

May 8, 2014

Summary of Consolidated Earnings Report for the Fiscal Year Ended March 31, 2014 (Japanese GAAP)

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

Listed stock exchanges: Tokyo

Code: **9062**(URL <http://www.nipponexpress.com> (English))(URL <http://www.nittsu.co.jp> (Japanese))

Representative: President, CEO

Kenji Watanabe

Scheduled date for General Shareholders' Meeting: June 27, 2014 Scheduled date of dividend payment: June 30, 2014

Scheduled date for release of Securities Report: June 27, 2014

Availability of supplementary briefing material on annual financial results: Available

(Millions of yen, rounded down)

1. Consolidated Financial Results for Fiscal Year Ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(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, 2014	1,752,468	8.6	40,865	23.1	50,156	20.9	26,345	10.5
Fiscal Year Ended Mar. 31, 2013	1,613,327	(0.9)	33,206	(11.4)	41,500	(12.5)	23,831	(11.6)

(Note) Comprehensive income:

Fiscal Year Ended Mar. 31, 2014: ¥50,679 million [19.6%]

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

	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, 2014	25.62	—	5.2	3.8	2.3
Fiscal Year Ended Mar. 31, 2013	22.89	—	4.8	3.3	2.1

(Reference) Investment gain or loss on equity method:

Fiscal Year Ended Mar. 31, 2014: ¥796 million

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

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of Mar. 31, 2014	1,377,443	509,954	36.0	483.38
As of Mar. 31, 2013	1,247,612	518,409	41.2	489.39

(Reference) Equity: As of Mar. 31, 2014: ¥495,881 million

As of Mar. 31, 2013: ¥513,683 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, 2014	44,207	(58,165)	5,835	179,029
Fiscal Year Ended Mar. 31, 2013	82,018	(50,984)	(37,080)	180,503

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, 2013	—	5.00	—	5.00	10.00	10,460	43.7	2.1
Fiscal Year Ended Mar. 31, 2014	—	5.00	—	5.00	10.00	10,258	39.0	2.1
Fiscal Year Ending Mar. 31, 2015 (Forecast)	—	5.00	—	5.00	10.00		34.2	

3. Forecast of Consolidated Financial Results for FY2014 (from April 1, 2014 to March 31, 2015)

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim of year	900,000	7.7	20,000	14.6	24,000	7.2	16,000	114.9	15.60
Full year	1,870,000	6.7	45,000	10.1	53,000	5.7	30,000	13.9	29.24

*Notes

- (1) Significant changes of subsidiaries during the period under review (affecting specific subsidiaries due to changes in scope of consolidation): No
- (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: No
 - 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, 2014 | 1,062,299,281 shares | As of Mar. 31, 2013 | 1,062,299,281 shares |
| 2) Total number of treasury stocks at end of period | As of Mar. 31, 2014 | 36,445,417 shares | As of Mar. 31, 2013 | 12,657,623 shares |
| 3) Average number of shares during period | Fiscal Year Ended Mar. 31, 2014 | 1,028,194,227 shares | Fiscal Year Ended Mar. 31, 2013 | 1,040,944,308 shares |

(Reference) Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(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, 2014	1,044,266	1.9	23,975	47.6	31,171	39.5	16,818	33.6
Fiscal Year Ended Mar. 31, 2013	1,025,145	(3.3)	16,247	(22.4)	22,350	(19.6)	12,590	(8.8)

	Net income per share	Diluted net income per share
	¥	¥
Fiscal Year Ended Mar. 31, 2014	16.36	—
Fiscal Year Ended Mar. 31, 2013	12.10	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of Mar. 31, 2014	879,504	349,913	39.8	341.09
As of Mar. 31, 2013	846,330	350,028	41.4	333.47

(Reference) Equity: As of Mar. 31, 2014: ¥349,913 million As of Mar. 31, 2013: ¥350,028 million

2. Forecast of Non-consolidated Financial Results for FY2014 (from April 1, 2014 to March 31, 2015)

(%: compared with the previous period)

	Revenues		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥
Interim of year	525,000	2.2	14,000	3.2	11,000	437.5	10.72
Full year	1,060,000	1.5	33,000	5.9	20,000	18.9	19.50

*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. Please refer to "1. Business Results and Analysis of Financial Position, (1) Analysis of Business Results (Performance Forecasts for Fiscal 2014) on page 5 for the use of preconditions of the financial forecasts and the use of the forecasts.

Nippon Express Co., Ltd. is planning to hold a briefing session for institutional investors and analysts on May 8, 2014. Materials provided shall be posted promptly after the session on the Company's website.

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, 2014.

1. Business Results and Analysis of Financial Position

(1) Analysis of Business Results

(Business Results for FY2013)

During the consolidated fiscal year ended March 31, 2014, the Japanese economy showed its upward momentum, as evidenced by signs of improvements in corporate profits and pickup in capital investment as increases in stock prices and yen depreciation continued as well as the increase in production and personal consumption until the end of the year as a result of the last-minute rise in demand before the increase in the consumption tax.

In the field of logistics, domestic freight transport demand increased overall, against the backdrop of these economic conditions. International freight transportation also gradually recovered overall, with such signs as improvements in exports as well as a continued increase in imports.

In this business environment, the Nippon Express Group made collective efforts to implement the strategies of "Further Expanding Our Global Logistics Business," "Strengthening Management Practices for Our Domestic Businesses," "Expanding Business by Utilizing the Diversity of Group Companies" and "Contributing to Society through Our Businesses in Accordance with Corporate Social Responsibility (CSR) Management" based on the three-year medium-term management plan "Nippon Express Group Corporate Strategy 2015 – Innovation and Moving Forward" that started from April 1, 2013.

Specifically, to respond to logistics needs that are becoming more diversified and sophisticated overseas, the Group has worked to develop new transportation services between multiple countries using various modes of transportation and further expand its global logistics business through efforts such as developing business bases in rapidly growing emerging countries.

Furthermore, in Japan, the Group has made efforts to establish a leaner organizational structure by effectively allocating business resources such as business bases and employees based on regional characteristics with sales branches positioned as the forefront of sales, while improving its cost structure through thorough management of variable costs.

In addition, the Group has actively advanced green logistics through measures such as working to enhance logistics services that support the business continuation abilities of customers through efforts including the establishment of new business bases equipped with in-house power generators with consideration of business continuations in the event of large-scale disasters, etc., the adoption of energy-savings initiatives utilizing IT, and the development of environmentally-friendly products.

