



May 8, 2013

Summary of Consolidated Earnings Report for the Fiscal Year Ended March 31, 2013 (Japanese GAAP)

Name of listed company: **Nippon Express Co., Ltd.**

Code: **9062**

Listed stock exchanges: Tokyo, Osaka

(URL <http://www.nipponexpress.com> (English))

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

Representative: President, CEO Kenji Watanabe
General Manager

Contact: Finance & Accounting Division Takashi Masuda TEL: (03) 6251-1111

Scheduled date for General Shareholders' Meeting: June 27, 2013 Scheduled date of dividend payment: June 28, 2013

Scheduled date for release of Securities Report: June 27, 2013

Availability of supplementary briefing material on annual financial results: Available

Briefing session on annual financial results to be held: Scheduled (for institutional investors and analysts)

(Millions of yen, rounded down)

1. Consolidated Financial Results for Fiscal Year Ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(1) Consolidated Business Results

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year Ended Mar. 31, 2013	1,613,327	(0.9)	33,206	(11.4)	41,500	(12.5)	23,831	(11.6)
Fiscal Year Ended Mar. 31, 2012	1,628,027	0.7	37,497	18.6	47,441	16.6	26,949	215.5

(Note) Comprehensive income:

Fiscal Year Ended Mar. 31, 2013: ¥42,364 million [69.6%] Fiscal Year Ended Mar. 31, 2012: ¥24,974 million [—%]

	Net income per share	Diluted net income per share	Net income on equity	Ordinary income on assets	Operating margin to sales
	¥	¥	%	%	%
Fiscal Year Ended Mar. 31, 2013	22.89	—	4.8	3.3	2.1
Fiscal Year Ended Mar. 31, 2012	25.85	—	5.7	4.0	2.3

(Note) Investment gain or loss on equity method:

Fiscal Year Ended Mar. 31, 2013: ¥540 million Fiscal Year Ended Mar. 31, 2012: ¥455 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal Year Ended Mar. 31, 2013	1,247,612	518,409	41.2	489.39
Fiscal Year Ended Mar. 31, 2012	1,230,964	494,205	39.1	461.63

(Note) Equity: Fiscal Year Ended Mar. 31, 2013: ¥513,683 million

Fiscal Year Ended Mar. 31, 2012: ¥481,347 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	¥ million	¥ million	¥ million	¥ million
Fiscal Year Ended Mar. 31, 2013	82,018	(50,984)	(37,080)	180,503
Fiscal Year Ended Mar. 31, 2012	97,806	(31,563)	10,129	181,614

2. Dividends Information

	Annual dividend per share					Total dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend payout ratio on net assets (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly			
	¥	¥	¥	¥	¥	¥ million	%	%
Fiscal Year Ended Mar. 31, 2012	—	5.00	—	5.00	10.00	10,427	38.7	2.2
Fiscal Year Ended Mar. 31, 2013	—	5.00	—	5.00	10.00	10,460	43.7	2.1
Fiscal Year Ending Mar. 31, 2014 (Forecast)	—	5.00	—	5.00	10.00		42.0	

3. Forecast of Consolidated Financial Results for FY2013 (from April 1, 2013 to March 31, 2014)

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim of year	835,000	4.5	16,000	1.6	21,000	1.9	12,000	6.0	11.43
Full year	1,690,000	4.8	37,000	11.4	45,000	8.4	25,000	4.9	23.82

*Notes

(1) Significant changes of subsidiaries during the period under review (affecting specific subsidiaries due to changes in scope of consolidation): Not applicable

(2) Changes in accounting policies, changes in accounting estimates and corrections of errors

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

2) Any changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: Yes

4) Corrections of errors: No

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

1) Total number of issued shares at end of period (including treasury stock)	As of Mar. 31, 2013	1,062,299,281 shares	As of Mar. 31, 2012	1,062,299,281 shares
2) Total number of treasury stocks at end of period	As of Mar. 31, 2013	12,657,623 shares	As of Mar. 31, 2012	19,588,014 shares
3) Average number of shares during period	Fiscal Year Ended Mar. 31, 2013	1,040,944,308 shares	Fiscal Year Ended Mar. 31, 2012	1,042,724,442 shares

(Notes) Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

(1) Non-consolidated Business Results

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year Ended Mar. 31, 2013	1,025,145	(3.3)	16,247	(22.4)	22,350	(19.6)	12,590	(8.8)
Fiscal Year Ended Mar. 31, 2012	1,059,708	0.6	20,948	32.7	27,813	27.2	13,804	—

	Net income per share	Diluted net income per share
	¥	¥
Fiscal Year Ended Mar. 31, 2013	12.10	—
Fiscal Year Ended Mar. 31, 2012	13.24	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal Year Ended Mar. 31, 2013	846,330	350,028	41.4	333.47
Fiscal Year Ended Mar. 31, 2012	849,190	339,186	39.9	325.29

(Note) Equity: Fiscal Year Ended Mar. 31, 2013: ¥ 350,028 million Fiscal Year Ended Mar. 31, 2012: ¥339,186 million

2. Forecast of Non-consolidated Financial Results for FY2013 (from April 1, 2013 to March 31, 2014)

(%: compared with the previous period)

	Revenues		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥
Interim of year	516,000	0.3	11,000	1.8	6,000	17.6	5.72
Full year	1,035,000	1.0	24,000	7.4	13,000	3.3	12.39

*Status of execution of the audit of financial statements

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

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

The forward-looking statements and other results forecasts stated herein are based on the information available at the time this report was prepared and on certain assumptions considered to be reasonable. Accordingly, actual business performance may differ significantly from forecasts due to a number of factors.

Nippon Express Co., Ltd. is planning to hold a briefing session for institutional investors and analysts on May 8, 2013. Materials provided shall be posted on the Company's website immediately after the session.

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 May 8, 2013.

1. Business Results and Analysis of Financial Position

(1) Analysis of Business Results

During the consolidated fiscal year under review, the Japanese economy continued to suffer from low corporate production activities and exports as a result of fiscal instability in Europe and a slowdown in the economies of emerging countries. However, some signs of recovery have been seen since the new year as a result of heightened expectations towards the financial and monetary measures of the new government. Nevertheless, the outlook remains uncertain due to the risks that persist in unstable overseas economies.

In the field of logistics, against the backdrop of these economic conditions, the situation continued to be challenging, as demand for international freight transportation decreased for exports. Domestic freight transportation also continued to be low and freight movements were sluggish, with only a slight improvement over the previous year during which logistics demand dropped significantly as a result of the earthquake disaster.

In this business environment, the Nippon Express Group made collective efforts to implement the four basic strategies of “Growth as a Global Logistics Company,” “Promotion of Strategic Environmental Management,” “Enhancement of Management Infrastructure,” and “Promotion of Corporate Social Responsibility (CSR) Management” based on medium-term management plan “Nippon Express Group Corporate Strategy 2012 – Towards New Growth” as the plan entered its final year.

Specifically, to ensure its “Growth as a Global Logistics Company,” the Group has worked to expand its sales bases and warehouse facilities overseas while implementing M&As as it seeks to capture new customers and expand its field of business as part of efforts to strengthen and enhance business resources in its global logistics business.

