

Summary of Consolidated Earnings Report for the Third Quarter of the Fiscal Year Ending March 31, 2021 (Japanese GAAP)

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

Listed stock exchanges: Tokyo

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

Representative: President and CEO Mitsuru Saito

Scheduled date for release of Quarterly Financial Report: February 12, 2021

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, 2020 (April 1, 2020 to December 31, 2020)

(1) Consolidated Business Results

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Profit attributable to owners of parent	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Nine Months Ended December 31, 2020	1,498,723	(4.3)	49,064	8.9	52,856	4.6	44,103	41.0
Nine Months Ended December 31, 2019	1,566,659	(2.1)	45,044	(24.2)	50,539	(22.4)	31,278	(22.8)

(Note) Comprehensive income:

Nine Months Ended December 31, 2020: ¥44,586 million [(0.8%)] Nine Months Ended December 31, 2019: ¥44,930 million [40.2%]

	Basic earnings per share	Diluted earnings per share
	¥	¥
Nine Months Ended December 31, 2020	474.60	—
Nine Months Ended December 31, 2019	331.31	—

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	¥ million	¥ million	%
As of December 31, 2020	1,622,217	586,031	35.0
As of March 31, 2020	1,518,037	556,506	35.5

(Reference) Equity: As of December 31, 2020: ¥568,445 million As of March 31, 2020: ¥539,465 million

2. Dividends Information

	Annual dividend per share				
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly
	¥	¥	¥	¥	¥
Fiscal Year Ended March 31, 2020	—	75.00	—	80.00	155.00
Fiscal Year Ending March 31, 2021	—	75.00	—		
Fiscal Year Ending March 31, 2021 (Forecast)				80.00	155.00

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

3. Forecast of Consolidated Financial Results for FY2020 (April 1, 2020 to March 31, 2021)

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	2,050,000	(1.5)	72,000	21.6	76,000	32.3	53,000	204.4	570.34

(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): 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.: 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 December 31, 2020	96,000,000 shares	As of March 31, 2020	96,000,000 shares
2) Total number of treasury stocks at end of period	As of December 31, 2020	3,073,254 shares	As of March 31, 2020	3,070,738 shares
3) Average number of shares during period	Nine Months Ended December 31, 2020	92,927,946 shares	Nine Months Ended December 31, 2019	94,408,741 shares

(Note) The Company introduced an Executive Compensation BIP (Board Incentive Plan) Trust. Company shares owned by the Trust were included in the treasury stock at the end of the period under review.

Number of shares owned by the Executive Compensation BIP Trust:

As of December 31, 2020: 123,009 shares As of March 31, 2020: 124,132 shares

(These figures are included in *Total number of treasury stock at end of period*, above.)

* This consolidated earnings report is not subject to audit by a certified public accountant or independent financial statement auditor.

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

This earnings report revises the forecast of consolidated financial results announced on October 30, 2020.

The forward-looking statements and other results forecasts stated herein are based on information available at the time this report was prepared, as well as certain assumptions considered 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 4 for financial forecast assumptions 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, 2021.

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Business Results

The global economy showed signs of recovery during the cumulative consolidated third quarter of the current fiscal year. Economic activities resumed gradually in the wake of COVID-19; however, infections reemerged and additional restrictive measures were put into place in various countries. Further, personal consumption was sluggish due to worsening consumer sentiment. As a result, Japan and other countries around the world experienced a slow economic recovery and the business environment remained extremely challenging.

Under these economic conditions, the logistics industry in Japan and around the world experienced ongoing demand for e-commerce and digital-related products in line with the growing acceptance of the new normal. The transition to 5G and other developments have resulted in a rapid recovery for semiconductor demand and recovery in production activities in the automotive industry. In this way, certain products have shown particularly firm cargo movement, while international trade in the U.S., China, and other countries are showing signs of recovery. However, the impact of COVID-19 remained strong on individuals and companies. Amid an uncertain outlook, personal consumption and corporate capital investment have been limited, while cargo movement for daily goods, certain heavy chemical industrial products, production machine, and production-related cargo, etc., remained sluggish. Cargo movement in general has been weak.

