

Briefing Material for 1Q Results of the Fiscal Year Ending March 2015

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July 31, 2014

1. Business Overview

A. Overview of 1Q of FY2014

1) Overview (Consolidated)

(100 million yen) (rounded down to 100 million yen)

	Actual for 1Q of FY2014 (a)	Actual for 1Q of FY2013 (b)	Difference YoY (c) = (a) - (b)	Difference YoY (%) (d) = (c) / (b) × 100	Forecast for 1H (announced on May 8) (e)	1Q progress against forecast (%) (a) / (e) × 100	Difference (compared to forecast) (e) - (a)	Forecast for full fiscal year (announced May 8)
Revenues	4,529	4,087	441	10.8	9,000	50.3	4,470	18,700
Operating Income	91	80	11	14.5	200	46.0	108	450
Ordinary Income	120	110	9	8.7	240	50.1	119	530
Net Income	47	68	(21)	(31.3)	160	29.4	112	300

2) Business Indices

(Figures in parentheses are the results of the same period of the previous year.)

- Operating Income Margin 2.0% (2.0%)
- Ordinary Income Margin 2.7% (2.7%)
- ROE 3.6% (5.3%)
- ROA 1.4% (2.1%)

1. Business Overview

B. Overview by reportable segment

1) Combined Business

(100 million yen)

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	1,809	1,748	60	3.5	3,639	49.7	1,829
Segment Income	25	23	2	11.0	71	35.8	46
Overview	<ul style="list-style-type: none"> Income increased due to a limited rebound decrease after the consumption tax hike and robust performance in automobile and railway transportation 						

2) Security Transportation

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	138	136	1	1.0	277	49.9	138
Segment Income	3	3	0	3.1	5	65.2	1
Overview	<ul style="list-style-type: none"> Income and profit increased as a round of demands from customers for rationalization concluded and newly adopted regular transportation services started 						

3) Heavy Haulage & Construction

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	127	93	34	36.5	207	61.8	79
Segment Income	5	5	0	15.1	11	51.5	5
Overview	<ul style="list-style-type: none"> In Japan, income increased amid strong performance in shut-down maintenance services, and wind power plant related services Income increased overseas as well, thanks to favorable performance at large-sized plant construction in Malaysia and other projects 						

1. Business Overview

B. Overview by reportable segment

4) Air Freight Forwarding

(100 million yen)

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	443	435	7	1.7	916	48.4	472
Segment Income	6	10	(4)	(39.2)	27	24.1	20
Overview	<ul style="list-style-type: none"> Income increased, supported by favorable cargo imports and domestic cargoes despite decline in the amount (weight) of cargo exports Profits decreased as a result of a drop in the unit sale price of exports and an increase in various costs due to rebuilding of the operation system following expansion of imports 						

5) Marine & Harbor Transportation

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	292	338	(46)	(13.6)	611	47.9	318
Segment Income	15	21	(5)	(28.1)	30	49.9	15
Overview	<ul style="list-style-type: none"> Income decreased because general commercial cargo exports remained weak and imports also performed poorly Income decreased due to factors including smaller scale moves in overseas moving service exports 						

1. Business Overview

B. Overview by reportable segment

6) The Americas

(100 million yen)

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	182	158	24	15.3	368	49.7	185
Segment Income	9	2	6	242.1	12	72.0	3
Overview	<ul style="list-style-type: none"> US intra-regional truck transportation and warehousing and delivery performed favorably Marine import forwarding performed steadily thanks to automobile-related equipment transportation in Mexico Income and profit also increased on a local currency basis 						

7) Europe

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	197	163	33	20.7	397	49.7	199
Segment Income	4	1	3	337.2	6	78.9	1
Overview	<ul style="list-style-type: none"> Intra-regional business faced challenges mainly in truck transportation Air freight forwarding performed strongly in Germany, the Netherlands, and the U.K. Income and profit also increased on a local currency basis 						