As a result, revenues increased by ¥139.1 billion, or 8.6% year on year, to ¥1,752.4 billion, while ordinary income increased by ¥8.6 billion, or 20.9% year on year, to ¥50.1 billion. Net income increased by ¥2.5 billion, or 10.5% year on year, to ¥26.3 billion.

Financial results by reportable segment are summarized below.

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

As a result of strong performance in the warehouse and delivery center businesses and an increase in motor transportation transactions, segment sales were ¥721.7 billion, a year-on-year increase of ¥22.4 billion, or 3.2%, while operating income was ¥15.1 billion, a year-on-year increase of ¥8.0 billion, or 114.1%.

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

As a result of factors including a decrease in security transportation business transactions and a decrease in the unit prices of services, segment sales were down ¥4.1 billion, or 7.1% year on year, to ¥54.6 billion, while operating income was down by ¥0.6 billion, or 34.3% year on year, to ¥1.1 billion.

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

Mainly owing to a reduction in domestic construction such as plant construction, segment sales were down ¥0.5 billion, or 1.4% year on year, to ¥36.6 billion, while operating income was down by ¥1.0 billion, or 34.8% year on year, to ¥1.9 billion.

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

While domestic air freight held strong, as a result of a decrease in international air freight transportation demand, segment sales were down ¥0.4 billion, or 0.2% year on year, to ¥181.7 billion. Meanwhile, as a result of factors including a reduction in sales costs, operating income was up by ¥1.6 billion, or 40.9% year on year, to ¥5.6 billion.

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

Mainly owing to strong equipment export transactions, segment sales were up ¥7.5 billion, or 6.0% year on year, to ¥131.7 billion, while operating income was up by ¥0.4 billion, or 9.5% year on year, to ¥5.1 billion.

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 ¥15.0 billion, or 27.8% year on year, to ¥69.0 billion, and operating income rose by ¥0.7 billion, or 36.0% year on year, to ¥2.8 billion.

7. Europe (Distribution & Transportation, overseas companies)

As a result of factors including the contribution made by Franco Vago S.p.A. whose shares were acquired by the Company and the effect of exchange rates, segment sales were up ¥28.5 billion, or 64.6% year on year, to ¥72.7 billion, while operating income was down by ¥0.8 billion, or 53.4% year on year, to ¥0.7 billion.

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

As a result of factors including the contribution made by APC Asia Pacific Cargo (H.K.) Ltd. whose shares were acquired by the Company and the effect of exchange rates, segment sales were up ¥23.3 billion, or 33.9% year on year, to ¥92.1 billion, while operating income was down by ¥0.09 billion, or 7.2% year on year, to ¥1.2 billion.

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

As a result of factors including the effect of exchange rates, segment sales were up ¥7.0 billion, or 16.0% year on year, to ¥51.3 billion, while operating income was down by ¥0.2 billion, or 15.6% year on year, to ¥1.4 billion.

10. Goods Sales

Although segment sales increased by ¥29.1 billion, or 7.6% year on year, to ¥412.8 billion mainly due to an increase in the petroleum sales unit price, operating income was down by ¥0.9 billion, or 16.6% year on year, to ¥4.8 billion.

11. Other

As a result of factors including the contribution made by Nittsu Panasonic Logistics Co., Ltd. whose shares were acquired by the Company and an increase in the logistics finance business, etc., while segment sales were up ¥19.6 billion, or 47.0% year on year, to ¥61.4 billion, operating income was up by ¥0.3 billion, or 17.9% year on year, to ¥2.0 billion.

(Performance Forecasts for FY2014)

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," the Japanese economy showed its upward momentum, as evidenced by signs of improvement in corporate profits and pickup in capital investment as increases in stock prices and yen depreciation continued, and the trend is expected to continue going forward.

As for freight movement, while a rebound is expected following the last-minute rise in demand before the increase in the consumption tax, a gentle recovery is expected going forward accompanying the recovery of the economy.

In the domestic Distribution & Transportation, the Nippon Express Group will respond to freight transportation demand triggered by the increase in public investments and capital investments, and strengthen one-stop sales utilizing new business bases, while in the overseas Distribution & Transportation, the Group will respond to the growing global market

that includes the countries of South Asia, through measures including the establishment of new Group companies and the construction of new business bases such as warehouses. 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, 2015 as of the release date of this report are as follows.

Performance Forecasts of Consolidated Financial Results (Full year)

Revenues	¥1,870 billion (up 6.7% year on year)
Operating income	¥45 billion (up 10.1% year on year)
Ordinary income	¥53 billion (up 5.7% year on year)
Net income	¥30 billion (up 13.9% year on year)

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

Revenues	¥1,060 billion (up 1.5% year on year)
Operating income	¥27.5 billion (up 14.7% year on year)
Ordinary income	¥33 billion (up 5.9% year on year)
Net income	¥20 billion (up 18.9% 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.

(2) Analysis of Financial Position

Total assets as at the end of the fiscal year ended March 31, 2014 amounted to ¥1,377.4 billion, an increase of ¥129.8 billion or 10.4% from the end of the previous fiscal year.

Current assets amounted to ¥647.0 billion, an increase of ¥59.3 billion or 10.1% from the end of the previous fiscal year, while noncurrent assets totaled ¥730.3 billion, up ¥70.4 billion or 10.7% from the end of the previous fiscal year.

The primary factors behind the increase in current assets were increase in accounts 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 ended March 31, 2014 were ¥867.4 billion, an increase of ¥138.2 billion or 19.0 % from the end of the previous fiscal year.

Current liabilities increased by ¥28.6 billion or 7.0% from the end of the previous fiscal year to ¥ 437.4 billion, while noncurrent liabilities increased ¥109.6 billion or 34.2% to ¥430.0 billion from the end of the previous fiscal year.

The increase in current liabilities was primarily due to the increase in accounts payable—trade, etc.

The increase in noncurrent liabilities was mainly attributable to net retirement benefit liability due to application of the Accounting Standard for Retirement Benefits, etc.

Net assets amounted to ¥509.9 billion at the end of the fiscal year ended March 31, 2014, a decrease of ¥8.4 billion or 1.6%.

This was attributable to remeasurements of retirement benefit plans due to application of the Accounting Standard for Retirement Benefits, etc., despite the increase in retained earnings.

Net cash provided by operating activities amounted to ¥44.2 billion, a year-on-year decrease of ¥37.8 billion in proceeds. This was primarily due to the increase in trade receivables, etc.

