

October 30, 2015

## Summary of Consolidated Earnings Report for the Second 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: November 13, 2015

Scheduled date of dividend payment: December 2, 2015

Availability of supplementary briefing material on quarterly financial results: Available

(Millions of yen, rounded down)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2015 (from April 1, 2015 to September 30, 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	%
Six Months Ended Sep. 30, 2015	953,224	3.7	23,120	14.5	27,657	10.6	15,211	(5.3)
Six Months Ended Sep. 30, 2014	919,222	10.0	20,201	15.7	25,001	11.7	16,058	115.7

(Note) Comprehensive income:

Six Months Ended Sep. 30, 2015: ¥9,634 million [(35.9%)]

Six Months Ended Sep. 30, 2014: ¥15,020 million [(44.9%)]

	Net income per share	Diluted net income per share
Six Months Ended Sep. 30, 2015	¥ 15.19	¥ —
Six Months Ended Sep. 30, 2014	15.65	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of Sep. 30, 2015	1,399,872	552,804	38.2
As of Mar. 31, 2015	1,453,617	550,137	36.6

(Reference) Equity: As of Sep. 30, 2015: ¥535,151 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 Sep. 30, 2015	1,038,000,000 shares	As of Mar. 31, 2015	1,038,000,000 shares
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2) Total number of treasury stocks at end of period

As of Sep. 30, 2015	36,423,478 shares	As of Mar. 31, 2015	36,401,970 shares
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3) Average number of shares during period

Six months ended Sep. 30, 2015	1,001,584,388 shares	Six months ended Sep. 30, 2014	1,025,833,277 shares
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\*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 4 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 October 30, 2015.**

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

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

During the six months ended September 30, 2015, the Japanese economy saw a moderate recovery trend, thanks in large part to improvements in corporate profits and employment conditions, principally backed by the sustained yen depreciation and lower oil prices. On the contrary, there remained concern about downside risk in overseas economies, mainly due to the slowdown in the economic growth of emerging countries, especially China.

Amid these economic conditions, in the field of logistics, domestic freight suffered from weak freight movement due to factors such as slackening consumer spending, while international freight experienced slower freight movement, notably in China and other Asian countries.

In this business environment, during the six months ended September 30, 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 ¥34.0 billion, or 3.7% year on year, to ¥953.2 billion, while operating income increased by ¥2.9 billion, or 14.5% year on year, to ¥23.1 billion and ordinary income increased by ¥2.6 billion, or 10.6% year on year, to ¥27.6 billion. Net income attributable to shareholders of Nippon Express decreased by ¥0.8 billion, or 5.3% year on year, to ¥15.2 billion.

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

Total assets as at the end of the second quarter ended September 30, 2015 amounted to ¥1,399.8 billion, a decrease of ¥53.7 billion or 3.7% from the end of the previous fiscal year.

Current assets amounted to ¥681.9 billion, a decrease of ¥37.3 billion or 5.2% from the end of the previous fiscal year, while noncurrent assets totaled ¥717.9 billion, a decrease of ¥16.3 billion or 2.2% from the end of the previous fiscal year.

The primary factors behind the decrease in current assets were the decrease in accounts receivable—trade, etc.

The primary factors behind the decrease in noncurrent assets were the decreases in investment securities, buildings, etc.

Current liabilities decreased by ¥61.4 billion or 12.5% from the end of the previous fiscal year to ¥430.4 billion, while noncurrent liabilities increased by ¥5.0 billion or 1.2% to ¥416.5 billion from the end of the previous fiscal year.

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

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

Net assets amounted to ¥552.8 billion at the end of the second quarter ended September 30, 2015, an increase of ¥2.6 billion or 0.5% from the end of the previous fiscal year. This was attributable to the increase in retained earnings, etc.

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

Cash and cash equivalents as at the end of the second quarter ended September 30, 2015 decreased by ¥24.5 billion from the end of the previous fiscal year, to ¥124.3 billion.

Net cash provided by operating activities amounted to ¥11.8 billion in proceeds. This was primarily due to ¥24.1 billion of income before income taxes and non-controlling interests, etc.

Net cash used in investment activities totaled ¥18.1 billion in expenditures. This was mainly due to ¥20.9 billion in payment for purchase of property and equipment, etc.

