

January 29, 2016

Summary of Consolidated Earnings Report for the Third Quarter of Fiscal Year Ending March 31, 2016 (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 release of Quarterly Financial Report: February 12, 2016

Scheduled date of dividend payment: -

Availability of supplementary briefing material on quarterly financial results: Available

(Millions of yen, rounded down)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2015 (from April 1, 2015 to December 31, 2015)

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

	Revenues		Operating income		Ordinary income		Net income attributable to shareholders of Nippon Express	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine Months Ended Dec. 31, 2015	1,434,873	1.2	38,507	10.9	45,034	8.0	27,391	12.4
Nine Months Ended Dec. 31, 2014	1,417,784	10.7	34,729	16.3	41,703	11.4	24,359	33.1

(Note) Comprehensive income:

Nine Months Ended Dec. 31, 2015: ¥23,818 million [(36.0%)] Nine Months Ended Dec. 31, 2014: ¥37,195 million [(9.3%)]

	Net income per share	Diluted net income per share
	¥	¥
Nine Months Ended Dec. 31, 2015	27.35	—
Nine Months Ended Dec. 31, 2014	23.77	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of Dec. 30, 2015	1,526,272	561,951	35.7
As of Mar. 31, 2015	1,453,617	550,137	36.6

(Reference) Equity: As of Dec. 31, 2015: ¥544,237 million As of Mar. 31, 2015: ¥531,909 million

2. Dividends Information

	Annual dividend per share				
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly
	¥	¥	¥	¥	¥
Fiscal Year Ended Mar. 31, 2015	—	5.00	—	5.00	10.00
Fiscal Year Ending Mar. 31, 2016	—	5.00	—		
Fiscal Year Ending Mar. 31, 2016 (Forecast)				5.00	10.00

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

3. Forecast of Consolidated Financial Results for FY2015 (from April 1, 2015 to March 31, 2016)

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income attributable to shareholders of Nippon Express		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	2,000,000	3.9	54,000	6.3	63,000	5.8	34,000	28.9	33.95

(Note) Revision of consolidated results forecast from recently announced figures: No

*Notes

(1) Significant changes of subsidiaries during the period under review (affecting specific subsidiaries due to changes in scope of consolidation): No

(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.: Yes

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 Dec. 31, 2015	1,038,000,000 shares	As of Mar. 31, 2015	1,038,000,000 shares
---------------------	----------------------	---------------------	----------------------

2) Total number of treasury stocks at end of period

As of Dec. 31, 2015	36,434,753 Shares	As of Mar. 31, 2015	36,401,970 shares
---------------------	-------------------	---------------------	-------------------

3) Average number of shares during period

Nine months ended Dec. 31, 2015	1,001,579,809 shares	Nine months ended Dec. 31, 2014	1,024,679,219 shares
---------------------------------	----------------------	---------------------------------	----------------------

*Status of execution of the quarterly review of financial statements

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

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 January 29, 2016.

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Business Results

During the nine months ended December 31, 2015, there was an increased sense of uncertainty about the economic outlook for Japan due to factors including the slowdown in the economic growth of China, significant drop in oil prices and escalation of geopolitical risks in the international community.

Amid these economic conditions, in the field of logistics, domestic freight suffered from sluggish freight movement due to factors such as weakening consumer confidence, while international freight was generally weak, mainly due to a reduction in freight to China and other Asian countries.

In this business environment, during the nine months ended December 31, 2015, in the Distribution & Transportation segment, domestic companies of the Nippon Express Group recorded a year-on-year decrease in revenues in the segments of Combined Business, Security Transportation and Air Freight Forwarding, but recorded a year-on-year increase in revenues in the segments of Heavy Haulage & Construction and Marine & Harbor Transportation.

Meanwhile, overseas companies posted a year-on-year increase in revenues in each of the following segments: the Americas, Europe, East Asia and South Asia & Oceania. With regard to the Goods Sales segment, revenues decreased year on year due to factors such as the decline in the petroleum sales unit price, while the Other segment recorded a year-on-year increase in revenues due to factors such as the addition of a new consolidated subsidiary.

