

## Summary of Consolidated Earnings Report for the Second Quarter of Fiscal Year Ending March 31, 2014 (Japanese GAAP)

Name of listed company: **Nippon Express Co., Ltd.**Code: **9062**

Listed stock exchanges: Tokyo

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

Representative: President, CEO

Kenji Watanabe

Scheduled date of dividend payment: December 3, 2013

Availability of supplementary briefing material on quarterly financial results: Available

(Millions of yen, rounded down)

1. Consolidated Financial Results for the Six Months Ended Sep. 30, 2013 (from April 1, 2013 to September 30, 2013)

(1) Consolidated Business Results

(%: compared with the previous period)

|                                | Revenues  |       | Operating income |      | Ordinary income |     | Net income |        |
|--------------------------------|-----------|-------|------------------|------|-----------------|-----|------------|--------|
|                                | ¥ million | %     | ¥ million        | %    | ¥ million       | %   | ¥ million  | %      |
| Six Months Ended Sep. 30, 2013 | 835,758   | 4.6   | 17,456           | 10.9 | 22,387          | 8.6 | 7,443      | (34.2) |
| Six Months Ended Sep. 30, 2012 | 798,742   | (0.4) | 15,743           | 13.0 | 20,616          | 8.0 | 11,315     | 13.3   |

(Note) Comprehensive income:

Six Months Ended Sep. 30, 2013: ¥27,250 million [285.9%] Six Months Ended Sep. 30, 2012: ¥7,061 million [(9.1%)]

|                                | Net income per share | Diluted net income per share |
|--------------------------------|----------------------|------------------------------|
|                                | ¥                    | ¥                            |
| Six Months Ended Sep. 30, 2013 | 7.22                 | —                            |
| Six Months Ended Sep. 30, 2012 | 10.85                | —                            |

(2) Consolidated Financial Position

|                     | Total assets | Net assets | Equity ratio |
|---------------------|--------------|------------|--------------|
|                     | ¥ million    | ¥ million  | %            |
| As of Sep. 30, 2013 | 1,286,417    | 529,446    | 40.7         |
| As of Mar. 31, 2013 | 1,247,612    | 518,409    | 41.2         |

(Note) Equity: As of Sep. 30, 2013: ¥523,738 million As of Mar. 31, 2013: ¥513,683 million

2. Dividends Information

|   | Annual dividend per share |                |               |          |        |
|---|---------------------------|----------------|---------------|----------|--------|
|   | First Quarter             | Second Quarter | Third Quarter | Year End | Yearly |
|   | ¥                         | ¥              | ¥             | ¥        | ¥      |
| Fiscal Year Ended Mar. 31, 2013             | —                         | 5.00           | —             | 5.00     | 10.00  |
| Fiscal Year Ending Mar. 31, 2014            | —                         | 5.00           |               |          |        |
| Fiscal Year Ending Mar. 31, 2014 (Forecast) |                           |                | —             | 5.00     | 10.00  |

(Note) Revision of dividend projection from recently announced figures: No

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  | %   | ¥                    |
| Full year | 1,690,000 | 4.8 | 40,000           | 20.5 | 48,000          | 15.7 | 25,000     | 4.9 | 24.37                |

(Note) Revision of consolidated results forecast from recently announced figures: Yes

\*Notes

- (1) Significant changes of subsidiaries during the period under review (affecting specific subsidiaries due to changes in scope of consolidation): Not applicable
- (2) Adoption of special accounting treatment for preparing Quarterly Consolidated Financial Statements: Yes
- (3) 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.: No
  - 2) Any changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Corrections of errors: No

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

|  |                                |                      |                                |                      |
|--|--------------------------------|----------------------|--------------------------------|----------------------|
| 1) Total number of issued shares at end of period (including treasury stock) | As of Sep. 30, 2013            | 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 Sep. 30, 2013            | 36,355,238 shares    | As of Mar. 31, 2013            | 12,657,623 shares    |
| 3) Average number of shares during period                                    | Six months ended Sep. 30, 2013 | 1,030,513,274 shares | Six months ended Sep. 30, 2012 | 1,042,652,873 shares |

\*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

Forecast of Consolidated Financial Results reported on May 8, 2013 has been revised in this material.

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. Qualitative Information on Quarterly Financial Results, (3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Information" on page 3 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 October 31, 2013. 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 October 31, 2013.**

## **1. Qualitative Information on Quarterly Financial Results**

### **(1) Explanation of Business Results**

During the six months ended September 30, 2013, the Japanese economy remained on a gradual recovery trend with factors such as improvements in corporate profits as well as pickup in personal consumption, owing to the yen depreciation and a rise in stock prices on the back of the government's economic policies and monetary easing measures. In the field of logistics, while partial recovery in domestic transport demand was noted reflecting the aforementioned economic condition, uncertainty remained in international freight transportation due to factors including the slowdown in growth of freight movements caused primarily by the unstable European economies and the decelerating Chinese economic growth.