Net cash used in financing activities amounted to ¥17.7 billion in expenditures. This was mainly due to ¥40.7 billion in payment of long-term loans payable, 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 second quarter ended September 30, 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 September 30, 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 September 30, 2015, and on additional paid-in capital as at the end of the second quarter ended September 30, 2015 is immaterial.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2014 (as of March 31, 2015)	Second Quarter of FY2015 (as of September 30, 2015)
<b>ASSETS</b>		
Current assets:		
Cash and cash in banks	207,112	178,970
Notes receivable—trade	13,471	14,703
Accounts receivable—trade	321,679	298,282
Inventories	6,020	6,382
Other	172,333	184,905
Less: allowance for doubtful accounts	(1,304)	(1,301)
<b>Total current assets</b>	<b>719,313</b>	<b>681,942</b>
Noncurrent assets:		
Property and equipment		
Vehicles, net	24,092	24,749
Buildings, net	234,437	225,342
Land	176,165	173,514
Other, net	57,850	62,880
<b>Net property and equipment</b>	<b>492,545</b>	<b>486,487</b>
Intangible assets		
Goodwill	14,821	13,477
Other	45,265	43,349
<b>Total intangible assets</b>	<b>60,087</b>	<b>56,827</b>
Investments and other assets		
Investment securities	133,577	124,173
Other	49,103	51,415
Less: allowance for doubtful accounts	(1,009)	(972)
<b>Total investments and other assets</b>	<b>181,670</b>	<b>174,615</b>
<b>Total noncurrent assets</b>	<b>734,304</b>	<b>717,930</b>
<b>Total assets</b>	<b>1,453,617</b>	<b>1,399,872</b>
<b>LIABILITIES</b>		
Current liabilities:		
Notes payable—trade	7,308	7,051
Accounts payable—trade	170,211	144,857
Short-term loans payable	83,397	68,675
Income taxes payable	16,192	9,502
Provision for bonuses	21,752	21,849
Allowance for class action lawsuit filed in the United States	3,899	3,899
Other provisions	1,247	91
Other	187,931	174,564
<b>Total current liabilities</b>	<b>491,940</b>	<b>430,491</b>
Noncurrent liabilities:		
Bonds payable	65,000	65,000
Long-term loans payable	180,969	185,115
Other provisions	1,381	1,338
Net retirement benefit liability	135,678	137,343
Other	28,510	27,779
<b>Total noncurrent liabilities</b>	<b>411,539</b>	<b>416,576</b>
<b>Total liabilities</b>	<b>903,480</b>	<b>847,068</b>

(Unit: Millions of yen)

	FY2014 (as of March 31, 2015)	Second Quarter of FY2015 (as of September 30, 2015)
<b>NET ASSETS</b>		
Shareholders' equity:		
Common stock	70,175	70,175
Additional paid-in capital	26,908	25,965
Retained earnings	419,851	430,054
Less: treasury stock	(19,444)	(19,458)
Total shareholders' equity	497,490	506,736
Accumulated other comprehensive income:		
Valuation differences on available-for-sale securities	61,900	53,904
Deferred gains (losses) on hedges	(7)	(2)
Foreign currency translation adjustments	14,901	14,313
Remeasurements of retirement benefit plans	(42,375)	(39,801)
Total accumulated other comprehensive income	34,419	28,414
Non-controlling interests	18,227	17,652
Total net assets	550,137	552,804
Total liabilities and net assets	1,453,617	1,399,872

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

## Consolidated Statements of Income

(Unit: Millions of yen)

	Six months ended Sep. 30, 2014 (from April 1, 2014 to September 30, 2014)	Six months ended Sep. 30, 2015 (from April 1, 2015 to September 30, 2015)
Revenues	919,222	953,224
Operating costs	856,731	882,495
Gross profit	62,491	70,728
Selling, general and administrative expenses	42,289	47,607
Operating income	20,201	23,120
Non-operating income:		
Interest income	329	325
Dividends income	1,595	1,777
Equity in earnings of affiliates	149	328
Other	4,962	4,509
Total non-operating income	7,036	6,941
Non-operating expenses:		
Interest expenses	1,460	1,447
Other	775	957
Total non-operating expenses	2,236	2,405
Ordinary income	25,001	27,657
Extraordinary income:		
Gain on sales of noncurrent assets	1,613	1,525
Gain on sales of investment securities	5,146	14
Other	8	3
Total extraordinary income	6,768	1,544
Extraordinary loss:		
Loss on disposal of noncurrent assets	2,095	4,550
Provision of allowance for class action lawsuit filed in the United States	3,315	-
Other	123	473
Total extraordinary loss	5,533	5,023
Income before income taxes and non-controlling interests	26,235	24,177
Income taxes	9,890	8,430
Net income	16,344	15,746
Net income attributable to non-controlling interests	286	535
Net income attributable to shareholders of Nippon Express	16,058	15,211