As a result, revenues increased by ¥17.0 billion, or 1.2% year on year, to ¥1,434.8 billion, while operating income increased by ¥3.7 billion, or 10.9% year on year, to ¥38.5 billion and ordinary income increased by ¥3.3 billion, or 8.0% year on year, to ¥45.0 billion. Net income attributable to shareholders of Nippon Express increased by ¥3.0 billion, or 12.4% year on year, to ¥27.3 billion.

(2) Explanation of Financial Position

Total assets as at the end of the third quarter ended December 31, 2015 amounted to ¥1,526.2 billion, an increase of ¥72.6 billion or 5.0% from the end of the previous fiscal year.

Current assets amounted to ¥726.6 billion, an increase of ¥7.3 billion or 1.0% from the end of the previous fiscal year, while noncurrent assets totaled ¥799.5 billion, an increase of ¥65.2 billion or 8.9% from the end of the previous fiscal year.

The primary factors behind the increase in current assets were the increase in cash and cash in banks, etc.

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

Current liabilities increased by ¥65.5 billion or 13.3% from the end of the previous fiscal year to ¥557.4 billion, while noncurrent liabilities decreased by ¥4.6 billion or 1.1% to ¥406.8 billion from the end of the previous fiscal year.

The increase in current liabilities was primarily due to the increase in short-term loans payable, etc.

The decrease in noncurrent liabilities was mainly attributable to the decrease in bonds payable.

Net assets amounted to ¥561.9 billion at the end of the third quarter ended December 31, 2015, an increase of ¥11.8 billion or 2.1% from the end of the previous fiscal year. This was attributable to the increase in retained earnings, etc.

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

At present, there are no changes to the forecasts of financial results for the fiscal year ending March 31, 2016 announced on May 8, 2015.

The Group will continue to review the performance forecasts going forward, and will make a prompt disclosure in the event that any revisions need to be made regarding the financial results forecasts.

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 non-controlling interests for the consolidated fiscal year, which includes

the third quarter ended December 31, 2015, and multiplying income before income taxes and non-controlling interests by said estimated effective tax rate.

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

(Changes in Accounting Policies)

Effective from the first quarter ended June 30, 2015, the Company has applied the Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013; the "Business Combinations Standard"), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013; the "Consolidated Financial Statements Standard"), the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013; the "Business Divestitures Standard") and others. Accordingly, the accounting methods have been changed to record the difference arising from a change in the Company's ownership interest in a subsidiary over which the Company continues to have control as additional paid-in capital and to record acquisition-related costs as expenses for the consolidated fiscal year in which they are incurred. Furthermore, for business combinations performed at and after the beginning of the first quarter ended June 30, 2015, the method has been changed to reflect an adjustment to the provisional amount arising from the finalization of the tentative accounting treatment relating to the allocation of acquisition cost in the consolidated financial statements for the quarter to which the date of business combination belongs. In addition, the Company has changed the presentation of net income and other related items, and the presentation of "minority interests" to "non-controlling interests." To reflect these changes in presentation, reclassification has been made in the quarterly consolidated financial statements for the six months ended September 30, 2014 and the consolidated financial statements for the fiscal year ended March 31, 2015.

The Company has changed the presentation of some items in the Quarterly Statements of Cash Flows for the six months ended December 31, 2015. Cash flows related to changes in ownership interests in subsidiaries that do not result in change in scope of consolidation are classified under "cash flows from financing activities," while cash flows related to: 1) expenses incurred due to changes in ownership interests in subsidiaries that result in change in scope of consolidation, and 2) expenses incurred due to changes in ownership interests in subsidiaries that do not result in change in scope of consolidation are classified under "cash flows from operating activities."

The Business Combinations Standard and others were adopted in accordance with transitional treatments stipulated in Paragraph 58-2 (4) of the Business Combinations Standard, Paragraph 44-5 (4) of the Consolidated Financial Statements Standard and Paragraph 57-4 (4) of the Business Divestitures Standard, and they have been prospectively adopted from the beginning of the first quarter ended June 30, 2015.

