



October 29, 2010

Summary of Consolidated Earnings Report for the Second Quarter of the Fiscal Year Ending March 31, 2011 (Japanese GAAP)

Name of listed company: **Nippon Express Co., Ltd.** Listed stock exchanges: Tokyo, Osaka
 Code: **9062** (URL <http://www.nittsu.co.jp>)
 Representative: President, CEO Masanori Kawai
 General Manager
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Scheduled date for submission of Quarterly Financial Reports: November 12, 2010

Scheduled date of dividend payment: December 3, 2010

Availability of supplementary briefing material on quarterly financial results: Available

Briefing session on quarterly financial results to be held: Available (For institutional investors and analysts)

(Millions of Yen, rounded down)

1. Consolidated Financial Results for the Six Months Ended Sep. 30, 2010 (from April 1, 2010 to September 30, 2010)

(1) Consolidated Business Results (Cumulative Total) (%: compared with the previous period)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|--------------------------------|-----------|--------|------------------|--------|-----------------|--------|------------|--------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % |
| Six Months Ended Sep. 30, 2010 | 804,364 | 5.3 | 15,030 | (4.7) | 20,377 | 76.0 | 4,267 | 0.4 |
| Six Months Ended Sep. 30, 2009 | 764,179 | (19.7) | 15,771 | (16.5) | 11,575 | (49.3) | 4,250 | (60.7) |

| | Net income per share | Diluted net income per share |
|--------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Six Months Ended Sep. 30, 2010 | 4.09 | — |
| Six Months Ended Sep. 30, 2009 | 4.08 | — |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|---------------------------------|--------------|------------|--------------|----------------------|
| | ¥ million | ¥ million | % | Yen |
| Six Months Ended Sep. 30, 2010 | 1,162,543 | 482,876 | 40.5 | 451.48 |
| Fiscal Year Ended Mar. 31, 2010 | 1,201,801 | 495,883 | 40.3 | 464.38 |

(Note) Equity: Six Months Ended Sep. 30, 2010: ¥470,795 million

Fiscal Year Ended Mar. 31, 2010: ¥484,253 million

2. Dividends Information

| | Annual dividend per share | | | | |
|---|---------------------------|----------------|---------------|----------|--------|
| | First Quarter | Second Quarter | Third Quarter | Year End | Yearly |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal Year Ended Mar. 31, 2010 | — | 5.00 | — | 5.00 | 10.00 |
| Fiscal Year Ending Mar. 31, 2011 | — | 5.00 | | | |
| Fiscal Year Ending Mar. 31, 2011 (Forecast) | | | — | 5.00 | 10.00 |

(Note) Revision to provisional dividends: No

3. Forecast of Consolidated Financial Results for FY2010 (from April 1, 2010 to March 31, 2011)

(%: compared with the previous period)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|-----------|-----------|-----|------------------|-----|-----------------|------|------------|------|----------------------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % | Yen |
| Full year | 1,616,000 | 3.0 | 38,500 | 2.6 | 45,000 | 19.2 | 17,000 | 35.3 | 16.30 |

(Note) Revision to consolidated results forecast: Yes

4. Other

(1) Significant changes of subsidiaries during the period under review: Not applicable

(Note) This refers to changes in specific subsidiaries resulting in changes in scope of consolidation during the period under review.

(2) Adoption of simplified accounting methods and special accounting treatment: Yes

(Note) This refers to whether the simplified accounting methods and special accounting treatment for preparing quarterly consolidated financial statements were adopted.

(3) Changes in the accounting principles, accounting procedures, presentation, etc.

1) Changes due to the revision of accounting standards, etc.: Yes

2) Any changes other than 1) above: No

(Note) This refers to whether there were changes in the accounting principles, accounting procedures, presentation, etc., related to preparation of quarterly consolidated financial statements (those to be described as Changes in Significant Matters that are the Basis for Preparing Quarterly Consolidated Financial Statements).

(4) Total number of issued shares (common stock)

1) Total number of issued shares at end of period (including treasury stock)

| | | | |
|--------------------------------|----------------------|---------------------------------|----------------------|
| Six months ended Sep. 30, 2010 | 1,062,299,281 shares | Fiscal year ended Mar. 31, 2010 | 1,062,299,281 shares |
|--------------------------------|----------------------|---------------------------------|----------------------|

2) Total number of treasury shares at the end of the period

| | | | |
|--------------------------------|-------------------|---------------------------------|-------------------|
| Six months ended Sep. 30, 2010 | 19,520,307 shares | Fiscal year ended Mar. 31, 2010 | 19,500,690 shares |
|--------------------------------|-------------------|---------------------------------|-------------------|

3) Average number of shares during period

| | | | |
|--------------------------------|----------------------|--------------------------------|----------------------|
| Six months ended Sep. 30, 2010 | 1,042,785,600 shares | Six months ended Sep. 30, 2009 | 1,042,843,459 shares |
|--------------------------------|----------------------|--------------------------------|----------------------|

*Status of execution of the quarterly review of financial statements

Because this Consolidated Earnings Report is not subject to the review of the quarterly financial statements under the Financial Instruments and Exchange Act, the procedures for said review were not complete at the time of disclosing this report.