Even in the midst of the COVID-19 pandemic, Japanese domestic warehouse demand has been strong due to supply chain revisions and e-commerce demand. Truck driver shortages have become chronic. During the summer, fewer container ships were scheduled for international transport. Although global cargo movement recovered, leading to more opportunities for return trips, lack of vessel space and empty containers caused a tightening in the balance of supply and demand. The air freight situation resembled that of marine freight, with chronic shortages of space due to the continued cancellation of international passenger flights.

Under this economic environment, the Nippon Express Group recorded higher year-on-year revenues in the East Asia and South Asia and Oceania segments for the nine months ended December 31, 2020, driven by an increase in air freight export transactions and other factors. However, the negative impact of the spread of COVID-19, etc., resulted in lower revenues for Japan, the Americas, and Europe, as well as for Security Transportation, Heavy Haulage & Construction, and Logistics Support. Segment income increased in Japan, East Asia, South Asia and Oceania, and Security and Transportation segments, while income decreased in The Americas, Europe, Heavy Haulage & Construction, and Logistics Support.

As a result, revenues decreased by ¥67.9 billion, or 4.3% year on year, to ¥1,498.7 billion. Operating income increased by ¥4.0 billion, or 8.9%, to ¥49.0 billion. Ordinary income increased by ¥2.3 billion, or 4.6%, to ¥52.8 billion, and profit attributable to owners of parent increased by ¥12.8 billion, or 41.0% year on year, to ¥44.1 billion.

(2) Explanation of Financial Position

Total assets as of the end of the consolidated third quarter amounted to ¥1,622.2 billion, an increase of ¥104.1 billion, or 6.9%, compared to the end of the previous consolidated fiscal year.

Current assets amounted to ¥731.3 billion, an increase of ¥58.9 billion, or 8.8%, from the end of the previous fiscal year. Non-current assets totaled ¥890.9 billion, an increase of ¥45.1 billion, or 5.3%, from the end of the previous fiscal year.

The increase in current assets was mainly attributable to an increase in cash and deposits.

The increase in non-current assets was mainly attributable to an increase in buildings.

Current liabilities amounted to ¥487.9 billion, an increase of ¥22.7 billion, or 4.9%, compared to the end of the previous consolidated fiscal year. Non-current liabilities amounted to ¥548.2 billion, an increase of ¥51.8 billion, or 10.5%.

The increase in current liabilities was mainly attributable to an increase in commercial paper.

The increase in non-current liabilities was mainly attributable to an increase in bonds payable.

Net assets as of the end of the consolidated third quarter amounted to ¥586.0 billion, an increase of ¥29.5 billion, or 5.3%, compared to the end of the previous consolidated fiscal year.

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

Based on recent trends in financial results, the Nippon Express Group has made the following revisions to consolidated and non-consolidated financial results forecasts for the fiscal year ending March 2021, published originally on Friday, October 30, 2020.

For consolidated earnings forecasts, see *3. Reference Materials (1) Consolidated Reference Materials, Financial Results Forecast, FY2020 (Full Year)* and *3. Reference Materials (2) Non-Consolidated Reference Materials, Financial Results Forecast, FY2020 (Full Year)* for more about consolidated and non-consolidated fiscal results forecasts, respectively.

1) Revisions to Financial Results Forecasts

A. Revisions to Forecast of Consolidated Financial Results for FY2020 (Full Year)

(April 1, 2020 to March 31, 2021)

	Revenues	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A) (October 30, 2020)	¥ million 2,000,000	¥ million 55,000	million 59,000	¥ million 40,000	¥ 430.44
Revised forecast (B)	2,050,000	72,000	76,000	53,000	570.34
Difference (B-A)	50,000	17,000	17,000	13,000	
Difference (%)	2.5	30.9	28.8	32.5	
(Reference) Prior-year results (FYE March 2020)	2,080,352	59,224	57,434	17,409	185.06

B. Revisions to Forecasts of Non-Consolidated Financial Results for FY2020 (Full Year)

(April 1, 2020 to March 31, 2021)

	Revenues	Operating income	Ordinary income	Net income	Basic earnings per share
Previously announced forecast (A) (October 30, 2020)	¥ million 1,070,000	¥ million 25,000	¥ million 41,000	¥ million 32,000	¥ 344.35
Revised forecast (B)	1,100,000	33,000	48,000	39,000	419.69
Difference (B-A)	30,000	8,000	7,000	7,000	
Difference (%)	2.8	32.0	17.1	21.9	
(Reference) Prior-year results (FYE March 2020)	1,119,197	26,780	36,852	21,859	232.36

2) Reasons for Revision of Financial Results Forecasts

We expect consolidated and non-consolidated revenues, operating income, ordinary income, consolidated profit attributable to owners of parent, and non-consolidated net income to exceed the previous forecast due to higher-than-expected growth in demand for international freight volume and the higher-than-expected impact of various cost reductions.