Net cash used in investment activities totaled ¥58.1 billion, a year on year increase of ¥7.1 billion in expenditures. This was mainly due to the payment of purchase of consolidated subsidiary due to change in scope of consolidation, etc.

Net cash provided by financing activities amounted to ¥5.8 billion, a year-on-year increase of ¥42.9 billion in proceeds. This was mainly due to proceeds from long-term loans payable, etc.

As a result of the above, cash and cash equivalents at the end of the fiscal year ended March 31, 2014 decreased ¥1.4 billion year on year to ¥179.0 billion.

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

	FY2009	FY2010	FY2011	FY2012	FY2013
Equity ratio (%)	40.3	40.7	39.1	41.2	36.0
Marked-to-market equity ratio (%)	34.9	29.0	27.4	38.6	37.6
Ratio of cash flow to interest-bearing liabilities (years)	4.2	5.2	3.6	4.1	8.5
Interest coverage ratio (times)	23.4	17.9	30.3	25.1	14.3

(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.

(3) Basic Policy for Profit Sharing and Dividends for the Fiscal Year Ended March 31, 2014 and the Fiscal Year Ending March 31, 2015

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 39.0 %). For the fiscal year ending March 31, 2015, 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 34.2 %).

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2012 (as of March 31, 2013)	FY2013 (as of March 31, 2014)
ASSETS		
Current assets:		
Cash and cash in banks	188,124	186,297
Notes receivable—trade	14,456	14,540
Accounts receivable—trade	233,460	273,330
Inventories	5,514	8,722
Advanced money	2,231	2,112
Prepaid expenses	9,439	11,173
Deferred tax assets	9,556	11,847
Lease investment assets	95,115	108,062
Other	30,864	32,272
Less: allowance for doubtful accounts	(1,085)	(1,289)
Total current assets	587,677	647,069
Noncurrent assets:		
Property and equipment		
Vehicles	164,761	168,545
Less: accumulated depreciation	(146,125)	(146,512)
Vehicles, net	18,636	22,032
Buildings	546,114	563,251
Less: accumulated depreciation	(304,516)	(319,129)
Buildings, net	241,597	244,122
Structures	64,128	64,884
Less: accumulated depreciation	(51,242)	(52,188)
Structures, net	12,886	12,695
Machinery	65,137	71,134
Less: accumulated depreciation	(52,076)	(57,248)
Machinery, net	13,061	13,885
Tools, furniture and fixtures	91,946	99,002
Less: accumulated depreciation	(71,392)	(77,665)
Tools, furniture and fixtures, net	20,554	21,337
Vessels	19,023	17,799
Less: accumulated depreciation	(11,916)	(11,694)
Vessels, net	7,106	6,105
Land	169,581	174,248
Leased assets	5,108	14,569
Less: accumulated depreciation	(2,354)	(4,095)
Leased assets, net	2,753	10,474
Construction in progress	2,661	842
Net property and equipment	488,838	505,745
Intangible assets		
Leasehold right	6,686	7,491
Goodwill	7,102	16,982
Other	19,916	34,732
Total intangible assets	33,705	59,206
Investments and other assets		
Investment securities	96,732	112,713
Long-term loans receivable	4,142	4,062
Long-term loan to employees	752	216
Long-term prepaid expense	3,745	3,808
Security deposit	15,302	18,088
Net retirement benefit asset	—	1,230
Deferred tax assets	4,008	14,154
Other	13,953	12,295
Less: allowance for doubtful accounts	(1,246)	(1,146)
Total investments and other assets	137,391	165,423
Total noncurrent assets	659,935	730,374
Total assets	1,247,612	1,377,443

(Unit: Millions of yen)

	FY2012 (as of March 31, 2013)	FY2013 (as of March 31, 2014)
LIABILITIES		
Current liabilities:		
Notes payable—trade	8,419	8,024
Accounts payable—trade	128,275	153,390
Short-term loans payable	64,007	46,813
Other Payables	31,450	37,741
Income taxes payable	6,527	17,063
Consumer tax payable	4,863	4,251
Unpaid expenses	18,482	19,137
Advance receipt	9,715	10,016
Deposits	78,006	63,145
Deposits from employees	29,472	27,660
Provision for bonuses	18,332	20,281
Provision for directors' bonus	130	137
Allowance for warranty and repair	65	62
Other	11,090	29,721
Total current liabilities	408,838	437,449
Noncurrent liabilities:		
Bonds payable	80,000	65,000
Long-term loans payable	156,038	204,037
Provision for retirement benefits	46,914	—
Net retirement benefit liability	—	126,951
Provision for directors' retirement benefits	408	330
Provision for special repairment	178	260
Provision for loss on guarantees	—	829
Deferred tax liabilities	15,239	4,083
Other	21,586	28,547
Total noncurrent liabilities	320,365	430,040
Total liabilities	729,203	867,489
NET ASSETS		
Shareholders' equity:		
Common stock	70,175	70,175
Additional paid-in capital	26,908	26,908
Retained earnings	401,902	417,869
Less: treasury stock	(6,078)	(17,353)
Total shareholders' equity	492,907	497,599
Accumulated other comprehensive income:		
Valuation differences on available-for-sale securities	35,358	40,077
Deferred gains (losses) on hedges	(17)	3
Foreign currency translation adjustments	(14,565)	3,829
Remeasurements of retirement benefit plans	—	(45,628)
Total accumulated other comprehensive income	20,776	(1,717)
Minority interests	4,725	14,072
Total net assets	518,409	509,954
Total liabilities and net assets	1,247,612	1,377,443

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Unit: Millions of yen)

	FY2012 (from April 1, 2012 to March 31, 2013)	FY2013 (from April 1, 2013 to March 31, 2014)
Revenues	1,613,327	1,752,468
Operating costs	1,505,619	1,628,037
Gross profit	107,707	124,430
Selling, general and administrative expenses:		
Salaries, compensation, and welfare expenses	41,664	45,661
Depreciation and amortization	4,154	5,523
Advertising expenses	3,881	3,831
Provision for allowance for doubtful accounts	724	183
Other	24,075	28,365
Total selling, general and administrative expenses	74,501	83,564
Operating income	33,206	40,865
Non-operating income:		
Interest income	662	723
Dividends income	2,717	2,679
Gain on sales of vehicles	389	353
Equity in earnings of affiliates	540	796
Income from foreign exchange	2,040	2,857
Other	7,093	7,238
Total non-operating income	13,444	14,647
Non-operating expenses:		
Interest expenses	3,161	3,151
Loss on sale and retirement of vehicles	31	33
Other	1,957	2,171
Total non-operating expenses	5,150	5,357
Ordinary income	41,500	50,156
Extraordinary income:		
Gain on sales of noncurrent assets	4,563	3,405
Gain on sales of investment securities	272	7,975
Other	93	28
Total extraordinary income	4,929	11,410
Extraordinary loss:		
Loss on disposal of noncurrent assets	4,736	4,086
Loss on sales of investment securities	557	0
Loss on valuation of investment securities	46	154
Extraordinary additional retirement benefits	1,030	9,725
Other	210	480
Total extraordinary loss	6,581	14,447
Income before income taxes and minority interests	39,847	47,119
Income taxes—current	16,251	23,373
Income taxes—deferred	(1,140)	(3,191)
Total income taxes	15,110	20,181
Income before minority interests	24,737	26,937
Minority interests	906	591
Net income	23,831	26,345