*Explanation for the appropriate use of financial forecasts and other special notes

1. The forecasts of consolidated financial results announced on July 30, 2010, have been revised in this document.
2. The above financial prospect is based on data available at that time. It should be noted that such information contains elements of uncertainty and risk. Please note that our actual business performance may differ from these prospects. As for financial forecast, please refer to "1. Qualitative Information on Consolidated Results of Operations (3) Qualitative Information on Forecast of Consolidated Financial Results" on page 3.

(3) Qualitative Information on Forecast of Consolidated Financial Results

For the forecast of the full-year financial results at that time, that announced on July 30, 2010 was revised as below. For items concerning the forecast of non-consolidated financial results, please also refer to “4. (Reference) Non-Consolidated Information” on page 13.

Forecast of Consolidated Financial Results (Full year)

(Unit: 100 Millions of Yen)

| | Forecast revised this time | Previously revised forecast | Revised amount | Previous term (Reference) |
|------------------|----------------------------|-----------------------------|----------------|---------------------------|
| Net sales | 16,160 | 16,060 | 100 | 15,696 |
| Operating income | 385 | 385 | 0 | 375 |
| Ordinary income | 450 | 450 | 0 | 377 |
| Net income | 170 | 170 | 0 | 125 |

(Reasons for the revision)

The consolidated financial results for the six months ended September 30, 2010 exceeded the forecasted figure announced on July 30, 2010 thanks to improvement of packaging service due to the recovery of the demand from international freight transportation and export-related companies supported by the gradual revival of overseas economy. Reflecting these circumstances, the forecast of full-year consolidated financial results were revised as above.

As for net sales, the forecast is revised upward based on the circumstances of the six months ended September 30, 2010 considering rather moderate growth of international operation-related services and progress of the appreciation of yen.

As for operating income, ordinary income and net income, the forecasts remained the same, given uncertainty of the future course including little prospect for improvement of demand for domestic freight transportation and rising forwarding costs.

The exchange rates used for the forecast of consolidated financial results are as follows:

U.S. dollar = 83 yen (91 yen for previous announcement)

Euro = 114 yen (121 yen for previous announcement)

[Reference]

Projection for Non-consolidated Financial Results (Full year)

(Unit: 100 Millions of Yen)

| | Forecast revised this time | Previously revised forecast | Revised amount | Previous term (Reference) |
|-------------------------|----------------------------|-----------------------------|----------------|---------------------------|
| Net sales | 10,610 | 10,610 | 0 | 10,475 |
| Operating income (loss) | 220 | 240 | (20) | 232 |
| Ordinary income (loss) | 270 | 290 | (20) | 288 |
| Net income (loss) | 80 | 100 | (20) | 59 |

(Reasons for the revision)

As for the forecast of the non-consolidated financial results, net sales is projected to achieve the previously revised forecast. However, due to increasing forwarding costs along with domestic economy remains uncertain, the forecast of operating income, ordinary income and net income is revised downward.

* The above forecast of financial results are based on data available at that time. It should be noted that such information contains elements of uncertainty and risk. Please note that our actual business performance may differ from these prospects.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