Also, we expect the spread of COVID-19 to have an ongoing impact on the Nippon Express Group businesses throughout fiscal 2020 as in the previous fiscal year, although the degree of impact may decline over time. We have incorporated these assumptions into our forecasts. We have not reflected lockdowns or other large-scale social restrictions due to the spread of COVID-19 in our forecasts.

*Note Regarding Financial Results Forecasts

Results forecasts and other forward-looking statements in this document have been prepared according to judgments based on information available at the time. These statements contain elements of risk and uncertainties. Accordingly, results may differ from forecasts.

2. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2019 (as of March 31, 2020)	Third Quarter of FY2020 (as of December 31, 2020)
ASSETS		
Current assets		
Cash and deposits	141,319	173,625
Notes receivable - trade	25,745	26,984
Accounts receivable - trade	305,843	327,562
Inventories	9,105	7,644
Other	191,376	196,879
Less: allowance for doubtful accounts	(1,077)	(1,387)
Total current assets	672,312	731,308
Non-current assets:		
Property and equipment		
Vehicles, net	50,655	53,013
Buildings, net	252,066	270,625
Land	198,667	196,670
Other, net	113,041	131,515
Net property and equipment	614,431	651,824
Intangible assets		
Goodwill	2,644	4,906
Other	71,852	78,172
Total intangible assets	74,496	83,079
Investments and other assets		
Investment securities	89,422	88,922
Other	68,316	68,019
Less: allowance for doubtful accounts	(942)	(937)
Total investments and other assets	156,796	156,004
Total non-current assets	845,724	890,908
Total assets	1,518,037	1,622,217
LIABILITIES		
Current liabilities:		
Notes payable - trade	5,599	6,509
Accounts payable - trade	162,287	152,089
Short-term loans payable	67,136	24,549
Income taxes payable	14,925	12,204
Provision for bonuses	25,918	14,542
Other provisions	107	654
Other	189,235	277,430
Total current liabilities	465,209	487,981
Non-current liabilities:		
Bonds payable	100,000	140,000
Long-term loans payable	219,006	224,634
Other provisions	1,409	1,363
Net retirement benefit liability	133,134	132,841
Other	42,770	49,365
Total non-current liabilities	496,320	548,204
Total liabilities	961,530	1,036,185

(Unit: Millions of yen)

	FY2019 (as of March 31, 2020)	Third Quarter of FY2020 (as of December 31, 2020)
NET ASSETS		
Shareholders' equity:		
Common stock	70,175	70,175
Additional paid-in capital	22,637	22,637
Retained earnings	461,499	491,180
Treasury stock	(18,251)	(18,266)
Total shareholders' equity	536,060	565,726
Accumulated other comprehensive income:		
Valuation differences on available-for-sale securities	29,573	30,351
Deferred gains (losses) on hedges	(124)	(90)
Foreign currency translation adjustments	(5,062)	(10,467)
Remeasurements of retirement benefit plans	(20,981)	(17,074)
Total accumulated other comprehensive income	3,404	2,719
Non-controlling interests	17,041	17,585
Total net assets	556,506	586,031
Total liabilities and net assets	1,518,037	1,622,217

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

(Unit: Millions of yen)

	Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)
Revenue	1,566,659	1,498,723
Operating costs	1,439,315	1,365,173
Gross profit	127,344	133,550
Selling, general and administrative expenses:	82,300	84,485
Operating income	45,044	49,064
Non-operating income:		
Interest income	651	365
Dividend income	2,945	2,696
Equity in earnings of unconsolidated subsidiaries and affiliates	993	—
Other	4,204	4,756
Total non-operating income	8,795	7,818
Non-operating expenses:		
Interest expenses	2,083	2,152
Equity in losses of unconsolidated subsidiaries and affiliates	—	77
Other	1,217	1,796
Total non-operating expenses	3,300	4,025
Ordinary income	50,539	52,856
Extraordinary income:		
Gain on sales of non-current assets	1,587	12,702
Gain on sales of investment securities	2,115	8,395
Other	13	41
Total extraordinary income	3,716	21,139
Extraordinary loss:		
Loss on disposal of non-current assets	5,578	3,723
Other	509	2,104
Total extraordinary loss	6,088	5,828
Profit before income taxes	48,167	68,168
Income taxes	15,829	22,967
Profit	32,338	45,200
Profit (loss) attributable to non-controlling interests	1,059	1,096
Profit attributable to owners of parent	31,278	44,103

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)	Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)
Profit	32,338	45,200
Other comprehensive income:		
Valuation differences on available-for-sale securities	(395)	781
Deferred gains (losses) on hedges	120	34
Foreign currency translation adjustments	(6,477)	(5,370)
Remeasurements of retirement benefit plans	19,434	4,111
Share of other comprehensive income (loss) of affiliates accounted for using the equity method	(89)	(169)
Other comprehensive income (loss)	12,592	(613)
Comprehensive income:	44,930	44,586
(Comprehensive income attributable to)		
Owners of parent	43,936	43,418
Non-controlling interests	993	1,167

(3) Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Application of Special Accounting Treatments for 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 profit before income taxes for the consolidated fiscal year, which includes the third quarter ended December 31, 2020, and multiplying profit before income taxes by said estimated effective tax rate.

(Segment Information, etc.)

[Segment Information]

Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)

Revenues and income (loss) by reportable segment

(Unit: Millions of yen)

	Logistics				
	Japan	The Americas	Europe	East Asia	South Asia & Oceania
Revenues					
Revenues from external customers	909,545	59,268	83,258	76,817	61,451
Intersegment	8,982	10,474	5,048	7,249	5,687
Total	918,527	69,743	88,306	84,067	67,138
Segment Income (loss)	32,403	2,665	1,645	2,461	2,430

	Security Transportation	Heavy Haulage & Construction	Logistics Support	Total	Adjustment (Note 1)	Amount in quarterly consolidated statements of income (Note 2)
Revenue						
Revenues from external customers	54,603	41,406	280,308	1,566,659	—	1,566,659
Intersegment	38	32	67,896	105,409	(105,409)	—
Total	54,641	41,438	348,205	1,672,068	(105,409)	1,566,659
Segment Income (loss)	(1,513)	5,065	8,502	53,660	(8,615)	45,044

(Notes)1. The segment income adjustment of ¥(8,615) million includes ¥(208) million for the elimination of intersegment income, and ¥(8,428) million of corporate expenses that are not attributable to any individual 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 (loss) has been reconciled with operating income in the quarterly consolidated statements of income.

Nine Months Ended December 31, 2020 (April 1, 2020 to December 31, 2020)

Revenues and income (loss) by reportable segment

(Unit: Millions of yen)

	Logistics				
	Japan	The Americas	Europe	East Asia	South Asia & Oceania
Revenues					
Revenues from external customers	874,566	47,041	78,213	81,870	73,031
Intersegment	8,293	8,993	4,027	6,603	5,625
Total	882,860	56,035	82,241	88,473	78,657
Segment Income (loss)	35,297	(63)	1,490	4,500	5,965

	Security Transportation	Heavy Haulage & Construction	Logistics Support	Total	Adjustment (Note 1)	Amount in quarterly consolidated statements of income (Note 2)
Revenue						
Revenues from external customers	51,734	36,302	255,962	1,498,723	—	1,498,723
Intersegment	59	36	65,509	99,149	(99,149)	—
Total	51,793	36,339	321,471	1,597,873	(99,149)	1,498,723
Segment Income (loss)	(603)	4,242	8,471	59,301	(10,237)	49,064

(Notes)1. The segment income adjustment of ¥(10,237) million includes ¥(147) million for the elimination of intersegment income, and ¥(10,103) million of corporate expenses that are not attributable to any individual 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 (loss) has been reconciled with operating income in the quarterly consolidated statements of income.