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	FY2012 (from April 1, 2012 to March 31, 2013)	FY2013 (from April 1, 2013 to March 31, 2014)
Income before minority interests	24,737	26,937
Other comprehensive income:		
Valuation differences on available-for-sale securities	7,605	4,712
Deferred gains (losses) on hedges	(25)	20
Foreign currency translation adjustments	9,768	18,495
Share of other comprehensive income of affiliates accounted for using the equity method	277	513
Other comprehensive income	17,626	23,742
Comprehensive income	42,364	50,679
(Comprehensive income attributable to)		
Shareholders of Nippon Express	41,099	49,480
Minority interests	1,264	1,199

(3) Consolidated Statements of Changes in Net Assets
 FY2012 (from April 1, 2012 to March 31, 2013)

(Unit: Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	70,175	26,908	392,305	(11,549)	477,839
Changes during the year					
Cash dividends			(10,425)		(10,425)
Net income			23,831		23,831
Increase in treasury stock				(8,973)	(8,973)
Decrease in treasury stock			(12)	26	13
Changes by share exchanges			(3,796)	14,418	10,622
Net changes in items other than shareholders' equity					
Total changes during the year	-	-	9,596	5,471	15,068
Balance at end of the year	70,175	26,908	401,902	(6,078)	492,907

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation differences on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	27,756	8	(24,256)	-	3,508	12,858	494,205
Changes during the year							
Cash dividends							(10,425)
Net income							23,831
Increase in treasury stock							(8,973)
Decrease in treasury stock							13
Changes by share exchanges							10,622
Net changes in items other than shareholders' equity	7,601	(25)	9,691	-	17,268	(8,132)	9,135
Total changes during the year	7,601	(25)	9,691	-	17,268	(8,132)	24,203
Balance at end of the year	35,358	(17)	(14,565)	-	20,776	4,725	518,409

FY2013 (from April 1, 2013 to March 31, 2014)

(Unit: Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	70,175	26,908	401,902	(6,078)	492,907
Changes during the year					
Cash dividends			(10,377)		(10,377)
Net income			26,345		26,345
Increase in treasury stock				(11,278)	(11,278)
Decrease in treasury stock		0		3	3
Net changes in items other than shareholders' equity					
Total changes during the year	–	0	15,967	(11,275)	4,691
Balance at end of the year	70,175	26,908	417,869	(17,353)	497,599

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation differences on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	35,358	(17)	(14,565)	–	20,776	4,725	518,409
Changes during the year							
Cash dividends							(10,377)
Net income							26,345
Increase in treasury stock							(11,278)
Decrease in treasury stock							3
Net changes in items other than shareholders' equity	4,719	21	18,395	(45,628)	(22,493)	9,346	(13,146)
Total changes during the year	4,719	21	18,395	(45,628)	(22,493)	9,346	(8,454)
Balance at end of the year	40,077	3	3,829	(45,628)	(1,717)	14,072	509,954

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2012 (from April 1, 2012 to March 31, 2013)	FY2013 (from April 1, 2013 to March 31, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	39,847	47,119
Depreciation and amortization	46,101	47,108
Amortization of goodwill	1,116	2,009
Extraordinary additional retirement benefits	1,030	9,725
Loss on sale or write-down of securities, net	331	(7,821)
Gain on sale or disposal of property and equipment, net	(184)	361
Increase (decrease) in provision for bonus	(1,281)	1,464
Increase (decrease) in provision for retirement benefits	7,719	-
Increase (decrease) in net retirement benefit liability	-	7,805
Interest and dividend income	(3,380)	(3,402)
Interest expense	3,161	3,151
Equity in earnings of unconsolidated subsidiaries and affiliates	(540)	(796)
(Increase) decrease in trade receivables	15,282	(27,805)
(Increase) decrease in inventories	(377)	(3,134)
Increase (decrease) in accounts payable	(13,604)	9,080
Increase (decrease) in consumption taxes etc. payable	(232)	(637)
Other	14,853	(16,959)
Sub-total	109,843	67,269
Interest and dividends received	3,636	3,605
Interest paid	(3,265)	(3,102)
Payment for extraordinary additional retirement benefits	(1,030)	(9,725)
Payment for loss on disaster	(450)	(48)
Payment for settlement package with the United States Department of Justice paid	(1,735)	-
Income taxes paid	(24,978)	(13,791)
Net cash provided by operating activities	82,018	44,207
Cash flows from investment activities		
Payment for purchase of securities	(2,971)	(9,173)
Proceeds from sale of securities	4,791	9,081
Payment for purchase of property and equipment	(49,990)	(42,150)
Proceeds from sales of property and equipment	7,161	5,032
Payment of purchase of consolidated subsidiary due to change in scope of consolidation	(8,100)	(22,639)
Other	(1,874)	1,683
Net cash used in investment activities	(50,984)	(58,165)
Cash flows from financing activities		
Change in short-term loans payable	2,660	(2,935)
Change in commercial paper	2,500	1,500
Proceeds from long-term loans payable	53,406	90,150
Payment of long-term loans payable	(75,417)	(60,198)
Proceeds from stock issuance to minority shareholders	33	23
Cash dividends	(10,425)	(10,377)
Purchase of treasury stock	(8,973)	(11,278)
Other	(863)	(1,047)
Net cash provided by (used in) financing activities	(37,080)	5,835
Effect of exchange rate changes on cash	4,935	6,649
Net increase (decrease) in cash and cash equivalents	(1,110)	(1,473)
Cash and cash equivalents at beginning of year	181,614	180,503
Cash and cash equivalents at end of year	180,503	179,029

7. Reference Materials

(1) Consolidated Reference Materials

o Financial Results of Reportable Segment for FY2013

(Unit: Millions of yen, %)