In this business environment, during the six months ended September 30, 2013, in the Distribution & Transportation segment, domestic companies of the Nippon Express Group recorded a year on year decrease in revenues in Security Transportation, Heavy Haulage & Construction and Air Freight Forwarding, but recorded a year on year increase in revenues in the segments of Combined Business and Marine & Harbor Transportation. Meanwhile, overseas companies posted a year on year increase in revenues in each segments of the Americas, Europe, East Asia, and South Asia & Oceania due to factors such as the effect of the foreign exchange rates and the contribution of the newly consolidated subsidiaries that were acquired. With regard to the Goods Sales segment, revenues also increased year on year due to factors such as an increase in the unit selling price of petroleum.

As a result, revenues increased by ¥37.0 billion, or 4.6% year on year, to ¥835.7 billion, while ordinary income increased by ¥1.7 billion, or 8.6% year on year, to ¥22.3 billion. Net income decreased by ¥3.8 billion, or 34.2% year on year, to ¥7.4 billion due to factors such as extraordinary additional retirement benefits.

### **(2) Explanation of Financial Position**

Total assets as at the end of the second quarter ended September 30, 2013 amounted to ¥1,286.4 billion, an increase of ¥38.8 billion or 3.1% from the end of the previous fiscal year.

Current assets amounted to ¥606.8 billion, an increase of ¥19.1 billion or 3.3% from the end of the previous fiscal year, while noncurrent assets totaled ¥679.5 billion, up ¥19.6 billion or 3.0% from the end of the previous fiscal year.

The primary factors behind the increase in current assets were increase in prepaid expenses, etc.

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

Current liabilities decreased by ¥5.8 billion or 1.4% from the end of the previous fiscal year to ¥403.0 billion, while noncurrent liabilities increased ¥33.5 billion or 10.5% to ¥353.9 billion.

The decrease in current liabilities was primarily due to the decrease in deposits, etc.

The increase in noncurrent liabilities was mainly attributable to the increase in long-term loans payable, etc.

Net assets amounted to ¥529.4 billion at the end of the second quarter ended September 30, 2013, an increase of ¥11.0 billion or 2.1% from the end of the previous fiscal year.

This was attributable to the increases in foreign currency translation adjustments and valuation differences on available-for-sale securities, etc.

#### **(Consolidated cash flows)**

Cash and cash equivalents as at the end of the second quarter ended September 30, 2013 increased by ¥1.2 billion from the end of the previous fiscal year, to ¥181.7 billion.

Net cash used in operating activities amounted to ¥6.0 billion in expenditures. This was primarily due to a decrease of ¥22.9 billion in deposits and ¥9.7 billion expenditure in extraordinary additional retirement benefits, etc.

Net cash used in investment activities totaled ¥21.4 billion in expenditures. This was mainly due to ¥20.5 billion in payment for purchase of property and equipment, etc.

Net cash provided by financing activities amounted to ¥25.5 billion in proceeds. This was mainly due to ¥59.8 billion in proceeds from long-term loans payable, etc.

### **(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Information**

With regard to the Forecast of Consolidated Financial Results for the fiscal year ending March 31, 2014 reported on May 8, 2013, please refer to the "Notice of Differences between Forecast and Actual Financial Results for the Six Months

ended September 30, 2013 and Revision to Full Year Financial Results Forecast” announced today (October 31, 2013) as the forecasts have been revised as stated in the Notice.

For matters concerning the Forecast of Consolidated Financial Results, please also refer to “4. Reference Materials (1) Consolidated Reference Materials, Projection for FY2013” on page 12.

\* Please also refer to the Notice above for revisions to the Forecast of Non-consolidated Financial Results.

For matters concerning the Forecast of Non-consolidated Financial Results, please also refer to “4. Reference Materials (2) Non-consolidated Reference Materials, Projection for FY2013” on page 14.

## **2. Matters Related to Summary Information (Notes)**

### **(1) Significant Changes of Subsidiaries during the Period under Review**

Not applicable.

### **(2) Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statements**

#### Calculation of Tax Expenses

Tax expenses are calculated by reasonably estimating the effective tax rate following application of tax effect accounting to income before income taxes and minority interests for the consolidated fiscal year, which includes the second quarter ended September 30, 2013, and multiplying income before income taxes and minority interests by said estimated effective tax rate.

### **(3) Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors**

Not applicable.

3. Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(Unit: Millions of yen)

|                                       | FY2012<br>(as of March 31, 2013) | Second Quarter of FY2013<br>(as of September 30, 2013) |
|---------------------------------------|----------------------------------|--|
| <b>ASSETS</b>                         |                                  |  |
| Current assets:                       |                                  |  |
| Cash and cash in banks                | 188,124                          | 189,420  |
| Notes receivable—trade                | 14,456                           | 15,166   |
| Accounts receivable—trade             | 233,460                          | 238,134  |
| Inventories                           | 5,514                            | 5,930  |
| Other                                 | 147,206                          | 159,656  |
| Less: allowance for doubtful accounts | (1,085)                          | (1,481)  |
| Total current assets                  | 587,677                          | 606,827  |
| Noncurrent assets:                    |                                  |  |
| Property and equipment                |                                  |  |
| Vehicles, net                         | 18,636                           | 19,151   |
| Buildings, net                        | 241,597                          | 239,162  |
| Land                                  | 169,581                          | 169,321  |
| Other, net                            | 59,023                           | 58,875   |
| Net property and equipment            | 488,838                          | 486,511  |
| Intangible assets                     | 33,705                           | 43,390   |
| Investments and other assets          |                                  |  |
| Investment securities                 | 96,732                           | 110,786  |
| Other                                 | 41,905                           | 40,119   |
| Less: allowance for doubtful accounts | (1,246)                          | (1,217)  |
| Total investments and other assets    | 137,391                          | 149,688  |
| Total noncurrent assets               | 659,935                          | 679,590  |
| Total assets                          | 1,247,612                        | 1,286,417  |
| <b>LIABILITIES</b>                    |                                  |  |
| Current liabilities:                  |                                  |  |
| Notes payable—trade                   | 8,419                            | 6,840  |
| Accounts payable—trade                | 128,275                          | 128,529  |
| Short-term loans payable              | 64,007                           | 65,524   |
| Income taxes payable                  | 6,527                            | 5,904  |
| Provision for bonuses                 | 18,332                           | 18,370   |
| Other provisions                      | 195                              | 91   |
| Other                                 | 183,081                          | 177,763  |
| Total current liabilities             | 408,838                          | 403,025  |
| Noncurrent liabilities:               |                                  |  |
| Bonds payable                         | 80,000                           | 65,000   |
| Long-term loans payable               | 156,038                          | 194,898  |
| Provision for retirement benefits     | 46,914                           | 49,201   |
| Other provisions                      | 586                              | 432  |
| Other                                 | 36,825                           | 44,413   |
| Total noncurrent liabilities          | 320,365                          | 353,945  |
| Total liabilities                     | 729,203                          | 756,971  |

(Unit: Millions of yen)

|  | FY2012<br>(as of March 31, 2013) | Second Quarter of FY2013<br>(as of September 30, 2013) |
|--|----------------------------------|--|
| <b>NET ASSETS</b>                                      |                                  |  |
| Shareholders' equity:                                  |                                  |  |
| Common stock   | 70,175                           | 70,175   |
| Additional paid-in capital                             | 26,908                           | 26,908   |
| Retained earnings                                      | 401,902                          | 404,097  |
| Less: treasury stock                                   | (6,078)                          | (17,309)   |
| Total shareholders' equity                             | 492,907                          | 483,871  |
| Accumulated other comprehensive income:                |                                  |  |
| Valuation differences on available-for-sale securities | 35,358                           | 44,087   |
| Deferred gains (losses) on hedges                      | (17)                             | (14)   |
| Foreign currency translation adjustments               | (14,565)                         | (4,206)  |
| Total accumulated other comprehensive income           | 20,776                           | 39,866   |
| Minority interests                                     | 4,725                            | 5,707  |
| Total net assets                                       | 518,409                          | 529,446  |
| Total liabilities and net assets                       | 1,247,612                        | 1,286,417  |

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Unit: Millions of yen)

|   | Six months ended Sep. 30, 2012<br>(from April 1, 2012 to<br>September 30, 2012) | Six months ended Sep. 30, 2013<br>(from April 1, 2013 to<br>September 30, 2013) |
|---|---|---|
| Revenues  | 798,742   | 835,758   |
| Operating costs                                   | 746,744   | 778,314   |
| Gross profit                                      | 51,997  | 57,444  |
| Selling, general and administrative expenses      | 36,254  | 39,987  |
| Operating income                                  | 15,743  | 17,456  |
| Non-operating income:                             |   |   |
| Interest income                                   | 306   | 333   |
| Dividends income                                  | 2,016   | 1,768   |
| Equity in earnings of affiliates                  | 236   | 294   |
| Other   | 4,438   | 4,793   |
| Total non-operating income                        | 6,997   | 7,189   |
| Non-operating expenses:                           |   |   |
| Interest expenses                                 | 1,654   | 1,596   |
| Other   | 469   | 662   |
| Total non-operating expenses                      | 2,124   | 2,258   |
| Ordinary income                                   | 20,616  | 22,387  |
| Extraordinary income:                             |   |   |
| Gain on sales of noncurrent assets                | 3,199   | 2,100   |
| Other   | 69  | 192   |
| Total extraordinary income                        | 3,269   | 2,292   |
| Extraordinary loss:                               |   |   |
| Loss on disposal of noncurrent assets             | 1,505   | 1,600   |
| Loss on valuation of investment securities        | 709   | 20  |
| Extraordinary additional retirement benefits      | 1,030   | 9,725   |
| Other   | 93  | 155   |
| Total extraordinary loss                          | 3,338   | 11,502  |
| Income before income taxes and minority interests | 20,547  | 13,178  |
| Income taxes                                      | 8,538   | 5,357   |
| Income before minority interests                  | 12,009  | 7,821   |
| Minority interests                                | 693   | 377   |
| Net income  | 11,315  | 7,443   |