1. Business Overview

B. Overview by reportable segment

8) East Asia

(100 million yen)

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	230	196	34	17.5	471	48.9	240
Segment Income	3	2	1	64.9	8	41.2	4
Overview	<ul style="list-style-type: none"> Automobile related truck transportation increased Warehousing and delivery transactions were also steady in Hong Kong, Taiwan, and South Korea Income and profit also increased on a local currency basis 						

9) South Asia & Oceania

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	139	115	23	20.8	285	48.8	145
Segment Income	2	1	1	51.9	6	43.7	3
Overview	<ul style="list-style-type: none"> The heavy haulage and construction operations in Singapore and air export forwarding in Thailand grew Air export forwarding and warehousing and delivery transactions increased in the Philippines, Vietnam, and Indonesia Income and profit also increased on a local currency basis 						

1. Business Overview

B. Overview by reportable segment

10) Goods Sales

(100 million yen)

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	1,021	914	107	11.8	2,031	50.3	1,009
Segment Income	15	10	5	53.3	23	66.4	7
Overview	<ul style="list-style-type: none"> Income increased due to a rise in the unit sale price of oil Profit increased due to recovery of the logistics support business including export package handling 						

11) Other

	Actual for 1Q of FY2014	Comparison with FY2013			Comparison with forecast (announced on May 8)		
		1Q of FY2013	Difference	Difference (%)	Forecast for 1H	Progress (%)	Difference
Revenues	266	91	175	191.3	510	52.3	243
Segment Income	2	1	1	73.9	6	37.1	4
Overview	<ul style="list-style-type: none"> Nittsu Panasonic Logistics Co., Ltd. contributed to an increase in income Income increased due to strong performance by the logistic finance service 						

C. Proportion of sales from overseas-related business

Target	Progress
Proportion of sales from overseas-related business FY2015 40%	Actual for 1Q of FY2014: 33.2% (FY2013: 32.5%, FY2012: 29.7%, FY2011: 30.8%)

2. Changes due to the External Environment

A. Change factors (1Q)

Change factors	Impact on consolidated results (1Q)	Reference	
Impact of change in unit fuel price	Fuel cost: +¥0.43 billion (cost increase)	1Q of FY2014 Light oil: ¥120.08/ℓ Gasoline: ¥151.99/ℓ Heavy oil: ¥ 73.97/ℓ	(1Q of FY2013) (¥111.35) (¥143.65) (¥ 69.36)
Impact of foreign exchange (weak yen)	Revenues: +¥7.12 billion Operating income: +¥0.12billion	1Q of FY2014 USD: ¥102.78 EUR: ¥140.79 HKD: ¥ 13.25 RMB: ¥ 16.90	(1Q of FY2013) (¥ 92.42) (¥122.04) (¥ 11.92) (¥ 14.88)

2. Changes due to the External Environment

B. Assumptions for external factors (2Q to 4Q)

Change factors	Impact on consolidated results (9 months—2Q to 4Q)	Assumptions	
Impact of change in unit fuel price	Fuel cost: +¥0.87billion (cost increase)	FY2014 (Yearly average in FY2013) Light oil: ¥121.63/ℓ (¥114.92) Gasoline: ¥152.13/ℓ (¥147.21) Heavy oil: ¥ 73.73/ℓ (¥ 71.24) Assumes the same amount of fuel will be used as that of the previous year.	
Impact of foreign exchange (weak yen)	Revenues: +¥8.17 billion Operating income: +¥0.12 billion	FY2014 (Yearly average in FY2013(**)) USD: ¥102.50 (¥ 97.65) EUR: ¥141.00 (¥129.68) HKD: ¥ 13.20 (¥ 12.59) RMB: ¥ 16.80 (¥ 15.91)	

*The annual exchange rate is the reference rate. For the preparation of financial reports, average quarterly rates are applied to the quarterly results on a local currency basis.



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