| | Second Quarter of FY2010 (as of September 30, 2010) | Summary of FY2009 (as of March 31, 2010) |
|--|--|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 106,204 | 129,217 |
| Notes receivable-trade | 13,457 | 12,023 |
| Accounts receivable-trade | 219,793 | 226,907 |
| Inventories | 5,044 | 4,985 |
| Other | 149,291 | 149,966 |
| Allowance for doubtful accounts | (1,043) | (1,084) |
| Total current assets | 492,747 | 522,014 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Vehicles (net) | 23,174 | 23,867 |
| Buildings (net) | 255,453 | 247,200 |
| Land | 172,812 | 167,448 |
| Other (net) | 63,656 | 68,552 |
| Total property, plant and equipment | 515,097 | 507,069 |
| Intangible assets | 28,194 | 28,282 |
| Investments and other assets | | |
| Investment securities | 86,567 | 104,585 |
| Other | 41,910 | 41,809 |
| Allowance for doubtful accounts | (1,973) | (1,959) |
| Total investments and other assets | 126,504 | 144,435 |
| Total noncurrent assets | 669,795 | 679,786 |
| Total assets | 1,162,543 | 1,201,801 |
| Liabilities | | |
| Current liabilities | | |
| Notes payable-trade | 7,052 | 6,687 |
| Accounts payable-trade | 116,596 | 129,002 |
| Short-term loans payable | 111,474 | 111,501 |
| Income taxes payable | 5,681 | 7,680 |
| Provision for bonus | 19,684 | 19,159 |
| Other provisions | 33 | 157 |
| Other | 150,176 | 160,068 |
| Total current liabilities | 410,699 | 434,258 |
| Noncurrent liabilities | | |
| Bonds payable | 50,000 | 50,000 |
| Long-term loans payable | 143,150 | 145,127 |
| Provision for retirement benefits | 36,951 | 39,268 |
| Other provision | 543 | 705 |
| Other | 38,321 | 36,559 |
| Total noncurrent liabilities | 268,966 | 271,659 |
| Total liabilities | 679,666 | 705,918 |

(Unit: Millions of Yen)

| | Second Quarter of FY2010 (as of September 30, 2010) | Summary of FY2009 (as of March 31, 2010) |
|---|--|---|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 70,175 | 70,175 |
| Capital surplus | 26,908 | 26,908 |
| Retained earnings | 376,726 | 377,675 |
| Treasury stock | (11,530) | (11,524) |
| Total shareholders' equity | 462,280 | 463,234 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 25,748 | 33,248 |
| Deferred gains/losses on hedges | (8) | 12 |
| Foreign currency translation adjustments | (17,225) | (12,241) |
| Total valuation and translation adjustments | 8,515 | 21,019 |
| Minority interests | 12,081 | 11,629 |
| Total net assets | 482,876 | 495,883 |
| Total liabilities and net assets | 1,162,543 | 1,201,801 |

(2) Consolidated Statements of Income
Six months period

(Unit: Millions of Yen)

| | Six months ended Sep. 30, 2009 (from April 1, 2009 to September 30, 2009) | Six months ended Sep. 30, 2010 (from April 1, 2010 to September 30, 2010) |
|--|--|--|
| Net sales | 764,179 | 804,364 |
| Cost of sales | 712,011 | 751,495 |
| Gross profit | 52,167 | 52,868 |
| Selling, general and administrative expenses | 36,395 | 37,838 |
| Operating income | 15,771 | 15,030 |
| Non-operating income | | |
| Interest income | 239 | 182 |
| Dividends income | 1,709 | 1,753 |
| Equity in earnings of affiliates | — | 391 |
| Other | 4,786 | 5,561 |
| Total non-operating income | 6,735 | 7,889 |
| Non-operating expenses | | |
| Interest expense | 1,799 | 1,792 |
| Equity in losses of affiliates | 8,244 | — |
| Other | 887 | 749 |
| Total non-operating expenses | 10,931 | 2,541 |
| Ordinary income | 11,575 | 20,377 |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 936 | 3,978 |
| Gain on change in equity | 2,478 | — |
| Other | 104 | 185 |
| Total extraordinary income | 3,519 | 4,164 |
| Extraordinary loss | | |
| Loss on disposal of noncurrent assets | 1,319 | 2,109 |
| Loss on valuation of investment securities | 138 | 5,872 |
| Impairment loss | 367 | — |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | — | 7,505 |
| Other | 343 | 161 |
| Total extraordinary loss | 2,169 | 15,648 |
| Income before income taxes and minority interests | 12,925 | 8,893 |
| Income taxes | 8,348 | 4,068 |
| Income before minority interests | — | 4,825 |
| Minority interests | 326 | 557 |
| Net income | 4,250 | 4,267 |

