

# Briefing Material for the Fiscal Year Ended March 2016

NIPPON EXPRESS CO., LTD.

1. Business Overview	P. 1-
2. Changes due to the External Environment	P.11
3. Review of Business Plan	P.12
4. Performance Outlook of the Fiscal Year Ending March 2017	P.13-
5. Dividend	P.20

May 10, 2016

# 1. Business Overview



## A. Overview of FY2015

### 1) Overview (Consolidated)

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

	Actual for FY2015 (a)	Actual for FY2014 (b)	Difference YoY (c) = (a) - (b)	Difference YoY (%) (d) = (c) / (b) × 100	Forecast for full year (announced on May 8) (e)	Difference (compared with forecast) (f) = (a) - (e)	Difference (compared with forecast) (%) (g) = (f) / (e) × 100
Revenues	19,091	19,249	(158)	(0.8)	20,000	(908)	(4.5)
Operating Income	547	508	39	7.8	540	7	1.4
Ordinary Income	623	595	28	4.8	630	(6)	(1.0)
Net income attributable to shareholders of Nippon Express	356	263	92	35.2	340	16	4.9

### 2) Business Indices

[Results from previous fiscal year]

- Operating Income Margin 2.9% [2.6%]
- Ordinary Income Margin 3.3% [3.1%]
- ROE 6.8% [5.1%]
- ROA 2.4% [1.9%]

# 1. Business Overview



## B. Financial position

(100 million yen)

	FY2015	FY2014	Difference
Total Assets	14,849	14,536	313
Equity	5,222	5,319	(96)

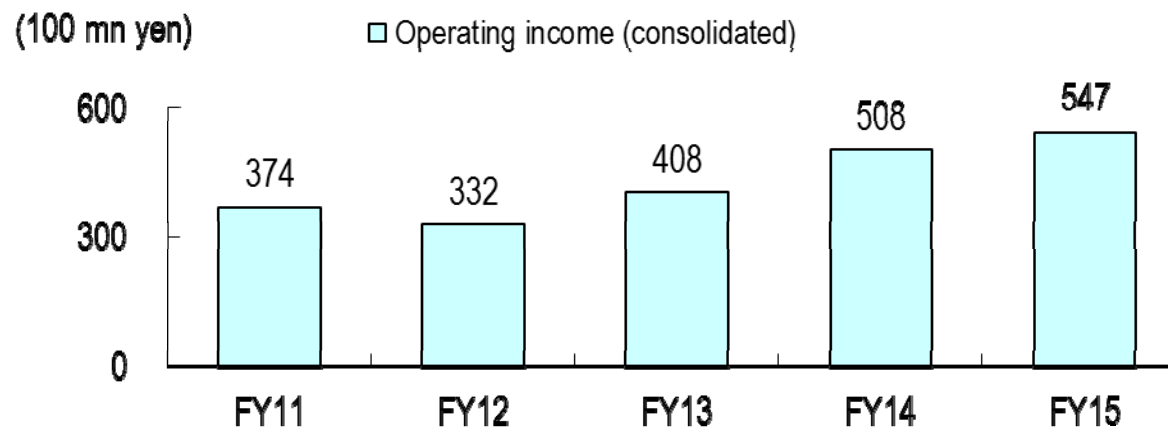
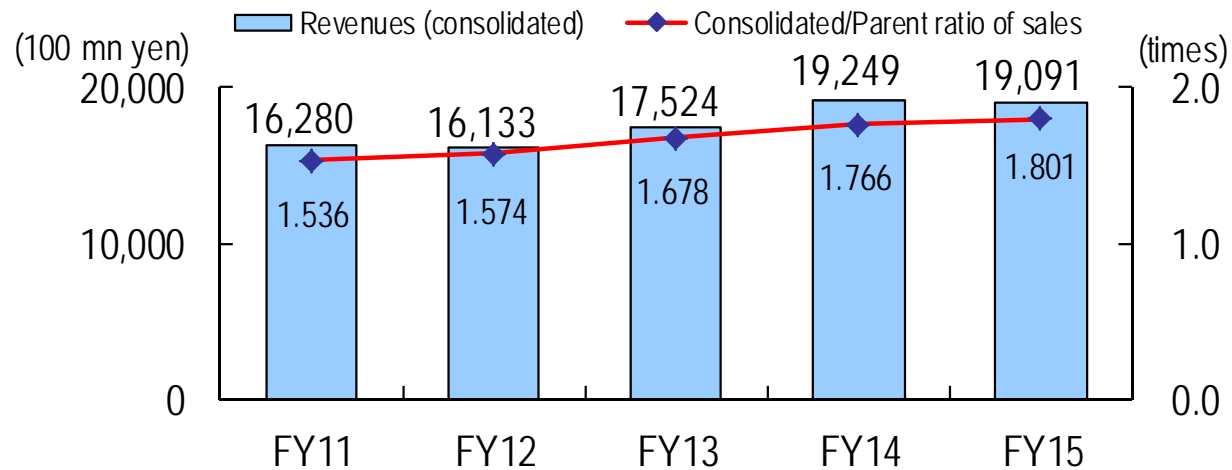
## C. Cash flow results