With regard to the “Promotion of Strategic Environmental Management,” the Group has actively worked toward the expansion of environmentally-friendly logistics services through efforts including the expansion of warehouses equipped with solar power generation equipment and environmentally-friendly vehicles, the promotion of penetration of safe eco-driving technologies overseas, and the implementation of new greenhouse gas emissions reduction measures utilizing digital tachographs.

In the same manner, in respect to the “Enhancement of Management Infrastructure” and “Promotion of Corporate Social Responsibility (CSR) Management,” the Group has strengthened various business resources to serve as its business base through measures such as the strengthening of the network products sales structure, the development of bases in the Tokyo metropolitan area, and system integration for IT related operations as part of efforts to improve sales capabilities and operational efficiency. Furthermore, in CSR management, the Group has both revised the Business Continuity Plan (BCP) and has been actively engaged in social contribution activities such as environmental preservation activities and educational activities for the development of the next generation.

As a result, revenues decreased by ¥14.7 billion, or 0.9% year on year, to ¥1,613.3 billion, while ordinary income decreased by ¥5.9 billion, or 12.5% year on year, to ¥41.5 billion. Net income decreased by ¥3.1 billion, or 11.6% year on year, to ¥23.8 billion.

Financial results by reportable segment are summarized below.

1. Combined Business (Distribution & Transportation, domestic companies)

Despite an increase in transactions in warehouse business, due to factors such as a decline in motor transportation transactions as a result of reduced domestic logistics demand, segment sales were ¥699.2 billion, a year-on-year decrease of ¥5.4 billion, or 0.8%, while operating income was ¥7.0 billion, a year-on-year increase of ¥0.1 billion, or 2.1%.

2. Security Transportation (Distribution & Transportation, domestic companies)

Despite a decrease in the unit prices of services, as a result of an increase in orders received for security transportation and other factors, segment sales were up by ¥0.07 billion, or 0.1% year on year, to ¥58.8 billion, while operating income was down by ¥0.1 billion, or 5.6% year on year, to ¥1.7 billion.

3. Heavy Haulage & Construction (Distribution & Transportation, domestic companies)

Mainly owing to a significant reduction in domestic construction transactions, segment sales were down ¥2.8 billion, or 7.1% year on year, to ¥37.1 billion, and operating income was down by ¥0.8 billion, or 23.1% year on year, to ¥2.9 billion.

4. Air Freight Forwarding (Distribution & Transportation, domestic companies)

Mainly owing to a decrease in transactions in air freight export cargo, segment sales were down ¥23.2 billion, or 11.3% year on year, to ¥182.1 billion, and operating income was down by ¥2.5 billion, or 39.5% year on year, to ¥3.9 billion.

5. Marine & Harbor Transportation (Distribution & Transportation, domestic companies)

As a result of a decrease in transactions mainly for import cargo, segment sales were ¥124.2 billion, a year-on-year decrease of ¥1.4 billion, or 1.2%, and operating income was ¥4.6 billion, a year-on-year decrease of ¥0.4 billion, or 8.5%.

6. The Americas (Distribution & Transportation, overseas companies)

As a result of factors including the contribution made by Associated Global Systems, Inc. whose shares were acquired by a subsidiary of the Company and strong air freight cargo, marine freight cargo, and warehouse transactions, segment sales were up ¥11.0 billion, or 25.8% year on year, to ¥54.0 billion, and operating income rose by ¥0.4 billion, or 24.3% year on year, to ¥2.0 billion.

7. Europe (Distribution & Transportation, overseas companies)

Mainly owing to the effect of the exchange rates, segment sales decreased by ¥2.2 billion, or 4.8% year on year, to ¥44.2 billion, and operating income was down by ¥0.3 billion, or 18.5% year on year, to ¥1.5 billion.

8. East Asia (Distribution & Transportation, overseas companies)

As a result of a decline in air freight cargo transactions and other factors, segment sales decreased by ¥4.1 billion, or 5.7% year on year, to ¥68.8 billion, and operating income was down by ¥1.0 billion, or 43.3% year on year, to ¥1.3 billion.

9. South Asia & Oceania (Distribution & Transportation, overseas companies)

As a result of a decline in air freight cargo transactions and other factors, segment sales declined by ¥0.5 billion, or 1.2% year on year, to ¥44.2 billion, while operating income rose by ¥0.04 billion, or 2.9%, to ¥1.6 billion.

10. Goods Sales

Although segment sales increased by ¥9.6 billion, or 2.6% year on year, to ¥383.7 billion mainly due to a hike in the petroleum sales volumes, operating income was down by ¥1.1 billion, or 16.3% year on year, to ¥5.8 billion.

11. Other

Mainly due to an increase in the logistics finance business, segment sales were up ¥1.4 billion, or 3.6% year on year, to ¥41.8 billion, while operating income was down by ¥0.2 billion, or 11.8% year on year, to ¥1.7 billion.

Note: Beginning from the consolidated fiscal year under review, among the business segments stated as reportable segments, the name of the "Air Freight Forwarding & Travel" segment has been changed to "Air Freight Forwarding." The change was made to the name only; the classification of the business segment remained unchanged.

(2) Performance Forecasts for Fiscal 2013

Performance forecasts for the next fiscal year have been made in consideration of trends in crude oil prices, risks of exchange rate fluctuations and other such factors.

As stated in "1. Business Results and Analysis of Financial Position (1) Analysis of Business Results," although the economy displayed some signs of recovery, the outlook remains uncertain due to the risks that persist in unstable overseas economies.

As for freight movement, while a gentle recovery is expected going forward, it is expected to be stagnant during the first half of the fiscal year, and a full-fledged recovery is expected from the second half of the fiscal year.

In the domestic Distribution & Transportation, the Nippon Express Group will respond to freight transportation demand triggered by the recovery of the domestic economy from the second half of the fiscal year and implement measures aimed at improving operating margins in its domestic combined business, while in the overseas Distribution & Transportation,

the Group will respond to the growing global market that includes emerging countries, such as the countries of South Asia, and incorporate new companies in its business through M&As. As a result, the Group expects growth in revenues, operating income, ordinary income, and net income for the full year.

Performance forecasts for the fiscal year ending March 31, 2014 as of the release date of this report are as follows.

Performance Forecasts of Consolidated Financial Results (Full year)

Revenues	¥1,690 billion (up 4.8% year on year)
Operating income	¥37 billion (up 11.4% year on year)
Ordinary income	¥45 billion (up 8.4% year on year)
Net income	¥25 billion (up 4.9% year on year)

Performance Forecasts of Non-consolidated Financial Results (Full year)

Revenues	¥1,035 billion (up 1.0% year on year)
Operating income	¥18 billion (up 10.8% year on year)
Ordinary income	¥24 billion (up 7.4% year on year)
Net income	¥13 billion (up 3.3% year on year)

* The above performance forecasts were deemed reasonable by the Company based on data currently available to the Company and actual business performance may differ from the performance forecasts.

(3) Analysis of Financial Position

Total assets as at the end of the fiscal year under review amounted to ¥1,247.6 billion, a year-on-year increase of ¥16.6 billion or 1.4%.

Current assets amounted to ¥587.6 billion, a year-on-year decrease of ¥0.5 billion or 0.1%, while noncurrent assets totaled ¥659.9 billion, up ¥17.1 billion or 2.7% year on year.

The primary factors behind the decrease in current assets were decrease in accounts receivable—trade and notes receivable—trade, etc.