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

|   | Six months ended Sep. 30, 2012<br>(from April 1, 2012 to<br>September 30, 2012) | Six months ended Sep. 30, 2013<br>(from April 1, 2013 to<br>September 30, 2013) |
|---|---|---|
| Income before minority interests  | 12,009  | 7,821   |
| Other comprehensive income:   |   |   |
| Valuation differences on available-for-sale securities                                  | (6,047)   | 8,727   |
| Deferred gains (losses) on hedges   | (11)  | 2   |
| Foreign currency translation adjustments  | 1,069   | 10,368  |
| Share of other comprehensive income of affiliates accounted for using the equity method | 40  | 330   |
| Total other comprehensive income  | (4,947)   | 19,429  |
| Comprehensive income  | 7,061   | 27,250  |
| (Comprehensive income attributable to)  |   |   |
| Shareholders of Nippon Express  | 6,344   | 26,533  |
| Minority interests  | 717   | 716   |

## (3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

|   | Six months ended Sep. 30, 2012<br>(from April 1, 2012 to<br>September 30, 2012) | Six months ended Sep. 30, 2013<br>(from April 1, 2013 to<br>September 30, 2013) |
|---|---|---|
| <b>Cash flows from operating activities</b>   |   |   |
| Income before income taxes and minority interests                                       | 20,547  | 13,178  |
| Depreciation and amortization   | 22,166  | 22,067  |
| Extraordinary additional retirement benefits  | 1,030   | 9,725   |
| Interest and dividend income  | (2,322)   | (2,101)   |
| Interest expense  | 1,654   | 1,596   |
| Equity in (earnings) losses of unconsolidated subsidiaries and affiliates               | (236)   | (294)   |
| (Increase) decrease in trade receivables  | 24,063  | 3,071   |
| (Increase) decrease in inventories  | (707)   | (378)   |
| Increase (decrease) in accounts payable   | (23,261)  | (9,169)   |
| Other   | 5,320   | (27,946)  |
| Sub-total   | 48,255  | 9,747   |
| Interest and dividends received   | 2,415   | 2,180   |
| Interest paid   | (1,600)   | (1,475)   |
| Payments for extraordinary additional retirement benefits                               | (1,030)   | (9,725)   |
| Payment for loss on disaster  | (164)   | (48)  |
| Income taxes paid   | (15,225)  | (6,777)   |
| Net cash provided by (used in) operating activities                                     | 32,650  | (6,099)   |
| <b>Cash flows from investment activities</b>  |   |   |
| Payment for purchase of property and equipment  | (21,205)  | (20,531)  |
| Proceeds from sale of property and equipment  | 3,825   | 3,064   |
| Proceeds of purchase of consolidated subsidiary due to change in scope of consolidation | (2,605)   | (5,182)   |
| Other   | (1,034)   | 1,178   |
| Net cash used in investment activities  | (21,020)  | (21,471)  |
| <b>Cash flows from financing activities</b>   |   |   |
| Change in short-term loans payable  | 463   | 19  |
| Proceeds from long-term loans payable   | 15,050  | 59,800  |
| Payment of long-term loans payable  | (22,788)  | (22,895)  |
| Cash dividends  | (5,213)   | (5,248)   |
| Purchase of treasury stock  | (101)   | (11,231)  |
| Other   | 7,560   | 5,079   |
| Net cash used in financing activities   | (5,029)   | 25,523  |
| Effect of exchange rate changes on cash   | 514   | 3,308   |
| Net increase in cash and cash equivalents   | 7,115   | 1,261   |
| Cash and cash equivalents at beginning of period  | 181,614   | 180,503   |
| Cash and cash equivalents at end of period  | 188,729   | 181,764   |

(4) Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not applicable.

(Notes in Cases Where There are Significant Changes in Amount of Shareholders' Equity)

Not applicable.