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Six months ended Sep. 30, 2014 (from April 1, 2014 to September 30, 2014)	Six months ended Sep. 30, 2015 (from April 1, 2015 to September 30, 2015)
Net income	16,344	15,746
Other comprehensive income:		
Valuation differences on available-for-sale securities	2,836	(8,000)
Deferred gains (losses) on hedges	64	5
Foreign currency translation adjustments	(4,496)	(691)
Remeasurements of retirement benefit plans	395	2,556
Share of other comprehensive income of affiliates accounted for using the equity method	(125)	18
Other comprehensive income	(1,324)	(6,111)
Comprehensive income	15,020	9,634
(Comprehensive income attributable to)		
Shareholders of Nippon Express	14,872	9,206
Non-controlling interests	147	428



## (3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Six months ended Sep. 30, 2014 (from April 1, 2014 to September 30, 2014)	Six months ended Sep. 30, 2015 (from April 1, 2015 to September 30, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes and non-controlling interests	26,235	24,177
Depreciation and amortization	24,189	24,268
Increase (decrease) in allowance for class action lawsuit filed in the United States	3,315	-
Increase (decrease) in allowance for business structure improvement expenses	-	(1,050)
Interest and dividend income	(1,924)	(2,103)
Interest expense	1,460	1,447
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(149)	(328)
(Increase) decrease in trade receivables	(5,573)	21,703
(Increase) decrease in inventories	976	(360)
Increase (decrease) in accounts payable	(10,213)	(25,638)
Other	(2,015)	(15,359)
<b>Sub-total</b>	<b>36,301</b>	<b>26,756</b>
Interest and dividends received	2,513	2,214
Interest paid	(1,511)	(1,441)
Income taxes paid	(16,155)	(15,723)
<b>Net cash provided by (used in) operating activities</b>	<b>21,147</b>	<b>11,805</b>
<b>Cash flows from investment activities</b>		
Payment for purchase of property and equipment	(26,427)	(20,995)
Proceeds from sales of property and equipment	1,911	4,203
Proceeds from sales of investment securities	7,397	29
Other	(1,421)	(1,423)
<b>Net cash used in investment activities</b>	<b>(18,539)</b>	<b>(18,186)</b>
<b>Cash flows from financing activities</b>		
Change in short-term loans payable	2,428	1,809
Proceeds from long-term loans payable	30,000	28,448
Payment of long-term loans payable	(20,570)	(40,768)
Redemption of bonds payable	(15,000)	-
Cash dividends	(5,129)	(5,007)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(1,568)
Purchase of treasury stock	(34)	(14)
Other	(1,009)	(606)
<b>Net cash used in financing activities</b>	<b>(9,314)</b>	<b>(17,707)</b>
Effect of exchange rate changes on cash	(1,642)	(456)
<b>Net increase in cash and cash equivalents</b>	<b>(8,348)</b>	<b>(24,544)</b>
Cash and cash equivalents at beginning of period	125,900	148,942
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	172	-
<b>Cash and cash equivalents at end of period</b>	<b>117,724</b>	<b>124,398</b>

(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.

(Segment Information, etc.)

[Segment Information]

I Six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)

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	361,747	27,621	24,512	90,889	54,902	31,113	36,930
Intersegment	3,823	15	101	1,009	4,772	6,325	2,643
Total	365,571	27,636	24,614	91,898	59,674	37,439	39,574
Segment income	6,471	387	1,124	2,565	2,918	1,740	1,040

	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	43,867	26,838	177,852	42,945	919,222	–	919,222
Intersegment	4,229	2,336	30,579	10,883	66,721	(66,721)	–
Total	48,097	29,175	208,432	53,829	985,943	(66,721)	919,222
Segment income	726	683	2,763	732	21,153	(952)	20,201

(Notes) 1. The segment income adjustment of ¥952 million includes ¥144 million for the elimination of intersegment income, and ¥1,105 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.