The primary factors behind the increase in noncurrent assets were increase in investment securities, etc.

Total liabilities as at the end of the fiscal year were ¥729.2 billion, a year-on-year decrease of ¥7.5 billion or 1.0%.

Current liabilities decreased by ¥12.7 billion or 3.0% year on year to ¥408.8 billion, while noncurrent liabilities increased ¥5.2 billion or 1.7% to ¥320.3 billion.

The decrease in current liabilities was primarily due to the decrease in short-term loans payable and income taxes payable, etc.

The increase in noncurrent liabilities was mainly attributable to the increase in provision for retirement benefits, etc.

Net assets amounted to ¥518.4 billion at the end of the fiscal year, a year-on-year increase of ¥24.2 billion or 4.9%.

The main contributor to the increase in net assets was the increase in foreign currency translation adjustments and retained earnings, etc.

Net cash provided by operating activities amounted to ¥82.0 billion, a year-on-year decrease of ¥15.7 billion in proceeds. This was primarily due to the decrease in income before income taxes and minority interests, etc.

Net cash used in investment activities totaled ¥50.9 billion, an increase of ¥19.4 billion in expenditures year on year. This was mainly due to the payment of purchase of consolidated subsidiary due to change in scope of consolidation.

Net cash used in financing activities amounted to ¥37.0 billion, a year-on-year increase of ¥47.2 billion in expenditures. This was mainly due to proceeds from issuance of bonds during the previous fiscal year.

As a result of the above, cash and cash equivalents at the end of the fiscal year decreased ¥1.1 billion year on year to ¥180.5 billion.

(Reference) Trends in the Group's cash flow indicators are as follows.

	FY2008	FY2009	FY2010	FY2011	FY2012
Equity ratio (%)	40.4	40.3	40.7	39.1	41.2
Marked-to-market equity ratio (%)	27.4	34.9	29.0	27.4	38.6
Ratio of cash flow to interest-bearing liabilities (years)	5.3	4.2	5.2	3.6	4.1
Interest coverage ratio (times)	14.8	23.4	17.9	30.3	25.1

(Notes)

Equity ratio: $\text{Equity} / \text{Total assets}$
Marked-to-market equity ratio: $\text{Market capitalization} / \text{Total assets}$
Ratio of cash flow to interest-bearing liabilities: $\text{Interest-bearing liabilities} / \text{Operating cash flow}$
Interest coverage ratio: $\text{Operating cash flow} / \text{Interest payment}$

* All indicators have been calculated based on consolidated financial data.

* Market capitalization is calculated by multiplying the closing share price as at the end of the fiscal year by the number of issued shares as at the end of the fiscal year (after deducting treasury stock).

* For operating cash flow, cash flow from operating activities in the consolidated cash flow statement has been used.

Interest-bearing liabilities include all liabilities declared in the consolidated balance sheet for which interest is paid. For interest payment, the amount of interest paid according to the consolidated cash flow statement is used.

(4) Basic Policy for Profit Sharing and Dividends for the Fiscal Year Ended March 31, 2013 and the Fiscal Year Ending March 31, 2014

The Company regards the return of profits to shareholders as one of its most important priorities. We aim to maximize returns and maintain dividend stability, while also expanding our business operations, strengthening our financial position, increasing shareholders' equity and improving profit ratios.

The earnings retained by Nippon Express will be used for investments mainly in the development of logistics bases and the replacement of vehicles, to expand sales of our distribution and transportation services and improve our transportation efficiency. We will also utilize retained earnings to strengthen our financial position as well as our corporate foundation.

For this fiscal year, the Company plans to pay an annual dividend of ¥10, consisting of an interim dividend and a year-end dividend of ¥5 each (consolidated dividend payout ratio of 43.7%). For the fiscal year ending March 31, 2014, we plan to pay an annual dividend of ¥10, consisting of an interim dividend and a year-end dividend of ¥5 each (forecast consolidated dividend payout ratio of 42.0%).

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2011 (as of March 31, 2012)	FY2012 (as of March 31, 2013)
ASSETS		
Current assets:		
Cash and cash in banks	187,797	188,124
Notes receivable—trade	15,880	14,456
Accounts receivable—trade	241,822	233,460
Inventories	5,119	5,514
Advanced money	1,705	2,231
Prepaid expenses	8,405	9,439
Deferred tax assets	11,371	9,556
Lease investment assets	89,851	95,115
Other	27,101	30,864
Less: allowance for doubtful accounts	(843)	(1,085)
Total current assets	588,212	587,677
Noncurrent assets		
Property and equipment		
Vehicles	166,605	164,761
Less: accumulated depreciation	(147,808)	(146,125)
Vehicles, net	18,796	18,636
Buildings	536,869	546,114
Less: accumulated depreciation	(294,444)	(304,516)
Buildings, net	242,424	241,597
Structures	64,098	64,128
Less: accumulated depreciation	(50,279)	(51,242)
Structures, net	13,818	12,886
Machinery	65,086	65,137
Less: accumulated depreciation	(50,963)	(52,076)
Machinery, net	14,122	13,061
Tools, furniture and fixtures	89,567	91,946
Less: accumulated depreciation	(69,354)	(71,392)
Tools, furniture and fixtures, net	20,213	20,554
Vessels	15,791	19,023
Less: accumulated depreciation	(12,261)	(11,916)
Vessels, net	3,529	7,106
Land	169,870	169,581
Leased assets	4,913	5,108
Less: accumulated depreciation	(1,998)	(2,354)
Leased assets, net	2,914	2,753
Construction in progress	5,511	2,661
Net property and equipment	491,203	488,838
Intangible assets		
Leasehold right	6,923	6,686
Other	18,193	27,019
Total Intangible assets	25,117	33,705
Investments and other assets		
Investment securities	86,764	96,732
Long-term loans receivable	3,522	4,142
Long-term loan to employees	990	752
Long-term prepaid expense	3,773	3,745
Security deposit	14,369	15,302
Other	18,796	17,962
Less: allowance for doubtful accounts	(1,785)	(1,246)
Total investments and other assets	126,431	137,391
Total noncurrent assets	642,752	659,935
Total assets	1,230,964	1,247,612

(Unit: Millions of yen)

	FY2011 (as of March 31, 2012)	FY2012 (as of March 31, 2013)
LIABILITIES		
Current liabilities:		
Notes payable—trade	11,104	8,419
Accounts payable—trade	135,158	128,275
Short-term loans payable	78,556	64,007
Other Payables	29,987	31,450
Income taxes payable	15,449	6,527
Consumer tax payable	5,162	4,863
Unpaid expenses	17,083	18,482
Advance receipt	10,475	9,715
Deposits	58,201	78,006
Deposits from employees	29,486	29,472
Provision for bonuses	19,532	18,332
Provision for directors' bonus	139	130
Allowance for warranty and repair	119	65
Provision for loss on disaster	487	—
Other	10,656	11,090
Total current liabilities	421,601	408,838
Noncurrent liabilities:		
Bonds payable	80,000	80,000
Long-term loans payable	160,541	156,038
Provision for retirement benefits	38,870	46,914
Provision for directors' retirement benefits	394	408
Provision for special repairment	190	178
Deferred tax liabilities	14,054	15,239
Other	21,107	21,586
Total noncurrent liabilities	315,158	320,365
Total liabilities	736,759	729,203
NET ASSETS		
Shareholders' equity:		
Common stock	70,175	70,175
Additional paid-in capital	26,908	26,908
Retained earnings	392,305	401,902
Less: treasury stock	(11,549)	(6,078)
Total shareholders' equity	477,839	492,907
Accumulated other comprehensive income:		
Valuation differences on available-for-sale securities	27,756	35,358
Deferred gains (losses) on hedges	8	(17)
Foreign currency translation adjustments	(24,256)	(14,565)
Total accumulated other comprehensive income	3,508	20,776
Minority interests	12,858	4,725
Total net assets	494,205	518,409
Total liabilities and net assets	1,230,964	1,247,612