3. Reference Materials

(1) Consolidated Reference Materials

○ Reportable Segment Financial Results

(Unit: Millions of yen, %)

		Nine Months Ended December 31, 2020		Nine Months Ended December 31, 2019		Change	
						Amount	Ratio
Revenues	Reportable Segment	Logistics	Japan	882,860	918,527	(35,667)	(3.9)
			The Americas	56,035	69,743	(13,707)	(19.7)
			Europe	82,241	88,306	(6,064)	(6.9)
			East Asia	88,473	84,067	4,406	5.2
			South Asia & Oceania	78,657	67,138	11,519	17.2
		Subtotal	1,188,268	1,227,783	(39,514)	(3.2)	
		Security Transportation	51,793	54,641	(2,847)	(5.2)	
		Heavy Haulage & Construction	36,339	41,438	(5,098)	(12.3)	
		Logistics Support	321,471	348,205	(26,733)	(7.7)	
		Subtotal	1,597,873	1,672,068	(74,195)	(4.4)	
		Adjustment	(99,149)	(105,409)	6,259	—	
Total	1,498,723	1,566,659	(67,935)	(4.3)			
Segment Income (Operating Income)	Reportable Segment	Logistics	Japan	[4.0] 35,297	[3.5] 32,403	2,894	8.9
			The Americas	[(0.1)] (63)	[3.8] 2,665	(2,729)	—
			Europe	[1.8] 1,490	[1.9] 1,645	(154)	(9.4)
			East Asia	[5.1] 4,500	[2.9] 2,461	2,039	82.9
			South Asia & Oceania	[7.6] 5,965	[3.6] 2,430	3,535	145.5
		Subtotal	[4.0] 47,189	[3.4] 41,605	5,584	13.4	
		Security Transportation	[(1.2)] (603)	[(2.8)] (1,513)	910	—	
		Heavy Haulage & Construction	[11.7] 4,242	[12.2] 5,065	(822)	(16.2)	
		Logistics Support	[2.6] 8,471	[2.4] 8,502	(30)	(0.4)	
		Subtotal	[3.7] 59,301	[3.2] 53,660	5,641	10.5	
		Adjustment	(10,237)	(8,615)	(1,621)	—	
Total	[3.3] 49,064	[2.9] 45,044	4,020	8.9			

(Notes) Figures in brackets indicate operating margin.

o Summary of Consolidated Statements of Income

(Unit: Millions of yen, %)