			FY2013	FY2012	Change		
					Amount	Ratio	
Revenues	Reportable Segment	Distribution & Transportation	Combined Business	721,717	699,287	22,429	3.2
			Security Transportation	54,651	58,842	(4,190)	(7.1)
			Heavy Haulage & Construction	36,656	37,186	(530)	(1.4)
			Air Freight Forwarding	181,720	182,143	(422)	(0.2)
			Marine & Harbor Transportation	131,708	124,207	7,501	6.0
			Subtotal	1,126,454	1,101,666	24,787	2.2
			The Americas	69,066	54,028	15,038	27.8
			Europe	72,788	44,230	28,557	64.6
			East Asia	92,156	68,812	23,344	33.9
			South Asia & Oceania	51,367	44,291	7,076	16.0
			Subtotal	285,379	211,363	74,016	35.0
			Total	1,411,834	1,313,029	98,804	7.5
			Goods Sales	412,846	383,738	29,108	7.6
			Other	61,460	41,802	19,658	47.0
			Subtotal	1,886,141	1,738,570	147,570	8.5
Adjustment	(133,672)	(125,242)	(8,430)	—			
Total	1,752,468	1,613,327	139,140	8.6			
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Combined Business	[2.1] 15,165	[1.0] 7,084	8,080	114.1
			Security Transportation	[2.2] 1,178	[3.0] 1,793	(615)	(34.3)
			Heavy Haulage & Construction	[5.2] 1,913	[7.9] 2,935	(1,022)	(34.8)
			Air Freight Forwarding	[3.1] 5,613	[2.2] 3,982	1,630	40.9
			Marine & Harbor Transportation	[3.9] 5,108	[3.8] 4,665	442	9.5
			Subtotal	[2.6] 28,978	[1.9] 20,462	8,515	41.6
			The Americas	[4.1] 2,843	[3.9] 2,091	752	36.0
			Europe	[1.0] 720	[3.5] 1,544	(824)	(53.4)
			East Asia	[1.3] 1,232	[1.9] 1,328	(95)	(7.2)
			South Asia & Oceania	[2.8] 1,434	[3.8] 1,698	(264)	(15.6)
			Subtotal	[2.2] 6,231	[3.2] 6,662	(431)	(6.5)
			Total	[2.5] 35,209	[2.1] 27,125	8,084	29.8
			Goods Sales	[1.2] 4,856	[1.5] 5,825	(969)	(16.6)
			Other	[3.3] 2,019	[4.1] 1,713	306	17.9
			Subtotal	[2.2] 42,085	[2.0] 34,664	7,421	21.4
Adjustment	(1,219)	(1,458)	238	—			
Total	[2.3] 40,865	[2.1] 33,206	7,659	23.1			

(Note) Figures in brackets indicate Operating Margins.

○ Projection of Consolidated Financial Results for FY2014

(Unit: Millions of yen, %)

			FY2014	FY2013	Change		
					Amount	Ratio	
Revenues	Reportable Segment	Distribution & Transportation	Combined Business	743,800	721,717	22,082	3.1
			Security Transportation	55,600	54,651	948	1.7
			Heavy Haulage & Construction	41,200	36,656	4,543	12.4
			Air Freight Forwarding	186,200	181,720	4,479	2.5
			Marine & Harbor Transportation	120,000	131,708	(11,708)	(8.9)
			Subtotal	1,146,800	1,126,454	20,345	1.8
			The Americas	74,300	69,066	5,233	7.6
			Europe	83,400	72,788	10,611	14.6
			East Asia	100,300	92,156	8,143	8.8
			South Asia & Oceania	58,000	51,367	6,632	12.9
			Subtotal	316,000	285,379	30,620	10.7
			Total	1,462,800	1,411,834	50,965	3.6
			Goods Sales	422,500	412,846	9,653	2.3
			Other	139,400	61,460	77,939	126.8
			Subtotal	2,024,700	1,886,141	138,558	7.3
Adjustment	(154,700)	(133,672)	(21,027)	—			
Total	1,870,000	1,752,468	117,531	6.7			
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Combined Business	[2.4] 17,970	[2.1] 15,165	2,804	18.5
			Security Transportation	[2.2] 1,220	[2.2] 1,178	41	3.5
			Heavy Haulage & Construction	[5.1] 2,100	[5.2] 1,913	186	9.8
			Air Freight Forwarding	[3.3] 6,060	[3.1] 5,613	446	8.0
			Marine & Harbor Transportation	[3.8] 4,510	[3.9] 5,108	(598)	(11.7)
			Subtotal	[2.8] 31,860	[2.6] 28,978	2,881	9.9
			The Americas	[4.1] 3,060	[4.1] 2,843	216	7.6
			Europe	[1.3] 1,080	[1.0] 720	359	50.0
			East Asia	[1.4] 1,430	[1.3] 1,232	197	16.0
			South Asia & Oceania	[2.7] 1,580	[2.8] 1,434	145	10.1
			Subtotal	[2.3] 7,150	[2.2] 6,231	918	14.7
			Total	[2.7] 39,010	[2.5] 35,209	3,800	10.8
			Goods Sales	[1.3] 5,480	[1.2] 4,856	623	12.8
			Other	[1.7] 2,390	[3.3] 2,019	370	18.3
			Subtotal	[2.3] 46,880	[2.2] 42,085	4,794	11.4
Adjustment	(1,880)	(1,219)	(660)	—			
Total	[2.4] 45,000	[2.3] 40,865	4,134	10.1			

(Note) Figures in brackets indicate Operating Margins.