The effect of these changes on operating income, ordinary income and income before income taxes and non-controlling interests for the six months ended December 31, 2015, and on additional paid-in capital as at the end of the second quarter ended December 31, 2015 is immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2014 (as of March 31, 2015)	Third Quarter of FY2015 (as of December 31, 2015)
ASSETS		
Current assets:		
Cash and cash in banks	207,112	223,457
Notes receivable—trade	13,471	23,762
Accounts receivable—trade	321,679	299,795
Inventories	6,020	6,655
Other	172,333	174,414
Less: allowance for doubtful accounts	(1,304)	(1,406)
Total current assets	719,313	726,680
Noncurrent assets:		
Property and equipment		
Vehicles, net	24,092	24,413
Buildings, net	234,437	229,620
Land	176,165	177,447
Other, net	57,850	67,949
Net property and equipment	492,545	499,430
Intangible assets		
Goodwill	14,821	72,816
Other	45,265	44,358
Total intangible assets	60,087	117,174
Investments and other assets		
Investment securities	133,577	134,123
Other	49,103	49,812
Less: allowance for doubtful accounts	(1,009)	(949)
Total investments and other assets	181,670	182,986
Total noncurrent assets	734,304	799,592
Total assets	1,453,617	1,526,272
LIABILITIES		
Current liabilities:		
Notes payable—trade	7,308	10,100
Accounts payable—trade	170,211	146,313
Short-term loans payable	83,397	150,026
Income taxes payable	16,192	8,524
Provision for bonuses	21,752	10,004
Allowance for class action lawsuit filed in the United States	3,899	-
Other provisions	1,247	104
Other	187,931	232,405
Total current liabilities	491,940	557,480
Noncurrent liabilities:		
Bonds payable	65,000	45,000
Long-term loans payable	180,969	191,269
Other provisions	1,381	1,510
Net retirement benefit liability	135,678	140,249
Other	28,510	28,810
Total noncurrent liabilities	411,539	406,840
Total liabilities	903,480	964,320

(Unit: Millions of yen)

	FY2014 (as of March 31, 2015)	Third Quarter of FY2015 (as of December 31, 2015)
NET ASSETS		
Shareholders' equity:		
Common stock	70,175	70,175
Additional paid-in capital	26,908	25,965
Retained earnings	419,851	437,227
Less: treasury stock	(19,444)	(19,465)
Total shareholders' equity	497,490	513,902
Accumulated other comprehensive income:		
Valuation differences on available-for-sale securities	61,900	60,550
Deferred gains (losses) on hedges	(7)	(9)
Foreign currency translation adjustments	14,901	8,197
Remeasurements of retirement benefit plans	(42,375)	(38,403)
Total accumulated other comprehensive income	34,419	30,334
Non-controlling interests	18,227	17,713
Total net assets	550,137	561,951
Total liabilities and net assets	1,453,617	1,526,272

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2014 (from April 1, 2014 to December 31, 2014)	Nine months ended Dec. 31, 2015 (from April 1, 2015 to December 31, 2015)
Revenues	1,417,784	1,434,873
Operating costs	1,318,371	1,324,272
Gross profit	99,412	110,600
Selling, general and administrative expenses	64,683	72,093
Operating income	34,729	38,507
Non-operating income:		
Interest income	491	495
Dividends income	2,280	2,550
Equity in earnings of affiliates	419	558
Income from foreign exchange	2,246	1,702
Other	4,972	4,964
Total non-operating income	10,411	10,272
Non-operating expenses:		
Interest expenses	2,173	2,146
Other	1,264	1,598
Total non-operating expenses	3,437	3,745
Ordinary income	41,703	45,034
Extraordinary income:		
Gain on sales of noncurrent assets	2,027	3,670
Gain on sales of investment securities	5,146	14
Other	634	8
Total extraordinary income	7,809	3,694
Extraordinary loss:		
Loss on disposal of noncurrent assets	6,985	5,213
Provision of allowance for class action lawsuit filed in the United States	3,315	-
Other	188	579
Total extraordinary loss	10,488	5,793
Income before income taxes and non-controlling interests	39,023	42,934
Income taxes	14,057	14,628
Net income	24,966	28,305
Net income attributable to non-controlling interests	606	913
Net income attributable to shareholders of Nippon Express	24,359	27,391

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2014 (from April 1, 2014 to December 31, 2014)	Nine months ended Dec. 31, 2015 (from April 1, 2015 to December 31, 2015)
Net income	24,966	28,305
Other comprehensive income:		
Valuation differences on available-for-sale securities	8,405	(1,353)
Deferred gains (losses) on hedges	62	(2)
Foreign currency translation adjustments	1,973	(6,893)
Remeasurements of retirement benefit plans	1,651	3,962
Share of other comprehensive income of affiliates accounted for using the equity method	136	(200)
Other comprehensive income	12,229	(4,487)
Comprehensive income	37,195	23,818
(Comprehensive income attributable to)		
Shareholders of Nippon Express	36,433	23,307
Non-controlling interests	761	511

- (3) 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.