4. Reference Materials

(1) Consolidated Reference Materials

Financial Results of Reportable Segment

(Unit: Millions of yen, %)

|                                   |                    |                               | Six months ended<br>Sep. 30, 2013 |                                | Six months ended<br>Sep. 30, 2012 |             | Change  |        |
|-----------------------------------|--------------------|-------------------------------|-----------------------------------|--------------------------------|-----------------------------------|-------------|---------|--------|
|                                   |                    |                               |                                   |                                |                                   |             | Amount  | Ratio  |
| Revenues                          | Reportable Segment | Distribution & Transportation | Domestic Companies                | Combined Business              | 353,292                           | 346,034     | 7,258   | 2.1    |
|                                   |                    |                               |                                   | Security Transportation        | 27,330                            | 29,411      | (2,081) | (7.1)  |
|                                   |                    |                               |                                   | Heavy Haulage & Construction   | 18,140                            | 19,177      | (1,037) | (5.4)  |
|                                   |                    |                               |                                   | Air Freight Forwarding         | 88,104                            | 93,535      | (5,430) | (5.8)  |
|                                   |                    |                               |                                   | Marine & Harbor Transportation | 67,270                            | 63,044      | 4,225   | 6.7    |
|                                   |                    |                               | Subtotal                          | 554,138                        | 551,203                           | 2,934       | 0.5     |        |
|                                   |                    |                               | Overseas Companies                | The Americas                   | 33,540                            | 26,085      | 7,455   | 28.6   |
|                                   |                    |                               |                                   | Europe                         | 34,143                            | 22,242      | 11,901  | 53.5   |
|                                   |                    |                               |                                   | East Asia                      | 42,004                            | 34,423      | 7,580   | 22.0   |
|                                   |                    |                               |                                   | South Asia & Oceania           | 24,358                            | 22,615      | 1,742   | 7.7    |
|                                   |                    | Subtotal                      |                                   | 134,047                        | 105,367                           | 28,679      | 27.2    |        |
|                                   |                    | Total                         | 688,185                           | 656,571                        | 31,614                            | 4.8         |         |        |
|                                   |                    | Goods Sales                   | 190,389                           | 183,767                        | 6,621                             | 3.6         |         |        |
|                                   |                    | Other                         | 20,190                            | 19,126                         | 1,064                             | 5.6         |         |        |
|                                   |                    | Subtotal                      | 898,765                           | 859,465                        | 39,300                            | 4.6         |         |        |
| Adjustment                        | (63,006)           | (60,723)                      | (2,283)                           | —                              |                                   |             |         |        |
| Total                             | 835,758            | 798,742                       | 37,016                            | 4.6                            |                                   |             |         |        |
| Segment Income (Operating Income) | Reportable Segment | Distribution & Transportation | Domestic Companies                | Combined Business              | [1.5] 5,238                       | [0.4] 1,511 | 3,726   | 246.5  |
|                                   |                    |                               |                                   | Security Transportation        | [1.8] 486                         | [3.1] 923   | (437)   | (47.3) |
|                                   |                    |                               |                                   | Heavy Haulage & Construction   | [5.6] 1,021                       | [9.6] 1,839 | (818)   | (44.5) |
|                                   |                    |                               |                                   | Air Freight Forwarding         | [2.8] 2,432                       | [2.0] 1,888 | 543     | 28.8   |
|                                   |                    |                               |                                   | Marine & Harbor Transportation | [5.0] 3,333                       | [4.9] 3,085 | 247     | 8.0    |
|                                   |                    |                               | Subtotal                          | [2.3] 12,512                   | [1.7] 9,248                       | 3,263       | 35.3    |        |
|                                   |                    |                               | Overseas Companies                | The Americas                   | [3.5] 1,164                       | [3.7] 978   | 186     | 19.0   |
|                                   |                    |                               |                                   | Europe                         | [1.1] 383                         | [2.6] 569   | (186)   | (32.8) |
|                                   |                    |                               |                                   | East Asia                      | [1.7] 695                         | [2.3] 795   | (99)    | (12.6) |
|                                   |                    |                               |                                   | South Asia & Oceania           | [2.3] 557                         | [4.6] 1,040 | (482)   | (46.4) |
|                                   |                    | Subtotal                      |                                   | [2.1] 2,801                    | [3.2] 3,384                       | (582)       | (17.2)  |        |
|                                   |                    | Total                         | [2.2] 15,313                      | [1.9] 12,633                   | 2,680                             | 21.2        |         |        |
|                                   |                    | Goods Sales                   | [1.1] 2,056                       | [1.8] 3,288                    | (1,232)                           | (37.5)      |         |        |
|                                   |                    | Other                         | [3.2] 636                         | [3.3] 638                      | (2)                               | (0.3)       |         |        |
|                                   |                    | Subtotal                      | [2.0] 18,006                      | [1.9] 16,560                   | 1,445                             | 8.7         |         |        |
| Adjustment                        | (549)              | (817)                         | 267                               | —                              |                                   |             |         |        |
| Total                             | [2.1] 17,456       | [2.0] 15,743                  | 1,713                             | 10.9                           |                                   |             |         |        |

(Note) Figures in brackets indicate Operating Margins.