(3) Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

| | Six months ended Sep. 30, 2009 (from April 1, 2009 to September 30, 2009) | Six months ended Sep. 30, 2010 (from April 1, 2010 to September 30, 2010) |
|---|--|--|
| Cash flows from operating activities | | |
| Income before income taxes and minority interests | 12,925 | 8,893 |
| Depreciation and amortization | 25,062 | 25,435 |
| (Gain) loss on change in equity | (2,478) | — |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | — | 7,505 |
| Interest and dividend income | (1,949) | (1,935) |
| Interest expense | 1,799 | 1,792 |
| Equity in (earnings) losses of affiliates | 8,244 | (391) |
| (Increase) decrease in notes and accounts receivable-trade | 12,150 | 3,278 |
| (Increase) decrease in inventories | (540) | (65) |
| Increase (decrease) in notes and accounts payable-trade | (14,470) | (9,695) |
| Other | (14,122) | (10,565) |
| Subtotal | 26,621 | 24,250 |
| Interest and dividends income received | 2,015 | 2,122 |
| Interest expenses paid | (1,643) | (1,771) |
| Promotion expenses for parcel delivery business integration | (888) | — |
| Penalty imposed by Japan Fair Trade Commission | (2,495) | — |
| Income taxes paid | (996) | (7,388) |
| Net cash provided by operating activities | 22,613 | 17,213 |
| Cash flows from investment activities | | |
| Payments for purchase of noncurrent assets | (34,414) | (35,223) |
| Proceeds from sales of noncurrent assets | 2,696 | 5,690 |
| Other | 1,066 | 996 |
| Net cash used in investment activities | (30,651) | (28,536) |
| Cash flows from financing activities | | |
| Increase (decrease) in short-term loans payable, net | (16,962) | (971) |
| Proceeds from long-term loans payable | 26,070 | 20,198 |
| Payment of long-term loans payable | (24,559) | (21,248) |
| Proceeds from issuing bonds | 30,000 | — |
| Cash dividends paid | (5,214) | (5,213) |
| Other | (209) | (448) |
| Net cash provided by (used in) financing activities | 9,124 | (7,683) |
| Effect of exchange rate changes on cash and cash equivalents | 2,010 | (2,824) |
| Net increase in cash and cash equivalents | 3,097 | (21,830) |
| Cash and cash equivalents at beginning of period | 93,031 | 121,187 |
| Cash and cash equivalents at end of period | 96,129 | 99,356 |

(4) Notes Regarding Going Concern Assumption

Six months ended September 30, 2010 (from April 1, 2010 to September 30, 2010):
Not applicable.

(5) Segments Information, etc.

[Business Segment Information]

Six months ended September 30, 2009 (from April 1, 2009 to September 30, 2009):

(Unit: Millions of Yen)

| | Distribution & Transportation | Goods Sales | Other | Total | Eliminations and Other Adjustments | Consolidated |
|------------------------|-------------------------------|-------------|--------|---------|------------------------------------|--------------|
| Net sales | | | | | | |
| (1) External customers | 633,010 | 122,475 | 8,693 | 764,179 | — | 764,179 |
| (2) Intersegment | 1,677 | 28,511 | 6,732 | 36,922 | (36,922) | — |
| Total | 634,687 | 150,987 | 15,426 | 801,101 | (36,922) | 764,179 |
| Operating income | 13,823 | 2,265 | 449 | 16,537 | (766) | 15,771 |

(Note) Method of business segmentation and major products and services of each business segment

(1) Method of business segmentation: The businesses are divided into three segments: Distribution & Transportation, Goods Sales and Other.

(2) Major products and services of each business segment

| Business Segment | Major Products and Services |
|-------------------------------|---|
| Distribution & Transportation | Railway utilization transportation, motor cargo transportation, marine transportation, harbor transportation, air freight forwarding, warehousing, heavy cargo transportation/erection/installation, in-factory transportation and other distribution & transportation services |
| Goods Sales | Sale of supplies for transportation, packing and packaging materials, vehicles, petroleum and LP gas, etc., leasing operations, vehicle maintenance, insurance agency |
| Other | Mediation, planning, design and management of real estate, investigation & research, money lending, driving schools, worker dispatching |

[Geographical Segment Information]

Six months ended September 30, 2009 (from April 1, 2009 to September 30, 2009):

(Unit: Millions of Yen)

| | Japan | The Americas | Europe | Asia & Oceania | Total | Eliminations and Other Adjustments | Consolidated |
|-------------------------|---------|--------------|--------|----------------|---------|------------------------------------|--------------|
| Net sales | | | | | | | |
| (1) External customers | 694,155 | 15,015 | 17,904 | 37,103 | 764,179 | — | 764,179 |
| (2) Intersegment | 3,097 | 3,695 | 2,309 | 3,287 | 12,389 | (12,389) | — |
| Total | 697,252 | 18,710 | 20,213 | 40,391 | 776,568 | (12,389) | 764,179 |
| Operating income (loss) | 15,149 | (173) | (174) | 1,287 | 16,088 | (317) | 15,771 |

(Notes) 1. Countries and regions are segmented based on their geographical proximity.