(Business Combinations)

Business Combination through Acquisition

At the Board of Directors' meeting held on October 30, 2015, the Company resolved to acquire 330,000 issued shares (the "Stock Acquisition") of Wanbishi Archives Co., Ltd. ("Wanbishi Archives"), a wholly-owned subsidiary of TOYOTA INDUSTRIES CORPORATION, and entered into the share transfer agreement on the same date. Subsequently, in accordance with the agreement, effective on December 15, 2015, the Company acquired shares in Wanbishi Archives and made it a subsidiary.

1) Outline of the business combination

A Name and description of business of the acquired company

Name of the acquired company: Wanbishi Archives Co., Ltd.

Description of business: Information asset management and insurance agency business

B Main reasons for the business combination

The Company has played a role in the "social infrastructure" since its establishment under the corporate philosophy of becoming a driving force for social development through logistics.

Meanwhile, Wanbishi Archives has taken the responsibility of managing highly confidential and significantly important documents and data of government authorities, financial institutions and medical institutions, etc., developing its business around the field of "social infrastructure" handling "trust and confidence," which is a lifeline of corporate clients. Furthermore, Wanbishi Archives has fostered a high level of confidence within society as a leading company in the information asset management industry in which further growth and expansion is expected in the future.

Following the Stock Acquisition, the Company believes that Wanbishi Archives' becoming a member of Nippon Express Group will accelerate the building of the security and storage platforms as part of social infrastructure and allow the Company to provide new value to more customers in Japan and abroad.

C Date of the business combination

December 15, 2015

D Legal format of the business combination

Stock acquisition

E Name of the company after the combination

Wanbishi Archives Co., Ltd.

F Ratio of voting rights acquired

100%

G Main rationale behind choice of acquired company

As the Company paid cash consideration to acquire the shares of Wanbishi Archives, the latter has become the acquired company.

2) Period of the acquired company's financial results incorporated in the quarterly consolidated statements of income for the consolidated cumulative period

As the deemed acquisition date was set on December 31, 2015, the financial results of the acquired company are not incorporated in the consolidated financial results for the nine months ended December 31, 2015.

3) Acquisition cost of the acquired company and its breakdown

Consideration for the acquisition (in cash):	¥86,000 million
Acquisition cost:	¥86,000 million

4) Details and amount of main acquisition-related costs

Advisory fees, etc.: ¥301 million

5) Amount of goodwill recognized, basis for recognition, method and period of amortization

A Amount of goodwill recognized

¥60,049 million

B Basis for recognition, method and period of amortization

As the acquisition cost for the acquired company exceeded its net asset value, the difference is recognized as goodwill.

Meanwhile, at the end of the third quarter ended December 31, 2015, the investigation by the Company for determining identifiable assets and liabilities held by the acquired company as of the date of the business combination is ongoing, and the allocation of acquisition cost has not been completed. Accordingly, the above amount of goodwill is calculated based on a provisional accounting treatment. The method and period of its amortization are also under investigation.

(Segment Information, etc.)

[Segment Information]

Nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)

1) Revenues and income (loss) by reportable segment

(Unit: Millions of yen)

	Distribution & Transportation						
	Domestic Companies					Overseas Companies	
	Combined Business	Security Transportation	Heavy Haulage & Construction	Air Freight Forwarding	Marine & Harbor Transportation	The Americas	Europe
Revenues							
Revenues from external customers	549,121	41,576	35,619	140,318	82,308	47,787	56,100
Intersegment	5,689	22	162	1,907	7,248	9,461	3,837
Total	554,810	41,599	35,781	142,225	89,556	57,248	59,937
Segment income	11,373	615	1,734	4,672	3,948	2,751	1,824