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Unit: Millions of yen)

	FY2011 (from April 1, 2011 to March 31, 2012)	FY2012 (from April 1, 2012 to March 31, 2013)
Revenues	1,628,027	1,613,327
Operating costs	1,519,353	1,505,619
Gross profit	108,674	107,707
Selling, general and administrative expenses		
Salaries, compensation, and welfare expenses	41,030	41,664
Depreciation and amortization	3,953	4,154
Advertising expenses	3,910	3,881
Provision for allowance for doubtful accounts	—	724
Other	22,283	24,075
Total selling, general and administrative expenses	71,177	74,501
Operating income	37,497	33,206
Non-operating income:		
Interest income	554	662
Dividends income	3,037	2,717
Gain on sales of vehicles	399	389
Equity in earnings of affiliates	455	540
Income from foreign exchange	2,217	2,040
Other	7,815	7,093
Total non-operating income	14,480	13,444
Non-operating expenses:		
Interest expenses	3,224	3,161
Loss on sale and retirement of vehicles	55	31
Other	1,255	1,957
Total non-operating expenses	4,536	5,150
Ordinary income	47,441	41,500
Extraordinary income:		
Gain on sales of noncurrent assets	7,586	4,563
Gain on sales of investment securities	146	272
Other	571	93
Total extraordinary income	8,304	4,929
Extraordinary loss:		
Loss on disposal of noncurrent assets	3,223	4,736
Loss on sales of investment securities	374	557
Loss on valuation of investment securities	196	46
Impairment loss	169	—
Loss on disaster	269	—
Settlement package with the United States Department of Justice	1,614	—
Extraordinary additional retirement benefits	—	1,030
Other	410	210
Total extraordinary loss	6,258	6,581
Income before income taxes and minority interests	49,487	39,847
Income taxes—current	20,092	16,251
Income taxes—deferred	1,635	(1,140)
Total income taxes etc.	21,727	15,110
Income before minority interests	27,759	24,737
Minority interests	809	906
Net income	26,949	23,831

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	FY2011 (from April 1, 2011 to March 31, 2012)	FY2012 (from April 1, 2012 to March 31, 2013)
Income before minority interests	27,759	24,737
Other comprehensive income:		
Valuation differences on available-for-sale securities	1,393	7,605
Deferred gains (losses) on hedges	(2)	(25)
Foreign currency translation adjustments	(4,071)	9,768
Share of other comprehensive income of affiliates accounted for using the equity method	(104)	277
Other comprehensive income	(2,784)	17,626
Comprehensive income	24,974	42,364
(Comprehensive income attributable to)		
Shareholders of Nippon Express	24,332	41,099
Minority interests	642	1,264

(3) Consolidated Statements of Changes in Net Assets

	(Unit: Millions of yen)	
	FY2011 (from April 1, 2011 to March 31, 2012)	FY2012 (from April 1, 2012 to March 31, 2013)
Shareholders' equity		
Common stock		
Balance at beginning of the year	70,175	70,175
Changes during the year		
Total changes during the year	—	—
Balance at end of the year	70,175	70,175
Additional paid-in capital		
Balance at beginning of the year	26,908	26,908
Changes during the year		
Total changes during the year	—	—
Balance at end of the year	26,908	26,908
Retained earnings		
Balance at beginning of the year	375,785	392,305
Changes during the year		
Cash dividends	(10,427)	(10,425)
Net income	26,949	23,831
Decrease in treasury stock	(1)	(12)
Changes by share exchanges	—	(3,796)
Total changes during the year	16,519	9,596
Balance at end of the year	392,305	401,902
Treasury stock		
Balance at beginning of the year	(11,542)	(11,549)
Changes during the year		
Increase in treasury stock	(11)	(8,973)
Decrease in treasury stock	4	26
Changes by share exchanges	—	14,418
Total changes during the year	(7)	5,471
Balance at end of the year	(11,549)	(6,078)
Total shareholders' equity		
Balance at beginning of the year	461,326	477,839
Changes during the year		
Cash dividends	(10,427)	(10,425)
Net income	26,949	23,831
Increase in treasury stock	(11)	(8,973)
Decrease in treasury stock	2	13
Changes by share exchanges	—	10,622
Total changes during the year	16,512	15,068
Balance at end of the year	477,839	492,907

	(Unit: Millions of yen)	
	FY2011 (from April 1, 2011 to March 31, 2012)	FY2012 (from April 1, 2012 to March 31, 2013)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at beginning of the year	26,370	27,756
Changes during the year		
Net changes in items other than shareholders' equity	1,386	7,601
Total changes during the year	1,386	7,601
Balance at end of the year	27,756	35,358
Deferred gains (losses) on hedges		
Balance at beginning of the year	9	8
Changes during the year		
Net changes in items other than shareholders' equity	(1)	(25)
Total changes during the year	(1)	(25)
Balance at end of the year	8	(17)
Foreign currency translation adjustments		
Balance at beginning of the year	(20,255)	(24,256)
Changes during the year		
Net changes in items other than shareholders' equity	(4,001)	9,691
Total changes during the year	(4,001)	9,691
Balance at end of the year	(24,256)	(14,565)
Total accumulated other comprehensive income		
Balance at beginning of the year	6,125	3,508
Changes during the year		
Net changes in items other than shareholders' equity	(2,616)	17,268
Total changes during the year	(2,616)	17,268
Balance at end of the year	3,508	20,776
Minority interests		
Balance at beginning of the year	12,446	12,858
Changes during the year		
Net changes in items other than shareholders' equity	411	(8,132)
Total changes during the year	411	(8,132)
Balance at end of the year	12,858	4,725
Total net assets		
Balance at beginning of the year	479,898	494,205
Changes during the year		
Cash dividends	(10,427)	(10,425)
Net income	26,949	23,831
Increase in treasury stock	(11)	(8,973)
Decrease in treasury stock	2	13
Changes by share exchanges	—	10,622
Net changes in items other than shareholders' equity	(2,205)	9,135
Total changes during the year	14,307	24,203
Balance at end of the year	494,205	518,409