II Six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)  
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	359,888	27,192	27,264	89,032	55,638	40,593	38,361
Intersegment	3,868	16	253	1,499	5,347	7,702	2,677
Total	363,757	27,208	27,517	90,531	60,985	48,295	41,039
Segment income	8,777	689	1,626	2,181	3,322	2,732	699

	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	52,227	34,154	156,990	71,879	953,224	–	953,224
Intersegment	5,239	2,640	28,804	11,857	69,906	(69,906)	–
Total	57,467	36,795	185,794	83,736	1,023,130	(69,906)	953,224
Segment income	581	861	3,175	698	25,346	(2,226)	23,120

- (Notes) 1. The segment income adjustment of ¥2,226 million includes ¥35 million for the elimination of intersegment income, and ¥2,239 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.

(Significant Subsequent Events)

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.

(1) Outline of the business combination

(i) 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

(ii) 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.

(iii) Date of the business combination

December 15, 2015

(iv) Legal format of the business combination

Stock acquisition

(v) Name of the company after the combination

Wanbishi Archives Co., Ltd.

(vi) Ratio of voting rights acquired

100%

(vii) Main rationale behind choice of acquired company

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

(2) Acquisition cost of the acquired company and its breakdown

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

(3) Details and amount of main acquisition-related costs

Advisory fees, etc. (estimated amount): ¥300 million

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

These items are yet to be determined at this point in time.

(5) The amount and breakdown of assets acquired and liabilities assumed on the date of business combination

These items are yet to be determined at this point in time.

#### 4. Reference Materials

##### (1) Financial Results of Reportable Segment

(Unit: Millions of yen, %)

			Six months ended Sep. 30, 2015	Six months ended Sep. 30, 2014	Change			
					Amount	Ratio		
Revenues	Reportable Segment	Distribution & Transportation	Combined Business	363,757	365,571	(1,813)	(0.5)	
			Security Transportation	27,208	27,636	(428)	(1.6)	
			Heavy Haulage & Construction	27,517	24,614	2,903	11.8	
			Air Freight Forwarding	90,531	91,898	(1,366)	(1.5)	
			Marine & Harbor Transportation	60,985	59,674	1,311	2.2	
			Subtotal	570,001	569,395	605	0.1	
			Overseas Companies	The Americas	48,295	37,439	10,856	29.0
				Europe	41,039	39,574	1,464	3.7
				East Asia	57,467	48,097	9,369	19.5
				South Asia & Oceania	36,795	29,175	7,620	26.1
		Subtotal	183,597	154,286	29,311	19.0		
		Total	753,599	723,682	29,916	4.1		
		Goods Sales	185,794	208,432	(22,637)	(10.9)		
		Other	83,736	53,829	29,907	55.6		
Subtotal	1,023,130	985,943	37,187	3.8				
Adjustment	(69,906)	(66,721)	(3,185)	—				
Total	953,224	919,222	34,001	3.7				
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Combined Business	[2.4] 8,777	[1.8] 6,471	2,306	35.6	
			Security Transportation	[2.5] 689	[1.4] 387	302	78.0	
			Heavy Haulage & Construction	[5.9] 1,626	[4.6] 1,124	501	44.6	
			Air Freight Forwarding	[2.4] 2,181	[2.8] 2,565	(383)	(15.0)	
			Marine & Harbor Transportation	[5.4] 3,322	[4.9] 2,918	404	13.9	
			Subtotal	[2.9] 16,598	[2.4] 13,467	3,130	23.2	
			Overseas Companies	The Americas	[5.7] 2,732	[4.6] 1,740	992	57.0
				Europe	[1.7] 699	[2.6] 1,040	(340)	(32.7)
				East Asia	[1.0] 581	[1.5] 726	(144)	(20.0)
				South Asia & Oceania	[2.3] 861	[2.3] 683	178	26.1
		Subtotal	[2.7] 4,874	[2.7] 4,189	684	16.3		
		Total	[2.8] 21,473	[2.4] 17,657	3,815	21.6		
		Goods Sales	[1.7] 3,175	[1.3] 2,763	412	14.9		
		Other	[0.8] 698	[1.4] 732	(34)	(4.7)		
Subtotal	[2.5] 25,346	[2.1] 21,153	4,193	19.8				
Adjustment	(2,226)	(952)	(1,273)	—				
Total	[2.4] 23,120	[2.2] 20,201	2,919	14.5				

(Note) Figures in brackets indicate Operating Margins.