2. Major countries and regions that belong to segments other than Japan:

- (1) The Americas: United States, Canada and Latin America
- (2) Europe: United Kingdom, the Netherlands, Germany, etc.
- (3) Asia & Oceania: Asia including China, Singapore and Australia, and Oceania

[Overseas Sales]

Six months ended September 30, 2009 (from April 1, 2009 to September 30, 2009):

(Unit: Millions of Yen)

| | The Americas | Europe | Asia & Oceania | Total |
|---|--------------|--------|----------------|---------|
| I. Overseas net sales | 28,007 | 27,753 | 71,042 | 126,803 |
| II. Consolidated net sales | | | | 764,179 |
| III. Overseas net sales as a percentage of consolidated net sales | 3.7% | 3.6% | 9.3% | 16.6% |

(Notes) 1. Overseas net sales represent the sales of the Company and its consolidated subsidiaries in countries and regions other than Japan.

2. Countries and regions are segmented based on their geographical proximity.

3. Major countries and regions that belong to segments other than Japan:

(1) The Americas: United States, Canada and Latin America

(2) Europe: Europe, including the United Kingdom, the Netherlands and Germany, and Africa

(3) Asia & Oceania: Asia including China, Singapore and Australia, and Oceania

[Segment Information]

1. Description of Reportable Segments

The Company's reportable segments are components of the Company for which discrete financial information is available and the operating results are regularly reviewed by the Board of Directors to make decisions about resources to be allocated to and assess the performance of the segments.

The Company places within its head office several headquarters, including the Domestic Headquarters, the International Headquarters and the Sales Promotion Headquarters. Each headquarters sets out comprehensive domestic and overseas strategies for the products and services with which it deals and executes operations accordingly. Under each headquarters, a Regional Administration is designated for each region where it operates as are business divisions that specialize in particular products and services to ensure optimal management decisions for the respective regions and business sites.

The Company is therefore composed of regional segments combined with segments by product and service, which are classified by mode of transportation, such as air and marine. Accordingly, within the Distribution & Transportation segment, we have five reportable segments—Combined Business, Security Transportation, Heavy Haulage & Construction, Air Transportation & Travel and Marine & Harbor Transportation—for domestic distribution and transportation and four reportable segments—The Americas, Europe, East Asia and South Asia & Oceania—for overseas distribution and transportation. In addition, we have the Goods Sales and Other reportable segments.

The Combined Business (Distribution & Transportation, domestic companies) segment has company/branch networks on an area by area basis, but they are regarded as constituting a single segment due to the similarity of their organizational and financial character.

Due to the resemblance of business operations, the Fine Arts Transportation business segment is combined into the Combined Business (Distribution & Transportation, domestic companies) segment. For the same reason, the Travel business segment is combined into the Air Transportation & Travel (Distribution & Transportation, domestic companies) segment. However, the effect of these combined segments is not significant.

The major products and services and major businesses of the reportable segments are as follows.

| Reportable Segment | Major Products & Services | Major Businesses |
|--|--|---|
| Combined Business (Distribution & Transportation, domestic companies) | Railway utilization transportation, motor transportation, combined delivery service, moving & relocation, warehousing & distribution processing, in-factory work, real estate rental, marine & harbor transportation, fine arts transportation, security transportation, heavy haulage & construction | Rail utilization transportation, motor cargo transportation, warehousing, in-factory transportation |
| Security Transportation (Distribution & Transportation, domestic companies) | Security transportation | Guarding business, motor cargo transportation |
| Heavy Haulage & Construction (Distribution & Transportation, domestic companies) | Heavy haulage & construction | Heavy cargo transportation/erection/installation |
| Air Transportation & Travel (Distribution & Transportation, domestic companies) | Air transportation, travel | Air freight forwarding, travel |
| Marine & Harbor Transportation (Distribution & Transportation, domestic companies) | Marine & harbor transportation, warehousing & distribution processing, moving & relocation | Marine transportation, harbor transportation, warehousing |

| Reportable Segment | Major Products & Services | Major Businesses |
|--|--|---|
| The Americas (Distribution & Transportation, overseas companies) | Air transportation, marine & harbor transportation, warehousing & distribution processing, moving & relocation, motor transportation, travel | Air freight forwarding, harbor transportation, warehousing, motor cargo transportation, travel |
| Europe (Distribution & Transportation, overseas companies) | Air transportation, marine & harbor transportation, warehousing & distribution processing, moving & relocation, motor transportation, travel | |
| East Asia (Distribution & Transportation, overseas companies) | Air transportation, marine & harbor transportation, warehousing & distribution processing, moving & relocation, motor transportation, travel | |
| South Asia & Oceania (Distribution & Transportation, overseas companies) | Air transportation, marine & harbor transportation, warehousing & distribution processing, moving & relocation, heavy haulage & construction, travel | |
| Goods Sales | Leasing operations, sale of petroleum and others | |
| Other | Other | Mediation, planning, design and management of real estate, investigation & research, money lending, driving schools, worker dispatching |