□ Projection for FY2013

(Reportable Segment)

(Unit: Millions of yen, %)

|                                   |                    |                               |                    | FY2013                         |              | FY2012      |         | Change |       |
|-----------------------------------|--------------------|-------------------------------|--------------------|--------------------------------|--------------|-------------|---------|--------|-------|
|                                   |                    |                               |                    |                                |              |             |         | Amount | Ratio |
| Revenues                          | Reportable Segment | Distribution & Transportation | Domestic Companies | Combined Business              | 712,000      | 699,287     | 12,712  | 1.8    |       |
|                                   |                    |                               |                    | Security Transportation        | 54,800       | 58,842      | (4,042) | (6.9)  |       |
|                                   |                    |                               |                    | Heavy Haulage & Construction   | 34,500       | 37,186      | (2,686) | (7.2)  |       |
|                                   |                    |                               |                    | Air Freight Forwarding         | 178,600      | 182,143     | (3,543) | (1.9)  |       |
|                                   |                    |                               |                    | Marine & Harbor Transportation | 130,300      | 124,207     | 6,092   | 4.9    |       |
|                                   |                    |                               | Subtotal           | 1,110,200                      | 1,101,666    | 8,533       | 0.8     |        |       |
|                                   |                    |                               | Overseas Companies | The Americas                   | 68,700       | 54,028      | 14,671  | 27.2   |       |
|                                   |                    |                               |                    | Europe                         | 68,800       | 44,230      | 24,569  | 55.5   |       |
|                                   |                    |                               |                    | East Asia                      | 89,200       | 68,812      | 20,387  | 29.6   |       |
|                                   |                    |                               |                    | South Asia & Oceania           | 51,600       | 44,291      | 7,308   | 16.5   |       |
|                                   |                    | Subtotal                      |                    | 278,300                        | 211,363      | 66,936      | 31.7    |        |       |
|                                   |                    | Total                         | 1,388,500          | 1,313,029                      | 75,470       | 5.7         |         |        |       |
|                                   |                    | Goods Sales                   | 398,700            | 383,738                        | 14,961       | 3.9         |         |        |       |
|                                   |                    | Other                         | 41,100             | 41,802                         | (702)        | (1.7)       |         |        |       |
|                                   |                    | Subtotal                      | 1,828,300          | 1,738,570                      | 89,729       | 5.2         |         |        |       |
| Adjustment                        | (138,300)          | (125,242)                     | (13,057)           | —                              |              |             |         |        |       |
| Total                             | 1,690,000          | 1,613,327                     | 76,672             | 4.8                            |              |             |         |        |       |
| Segment Income (Operating Income) | Reportable Segment | Distribution & Transportation | Domestic Companies | Combined Business              | [2.0] 13,890 | [1.0] 7,084 | 6,805   | 96.1   |       |
|                                   |                    |                               |                    | Security Transportation        | [2.0] 1,080  | [3.0] 1,793 | (713)   | (39.8) |       |
|                                   |                    |                               |                    | Heavy Haulage & Construction   | [5.6] 1,920  | [7.9] 2,935 | (1,015) | (34.6) |       |
|                                   |                    |                               |                    | Air Freight Forwarding         | [2.9] 5,190  | [2.2] 3,982 | 1,207   | 30.3   |       |
|                                   |                    |                               |                    | Marine & Harbor Transportation | [4.2] 5,470  | [3.8] 4,665 | 804     | 17.2   |       |
|                                   |                    |                               | Subtotal           | [2.5] 27,550                   | [1.9] 20,462 | 7,087       | 34.6    |        |       |
|                                   |                    |                               | Overseas Companies | The Americas                   | [3.8] 2,640  | [3.9] 2,091 | 548     | 26.2   |       |
|                                   |                    |                               |                    | Europe                         | [1.1] 760    | [3.5] 1,544 | (784)   | (50.8) |       |
|                                   |                    |                               |                    | East Asia                      | [2.4] 2,160  | [1.9] 1,328 | 831     | 62.6   |       |
|                                   |                    |                               |                    | South Asia & Oceania           | [3.0] 1,560  | [3.8] 1,698 | (138)   | (8.2)  |       |
|                                   |                    | Subtotal                      |                    | [2.6] 7,120                    | [3.2] 6,662  | 457         | 6.9     |        |       |
|                                   |                    | Total                         | [2.5] 34,670       | [2.1] 27,125                   | 7,544        | 27.8        |         |        |       |
|                                   |                    | Goods Sales                   | [1.3] 5,020        | [1.5] 5,825                    | (805)        | (13.8)      |         |        |       |
|                                   |                    | Other                         | [4.0] 1,630        | [4.1] 1,713                    | (83)         | (4.9)       |         |        |       |
|                                   |                    | Subtotal                      | [2.3] 41,320       | [2.0] 34,664                   | 6,655        | 19.2        |         |        |       |
| Adjustment                        | (1,320)            | (1,458)                       | 138                | —                              |              |             |         |        |       |
| Total                             | [2.4] 40,000       | [2.1] 33,206                  | 6,793              | 20.5                           |              |             |         |        |       |

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

2. Projection for FY2013 stated above is the revised version of Forecast of Consolidated Financial Results for FY2013 reported on May 8, 2013.