(100 million yen)

	Actual for FY2015 (a)	Actual for FY2014 (b)	Difference YoY (c) = (a) - (b)
Cash flows from operating activities (A)	788	745	43
Cash flows from investment activities (B)	(1,228)	(223)	(1,004)
Free cash flows (A + B)	(440)	521	(961)
Cash flows from financing activities (C)	439	(336)	775
Effect of exchange rate changes on cash and cash equivalents (D)	(28)	43	(72)
Net increase (decrease) in cash and cash equivalents (A + B + C + D)	(29)	228	(258)
Cash and cash equivalents at beginning of year	1,489	1,259	230
Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	—	1	(1)
Cash and cash equivalents at end of year	1,460	1,489	(29)

# 1. Business Overview

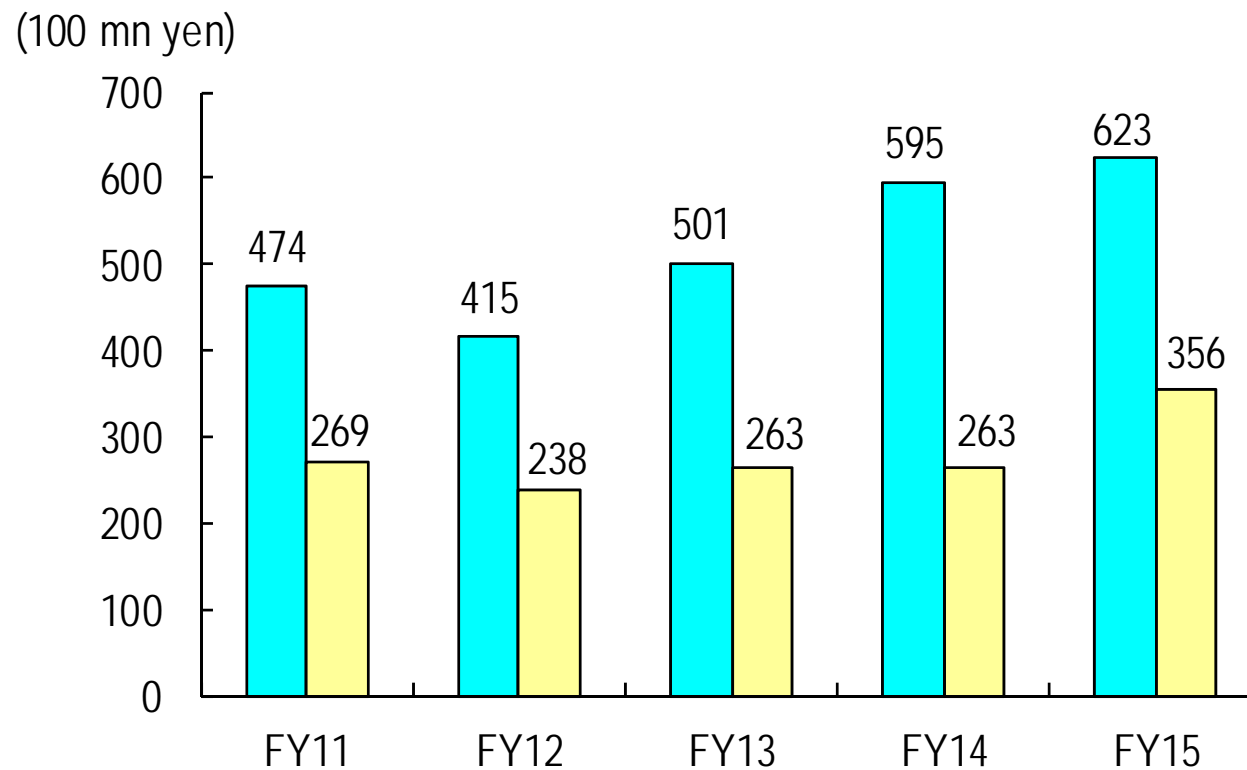
## D. Trend of revenues and operating income for the past 5 years