2. Net Sales and Profit (Loss) by Reportable Segment

Six months ended September 30, 2010 (from April 1, 2010 to September 30, 2010):

(Unit: Millions of Yen)

| | Distribution & Transportation | | | | | | |
|--------------------|-------------------------------|-----------------------|------------------------------------|-----------------------------------|--------------------------------------|--------------------|--------|
| | Domestic Companies | | | | | Overseas Companies | |
| | Combined Business | Security Transport | Heavy Haulage & Construction | Air Transportation & Travel | Marine & Harbor Transportation | The Americas | Europe |
| Net sales | | | | | | | |
| External customers | 356,942 | 29,968 | 18,242 | 100,561 | 58,946 | 16,451 | 19,176 |
| Intersegment | 3,071 | 13 | 430 | 572 | 4,111 | 5,043 | 2,495 |
| Total | 360,013 | 29,982 | 18,672 | 101,133 | 63,057 | 21,494 | 21,672 |
| Segment income | 3,747 | 923 | 1,534 | 133 | 3,018 | 767 | 620 |

| | Distribution & Transportation | | Goods Sales | Other | Total | Adjustment (Note 1) | Carried on Quarterly Statement of Income |
|--------------------|----------------------------------|-------------------------|----------------|--------|---------|------------------------|---|
| | Overseas Companies | | | | | | |
| | East Asia | South Asia & Oceania | | | | | |
| Net sales | | | | | | | |
| External customers | 34,089 | 20,691 | 140,145 | 9,148 | 804,364 | — | 804,364 |
| Intersegment | 3,141 | 1,301 | 32,095 | 7,725 | 60,002 | (60,002) | — |
| Total | 37,231 | 21,992 | 172,241 | 16,874 | 864,366 | (60,002) | 804,364 |
| Segment income | 880 | 670 | 3,427 | 660 | 16,385 | (1,355) | 15,030 |

(Notes) 1. The adjustment of ¥1,355 million in Segment income includes ¥676 million eliminated for inter-segment transactions and group-wide expenses of ¥783 million, which is not allocated among the reportable segments. The group-wide expenses were

used for corporate image advertising and the Company's administration of group companies.

2. Segment income (loss) is presented so that the total reconciles with the operating income on the quarterly statement of income.

(Additional Information)

Effective from the first quarter under review, the Company adopted the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17 issued on March 27, 2009) and the "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20 issued on March 21, 2008).

(6) Significant Changes in the Amount of Shareholders' Equity

Six months ended September 30, 2010 (from April 1, 2010 to September 30, 2010):

Not applicable.

Disclaimer:
This English translation has been prepared for general reference purposes only.
The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text.
In any legal matter, readers should refer to and rely upon the original Japanese text released October 29, 2010.

4. (Reference) Non-Consolidated Information

(1) Summary of Non-Consolidated Statements of Income

(Unit: Millions of yen, %)