			Nine Months		Nine Months		Change	
			Ended December 31, 2020	% of Sales	Ended December 31, 2019	% of Sales	Amount	Ratio
Revenues by business	Distribution & transportation business	Motor transportation	261,172	17.4	287,424	18.3	(26,251)	(9.1)
		Marine and harbor transportation	160,510	10.7	180,645	11.5	(20,135)	(11.1)
		Air transportation	276,959	18.5	242,866	15.5	34,092	14.0
		Warehousing & storage	212,150	14.2	223,141	14.2	(10,990)	(4.9)
		Security transportation	50,485	3.4	53,111	3.4	(2,625)	(4.9)
		Heavy haulage & construction	53,077	3.5	57,448	3.7	(4,370)	(7.6)
		Other	211,108	14.1	224,211	14.3	(13,102)	(5.8)
	Subtotal		1,225,464	81.8	1,268,848	81.0	(43,384)	(3.4)
	Goods sales business		227,987	15.2	250,686	16.0	(22,699)	(9.1)
	Other		45,272	3.0	47,124	3.0	(1,851)	(3.9)
Total		1,498,723	100.0	1,566,659	100.0	(67,935)	(4.3)	
Operating costs	Personnel expenses		308,094	20.6	319,100	20.4	(11,006)	(3.4)
	Forwarding costs		206,589	13.8	184,459	11.8	22,129	12.0
	Vehicle chartering and subcontracting costs		314,989	21.0	359,423	22.9	(44,434)	(12.4)
	Other		535,499	35.7	576,330	36.8	(40,830)	(7.1)
Total		1,365,173	91.1	1,439,315	91.9	(74,141)	(5.2)	
Gross profit		133,550	8.9	127,344	8.1	6,205	4.9	
Personnel expenses		45,954	3.1	46,901	3.0	(947)	(2.0)	
Other		38,531	2.6	35,398	2.3	3,132	8.9	
Selling, general and administrative expenses		84,485	5.6	82,300	5.3	2,185	2.7	
Operating income		49,064	3.3	45,044	2.9	4,020	8.9	
Interest income		365	0.0	651	0.0	(285)	(43.9)	
Dividend income		2,696	0.2	2,945	0.2	(249)	(8.5)	
Equity in earnings of unconsolidated subsidiaries and affiliates		—	—	993	0.1	(993)	(100.0)	
Other		4,756	0.3	4,204	0.3	551	13.1	
Non-operating income		7,818	0.5	8,795	0.6	(977)	(11.1)	
Interest expenses		2,152	0.1	2,083	0.1	68	3.3	
Equity in losses of unconsolidated subsidiaries and affiliates		77	0.0	—	—	77	—	
Other		1,796	0.1	1,217	0.1	579	47.6	
Non-operating expenses		4,025	0.3	3,300	0.2	725	22.0	
Ordinary income		52,856	3.5	50,539	3.2	2,317	4.6	
Gain on sales of non-current assets		12,702	0.8	1,587	0.1	11,115	700.4	
Gain on sales of investment securities		8,395	0.6	2,115	0.1	6,279	296.8	
Other		41	0.0	13	0.0	28	208.7	
Extraordinary income		21,139	1.4	3,716	0.2	17,422	468.8	
Loss on disposal of non-current assets		3,723	0.2	5,578	0.4	(1,855)	(33.3)	
Other		2,104	0.1	509	0.0	1,594	312.7	
Extraordinary loss		5,828	0.4	6,088	0.4	(260)	(4.3)	
Profit before income taxes		68,168	4.5	48,167	3.1	20,000	41.5	
Income taxes		22,967	1.5	15,829	1.0	7,138	45.1	
Profit		45,200	3.0	32,338	2.1	12,862	39.8	
Profit attributable to non-controlling interests		1,096	0.1	1,059	0.1	37	3.5	
Profit attributable to owners of parent		44,103	2.9	31,278	2.0	12,824	41.0	
Total personnel expenses	Operating costs		308,094	20.6	319,100	20.4	(11,006)	(3.4)
	Selling, general and administrative expenses		45,954	3.1	46,901	3.0	(947)	(2.0)
	Total		354,048	23.6	366,002	23.4	(11,953)	(3.3)

(Unit: Millions of yen, %)

		FY2020	FY2019	Change			
				Amount	Ratio		
Revenues	Reportable Segment	Logistics	Japan	1,185,300	1,213,597	(28,297)	(2.3)
			The Americas	83,100	91,068	(7,968)	(8.7)
			Europe	115,700	119,338	(3,638)	(3.0)
			East Asia	140,800	112,048	28,751	25.7
			South Asia & Oceania	114,300	90,112	24,187	26.8
			Subtotal	1,639,200	1,626,165	13,034	0.8
		Security Transportation	69,100	72,589	(3,489)	(4.8)	
		Heavy Haulage & Construction	46,600	52,358	(5,758)	(11.0)	
		Logistics Support	432,500	471,201	(38,701)	(8.2)	
		Subtotal	2,187,400	2,222,315	(34,915)	(1.6)	
	Adjustment	(137,400)	(141,962)	4,562	—		
Total	2,050,000	2,080,352	(30,352)	(1.5)			
Segment Income (Operating Income)	Reportable Segment	Logistics	Japan	[4.0] 47,900	[3.5] 42,852	5,047	11.8
			The Americas	[1.0] 800	[3.1] 2,793	(1,993)	(71.4)
			Europe	[2.2] 2,600	[1.5] 1,777	822	46.3
			East Asia	[5.9] 8,300	[2.7] 2,992	5,307	177.3
			South Asia & Oceania	[8.5] 9,700	[3.5] 3,155	6,544	207.4
			Subtotal	[4.2] 69,300	[3.3] 53,572	15,727	29.4
		Security Transportation	[(0.9)] (600)	[(1.5)] (1,073)	473	—	
		Heavy Haulage & Construction	[11.2] 5,200	[11.8] 6,193	(993)	(16.0)	
		Logistics Support	[2.7] 11,700	[2.6] 12,357	(657)	(5.3)	
		Subtotal	[3.9] 85,600	[3.2] 71,050	14,549	20.5	
	Adjustment	(13,600)	(11,826)	(1,773)	—		
Total	[3.5] 72,000	[2.8] 59,224	12,775	21.6			

(Notes) 1. The forecast of financial results for FY2020 above is a revision of the forecast of consolidated financial results for FY2020 announced on October 30, 2020.