○ Projection for First Half of FY2014
(Reportable Segment)

(Unit: Millions of yen, %)

				First half of FY2014	First half of FY2013	Change				
						Amount	Ratio			
Revenues	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	363,900	353,292	10,607	3.0		
				Security Transportation	27,700	27,330	369	1.4		
				Heavy Haulage & Construction	20,700	18,140	2,559	14.1		
				Air Freight Forwarding	91,600	88,104	3,495	4.0		
				Marine & Harbor Transportation	61,100	67,270	(6,170)	(9.2)		
			Subtotal	565,000	554,138	10,861	2.0			
			Overseas Companies	The Americas	36,800	33,540	3,259	9.7		
				Europe	39,700	34,143	5,556	16.3		
				East Asia	47,100	42,004	5,095	12.1		
				South Asia & Oceania	28,500	24,358	4,141	17.0		
		Subtotal		152,100	134,047	18,052	13.5			
		Total	717,100	688,185	28,914	4.2				
		Goods Sales	203,100	190,389	12,710	6.7				
		Other	51,000	20,190	30,809	152.6				
		Subtotal	971,200	898,765	72,434	8.1				
Adjustment	(71,200)	(63,006)	(8,193)	—						
Total	900,000	835,758	64,241	7.7						
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	[2.0]	7,190	[1.5]	5,238	1,951	37.2
				Security Transportation	[1.8]	500	[1.8]	486	13	2.8
				Heavy Haulage & Construction	[5.4]	1,120	[5.6]	1,021	98	9.7
				Air Freight Forwarding	[3.0]	2,750	[2.8]	2,432	317	13.1
				Marine & Harbor Transportation	[5.0]	3,050	[5.0]	3,333	(283)	(8.5)
			Subtotal	[2.6]	14,610	[2.3]	12,512	2,097	16.8	
			Overseas Companies	The Americas	[3.5]	1,290	[3.5]	1,164	125	10.8
				Europe	[1.5]	610	[1.1]	383	226	59.2
				East Asia	[1.7]	810	[1.7]	695	114	16.4
				South Asia & Oceania	[2.4]	670	[2.3]	557	112	20.1
		Subtotal		[2.2]	3,380	[2.1]	2,801	578	20.7	
		Total	[2.5]	17,990	[2.2]	15,313	2,676	17.5		
		Goods Sales	[1.2]	2,350	[1.1]	2,056	293	14.3		
		Other	[1.3]	650	[3.2]	636	13	2.1		
		Subtotal	[2.2]	20,990	[2.0]	18,006	2,983	16.6		
Adjustment		(990)		(549)	(440)	—				
Total	[2.2]	20,000	[2.1]	17,456	2,543	14.6				

(Note) Figures in brackets indicate Operating Margins.

○ Changes in number of employees as of year end

(Unit: Persons, %)

	Mar. end 2014	Sep. end 2013	Mar. end 2013	Change (vs Mar. end 2013)	
				Amount	Ratio
Distribution & Transportation	61,006	61,006	61,519	(513)	(0.8)
Goods Sales	2,531	2,568	2,556	(25)	(1.0)
Other	1,602	757	737	865	117.4
Eliminations	23	22	22	1	4.5
Total	65,162	64,353	64,834	328	0.5

○ Capital expenditures

(Unit: Millions of yen)

	Actual amount in FY2013
Vehicles	9,278
Buildings	13,722
Land	536
Leased assets	9,766
Other	16,299
Total	49,603

Major investment

(Unit: Millions of yen)

Company	Amount	Note
Nippon Express	26,598	Baraki Air Cargo Distribution Center, ¥4,181 million, etc.
Nippon Express Global SCM (Shanghai) Co., Ltd.	1,506	Qingpu warehouse (Shanghai)

* Amount for Nippon Express does not include leased assets.

(Unit: Millions of yen)

	Forecast for FY2014
Vehicles	13,600
Buildings	15,200
Land	1,100
Leased assets	21,300
Other	6,800
Total	58,000

Major plans

(Unit: Millions of yen)

Company	Amount	Note
Nippon Express	30,000	Reconstruction of Tokyo Central Terminal, ¥4,660 million, etc.
NEX TRANSPORT, INC.	489	New warehouse in Ohio

* Amount for Nippon Express does not include leased assets.

(2) Non-consolidated Reference Materials

○ Details of revenues and operating income for FY2013

(Unit: Millions of yen, %)

		FY2013		FY2012		Change			
			% in Sales		% in Sales	Amount	Ratio		
Revenues	Railway utilization transportation	84,990	8.1	84,883	8.3	107	0.1		
	Motor transportation	Combined delivery services	82,946	7.9	79,368	7.7	3,578	4.5	
		Chartered truck services	273,744	26.3	268,771	26.2	4,973	1.9	
		Subtotal	356,690	34.2	348,139	33.9	8,551	2.5	
	Marine and harbor transportation	Marine transportation	70,493	6.7	64,087	6.3	6,405	10.0	
		Harbor transportation	56,280	5.4	56,435	5.5	(155)	(0.3)	
		Subtotal	126,773	12.1	120,522	11.8	6,250	5.2	
		(Exports)	[59,622]	—	[58,042]	—	[1,580]	[2.7]	
		(Imports)	[39,513]	—	[37,351]	—	[2,161]	[5.8]	
		(Domestic)	[27,637]	—	[25,128]	—	[2,509]	[10.0]	
	Warehousing	112,089	10.7	108,254	10.6	3,834	3.5		
	Air transportation	Air freight forwarding	International air freight	96,947	9.3	100,485	9.8	(3,537)	(3.5)
			(Exports)	[75,955]	—	[80,336]	—	[(4,380)]	[(5.5)]
			(Imports)	[20,992]	—	[20,149]	—	[843]	[4.2]
		Domestic air freight	39,641	3.8	38,083	3.7	1,558	4.1	
		Subtotal	136,589	13.1	138,568	13.5	(1,979)	(1.4)	
	Travel	0	0.0	2,374	0.2	(2,374)	(100.0)		
	Subtotal	136,589	13.1	140,942	13.7	(4,353)	(3.1)		
	Heavy haulage & construction	45,637	4.4	46,474	4.5	(837)	(1.8)		
Incidental operations and others	181,494	17.4	175,927	17.2	5,567	3.2			
Total	1,044,266	100.0	1,025,145	100.0	19,120	1.9			
	(Domestic operation-related revenues)	[820,959]	78.6	[807,272]	78.7	[13,687]	[1.7]		
	(Overseas-related revenues)	[223,306]	21.4	[217,873]	21.3	[5,432]	[2.5]		
Operating expenses	Employment costs	Drivers/workers	117,355	11.3	117,379	11.5	(24)	(0.0)	
		Office personnel	135,914	13.0	139,645	13.6	(3,730)	(2.7)	
		Subtotal	253,270	24.3	257,025	25.1	(3,755)	(1.5)	
	Forwarding costs	Railway	44,231	4.2	44,223	4.3	7	0.0	
		Marine	24,773	2.4	21,731	2.1	3,041	14.0	
		Air	42,876	4.1	48,075	4.7	(5,198)	(10.8)	
		Subtotal	111,881	10.7	114,031	11.1	(2,149)	(1.9)	
	Vehicle chartering and subcontracting costs	427,335	40.9	409,980	40.0	17,355	4.2		
	Depreciation and amortization	29,518	2.8	31,007	3.0	(1,488)	(4.8)		
	Facility usage charges	71,805	6.9	72,055	7.0	(249)	(0.3)		
Other	126,478	12.1	124,798	12.2	1,679	1.3			
Total	1,020,290	97.7	1,008,898	98.4	11,392	1.1			
Operating income	23,975	2.3	16,247	1.6	7,727	47.6			

o Details of revenues for the first and second half of FY2013

(Unit: Millions of yen, %)