| | | Six months ended Sep. 30, 2010 | | Six months ended Sep. 30, 2009 | | Change | | | |
|--|--|-----------------------------------|---------------------------|-----------------------------------|---------------|------------|-----------|------------|----------|
| | | | % in Sales | | % in Sales | Amount | Change % | | |
| Net sales | Railway utilization transportation | 42,498 | 8.1 | 41,256 | 7.9 | 1,242 | 3.0 | | |
| | Motor transportation | Combined delivery services | 43,599 | 8.2 | 64,607 | 12.4 | (21,008) | (32.5) | |
| | | Chartered truck services | 138,631 | 26.3 | 133,592 | 25.5 | 5,038 | 3.8 | |
| | | Subtotal | 182,230 | 34.5 | 198,200 | 37.9 | (15,970) | (8.1) | |
| | Marine and harbor transportation | Marine transportation | 31,240 | 5.9 | 25,905 | 5.0 | 5,334 | 20.6 | |
| | | Harbor transportation | 30,398 | 5.8 | 26,807 | 5.1 | 3,590 | 13.4 | |
| | | Subtotal | 61,638 | 11.7 | 52,713 | 10.1 | 8,924 | 16.9 | |
| | | (Exports) | [29,790] | — | [22,197] | — | [7,592] | [34.2] | |
| | | (Imports) | [19,403] | — | [18,844] | — | [558] | [3.0] | |
| | | (Domestic) | [12,444] | — | [11,671] | — | [773] | [6.6] | |
| | Warehousing | 46,794 | 8.9 | 47,795 | 9.1 | (1,001) | (2.1) | | |
| | Air transportation | Air freight forwarding | International air freight | 59,344 | 11.2 | 43,305 | 8.3 | 16,038 | 37.0 |
| | | | (Exports) | [48,443] | — | [33,455] | — | [14,988] | [44.8] |
| | | | (Imports) | [10,900] | — | [9,850] | — | [1,050] | [10.7] |
| | | | Domestic air freight | 19,792 | 3.8 | 21,679 | 4.1 | (1,886) | (8.7) |
| | | | Subtotal | 79,137 | 15.0 | 64,984 | 12.4 | 14,152 | 21.8 |
| | | Travel | 2,854 | 0.5 | 2,418 | 0.5 | 435 | 18.0 | |
| | Subtotal | 81,991 | 15.5 | 67,403 | 12.9 | 14,588 | 21.6 | | |
| | Heavy haulage and construction | 23,880 | 4.5 | 27,399 | 5.2 | (3,518) | (12.8) | | |
| | Incidental operations and others | 88,893 | 16.8 | 88,398 | 16.9 | 494 | 0.6 | | |
| Total | 527,927 | 100.0 | 523,167 | 100.0 | 4,759 | 0.9 | | | |
| (Domestic operation-related revenues) | [407,752] | 77.2 | [428,166] | 81.8 | [(20,413)] | [(4.8)] | | | |
| (International operation-related revenues) | [120,174] | 22.8 | [95,001] | 18.2 | [25,173] | [26.5] | | | |
| Operating expenses | Employment costs | Drivers/workers | 59,248 | 11.2 | 60,213 | 11.5 | (965) | (1.6) | |
| | | Office personnel | 69,692 | 13.2 | 66,438 | 12.7 | 3,253 | 4.9 | |
| | | Subtotal | 128,940 | 24.4 | 126,652 | 24.2 | 2,288 | 1.8 | |
| | Forwarding costs | Railway | 22,301 | 4.2 | 21,514 | 4.1 | 787 | 3.7 | |
| | | Marine | 11,282 | 2.1 | 7,381 | 1.4 | 3,901 | 52.9 | |
| | | Air | 33,490 | 6.4 | 19,902 | 3.8 | 13,587 | 68.3 | |
| | | Subtotal | 67,074 | 12.7 | 48,798 | 9.3 | 18,276 | 37.5 | |
| | Costs of car chartering and subcontracting | 205,599 | 39.0 | 217,507 | 41.6 | (11,907) | (5.5) | | |
| | Depreciation and amortization | 17,009 | 3.2 | 16,354 | 3.1 | 655 | 4.0 | | |
| | Facility usage charges | 38,355 | 7.3 | 41,410 | 7.9 | (3,054) | (7.4) | | |
| | Other | 62,757 | 11.9 | 61,750 | 11.8 | 1,007 | 1.6 | | |
| | Total | 519,738 | 98.5 | 512,473 | 97.9 | 7,264 | 1.4 | | |
| | Operating income | 8,189 | 1.5 | 10,694 | 2.1 | (2,504) | (23.4) | | |
| Non-operating income | 5,775 | 1.1 | 5,223 | 1.0 | 552 | 10.6 | | | |
| Non-operating expenses | 2,246 | 0.4 | 2,400 | 0.5 | (154) | (6.4) | | | |
| Ordinary income | 11,718 | 2.2 | 13,516 | 2.6 | (1,798) | (13.3) | | | |
| Extraordinary income | 4,699 | 0.9 | 742 | 0.1 | 3,957 | 533.1 | | | |
| Extraordinary loss | 14,973 | 2.8 | 1,719 | 0.3 | 13,253 | 770.6 | | | |
| Income before income taxes | 1,444 | 0.3 | 12,539 | 2.4 | (11,094) | (88.5) | | | |
| Income taxes | 254 | 0.1 | 5,488 | 1.1 | (5,234) | (95.4) | | | |
| Net income | 1,190 | 0.2 | 7,051 | 1.3 | (5,860) | (83.1) | | | |

*1. The above Summary of Non-consolidated Statement of Income is not subject to review under statutory disclosure requirements.

2. The above Summary of Non-consolidated Statements of Income has been prepared as supplementary material for the Quarterly Earnings Report and represents a rough breakdown of operating results including net sales and operating expenses.