2. Figures in brackets indicate operating margin.

(2) Non-Consolidated Reference Materials

○ Revenues and Operating Expenses

(Unit: Millions of yen, %)

		Nine Months		Nine Months		Change		
		Ended December 31, 2020	% of Sales	Ended December 31, 2019	% of Sales	Amount	Ratio	
Revenues	Railway utilization business	53,381	6.5	58,636	6.9	(5,255)	(9.0)	
	Motor transportation	Small-lot shipment business	31,502	3.8	33,633	4.0	(2,131)	(6.3)
		Chartered truck business	136,976	16.8	145,197	17.1	(8,221)	(5.7)
		Subtotal	168,478	20.6	178,831	21.1	(10,352)	(5.8)
	Marine and harbor transportation	Marine transportation business	66,161	8.1	73,721	8.7	(7,560)	(10.3)
		Harbor transportation business	46,083	5.6	52,393	6.2	(6,309)	(12.0)
		Subtotal	112,244	13.7	126,114	14.9	(13,870)	(11.0)
		(Exports)	[39,815]	—	[47,562]	—	[(7,746)]	(16.3)
		(Imports)	[36,167]	—	[38,688]	—	[(2,521)]	(6.5)
		(Domestic & other)	[36,261]	—	[39,863]	—	[(3,602)]	(9.0)
	Air transportation	Subtotal	147,205	18.0	135,472	16.0	11,733	8.7
		(Exports)	[75,454]	—	[61,157]	—	[14,296]	23.4
		(Imports)	[20,913]	—	[19,042]	—	[1,871]	9.8
		(Domestic & other)	[50,837]	—	[55,271]	—	[(4,434)]	(8.0)
	Warehousing & storage business	104,935	12.9	104,915	12.4	20	0.0	
	In-factory business	40,144	4.9	38,218	4.5	1,926	5.0	
	Moving & relocation business	32,208	4.0	42,245	5.0	(10,036)	(23.8)	
	Security transportation business	50,506	6.2	53,127	6.3	(2,621)	(4.9)	
	Heavy haulage & construction business	49,854	6.1	53,950	6.4	(4,095)	(7.6)	
	Other businesses	58,121	7.1	55,431	6.5	2,689	4.9	
Total	817,079	100.0	846,941	100.0	(29,862)	(3.5)		
Operating expenses	Total personnel expenses	191,317	23.4	197,923	23.4	(6,605)	(3.3)	
	Forwarding costs	Railway	28,899	3.5	32,122	3.8	(3,223)	(10.0)
		Marine	21,627	2.7	24,832	2.9	(3,205)	(12.9)
		Air	45,169	5.5	34,996	4.2	10,172	29.1
		Subtotal	95,696	11.7	91,951	10.9	3,744	4.1
	Vehicle chartering and subcontracting costs	327,258	40.0	358,630	42.3	(31,371)	(8.7)	
	Depreciation and amortization	22,579	2.8	21,112	2.5	1,467	6.9	
	Facility usage charges	63,450	7.8	59,252	7.0	4,197	7.1	
Other	92,311	11.3	99,114	11.7	(6,803)	(6.9)		
Total	792,614	97.0	827,985	97.8	(35,370)	(4.3)		
Operating income	24,464	3.0	18,956	2.2	5,507	29.1		
Non-operating income	15,781	1.9	10,145	1.2	5,635	55.5		
Non-operating expenses	2,868	0.3	2,207	0.2	660	29.9		
Ordinary income	37,378	4.6	26,894	3.2	10,483	39.0		
Extraordinary income	19,492	2.4	1,664	0.2	17,827	—		
Extraordinary loss	5,056	0.7	5,834	0.7	(778)	(13.3)		
Profit before income taxes	51,813	6.3	22,724	2.7	29,089	128.0		
Income taxes	14,118	1.7	6,283	0.8	7,835	124.7		
Profit	37,695	4.6	16,441	1.9	21,254	129.3		