		FY2013		FY2012		Change			
			% in Sales		% in Sales	Amount	Ratio		
1H of revenues	Railway utilization transportation	40,279	7.8	41,453	8.0	(1,174)	(2.8)		
	Motor transportation	Combined delivery services	40,170	7.8	38,427	7.4	1,743	4.5	
		Chartered truck services	134,054	26.1	134,684	26.2	(630)	(0.5)	
		Subtotal	174,224	33.9	173,111	33.6	1,112	0.6	
	Marine and harbor transportation	Marine transportation	36,526	7.1	32,434	6.3	4,092	12.6	
		Harbor transportation	28,542	5.6	29,121	5.7	(579)	(2.0)	
		Subtotal	65,068	12.7	61,555	12.0	3,512	5.7	
		(Exports)	[31,032]	—	[29,827]	—	[1,204]	[4.0]	
		(Imports)	[20,299]	—	[19,115]	—	[1,184]	[6.2]	
	(Domestic)	[13,736]	—	[12,611]	—	[1,124]	[8.9]		
	Warehousing	56,301	11.0	53,473	10.4	2,828	5.3		
	Air transportation	Air freight forwarding	International air freight	47,017	9.2	52,930	10.3	(5,912)	(11.2)
			(Exports)	[37,055]	—	[42,700]	—	[(5,644)]	[(13.2)]
			(Imports)	[9,962]	—	[10,230]	—	[(267)]	[(2.6)]
		Domestic air freight	19,144	3.7	18,958	3.7	185	1.0	
		Subtotal	66,162	12.9	71,889	14.0	(5,726)	(8.0)	
Travel	0	0.0	2,319	0.4	(2,319)	(100.0)			
Subtotal	66,163	12.9	74,209	14.4	(8,046)	(10.8)			
Heavy haulage & construction	22,359	4.4	23,954	4.7	(1,595)	(6.7)			
Incidental operations and others	89,395	17.3	86,793	16.9	2,602	3.0			
Total	513,792	100.0	514,551	100.0	(759)	(0.1)			
(Domestic operation-related revenues)	[404,258]	78.7	[400,917]	77.9	[3,340]	[0.8]			
(Overseas-related revenues)	[109,534]	21.3	[113,634]	22.1	[(4,099)]	[(3.6)]			
2H of sales	Railway utilization transportation	44,710	8.4	43,429	8.5	1,281	3.0		
	Motor transportation	Combined delivery services	42,776	8.1	40,941	8.0	1,835	4.5	
		Chartered truck services	139,689	26.3	134,086	26.3	5,603	4.2	
		Subtotal	182,466	34.4	175,027	34.3	7,438	4.2	
	Marine and harbor transportation	Marine transportation	33,966	6.4	31,653	6.2	2,313	7.3	
		Harbor transportation	27,738	5.2	27,313	5.3	424	1.6	
		Subtotal	61,704	11.6	58,967	11.5	2,737	4.6	
		(Exports)	[28,589]	—	[28,214]	—	[375]	[1.3]	
		(Imports)	[19,213]	—	[18,236]	—	[977]	[5.4]	
	(Domestic)	[13,901]	—	[12,516]	—	[1,384]	[11.1]		
	Warehousing	55,787	10.5	54,781	10.7	1,006	1.8		
	Air transportation	Air freight forwarding	International air freight	49,929	9.4	47,554	9.3	2,375	5.0
			(Exports)	[38,899]	—	[37,635]	—	[1,263]	[3.4]
			(Imports)	[11,030]	—	[9,919]	—	[1,111]	[11.2]
		Domestic air freight	20,496	3.9	19,124	3.8	1,372	7.2	
		Subtotal	70,426	13.3	66,679	13.1	3,747	5.6	
Travel	0	0.0	54	0.0	(54)	(100.0)			
Subtotal	70,426	13.3	66,733	13.1	3,692	5.5			
Heavy haulage & construction	23,278	4.4	22,520	4.4	758	3.4			
Incidental operations and others	92,098	17.4	89,133	17.5	2,964	3.3			
Total	530,473	100.0	510,594	100.0	19,879	3.9			
(Domestic operation-related revenues)	[416,701]	78.6	[406,354]	79.6	[10,346]	[2.5]			
(Overseas-related revenues)	[113,772]	21.4	[104,239]	20.4	[9,532]	[9.1]			

○ Changes in number of employees as of year end

(Unit: Person, %)

		Mar. end 2014	Sep. end 2013	Mar. end 2013	Change (vs Mar. end 2013)	
					Change	Ratio
Drivers /workers	Nationwide employees	878	913	1,001	(123)	(12.3)
	Other employees	16,887	16,904	16,833	54	0.3
	Subtotal	17,765	17,817	17,834	(69)	(0.4)
Office personnel	Nationwide employees	11,588	11,737	12,248	(660)	(5.4)
	Other employees	3,800	3,815	4,230	(430)	(10.2)
	Subtotal	15,388	15,552	16,478	(1,090)	(6.6)
Total		33,153	33,369	34,312	(1,159)	(3.4)

○ Cash flows

(Unit: Millions of yen)

	FY2013	FY2012	Change
Cash and cash equivalents at beginning of the year	127,886	88,900	38,985
Cash flows from operating activities	33,569	68,811	(35,242)
Cash flows from investment activities	(50,567)	15,538	(66,105)
Cash flows from financing activities	607	(45,363)	45,971
Cash and cash equivalents at end of the year	111,495	127,886	(16,390)

○ Capital expenditures

(Unit: Millions of yen)

	Actual amount in FY2013
Vehicle	6,031
Buildings	9,822
Land	491
Software	5,288
Other	4,964
Total	26,598

* Major investment

(Unit: Millions of yen)

Type	Description	m ²	Amount
Building	Baraki Air Cargo Distribution Center (BILT-2)	11,094	4,181
Building	Kansai Security Transport Namba Center	1,121	826
Building	Sagamihara Branch Nakatsu Distribution Center	2,665	801

(Unit: Millions of yen)

	Forecasted amount in FY2014
Vehicle	7,200
Buildings	11,400
Land	800
Software	6,300
Other	4,300
Total	30,000