(2) Projection for FY2010

(Unit: Millions of yen, %)

| | | FY2010 | | FY2009 | | Change | | | |
|----------------------------------|--|----------------------------|---------------------------|---------|------------|----------|----------|---------|-------|
| | | | % in Sales | | % in Sales | Amount | Change % | | |
| Net sales | Railway utilization transportation | 88,500 | 8.3 | 86,009 | 8.2 | 2,490 | 2.9 | | |
| | Motor transportation | Combined delivery services | 88,900 | 8.4 | 112,837 | 10.8 | (23,937) | (21.2) | |
| | | Chartered truck services | 277,600 | 26.2 | 270,773 | 25.8 | 6,826 | 2.5 | |
| | | Subtotal | 366,500 | 34.6 | 383,611 | 36.6 | (17,111) | (4.5) | |
| | Marine and harbor transportation | Marine transportation | 63,200 | 6.0 | 51,878 | 5.0 | 11,321 | 21.8 | |
| | | Harbor transportation | 61,300 | 5.8 | 55,100 | 5.2 | 6,199 | 11.3 | |
| | | Subtotal | 124,500 | 11.8 | 106,979 | 10.2 | 17,520 | 16.4 | |
| | Warehousing | 93,500 | 8.8 | 95,113 | 9.1 | (1,613) | (1.7) | | |
| | Air transportation | Air freight forwarding | International air freight | 120,000 | 11.3 | 97,994 | 9.4 | 22,005 | 22.5 |
| | | | Domestic air freight | 41,000 | 3.9 | 43,363 | 4.1 | (2,363) | (5.5) |
| | | Subtotal | 161,000 | 15.2 | 141,358 | 13.5 | 19,641 | 13.9 | |
| | | Travel | 5,400 | 0.5 | 5,073 | 0.5 | 326 | 6.4 | |
| | Subtotal | 166,400 | 15.7 | 146,431 | 14.0 | 19,968 | 13.6 | | |
| | Heavy haulage and construction | 43,900 | 4.1 | 49,823 | 4.8 | (5,923) | (11.9) | | |
| Incidental operations and others | 177,700 | 16.7 | 179,580 | 17.1 | (1,880) | (1.0) | | | |
| Total | 1,061,000 | 100.0 | 1,047,549 | 100.0 | 13,450 | 1.3 | | | |
| Operating expenses | Employment costs | Drivers/workers | 117,700 | 11.1 | 118,698 | 11.4 | (998) | (0.8) | |
| | | Office personnel | 139,600 | 13.2 | 132,218 | 12.6 | 7,381 | 5.6 | |
| | | Subtotal | 257,300 | 24.3 | 250,916 | 24.0 | 6,383 | 2.5 | |
| | Forwarding costs | Railway | 46,300 | 4.4 | 44,912 | 4.3 | 1,387 | 3.1 | |
| | | Marine | 22,700 | 2.1 | 15,990 | 1.5 | 6,709 | 42.0 | |
| | | Air | 68,000 | 6.4 | 49,503 | 4.7 | 18,496 | 37.4 | |
| | | Subtotal | 137,000 | 12.9 | 110,406 | 10.5 | 26,593 | 24.1 | |
| | Costs of car chartering and subcontracting | 408,000 | 38.4 | 422,453 | 40.3 | (14,453) | (3.4) | | |
| | Depreciation and amortization | 34,800 | 3.3 | 34,223 | 3.3 | 576 | 1.7 | | |
| | Facility usage charges | 76,400 | 7.2 | 81,048 | 7.7 | (4,648) | (5.7) | | |
| Other | 125,500 | 11.8 | 125,258 | 12.0 | 241 | 0.2 | | | |
| Total | 1,039,000 | 97.9 | 1,024,308 | 97.8 | 14,691 | 1.4 | | | |
| Operating income | 22,000 | 2.1 | 23,241 | 2.2 | (1,241) | (5.3) | | | |
| Non-operating income | 9,200 | 0.8 | 10,149 | 1.0 | (949) | (9.4) | | | |
| Non-operating expenses | 4,200 | 0.4 | 4,539 | 0.4 | (339) | (7.5) | | | |
| Ordinary income | 27,000 | 2.5 | 28,852 | 2.8 | (1,852) | (6.4) | | | |
| Extraordinary income | 6,300 | 0.6 | 1,346 | 0.1 | 4,953 | 367.9 | | | |
| Extraordinary loss | 17,000 | 1.6 | 20,865 | 2.0 | (3,865) | (18.5) | | | |
| Income before income taxes | 16,300 | 1.5 | 9,332 | 0.9 | 6,967 | 74.7 | | | |
| Income taxes | 8,300 | 0.8 | 3,388 | 0.3 | 4,911 | 145.0 | | | |
| Net income | 8,000 | 0.7 | 5,944 | 0.6 | 2,055 | 34.6 | | | |

(Note) The above projection for FY2010 reflects the latest revision from the non-consolidated performance forecasts released on July 30, 2010.