		FY2020 Forecast	% in Sales	FY2019 Actual	% in Sales	Change		
						Amount	Ratio	
Revenues	Railway utilization business	72,200	6.6	78,214	7.0	(6,014)	(7.7)	
	Motor transportation	Small-lot shipment business	41,800	3.8	43,995	3.9	(2,195)	(5.0)
		Chartered truck business	182,000	16.5	190,649	17.1	(8,649)	(4.5)
		Subtotal	223,800	20.3	234,644	21.0	(10,844)	(4.6)
	Marine and harbor transportation	Marine transportation business	88,000	8.0	96,678	8.6	(8,678)	(9.0)
		Harbor transportation business	61,000	5.5	68,247	6.1	(7,247)	(10.6)
		Subtotal	149,000	13.5	164,926	14.7	(15,926)	(9.7)
		(Exports)	[53,600]	—	[62,403]	—	[(8,803)]	(14.1)
		(Imports)	[47,200]	—	[50,314]	—	[(3,114)]	(6.2)
		(Domestic & other)	[48,200]	—	[52,208]	—	[(4,008)]	(7.7)
	Air transportation	Subtotal	202,700	18.4	178,463	15.9	24,236	13.6
		(Exports)	[105,800]	—	[80,228]	—	[25,571]	31.9
		(Imports)	[28,500]	—	[25,287]	—	[3,212]	12.7
		(Domestic & other)	[68,400]	—	[72,947]	—	[(4,547)]	(6.2)
	Warehousing & storage business	138,400	12.6	139,206	12.4	(806)	(0.6)	
	In-factory business	55,100	5.0	50,724	4.5	4,375	8.6	
	Moving & relocation business	48,000	4.4	60,355	5.4	(12,355)	(20.5)	
	Security transportation business	67,000	6.1	70,420	6.3	(3,420)	(4.9)	
	Heavy haulage & construction business	64,000	5.8	68,889	6.2	(4,889)	(7.1)	
	Other businesses	79,800	7.3	73,352	6.6	6,447	8.8	
Total	1,100,000	100.0	1,119,197	100.0	(19,197)	(1.7)		
Operating expenses	Total personnel expenses	253,300	23.0	258,873	23.1	(5,573)	(2.2)	
	Forwarding costs	Railway	39,000	3.6	42,903	3.8	(3,903)	(9.1)
		Marine	28,500	2.6	32,761	2.9	(4,261)	(13.0)
		Air	66,100	6.0	45,359	4.1	20,740	45.7
	Subtotal	133,600	12.2	121,024	10.8	12,575	10.4	
	Vehicle chartering and subcontracting costs	439,300	39.9	471,244	42.1	(31,944)	(6.8)	
	Depreciation and amortization	31,100	2.8	28,509	2.6	2,590	9.1	
	Facility usage charges	85,400	7.8	79,277	7.1	6,122	7.7	
Other	124,300	11.3	133,488	11.9	(9,188)	(6.9)		
Total	1,067,000	97.0	1,092,417	97.6	(25,417)	(2.3)		
Operating income	33,000	3.0	26,780	2.4	6,219	23.2		
Non-operating income	18,700	1.7	13,384	1.2	5,315	39.7		
Non-operating expenses	3,700	0.3	3,312	0.3	387	11.7		
Ordinary income	48,000	4.4	36,852	3.3	11,147	30.2		
Extraordinary income	22,200	2.0	1,978	0.2	20,221	—		
Extraordinary loss	16,200	1.5	8,599	0.8	7,600	88.4		
Profit before income taxes	54,000	4.9	30,231	2.7	23,768	78.6		
Income taxes	15,000	1.4	8,372	0.7	6,627	79.2		
Profit	39,000	3.5	21,859	2.0	17,140	78.4		

(Note) The forecast of financial results for FY2020 above is a revision of the forecast of non-consolidated financial results for FY2020 announced on October 30, 2020.