## (2) Non-consolidated Reference Materials

## □ Summary of Non-consolidated Statements of Income

(Unit: Millions of yen, %)

|                                  |   | Six months ended           |                           | Six months ended |               | Change      |           |             |            |
|----------------------------------|---|----------------------------|---------------------------|------------------|---------------|-------------|-----------|-------------|------------|
|                                  |   | Sep. 30,<br>2013           | % in<br>Sales             | Sep. 30,<br>2012 | % in<br>Sales | Amount      | Ratio     |             |            |
| 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) ] |             |            |
| Operating expenses               | Employment costs                            | Drivers/workers            | 58,355                    | 11.4             | 58,806        | 11.4        | (451)     | (0.8)       |            |
|                                  |   | Office personnel           | 68,278                    | 13.3             | 70,849        | 13.8        | (2,571)   | (3.6)       |            |
|                                  |   | Subtotal                   | 126,633                   | 24.7             | 129,656       | 25.2        | (3,022)   | (2.3)       |            |
|                                  | Forwarding costs                            | Railway                    | 21,127                    | 4.1              | 21,745        | 4.2         | (618)     | (2.8)       |            |
|                                  |   | Marine                     | 12,505                    | 2.4              | 10,572        | 2.1         | 1,932     | 18.3        |            |
|                                  |   | Air                        | 21,080                    | 4.1              | 25,717        | 5.0         | (4,636)   | (18.0)      |            |
|                                  |   | Subtotal                   | 54,714                    | 10.6             | 58,036        | 11.3        | (3,322)   | (5.7)       |            |
|                                  | Vehicle chartering and subcontracting costs | 210,199                    | 40.9                      | 206,010          | 40.0          | 4,189       | 2.0       |             |            |
|                                  | Depreciation and amortization               | 14,223                     | 2.8                       | 15,210           | 3.0           | (987)       | (6.5)     |             |            |
|                                  | Facility usage charges                      | 35,925                     | 7.0                       | 35,878           | 7.0           | 46          | 0.1       |             |            |
| Other                            | 61,877                                      | 12.0                       | 62,436                    | 12.1             | (559)         | (0.9)       |           |             |            |
| Total                            | 503,572                                     | 98.0                       | 507,228                   | 98.6             | (3,655)       | (0.7)       |           |             |            |
| Operating income                 | 10,219                                      | 2.0                        | 7,323                     | 1.4              | 2,896         | 39.5        |           |             |            |
| Non-operating income             | 5,325                                       | 1.0                        | 5,377                     | 1.1              | (52)          | (1.0)       |           |             |            |
| Non-operating expenses           | 1,982                                       | 0.4                        | 1,891                     | 0.4              | 91            | 4.8         |           |             |            |
| Ordinary income                  | 13,561                                      | 2.6                        | 10,809                    | 2.1              | 2,752         | 25.5        |           |             |            |
| Extraordinary income             | 694   | 0.1                        | 1,502                     | 0.3              | (808)         | (53.8)      |           |             |            |
| Extraordinary loss               | 11,116                                      | 2.1                        | 2,942                     | 0.6              | 8,173         | 277.7       |           |             |            |
| Income before income taxes       | 3,140                                       | 0.6                        | 9,369                     | 1.8              | (6,228)       | (66.5)      |           |             |            |
| Income taxes                     | 1,093                                       | 0.2                        | 4,269                     | 0.8              | (3,175)       | (74.4)      |           |             |            |
| Net income                       | 2,046                                       | 0.4                        | 5,100                     | 1.0              | (3,053)       | (59.9)      |           |             |            |

□ Projection for FY2013

(Unit: Millions of yen, %)