## (2) Summary of Non-consolidated Statements of Income

(Unit: Millions of yen, %)

		Six months ended Sep. 30, 2015		Six months ended Sep. 30, 2014		Change		
			% in Sales		% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation	40,724	7.7	40,426	7.7	297	0.7	
	Motor transportation	Combined delivery services	39,882	7.5	40,323	7.6	(441)	(1.1)
		Chartered truck services	134,530	25.5	135,374	25.7	(844)	(0.6)
		Subtotal	174,412	33.0	175,698	33.3	(1,286)	(0.7)
	Marine and harbor transportation	Marine transportation	38,393	7.3	37,618	7.2	775	2.1
		Harbor transportation	27,075	5.1	27,565	5.2	(490)	(1.8)
		Subtotal	65,468	12.4	65,183	12.4	284	0.4
		(Exports)	[ 32,407 ]	—	[ 31,198 ]	—	[ 1,209 ]	[ 3.9 ]
		(Imports)	[ 19,869 ]	—	[ 19,969 ]	—	[ (99) ]	[ (0.5) ]
		(Domestic)	[ 13,192 ]	—	[ 14,016 ]	—	[ (824) ]	[ (5.9) ]
	Warehousing	58,251	11.0	56,790	10.8	1,461	2.6	
	Air transportation	International air freight	47,590	9.0	49,037	9.3	(1,446)	(3.0)
		(Exports)	[ 36,043 ]	—	[ 38,075 ]	—	[ (2,031) ]	[ (5.3) ]
		(Imports)	[ 11,546 ]	—	[ 10,961 ]	—	[ 585 ]	[ 5.3 ]
		Domestic air freight	19,363	3.7	19,765	3.7	(401)	(2.0)
		Subtotal	66,954	12.7	68,802	13.0	(1,848)	(2.7)
	Heavy haulage & construction	32,681	6.2	30,607	5.8	2,073	6.8	
Incidental operations and others	90,139	17.0	90,019	17.0	120	0.1		
Total	528,633	100.0	527,530	100.0	1,103	0.2		
	(Domestic operation-related revenues)	[ 410,035 ]	77.6	[ 411,107 ]	77.9	[ (1,071) ]	[ (0.3) ]	
	(Overseas-related revenues)	[ 118,598 ]	22.4	[ 116,423 ]	22.1	[ 2,175 ]	[ 1.9 ]	
Operating expenses	Employment costs	Drivers/workers	60,046	11.4	59,663	11.3	382	0.6
		Office personnel	67,935	12.8	67,885	12.9	49	0.1
		Subtotal	127,981	24.2	127,548	24.2	432	0.3
	Forwarding costs	Railway	21,066	4.0	20,933	4.0	133	0.6
		Marine	13,955	2.6	13,417	2.5	538	4.0
		Air	20,164	3.8	21,128	4.0	(963)	(4.6)
		Subtotal	55,187	10.4	55,478	10.5	(291)	(0.5)
	Vehicle chartering and subcontracting costs	222,068	42.0	220,040	41.7	2,027	0.9	
	Depreciation and amortization	14,434	2.7	14,497	2.7	(62)	(0.4)	
	Facility usage charges	36,212	6.9	36,159	6.9	52	0.1	
Other	60,263	11.4	62,369	11.8	(2,106)	(3.4)		
Total	516,147	97.6	516,094	97.8	53	0.0		
Operating income	12,486	2.4	11,435	2.2	1,050	9.2		
Non-operating income	4,694	0.9	5,832	1.1	(1,138)	(19.5)		
Non-operating expenses	1,810	0.4	1,901	0.4	(90)	(4.8)		
Ordinary income	15,369	2.9	15,367	2.9	2	0.0		
Extraordinary income	1,146	0.2	6,505	1.2	(5,359)	(82.4)		
Extraordinary loss	4,586	0.8	5,389	1.0	(803)	(14.9)		
Income before income taxes	11,929	2.3	16,483	3.1	(4,554)	(27.6)		
Income taxes	3,912	0.8	5,436	1.0	(1,523)	(28.0)		
Net income	8,016	1.5	11,046	2.1	(3,030)	(27.4)		