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2011 (from April 1, 2011 to March 31, 2012)	FY2012 (from April 1, 2012 to March 31, 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	49,487	39,847
Depreciation and amortization	48,390	46,101
Impairment loss	169	—
Extraordinary additional retirement benefits	—	1,030
Loss on disaster	269	—
Settlement package with the United States Department of Justice	1,614	—
Loss on sale or write-down of securities, net	425	331
Gain on sale or disposal of property and equipment, net	(4,706)	(184)
Increase (decrease) in provision for bonus	428	(1,281)
Increase (decrease) in provision for retirement benefits	1,466	7,719
Interest and dividend income	(3,592)	(3,380)
Interest expense	3,224	3,161
Equity in earnings of unconsolidated subsidiaries and affiliates	(455)	(540)
(Increase) decrease in trade receivables	(26,807)	15,282
(Increase) decrease in inventories	(317)	(377)
Increase (decrease) in accounts payable	19,362	(13,604)
Increase (decrease) in consumption taxes etc. payable	311	(232)
Other	20,225	15,970
Sub-total	109,494	109,843
Interest and dividends received	3,881	3,636
Interest paid	(3,230)	(3,265)
Payment for extraordinary additional retirement benefits	—	(1,030)
Payment for loss on disaster	(2,458)	(450)
Payment for settlement package with the United States Department of Justice paid	—	(1,735)
Income taxes paid	(9,881)	(24,978)
Net cash provided by operating activities	97,806	82,018
Cash flows from investment activities		
Payment for purchase of securities	(1,570)	(2,971)
Proceeds from sale of securities	581	4,791
Payment for purchase of property and equipment	(42,592)	(49,990)
Proceeds from sales of property and equipment	14,465	7,161
Payment of purchase of consolidated subsidiary due to change in scope of consolidation	—	(8,100)
Other	(2,447)	(1,874)
Net cash used in investment activities	(31,563)	(50,984)
Cash flows from financing activities		
Change in short-term loans payable	(115)	2,660
Change in commercial paper	2,000	2,500
Proceeds from long-term loans payable	36,575	53,406
Payment of long-term loans payable	(46,988)	(75,417)
Proceeds from issuance of bonds	30,000	—
Proceeds from stock issuance to minority shareholders	19	33
Cash dividends	(10,427)	(10,425)
Purchase of treasury stock	(11)	(8,973)
Other	(923)	(863)
Net cash provided by (used in) financing activities	10,129	(37,080)
Effect of exchange rate changes on cash	(1,821)	4,935
Net increase (decrease) in cash and cash equivalents	74,551	(1,110)
Cash and cash equivalents at beginning of year	107,062	181,614
Cash and cash equivalents at end of year	181,614	180,503

7. Reference Materials

(1) Consolidated Reference Materials

○ Financial Results of Reportable Segment for FY2012

(Unit: Millions of yen, %)

					FY2012	FY2011	Change			
							Amount	Ratio		
Revenues	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	699,287	704,717	(5,429)	(0.8)		
				Security Transportation	58,842	58,764	77	0.1		
				Heavy Haulage & Construction	37,186	40,048	(2,861)	(7.1)		
				Air Freight Forwarding	182,143	205,407	(23,264)	(11.3)		
				Marine & Harbor Transportation	124,207	125,654	(1,447)	(1.2)		
			Subtotal				1,101,666	1,134,593	(32,926)	(2.9)
			Overseas Companies	The Americas	54,028	42,963	11,064	25.8		
				Europe	44,230	46,453	(2,222)	(4.8)		
				East Asia	68,812	72,967	(4,154)	(5.7)		
				South Asia & Oceania	44,291	44,811	(520)	(1.2)		
				Subtotal				211,363	207,196	4,166
			Total				1,313,029	1,341,789	(28,759)	(2.1)
			Goods Sales				383,738	374,076	9,662	2.6
			Other				41,802	40,368	1,433	3.6
	Subtotal				1,738,570	1,756,234	(17,663)	(1.0)		
Adjustment				(125,242)	(128,206)	2,963	—			
Total				1,613,327	1,628,027	(14,700)	(0.9)			
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	[1.0] 7,084	[1.0] 6,941	142	2.1		
				Security Transportation	[3.0] 1,793	[3.2] 1,899	(105)	(5.6)		
				Heavy Haulage & Construction	[7.9] 2,935	[9.5] 3,817	(882)	(23.1)		
				Air Freight Forwarding	[2.2] 3,982	[3.2] 6,579	(2,596)	(39.5)		
				Marine & Harbor Transportation	[3.8] 4,665	[4.1] 5,100	(434)	(8.5)		
			Subtotal				[1.9] 20,462	[2.1] 24,339	(3,876)	(15.9)
			Overseas Companies	The Americas	[3.9] 2,091	[3.9] 1,682	409	24.3		
				Europe	[3.5] 1,544	[4.1] 1,895	(351)	(18.5)		
				East Asia	[1.9] 1,328	[3.2] 2,344	(1,016)	(43.3)		
				South Asia & Oceania	[3.8] 1,698	[3.7] 1,651	47	2.9		
				Subtotal				[3.2] 6,662	[3.7] 7,573	(910)
			Total				[2.1] 27,125	[2.4] 31,913	(4,787)	(15.0)
			Goods Sales				[1.5] 5,825	[1.9] 6,961	(1,136)	(16.3)
			Other				[4.1] 1,713	[4.8] 1,942	(228)	(11.8)
			Subtotal				[2.0] 34,664	[2.3] 40,817	(6,152)	(15.1)
			Adjustment				(1,458)	(3,320)	1,861	—
			Total				[2.1] 33,206	[2.3] 37,497	(4,290)	(11.4)

(Notes) 1. Figures in brackets indicate Operating Margins.

2. From the consolidated fiscal year under review, the name of the “Air Freight Forwarding & Travel” segment has been changed to “Air Freight Forwarding.” The change was made to the name only; the classification of the business segment remained unchanged.

○ Projection of Consolidated Financial Results for FY2013

(Unit: Millions of yen, %)

					FY2013		FY2012		Change	
									Amount	Ratio
Revenues	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business		705,400		699,287	6,112	0.9
				Security Transportation		54,700		58,842	(4,142)	(7.0)
				Heavy Haulage & Construction		33,100		37,186	(4,086)	(11.0)
				Air Freight Forwarding		189,900		182,143	7,756	4.3
				Marine & Harbor Transportation		130,200		124,207	5,992	4.8
				Subtotal		1,113,300		1,101,666	11,633	1.1
			Overseas Companies	The Americas		70,300		54,028	16,271	30.1
				Europe		70,600		44,230	26,369	59.6
				East Asia		81,400		68,812	12,587	18.3
				South Asia & Oceania		52,900		44,291	8,608	19.4
				Subtotal		275,200		211,363	63,836	30.2
			Total			1,388,500		1,313,029	75,470	5.7
			Goods Sales			390,700		383,738	6,961	1.8
			Other			42,600		41,802	797	1.9
			Subtotal			1,821,800		1,738,570	83,229	4.8
			Adjustment			(131,800)		(125,242)	(6,557)	—
			Total			1,690,000		1,613,327	76,672	4.8
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	[1.5]	10,530	[1.0]	7,084	3,445	48.6
				Security Transportation	[3.0]	1,630	[3.0]	1,793	(163)	(9.1)
				Heavy Haulage & Construction	[4.2]	1,380	[7.9]	2,935	(1,555)	(53.0)
				Air Freight Forwarding	[2.2]	4,230	[2.2]	3,982	247	6.2
				Marine & Harbor Transportation	[4.3]	5,610	[3.8]	4,665	944	20.2
				Subtotal	[2.1]	23,380	[1.9]	20,462	2,917	14.3
			Overseas Companies	The Americas	[3.1]	2,150	[3.9]	2,091	58	2.8
				Europe	[3.2]	2,290	[3.5]	1,544	745	48.3
				East Asia	[3.0]	2,460	[1.9]	1,328	1,131	85.2
				South Asia & Oceania	[4.1]	2,160	[3.8]	1,698	461	27.2
				Subtotal	[3.3]	9,060	[3.2]	6,662	2,397	36.0
			Total		[2.3]	32,440	[2.1]	27,125	5,314	19.6
			Goods Sales		[1.5]	5,690	[1.5]	5,825	(135)	(2.3)
			Other		[4.1]	1,740	[4.1]	1,713	26	1.5
			Subtotal		[2.2]	39,870	[2.0]	34,664	5,205	15.0
			Adjustment			(2,870)		(1,458)	(1,411)	—
			Total		[2.2]	37,000	[2.1]	33,206	3,793	11.4

(Note) Figures in brackets indicate Operating Margins.