	Distribution & Transportation		Goods Sales	Other	Total	Adjustments (Note 1)	Amount recorded in quarterly consolidated statement of income (Note 2)
	Overseas Companies						
	East Asia	South Asia & Oceania					
Revenues							
Revenues from external customers	66,671	41,730	275,272	81,277	1,417,784	–	1,417,784
Intersegment	6,670	3,693	45,996	17,061	101,750	(101,750)	–
Total	73,342	45,424	321,269	98,338	1,519,535	(101,750)	1,417,784
Segment income	1,482	1,057	4,617	1,839	35,917	(1,188)	34,729

(Notes) 1. The segment income adjustment of ¥1,188 million includes ¥374 million for the elimination of intersegment income, and ¥1,566 million of corporate expenses not allocated to each reportable segment. The most significant portion of corporate expenses relates to corporate image advertising and the Company's administration of group companies.

2. Segment income has been reconciled with operating income in the quarterly consolidated statement of income.

Nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)

1) Revenues and income (loss) by reportable segment

(Unit: Millions of yen)

	Distribution & Transportation						
	Domestic Companies					Overseas Companies	
	Combined Business	Security Transportation	Heavy Haulage & Construction	Air Freight Forwarding	Marine & Harbor Transportation	The Americas	Europe
Revenues							
Revenues from external customers	545,318	40,558	40,000	135,233	82,440	60,153	57,861
Intersegment	5,815	23	331	2,254	7,853	11,265	4,004
Total	551,133	40,581	40,332	137,487	90,293	71,419	61,866
Segment income	14,641	1,106	2,474	4,911	4,806	4,077	1,016

	Distribution & Transportation		Goods Sales	Other	Total	Adjustments (Note 1)	Amount recorded in quarterly consolidated statement of income (Note 2)
	Overseas Companies						
	East Asia	South Asia & Oceania					
Revenues							
Revenues from external customers	79,199	49,830	235,687	108,590	1,434,873	–	1,434,873
Intersegment	7,618	3,977	43,555	17,791	104,491	(104,491)	–
Total	86,818	53,807	279,242	126,381	1,539,365	(104,491)	1,434,873
Segment income	1,219	1,123	4,610	2,268	42,256	(3,748)	38,507

(Notes) 1. The segment income adjustment of ¥3,748 million includes ¥10 million for the elimination of intersegment income, and ¥3,749 million of corporate expenses not allocated to each reportable segment. The most significant portion of corporate expenses relates to corporate image advertising and the Company's administration of group companies.

2. Segment income has been reconciled with operating income in the quarterly consolidated statement of income.

2) Impairment loss on noncurrent assets or goodwill, etc. by reportable segment
(Significant Changes in Goodwill Amount)

The goodwill arising from making Wanbishi Archives a subsidiary through acquisition of its shares was reported as an item under the "Other" segment.

As a result of this event, goodwill increased by ¥60,049 million during the nine months ended December 31, 2015. This amount of goodwill is calculated provisionally since the allocation of acquisition cost has not been completed.

4. Reference Materials

(1) Financial Results of Reportable Segment

(Unit: Millions of yen, %)

