsu Osaka Terminal Unso	Nittsu Hyogo Unso	Nittsu Hikami Unso
Nittsu Kobe Unso	Nittsu Maizuru Unso	Nittsu Kyoto Unso	Nittsu Shiga Unso	Nittsu Wakayama Unso	Nishin Kaiun
Nittsu Kagawa Unso	Nittsu Takamatsu Logistics Service	Nittsu Nishi-Kagawa Unso	Nittsu Kochi Unso	Nittsu Shikoku Unso	Nittsu Ehime Unso
Bintsu Butsuryu	Sakaiminato Butsuryu	Nihon-kai Port Service	Nittsu Fukuyama Tekko Unso	Iwakuni Nittsu Unso	Nittsu Kure Sagyo
Nittsu Hiroshima Ryutsu Service	Nittsu Matsue Unso	Mitsuwa Transportation Co., Ltd.	Nittsu Yonago Unso	Nittsu Mizushima Unso	Nittsu Okayama Unso
Nittsu Shimonoseki Unso	Nittsu Hofu Unso	Nittsu Ube Unso	Nittsu Tokuyama Unso	Nittsu Fukuoka Truck	Fukuoka Himawari Unso
Nittsu Yahata Sagyo	Nittsu Kurume Yuso	Nittsu Kita-Kyushu Unso	Oita Unso	Nittsu Oita Truck	Nittsu Kumamoto Unso
Nittsu Kumamoto Truck	Nittsu Nagasaki Unso	Nittsu Miyazaki Unso	Nittsu Kagoshima Unso	Kyoritsu Kuyu	Tokyo Air Cargo Service
Narita Air Cargo Service Co., Ltd.	Nittsu Haneda Grand Service	Chubu Air Cargo Service	Nittsu Kanku Transport Service	Logistics System Transport	Nittsu Kaiun Drayage
Nittsu Meiko Unso	Nittsu Shoji Co., Ltd.	Taiyo Nissan Auto Sales Co., Ltd.	Nittsu Kichok Co., Ltd.	Koun Shoji	Nittsu Real Estate Co., Ltd.
Nittsu Estate Service	Nittsu Kansai Enterprise	Nittsu Fukuoka Security Service	Nittsu Research Institute and Consulting, Inc.	Nittsu Information Systems Co., Ltd.	Nippon Express Capital Co., Ltd.
Nittsu Driving School	Careerroad Inc.	Nittsu Heartful Co., Ltd.	Gunma Ryutsu Service	System Pro-move Service Co., Ltd.	Nittsu Hokuriku Sogo Maintenance

Overseas

Nippon Express U.S.A. Inc.	Nippon Express Travel U.S.A. Inc.	Illinois Nippon Express	New York Nippon Express	NEX Transport Inc.	Nippon Express Global Logistics U.S.A. Inc.
Nippon Express Canada, Ltd.	Nippon Express de Mexico S.A. DE C.V.	NEX Global Logistics de Mexico, S.A. DE C.V.	Nippon Express Chile S.A	Nittsu do Brasil Comercial, Ltda.	Nippon Express do Brasil
Nippon Express (Nederland) B.V.	Nippon Express Tours (Nederland) B.V.	Nippon Express Euro Cargo B.V.	Nippon Express (U.K.) Ltd.	Nippon Express (Ireland) Ltd.	Nippon Express (Deutschland) GmbH
Nippon Express (Russia) Limited Liability Company	Nippon Express (Belgium) N.V./S.A.	Nippon Express France, S.A.	Nippon Express (Italia) S.R.L.	Nippon Express (Schweiz) AG	Nippon Express de Espana, S.A.
Nippon Express Portugal S.A.	Nippon Express (Middle East) L.L.C.	Nippon Express (Singapore) Pte Ltd.	Nippon Express (H.K.) Co., Ltd.	Nippon Express (Shenzhen) Co., Ltd.	Nippon Express (Zhuhai) Co., Ltd.
Nippon Express Cargo Service (Shenzhen) Co., Ltd.	Nippon Express (Zhuhai F.T.Z.) Co., Ltd.	Nippon Express (Xiamen) Co., Ltd.	Nippon Express (Suzhou) Co., Ltd.	Nippon Express (Jiaxing) Co., Ltd.	Nippon Express Global Logistics (Shanghai) Co., Ltd.
Shanghai Nittsu Puling Logistics Co., Ltd.	Nippon Express (South China) Co., Ltd.	Nippon Express (Taiwan) Co., Ltd.	Beacon International Express Corp.	NEX Global Logistics Korea Co., Ltd.	NEX Logistics (Thailand) Co., Ltd.
Nippon Express (Thailand) Co., Ltd.	Nippon Express Engineering (Thailand) Co., Ltd.	NEX Logistics (Malaysia) Co., Ltd.	Nippon Express (Malaysia) Sdn, Bhd.	Nittsu Transport Service (M) Sdn, Bhd.	Nippon Express (Philippines) Corporation
Nep Logistics, Inc	Nep Distributors System, Inc.	PT. Nippon Express Indonesia	PT Nittsu Lemo Indonesia Logistik	Nippon Express (India) Pte., Ltd.	Nippon Express (Australia) Pty., Ltd.
Nippon Express (New Zealand) Ltd.	Nippon Express (China) Co., Ltd.	NEX Logistics Europe Co., Ltd.	Shanghai e-Technology Co., Ltd.		

Editors' Note

We sincerely thank you for taking the time to read our *CSR Report 2010*. For this year's report, the editing committee held many study sessions in order to develop contents based on the PDCA cycle while drawing on the main findings in the results of the materiality measurements and analysis implemented last year. In an effort to enable readers to understand the direction, future goals, and current initiatives of Nippon Express's CSR, as well as the relationship to our future CSR activities, we have added a lead paragraph stating the theme of each section, as well as "Targets and Achievements" where applicable to clarify the contents. The CSR Report Editorial Committee plans to hold future study sessions for reviewing CSR reports of domestic and overseas companies to gain an even deeper level of CSR understanding, with the aim of honing our skills at presenting Nippon Express Group's activities in a manner that is easy to comprehend.



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For making comments and sharing your opinions, please visit the "Contact Us" section of the Nippon Express website mentioned above.

Company Profile (as of March 31, 2010)

Name: Nippon Express Co., Ltd.

Founded: 1872, as Riku-un Moto Kaisha (Land Transportation Company)

Established: October 1, 1937

Headquarters: 1-9-3 Higashi-Shimbashi, Minato-ku, Tokyo 105-8322, Japan

Name of representative: Masanori Kawai, President

Paid-in capital: ¥70,175 million

Number of shareholders: 86,769

Number of employees:
35,174 (Non-consolidated)
65,916 (Consolidated)

Number of commercial freight transport vehicles: 15,545

Major branches: 64 branches including:
Sapporo Branch, Sendai Branch,
Gunma Branch, Tokyo Branch (Chuo Ward, Tokyo),
Yokohama 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),
Kanto Security Transport Branch (Koto Ward, Tokyo)

横濱海岸
通景



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チャレンジ
25
未来が変わる。
日本が変わる。
日本通運はチャレンジ25キャンペーンに参加しています。