○ Projection for First Half of FY2013
(Reportable Segment)

(Unit: Millions of yen, %)

(Unit: Millions of yen, %)

				First half of FY2013	First half of FY2012	Change				
						Amount	Ratio			
Revenues	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	348,700	346,034	2,665	0.8		
				Security Transportation	27,700	29,411	(1,711)	(5.8)		
				Heavy Haulage & Construction	17,300	19,177	(1,877)	(9.8)		
				Air Freight Forwarding	96,100	93,535	2,564	2.7		
				Marine & Harbor Transportation	64,900	63,044	1,855	2.9		
				Subtotal	554,700	551,203	3,496	0.6		
			Overseas Companies	The Americas	34,600	26,085	8,514	32.6		
				Europe	34,100	22,242	11,857	53.3		
				East Asia	41,400	34,423	6,976	20.3		
				South Asia & Oceania	24,400	22,615	1,784	7.9		
				Subtotal	134,500	105,367	29,132	27.6		
			Total				689,200	656,571	32,628	5.0
			Goods Sales				189,000	183,767	5,232	2.8
			Other				20,900	19,126	1,773	9.3
			Subtotal				899,100	859,465	39,634	4.6
			Adjustment				(64,100)	(60,723)	(3,376)	—
			Total				835,000	798,742	36,257	4.5
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	[1.0] 3,380	[0.4] 1,511	1,868	123.6		
				Security Transportation	[3.6] 1,010	[3.1] 923	86	9.4		
				Heavy Haulage & Construction	[4.2] 730	[9.6] 1,839	(1,109)	(60.3)		
				Air Freight Forwarding	[2.2] 2,080	[2.0] 1,888	191	10.1		
				Marine & Harbor Transportation	[4.8] 3,130	[4.9] 3,085	44	1.4		
				Subtotal	[1.9] 10,330	[1.7] 9,248	1,081	11.7		
			Overseas Companies	The Americas	[2.9] 1,010	[3.7] 978	31	3.3		
				Europe	[2.4] 820	[2.6] 569	250	43.9		
				East Asia	[3.0] 1,260	[2.3] 795	464	58.4		
				South Asia & Oceania	[4.3] 1,060	[4.6] 1,040	19	1.9		
				Subtotal	[3.1] 4,150	[3.2] 3,384	765	22.6		
			Total				[2.1] 14,480	[1.9] 12,633	1,846	14.6
			Goods Sales				[1.4] 2,610	[1.8] 3,288	(678)	(20.6)
			Other				[3.1] 640	[3.3] 638	1	0.2
			Subtotal				[2.0] 17,730	[1.9] 16,560	1,169	7.1
			Adjustment				(1,730)	(817)	(912)	—
			Total				[1.9] 16,000	[2.0] 15,743	256	1.6

(Note) Figures in brackets indicate Operating Margins.

○ Changes in number of employees as of year end

(Unit: Persons, %)

	Mar. end 2013	Sep. end 2012	Mar. end 2012	Change (vs Mar. end 2012)	
				Amount	Ratio
Distribution & Transportation	61,519	62,053	62,421	(902)	(1.4)
Goods Sales	2,556	2,605	2,599	(43)	(1.7)
Other	737	702	717	20	2.8
Eliminations	22	22	22	—	—
Total	64,834	65,382	65,759	(925)	(1.4)

○ Capital expenditures

(Unit: Millions of yen)

	Actual amount in FY2012
Vehicles	8,805
Buildings	14,524
Land	1,250
Leased assets	8,362
Other	16,100
Total	49,043

Major investment

(Unit: Millions of yen)

Company	Amount	Note
Nippon Express	21,879	Kobe International Distribute Center (K-DIC) ¥950 million, etc.
Nippon Shipping Co.,Ltd.	3,851	Coastal shipping system vessel

* Amount for Nippon Express does not include leased assets.

(Unit: Millions of yen)

	Forecast for FY2013
Vehicles	10,400
Buildings	19,300
Land	900
Leased assets	8,500
Other	20,900
Total	60,000

Major plans

(Unit: Millions of yen)

Company	Amount	Note
Nippon Express	30,000	Reconstruction of Baraki Air Cargo Distribution Center ¥3,919 million, etc.
Nippon Express (China) Co., Ltd.	1,251	New warehouse in Shanghai

* Amount for Nippon Express does not include leased assets.

(2) Non-consolidated Reference Materials

○ Details of revenues and operating income for FY2012

(Unit: Millions of yen, %)

			FY2012		FY2011		Change		
				% in Sales		% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation		84,883	8.3	85,341	8.1	(458)	(0.5)	
	Motor transportation	Combined delivery services	79,368	7.7	82,598	7.8	(3,230)	(3.9)	
		Chartered truck services	268,771	26.2	275,623	26.0	(6,852)	(2.5)	
		Subtotal	348,139	33.9	358,221	33.8	(10,082)	(2.8)	
	Marine and harbor transportation	Marine transportation	64,087	6.3	61,503	5.8	2,584	4.2	
		Harbor transportation	56,435	5.5	58,790	5.5	(2,354)	(4.0)	
		Subtotal	120,522	11.8	120,293	11.3	229	0.2	
		(Exports)	[58,042]	—	[57,002]	—	[1,040]	[1.8]	
		(Imports)	[37,351]	—	[38,327]	—	[(975)]	[(2.5)]	
		(Domestic)	[25,128]	—	[24,964]	—	[164]	[0.7]	
	Warehousing		108,254	10.6	103,985	9.8	4,269	4.1	
	Air transportation	Air freight forwarding	International air freight	100,485	9.8	123,096	11.6	(22,611)	(18.4)
			(Exports)	[80,336]	—	[102,303]	—	[(21,967)]	[(21.5)]
			(Imports)	[20,149]	—	[20,792]	—	[(643)]	[(3.1)]
			Domestic air freight	38,083	3.7	39,036	3.7	(953)	(2.4)
			Subtotal	138,568	13.5	162,132	15.3	(23,564)	(14.5)
		Travel	2,374	0.2	4,548	0.4	(2,174)	(47.8)	
		Subtotal	140,942	13.7	166,681	15.7	(25,738)	(15.4)	
	Heavy haulage & construction		46,474	4.5	49,697	4.7	(3,222)	(6.5)	
Incidental operations and others		175,927	17.2	175,486	16.6	441	0.3		
Total		1,025,145	100.0	1,059,708	100.0	(34,562)	(3.3)		
(Domestic operation-related revenues)		[807,272]	78.7	[816,183]	77.0	[(8,911)]	[(1.1)]		
(International operation-related revenues)		[217,873]	21.3	[243,525]	23.0	[(25,651)]	[(10.5)]		
Operating expenses	Employment costs	Drivers/workers	117,379	11.5	118,431	11.2	(1,051)	(0.9)	
		Office personnel	139,645	13.6	142,848	13.5	(3,202)	(2.2)	
		Subtotal	257,025	25.1	261,279	24.7	(4,253)	(1.6)	
	Forwarding costs	Railway	44,223	4.3	44,406	4.2	(182)	(0.4)	
		Marine	21,731	2.1	20,199	1.9	1,532	7.6	
		Air	48,075	4.7	66,035	6.2	(17,959)	(27.2)	
		Subtotal	114,031	11.1	130,641	12.3	(16,609)	(12.7)	
	Vehicle chartering and subcontracting costs		409,980	40.0	413,616	39.0	(3,636)	(0.9)	
	Depreciation and amortization		31,007	3.0	33,016	3.1	(2,009)	(6.1)	
	Facility usage charges		72,055	7.0	73,363	6.9	(1,307)	(1.8)	
	Other		124,798	12.2	126,842	12.0	(2,044)	(1.6)	
	Total		1,008,898	98.4	1,038,760	98.0	(29,861)	(2.9)	
Operating income		16,247	1.6	20,948	2.0	(4,700)	(22.4)		