			Nine months ended Dec. 31, 2015		Nine months ended Dec. 31, 2014		Change	
							Amount	Ratio
Revenues	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	551,133	554,810	(3,677)	(0.7)
				Security Transportation	40,581	41,599	(1,017)	(2.4)
				Heavy Haulage & Construction	40,332	35,781	4,550	12.7
				Air Freight Forwarding	137,487	142,225	(4,737)	(3.3)
				Marine & Harbor Transportation	90,293	89,556	736	0.8
			Subtotal	859,828	863,973	(4,145)	(0.5)	
			Overseas Companies	The Americas	71,419	57,248	14,170	24.8
				Europe	61,866	59,937	1,928	3.2
				East Asia	86,818	73,342	13,476	18.4
				South Asia & Oceania	53,807	45,424	8,383	18.5
		Subtotal		273,911	235,953	37,958	16.1	
		Total	1,133,740	1,099,926	33,813	3.1		
		Goods Sales	279,242	321,269	(42,026)	(13.1)		
		Other	126,381	98,338	28,043	28.5		
Subtotal	1,539,365	1,519,535	19,830	1.3				
Adjustment	(104,491)	(101,750)	(2,741)	—				
Total	1,434,873	1,417,784	17,088	1.2				
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	[2.7] 14,641	[2.1] 11,373	3,267	28.7
				Security Transportation	[2.7] 1,106	[1.5] 615	490	79.7
				Heavy Haulage & Construction	[6.1] 2,474	[4.8] 1,734	740	42.7
				Air Freight Forwarding	[3.6] 4,911	[3.3] 4,672	238	5.1
				Marine & Harbor Transportation	[5.3] 4,806	[4.4] 3,948	858	21.7
			Subtotal	[3.2] 27,940	[2.6] 22,344	5,595	25.0	
			Overseas Companies	The Americas	[5.7] 4,077	[4.8] 2,751	1,326	48.2
				Europe	[1.6] 1,016	[3.0] 1,824	(808)	(44.3)
				East Asia	[1.4] 1,219	[2.0] 1,482	(262)	(17.7)
				South Asia & Oceania	[2.1] 1,123	[2.3] 1,057	65	6.2
		Subtotal		[2.7] 7,437	[3.0] 7,115	321	4.5	
		Total	[3.1] 35,377	[2.7] 29,460	5,916	20.1		
		Goods Sales	[1.7] 4,610	[1.4] 4,617	(7)	(0.2)		
		Other	[1.8] 2,268	[1.9] 1,839	428	23.3		
Subtotal	[2.7] 42,256	[2.4] 35,917	6,338	17.6				
Adjustment	(3,748)	(1,188)	(2,560)	—				
Total	[2.7] 38,507	[2.4] 34,729	3,777	10.9				

(Note) Figures in brackets indicate Operating Margins.

(2) Forecast of Financial Results for FY2015 (Full Year)

(Reportable Segment)

(Unit: Millions of yen, %)

		FY2015	FY2014	Change				
				Amount	Ratio			
Revenues	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	743,200	742,356	843	0.1
				Security Transportation	55,600	55,401	198	0.4
				Heavy Haulage & Construction	48,900	46,886	2,013	4.3
				Air Freight Forwarding	195,700	210,763	(15,063)	(7.1)
				Marine & Harbor Transportation	122,800	118,836	3,963	3.3
			Subtotal	1,166,200	1,174,245	(8,045)	(0.7)	
			Overseas Companies	The Americas	98,200	79,160	19,039	24.1
				Europe	85,000	83,609	1,390	1.7
				East Asia	118,800	101,321	17,478	17.3
				South Asia & Oceania	78,800	64,607	14,192	22.0
		Subtotal		380,800	328,699	52,100	15.9	
		Total	1,547,000	1,502,944	44,055	2.9		
		Goods Sales	411,500	420,155	(8,655)	(2.1)		
		Other	176,000	143,602	32,397	22.6		
Subtotal	2,134,500	2,066,703	67,796	3.3				
Adjustment	(134,500)	(141,773)	7,273	—				
Total	2,000,000	1,924,929	75,070	3.9				
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	[3.0] 21,930	[2.5] 18,201	3,728	20.5
				Security Transportation	[2.6] 1,420	[1.6] 867	552	63.7
				Heavy Haulage & Construction	[6.2] 3,030	[4.6] 2,156	873	40.5
				Air Freight Forwarding	[3.5] 6,930	[4.8] 10,173	(3,243)	(31.9)
				Marine & Harbor Transportation	[4.9] 5,960	[4.1] 4,904	1,055	21.5
			Subtotal	[3.4] 39,270	[3.1] 36,304	2,965	8.2	
			Overseas Companies	The Americas	[5.2] 5,070	[4.3] 3,404	1,665	48.9
				Europe	[1.8] 1,540	[2.9] 2,394	(854)	(35.7)
				East Asia	[1.4] 1,710	[1.9] 1,904	(194)	(10.2)
				South Asia & Oceania	[2.1] 1,690	[1.4] 930	759	81.6
		Subtotal		[2.6] 10,010	[2.6] 8,633	1,376	15.9	
		Total	[3.2] 49,280	[3.0] 44,938	4,341	9.7		
		Goods Sales	[1.6] 6,530	[1.5] 6,423	106	1.7		
		Other	[1.6] 2,730	[1.8] 2,643	86	3.3		
Subtotal	[2.7] 58,540	[2.6] 54,005	4,534	8.4				
Adjustment	(4,540)	(3,193)	(1,346)	—				
Total	[2.7] 54,000	[2.6] 50,811	3,188	6.3				

(Note) Figures in brackets indicate Operating Margins.