* Major investment

(Unit: Millions of yen)

Type	Description	(Planned to complete)	m ²	Amount
Building	Reconstruction of Tokyo Central Terminal	(April 2016)	45,167	4,660
Building	Construction of Komaki Hazardous Goods Warehouse	(February 2015)	348	690
Building	Iwanuma airport site Acquisition of a site for a warehouse / Construction of the warehouse base	(March 2016)	—	645

○ Projection for FY2014

(Unit: Millions of yen, %)

		FY2014		FY2013		Change		
			% in Sales		% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation	85,400	8.1	84,990	8.1	409	0.5	
	Motor transportation	Combined delivery services	83,200	7.8	82,946	7.9	253	0.3
		Chartered truck services	275,100	26.0	273,744	26.3	1,355	0.5
		Subtotal	358,300	33.8	356,690	34.2	1,609	0.5
	Marine and harbor transportation	Marine transportation	73,000	6.9	70,493	6.7	2,506	3.6
		Harbor transportation	56,400	5.3	56,280	5.4	119	0.2
		Subtotal	129,400	12.2	126,773	12.1	2,626	2.1
	Warehousing	113,000	10.7	112,089	10.7	910	0.8	
	Air transportation	International air freight	100,000	9.4	96,947	9.3	3,052	3.1
		Domestic air freight	40,200	3.8	39,641	3.8	558	1.4
		Subtotal	140,200	13.2	136,589	13.1	3,610	2.6
	Heavy haulage & construction	51,400	4.8	45,637	4.4	5,762	12.6	
	Incidental operations and others	182,300	17.2	181,494	17.4	805	0.4	
Total	1,060,000	100.0	1,044,266	100.0	15,733	1.5		
Operating expenses	Employment costs	Drivers/workers	118,300	11.2	117,355	11.3	944	0.8
		Office personnel	134,600	12.7	135,914	13.0	(1,314)	(1.0)
		Subtotal	252,900	23.9	253,270	24.3	(370)	(0.1)
	Forwarding costs	Railway	44,600	4.2	44,231	4.2	368	0.8
		Marine	25,800	2.5	24,773	2.4	1,026	4.1
		Air	43,800	4.1	42,876	4.1	923	2.2
		Subtotal	114,200	10.8	111,881	10.7	2,318	2.1
	Vehicle chartering and subcontracting costs	433,900	40.9	427,335	40.9	6,564	1.5	
	Depreciation and amortization	30,700	2.9	29,518	2.8	1,181	4.0	
	Facility usage charges	71,800	6.8	71,805	6.9	(5)	(0.0)	
Other	129,000	12.1	126,478	12.1	2,521	2.0		
Total	1,032,500	97.4	1,020,290	97.7	12,209	1.2		
Operating income	27,500	2.6	23,975	2.3	3,524	14.7		
Non-operating income	10,300	1.0	11,737	1.1	(1,437)	(12.2)		
Non-operating expenses	4,800	0.5	4,541	0.4	258	5.7		
Ordinary income	33,000	3.1	31,171	3.0	1,828	5.9		
Extraordinary income	5,000	0.5	9,598	0.9	(4,598)	(47.9)		
Extraordinary loss	7,500	0.7	13,223	1.3	(5,723)	(43.3)		
Income before income taxes	30,500	2.9	27,546	2.6	2,953	10.7		
Income taxes	10,500	1.0	10,727	1.0	(227)	(2.1)		
Net income	20,000	1.9	16,818	1.6	3,181	18.9		

○ Projection for the First Half of FY2014

(Unit: Millions of yen, %)

		First half of FY2014		First half of FY2013		Change		
			% in Sales		% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation	40,600	7.7	40,279	7.8	320	0.8	
	Motor transportation	Combined delivery services	40,400	7.7	40,170	7.8	229	0.6
		Chartered truck services	135,300	25.8	134,054	26.1	1,245	0.9
		Subtotal	175,700	33.5	174,224	33.9	1,475	0.8
	Marine and harbor transportation	Marine transportation	38,400	7.3	36,526	7.1	1,873	5.1
		Harbor transportation	28,600	5.5	28,542	5.6	57	0.2
		Subtotal	67,000	12.8	65,068	12.7	1,931	3.0
	Warehousing	56,900	10.8	56,301	11.0	598	1.1	
	Air transportation	International air freight	49,400	9.4	47,017	9.2	2,382	5.1
		Domestic air freight	19,600	3.7	19,144	3.7	455	2.4
		Subtotal	69,000	13.1	66,162	12.9	2,837	4.3
	Heavy haulage & construction	26,000	4.9	22,359	4.4	3,640	16.3	
	Incidental operations and others	89,800	17.2	89,395	17.3	404	0.5	
	Total		525,000	100.0	513,792	100.0	11,207	2.2
Operating expenses	Employment costs	Drivers/workers	59,400	11.3	58,355	11.4	1,044	1.8
		Office personnel	67,800	12.9	68,278	13.3	(478)	(0.7)
		Subtotal	127,200	24.2	126,633	24.7	566	0.4
	Forwarding costs	Railway	21,400	4.1	21,127	4.1	272	1.3
		Marine	13,200	2.5	12,505	2.4	694	5.6
		Air	21,800	4.2	21,080	4.1	719	3.4
		Subtotal	56,400	10.8	54,714	10.6	1,685	3.1
	Vehicle chartering and subcontracting costs	215,200	41.0	210,199	40.9	5,000	2.4	
	Depreciation and amortization	14,800	2.8	14,223	2.8	576	4.1	
	Facility usage charges	35,900	6.8	35,925	7.0	(25)	(0.1)	
	Other	64,000	12.2	61,877	12.0	2,122	3.4	
Total		513,500	97.8	503,572	98.0	9,927	2.0	
Operating income		11,500	2.2	10,219	2.0	1,280	12.5	
Non-operating income		4,700	0.9	5,325	1.0	(625)	(11.7)	
Non-operating expenses		2,200	0.4	1,982	0.4	217	10.9	
Ordinary income		14,000	2.7	13,561	2.6	438	3.2	
Extraordinary income		4,500	0.8	694	0.1	3,805	548.0	
Extraordinary loss		1,500	0.3	11,116	2.1	(9,616)	(86.5)	
Income before income taxes		17,000	3.2	3,140	0.6	13,859	441.4	
Income taxes		6,000	1.1	1,093	0.2	4,906	448.5	
Net income		11,000	2.1	2,046	0.4	8,953	437.5	