○ Details of revenues for the first and second half of FY2012

(Unit: Millions of yen, %)

			FY2012		FY2011		Change		
				% in Sales		% in Sales	Amount	Ratio	
1H of revenues	Railway utilization transportation		41,453	8.0	40,533	7.7	920	2.3	
	Motor transportation	Combined delivery services	38,427	7.4	40,777	7.7	(2,350)	(5.8)	
		Chartered truck services	134,684	26.2	138,857	26.3	(4,173)	(3.0)	
		Subtotal	173,111	33.6	179,635	34.0	(6,523)	(3.6)	
	Marine and harbor transportation	Marine transportation	32,434	6.3	31,027	5.9	1,406	4.5	
		Harbor transportation	29,121	5.7	29,935	5.7	(814)	(2.7)	
		Subtotal	61,555	12.0	60,962	11.6	592	1.0	
		(Exports)	[29,827]	—	[29,059]	—	[768]	[2.6]	
		(Imports)	[19,115]	—	[19,650]	—	[(534)]	[(2.7)]	
		(Domestic)	[12,611]	—	[12,253]	—	[358]	[2.9]	
	Warehousing		53,473	10.4	52,782	10.0	690	1.3	
	Air transportation	Air freight forwarding	International air freight	52,930	10.3	61,323	11.6	(8,393)	(13.7)
			(Exports)	[42,700]	—	[51,075]	—	[(8,375)]	[(16.4)]
			(Imports)	[10,230]	—	[10,248]	—	[(18)]	[(0.2)]
			Domestic air freight	18,958	3.7	19,357	3.7	(398)	(2.1)
		Subtotal	71,889	14.0	80,681	15.3	(8,792)	(10.9)	
		Travel	2,319	0.4	2,041	0.4	278	13.6	
Subtotal		74,209	14.4	82,723	15.7	(8,514)	(10.3)		
Heavy haulage and construction		23,954	4.7	24,161	4.6	(206)	(0.9)		
Incidental operations and others		86,793	16.9	86,552	16.4	241	0.3		
Total		514,551	100.0	527,351	100.0	(12,800)	(2.4)		
(Domestic operation-related revenues)		[400,917]	77.9	[405,329]	76.9	[(4,412)]	[(1.1)]		
(International operation-related revenues)		[113,634]	22.1	[122,021]	23.1	[(8,387)]	[(6.9)]		
2H of sales	Railway utilization transportation		43,429	8.5	44,808	8.4	(1,378)	(3.1)	
	Motor transportation	Combined delivery services	40,941	8.0	41,820	7.9	(879)	(2.1)	
		Chartered truck services	134,086	26.3	136,765	25.7	(2,679)	(2.0)	
		Subtotal	175,027	34.3	178,586	33.6	(3,558)	(2.0)	
	Marine and harbor transportation	Marine transportation	31,653	6.2	30,476	5.7	1,177	3.9	
		Harbor transportation	27,313	5.3	28,854	5.4	(1,540)	(5.3)	
		Subtotal	58,967	11.5	59,330	11.1	(363)	(0.6)	
		(Exports)	[28,214]	—	[27,943]	—	[271]	[1.0]	
		(Imports)	[18,236]	—	[18,677]	—	[(441)]	[(2.4)]	
		(Domestic)	[12,516]	—	[12,710]	—	[(193)]	[(1.5)]	
	Warehousing		54,781	10.7	51,202	9.6	3,578	7.0	
	Air transportation	Air freight forwarding	International air freight	47,554	9.3	61,772	11.6	(14,217)	(23.0)
			(Exports)	[37,635]	—	[51,228]	—	[(13,592)]	[(26.5)]
			(Imports)	[9,919]	—	[10,544]	—	[(625)]	[(5.9)]
			Domestic air freight	19,124	3.8	19,678	3.7	(554)	(2.8)
		Subtotal	66,679	13.1	81,451	15.3	(14,772)	(18.1)	
		Travel	54	0.0	2,506	0.5	(2,452)	(97.8)	
Subtotal		66,733	13.1	83,958	15.8	(17,224)	(20.5)		
Heavy haulage and construction		22,520	4.4	25,536	4.8	(3,015)	(11.8)		
Incidental operations and others		89,133	17.5	88,934	16.7	199	0.2		
Total		510,594	100.0	532,356	100.0	(21,762)	(4.1)		
(Domestic operation-related revenues)		[406,354]	79.6	[410,853]	77.2	[(4,498)]	[(1.1)]		
(International operation-related revenues)		[104,239]	20.4	[121,503]	22.8	[(17,263)]	[(14.2)]		

○ Changes in number of employees as of year end

(Unit: Person, %)

		Mar. end 2013	Sep. end 2012	Mar. end 2012	Change (vs Mar. end 2012)	
					Change	Ratio
Drivers /workers	Nationwide employees	1,001	1,060	1,138	(137)	(12.0)
	Other employees	16,833	17,258	17,236	(403)	(2.3)
	Subtotal	17,834	18,318	18,374	(540)	(2.9)
Office personnel	Nationwide employees	12,248	12,674	12,827	(579)	(4.5)
	Other employees	4,230	4,492	4,516	(286)	(6.3)
	Subtotal	16,478	17,166	17,343	(865)	(5.0)
Total		34,312	35,484	35,717	(1,405)	(3.9)

○ Cash flows

(Unit: Millions of yen)

	FY2012	FY2011	Change
Cash and cash equivalents at beginning of the year	88,900	56,903	31,996
Cash flows from operating activities	68,811	70,601	(1,790)
Cash flows from investment activities	15,538	(51,643)	67,182
Cash flows from financing activities	(45,363)	13,039	(58,402)
Cash and cash equivalents at end of the year	127,886	88,900	38,985

○ Capital expenditures

(Unit: Millions of yen)

	Actual amount in FY2012
Vehicle	5,604
Buildings	8,707
Land	387
Software	3,919
Other	3,260
Total	21,879