(3) Summary of Non-consolidated Statements of Income

(Unit: Millions of yen, %)

		Nine months ended		Nine months ended		Change		
		Dec. 31, 2015	% in Sales	Dec. 31, 2014	% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation	62,664	7.9	61,386	7.7	1,278	2.1	
	Motor transportation	Combined delivery services	60,395	7.6	61,316	7.6	(920)	(1.5)
		Chartered truck services	203,012	25.5	204,845	25.6	(1,833)	(0.9)
		Subtotal	263,408	33.1	266,161	33.2	(2,753)	(1.0)
	Marine and harbor transportation	Marine transportation	56,792	7.1	56,312	7.0	480	0.9
		Harbor transportation	40,665	5.1	41,101	5.1	(436)	(1.1)
		Subtotal	97,458	12.2	97,414	12.1	43	0.0
		(Exports)	[47,792]	—	[46,617]	—	[1,175]	[2.5]
		(Imports)	[29,521]	—	[29,644]	—	[(122)]	[(0.4)]
		(Domestic)	[20,143]	—	[21,152]	—	[(1,008)]	[(4.8)]
	Warehousing	86,634	10.9	86,239	10.8	394	0.5	
	Air transportation	International air freight	71,904	9.0	76,641	9.6	(4,737)	(6.2)
		(Exports)	[54,569]	—	[59,895]	—	[(5,326)]	[(8.9)]
		(Imports)	[17,334]	—	[16,745]	—	[588]	[3.5]
		Domestic air freight	29,647	3.7	30,365	3.8	(718)	(2.4)
		Subtotal	101,551	12.7	107,007	13.4	(5,455)	(5.1)
	Heavy haulage & construction	48,215	6.0	44,678	5.6	3,537	7.9	
Incidental operations and others	137,501	17.2	137,506	17.2	(5)	(0.0)		
Total	797,434	100.0	800,394	100.0	(2,960)	(0.4)		
	(Domestic operation-related revenues)	[621,349]	77.9	[622,985]	77.8	[(1,636)]	[(0.3)]	
	(Overseas-related revenues)	[176,084]	22.1	[177,409]	22.2	[(1,324)]	[(0.7)]	
Operating expenses	Employment costs	Drivers/workers	90,101	11.3	89,705	11.2	396	0.4
		Office personnel	101,268	12.7	102,032	12.8	(764)	(0.7)
		Subtotal	191,369	24.0	191,737	24.0	(368)	(0.2)
	Forwarding costs	Railway	32,764	4.1	32,069	4.0	694	2.2
		Marine	21,038	2.6	20,506	2.6	531	2.6
		Air	30,133	3.8	34,071	4.2	(3,937)	(11.6)
		Subtotal	83,936	10.5	86,647	10.8	(2,711)	(3.1)
	Vehicle chartering and subcontracting costs	333,426	41.8	332,637	41.6	789	0.2	
	Depreciation and amortization	21,915	2.8	22,127	2.8	(212)	(1.0)	
	Facility usage charges	54,278	6.8	54,437	6.8	(159)	(0.3)	
Other	90,993	11.4	94,041	11.7	(3,048)	(3.2)		
Total	775,920	97.3	781,630	97.7	(5,710)	(0.7)		
Operating income	21,513	2.7	18,764	2.3	2,749	14.7		
Non-operating income	6,831	0.9	8,469	1.1	(1,638)	(19.3)		
Non-operating expenses	2,798	0.4	2,772	0.3	25	0.9		
Ordinary income	25,546	3.2	24,461	3.1	1,084	4.4		
Extraordinary income	1,822	0.2	6,903	0.8	(5,080)	(73.6)		
Extraordinary loss	5,272	0.6	10,175	1.3	(4,903)	(48.2)		
Income before income taxes	22,096	2.8	21,189	2.6	907	4.3		
Income taxes	7,353	1.0	7,084	0.8	268	3.8		
Net income	14,743	1.8	14,104	1.8	638	4.5		