|                                  |   | FY2013                     |                           | FY2012  |            | Change  |         |         |       |
|----------------------------------|---|----------------------------|---------------------------|---------|------------|---------|---------|---------|-------|
|                                  |   |                            | % in Sales                |         | % in Sales | Amount  | Ratio   |         |       |
| Revenues                         | Railway utilization transportation          | 83,000                     | 8.1                       | 84,883  | 8.3        | (1,883) | (2.2)   |         |       |
|                                  | Motor transportation                        | Combined delivery services | 81,800                    | 7.9     | 79,368     | 7.7     | 2,431   | 3.1     |       |
|                                  |   | Chartered truck services   | 269,700                   | 26.2    | 268,771    | 26.2    | 928     | 0.3     |       |
|                                  |   | Subtotal                   | 351,500                   | 34.1    | 348,139    | 33.9    | 3,360   | 1.0     |       |
|                                  | Marine and harbor transportation            | Marine transportation      | 69,800                    | 6.8     | 64,087     | 6.3     | 5,712   | 8.9     |       |
|                                  |   | Harbor transportation      | 55,400                    | 5.4     | 56,435     | 5.5     | (1,035) | (1.8)   |       |
|                                  |   | Subtotal                   | 125,200                   | 12.2    | 120,522    | 11.8    | 4,677   | 3.9     |       |
|                                  | Warehousing                                 | 112,600                    | 10.9                      | 108,254 | 10.6       | 4,345   | 4.0     |         |       |
|                                  | Air transportation                          | Air freight forwarding     | International air freight | 95,600  | 9.2        | 100,485 | 9.8     | (4,885) | (4.9) |
|                                  |   |                            | Domestic air freight      | 38,800  | 3.8        | 38,083  | 3.7     | 716     | 1.9   |
|                                  |   |                            | Subtotal                  | 134,400 | 13.0       | 138,568 | 13.5    | (4,168) | (3.0) |
|                                  |   | Travel                     | 0                         | 0.0     | 2,374      | 0.2     | (2,374) | (100.0) |       |
|                                  | Subtotal                                    | 134,400                    | 13.0                      | 140,942 | 13.7       | (6,542) | (4.6)   |         |       |
|                                  | Heavy haulage & construction                | 43,000                     | 4.2                       | 46,474  | 4.5        | (3,474) | (7.5)   |         |       |
| Incidental operations and others | 180,300                                     | 17.5                       | 175,927                   | 17.2    | 4,372      | 2.5     |         |         |       |
| Total                            | 1,030,000                                   | 100.0                      | 1,025,145                 | 100.0   | 4,854      | 0.5     |         |         |       |
| Operating expenses               | Employment costs                            | Drivers/workers            | 116,900                   | 11.3    | 117,379    | 11.5    | (479)   | (0.4)   |       |
|                                  |   | Office personnel           | 133,600                   | 13.0    | 139,645    | 13.6    | (6,045) | (4.3)   |       |
|                                  |   | Subtotal                   | 250,500                   | 24.3    | 257,025    | 25.1    | (6,525) | (2.5)   |       |
|                                  | Forwarding costs                            | Railway                    | 43,200                    | 4.2     | 44,223     | 4.3     | (1,023) | (2.3)   |       |
|                                  |   | Marine                     | 24,500                    | 2.4     | 21,731     | 2.1     | 2,768   | 12.7    |       |
|                                  |   | Air                        | 43,500                    | 4.2     | 48,075     | 4.7     | (4,575) | (9.5)   |       |
|                                  |   | Subtotal                   | 111,200                   | 10.8    | 114,031    | 11.1    | (2,831) | (2.5)   |       |
|                                  | Vehicle chartering and subcontracting costs | 418,600                    | 40.6                      | 409,980 | 40.0       | 8,619   | 2.1     |         |       |
|                                  | Depreciation and amortization               | 29,200                     | 2.8                       | 31,007  | 3.0        | (1,807) | (5.8)   |         |       |
|                                  | Facility usage charges                      | 72,300                     | 7.0                       | 72,055  | 7.0        | 244     | 0.3     |         |       |
| Other                            | 125,200                                     | 12.3                       | 124,798                   | 12.2    | 401        | 0.3     |         |         |       |
| Total                            | 1,007,000                                   | 97.8                       | 1,008,898                 | 98.4    | (1,898)    | (0.2)   |         |         |       |
| Operating income                 | 23,000                                      | 2.2                        | 16,247                    | 1.6     | 6,752      | 41.6    |         |         |       |
| 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                  | 29,000                                      | 2.8                        | 22,350                    | 2.2     | 6,649      | 29.8    |         |         |       |
| Extraordinary income             | 8,300                                       | 0.8                        | 3,002                     | 0.3     | 5,297      | 176.4   |         |         |       |
| Extraordinary loss               | 12,800                                      | 1.2                        | 6,258                     | 0.6     | 6,541      | 104.5   |         |         |       |
| Income before income taxes       | 24,500                                      | 2.4                        | 19,094                    | 1.9     | 5,405      | 28.3    |         |         |       |
| Income taxes                     | 9,500                                       | 0.9                        | 6,503                     | 0.7     | 2,996      | 46.1    |         |         |       |
| Net income                       | 15,000                                      | 1.5                        | 12,590                    | 1.2     | 2,409      | 19.1    |         |         |       |

(Note) Projection for FY2013 stated above is the revised version of Forecast of Non-consolidated Financial Results for FY2013 reported on May 8, 2013.