* Major investment

(Unit: Millions of yen)

Type	Description	m ²	Amount
Building	Kobe International Distribute Center (K-DIC)	4,034	950
Building	Tennoji Logistics Center	11,509	751

(Unit: Millions of yen)

	Forecasted amount in FY2013
Vehicle	5,800
Buildings	11,900
Land	700
Software	7,200
Other	4,400
Total	30,000

* Major investment

(Unit: Millions of yen)

Type	Description	(Planned to complete)	m ²	Amount
Building	Reconstruction of Baraki Air Cargo Distribution Center	(January 2014)	11,048	3,919
Software	Operation Support System	(April 2014)	—	1,290

○ Projection for FY2013

(Unit: Millions of yen, %)

			FY2013		FY2012		Change		
				% in Sales		% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation		86,000	8.3	84,883	8.3	1,116	1.3	
	Motor transportation	Combined delivery services	79,300	7.7	79,368	7.7	(68)	(0.1)	
		Chartered truck services	264,100	25.5	268,771	26.2	(4,671)	(1.7)	
		Subtotal	343,400	33.2	348,139	33.9	(4,739)	(1.4)	
	Marine and harbor transportation	Marine transportation	67,400	6.5	64,087	6.3	3,312	5.2	
		Harbor transportation	57,800	5.6	56,435	5.5	1,364	2.4	
		Subtotal	125,200	12.1	120,522	11.8	4,677	3.9	
	Warehousing		113,000	10.9	108,254	10.6	4,745	4.4	
	Air transportation	Air freight forwarding	International air freight	108,100	10.5	100,485	9.8	7,614	7.6
			Domestic air freight	38,400	3.7	38,083	3.7	316	0.8
			Subtotal	146,500	14.2	138,568	13.5	7,931	5.7
		Travel		—	—	2,374	0.2	(2,374)	(100.0)
		Subtotal		146,500	14.2	140,942	13.7	5,557	3.9
	Heavy haulage and construction		42,600	4.1	46,474	4.5	(3,874)	(8.3)	
	Incidental operations and others		178,300	17.2	175,927	17.2	2,372	1.3	
Total			1,035,000	100.0	1,025,145	100.0	9,854	1.0	
Operating expenses	Employee costs	Drivers/workers	116,000	11.2	117,379	11.5	(1,379)	(1.2)	
		Office personnel	138,500	13.4	139,645	13.6	(1,145)	(0.8)	
		Subtotal	254,500	24.6	257,025	25.1	(2,525)	(1.0)	
	Forwarding costs	Railway	44,800	4.3	44,223	4.3	576	1.3	
		Marine	23,400	2.3	21,731	2.1	1,668	7.7	
		Air	51,100	4.9	48,075	4.7	3,024	6.3	
		Subtotal	119,300	11.5	114,031	11.1	5,268	4.6	
	Vehicle chartering and subcontracting costs		415,900	40.2	409,980	40.0	5,919	1.4	
	Depreciation and amortization		29,900	2.9	31,007	3.0	(1,107)	(3.6)	
	Facility usage charges		72,800	7.0	72,055	7.0	744	1.0	
	Other		124,600	12.1	124,798	12.2	(198)	(0.2)	
	Total			1,017,000	98.3	1,008,898	98.4	8,101	0.8
Operating income			18,000	1.7	16,247	1.6	1,752	10.8	
Non-operating income			10,300	1.0	10,533	1.0	(233)	(2.2)	
Non-operating expenses			4,300	0.4	4,430	0.4	(130)	(2.9)	
Ordinary income			24,000	2.3	22,350	2.2	1,649	7.4	
Extraordinary income			2,900	0.3	3,002	0.3	(102)	(3.4)	
Extraordinary loss			5,800	0.6	6,258	0.6	(458)	(7.3)	
Income before income taxes			21,100	2.0	19,094	1.9	2,005	10.5	
Income taxes			8,100	0.8	6,503	0.7	1,596	24.5	
Net income			13,000	1.3	12,590	1.2	409	3.3	

○ Projection for the First Half of FY2013

(Unit: Millions of yen, %)

			First half of FY2013		First half of FY2012		Change		
				% in Sales		% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation		41,900	8.1	41,453	8.0	446	1.1	
	Motor transportation	Combined delivery services	38,400	7.5	38,427	7.4	(27)	(0.1)	
		Chartered truck services	132,600	25.7	134,684	26.2	(2,084)	(1.5)	
		Subtotal	171,000	33.2	173,111	33.6	(2,111)	(1.2)	
	Marine and harbor transportation	Marine transportation	33,900	6.6	32,434	6.3	1,465	4.5	
		Harbor transportation	29,600	5.7	29,121	5.7	478	1.6	
		Subtotal	63,500	12.3	61,555	12.0	1,944	3.2	
	Warehousing		56,000	10.9	53,473	10.4	2,526	4.7	
	Air transportation	Air freight forwarding	International air freight	55,400	10.7	52,930	10.3	2,469	4.7
			Domestic air freight	19,100	3.7	18,958	3.7	141	0.7
			Subtotal	74,500	14.4	71,889	14.0	2,610	3.6
		Travel		—	—	2,319	0.4	(2,319)	(100.0)
		Subtotal		74,500	14.4	74,209	14.4	290	0.4
	Heavy haulage and construction		21,300	4.1	23,954	4.7	(2,654)	(11.1)	
	Incidental operations and others		87,800	17.0	86,793	16.9	1,006	1.2	
	Total			516,000	100.0	514,551	100.0	1,448	0.3
Operating expenses	Employee nt costs	Drivers/workers	58,000	11.2	58,806	11.4	(806)	(1.4)	
		Office personnel	70,000	13.5	70,849	13.8	(849)	(1.2)	
		Subtotal	128,000	24.7	129,656	25.2	(1,656)	(1.3)	
	Forwarding costs	Railway	22,000	4.3	21,745	4.2	254	1.2	
		Marine	11,400	2.2	10,572	2.1	827	7.8	
		Air	26,400	5.1	25,717	5.0	682	2.7	
	Subtotal		59,800	11.6	58,036	11.3	1,763	3.0	
	Vehicle chartering and subcontracting costs		207,900	40.3	206,010	40.0	1,889	0.9	
	Depreciation and amortization		14,300	2.8	15,210	3.0	(910)	(6.0)	
	Facility usage charges		36,400	7.1	35,878	7.0	521	1.5	
	Other		62,100	12.0	62,436	12.1	(336)	(0.5)	
	Total			508,500	98.5	507,228	98.6	1,271	0.3
Operating income			7,500	1.5	7,323	1.4	176	2.4	
Non-operating income			5,200	1.0	5,377	1.1	(177)	(3.3)	
Non-operating expenses			1,700	0.4	1,891	0.4	(191)	(10.1)	
Ordinary income			11,000	2.1	10,809	2.1	190	1.8	
Extraordinary income			1,400	0.3	1,502	0.3	(102)	(6.8)	
Extraordinary loss			2,100	0.4	2,942	0.6	(842)	(28.6)	
Income before income taxes			10,300	2.0	9,369	1.8	930	9.9	
Income taxes			4,300	0.8	4,269	0.8	30	0.7	
Net income			6,000	1.2	5,100	1.0	899	17.6	