# 1. Business Overview

## E. Trend of ordinary income and net income for the past 5 years

■ Ordinary income (consolidated)    ■ Net income (consolidated)



# 1. Business Overview



## F. Overview by reportable segment

### 1) Combined Business

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
			FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)
F Y	Revenues	7,365	7,423	(57)	(0.8)	7,432	99.1	(66)
	Segment Income	224	182	42	23.6	219	102.6	5
4 Q	Revenues	1,854	1,875	(21)	(1.1)	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	78	68	10	15.0	4.2 [3.6]		
	Overview	<ul style="list-style-type: none"> <li>Railway transactions, truck transportation and warehousing freight movements were generally weak in March, when transportation demand was expected to increase.</li> <li>Profits in moving services, among others, increased due to the results of improved operational efficiency in addition to falling unit fuel prices.</li> </ul>						

### 2) Security Transportation

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
			FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)
F Y	Revenues	538	554	(15)	(2.9)	556	96.8	(17)
	Segment Income	15	8	6	76.5	14	107.8	1
4 Q	Revenues	132	138	(5)	(4.2)	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	4	2	1	68.5	3.2 [1.8]		
	Overview	<ul style="list-style-type: none"> <li>Income decreased after withdrawal from unprofitable businesses.</li> <li>Profit increased due to improvement in the operating income margin and falling unit fuel prices.</li> </ul>						

# 1. Business Overview



## F. Overview by reportable segment

### 3) Heavy Haulage & Construction

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
		FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)	Difference
F Y	Revenues	513	468	45	9.6	489	105.1	24
	Segment Income	36	21	15	70.9	30	121.7	6
4 Q	Revenues	110	111	(0)	(0.4)	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	12	4	7	186.9	11.0 [3.8]		
	Overview	<ul style="list-style-type: none"> <li>In Japan, heavy-electric-related transactions stagnated, and revenues were flat year on year.</li> <li>Profit increased as a result of a higher operating income margin for overseas plant constructions and the occurrence of additional constructions for projects in Japan.</li> </ul>						

# 1. Business Overview



## F. Overview by reportable segment

### 4) Air Freight Forwarding

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
		FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)	Difference
F Y	Revenues	1,825	2,107	(282)	(13.4)	1,957	93.3	(131)
	Segment Income	73	101	(27)	(27.4)	69	106.6	4
4 Q	Revenues	450	685	(234)	(34.3)	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	24	55	(30)	(55.0)	5.5 [8.0]		
	Overview	<ul style="list-style-type: none"> <li>Income decreased as the weight of cargo exports from Japan showed sharp negative growth on a year-on-year basis, reflecting a reactionary decline against the special demand in the previous year and stagnation in electronic- and electrical machinery-related freight movement to Asia.</li> <li>Income decreased in imports as well, due to a decrease in automobile-related transactions.</li> </ul>						

### 5) Marine & Harbor Transportation

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
		FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)	Difference
F Y	Revenues	1,182	1,188	(6)	(0.5)	1,228	96.3	(45)
	Segment Income	61	49	12	24.6	59	102.5	1
4 Q	Revenues	279	292	(13)	(4.7)	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	13	9	3	36.3	4.7 [3.3]		
	Overview	<ul style="list-style-type: none"> <li>Income decreased due to a continuing decline in equipment transportation-related exports.</li> <li>Profit increased due to a rise in the operating income margin for large-sized equipment transportation orders.</li> </ul>						



# 1. Business Overview



## F. Overview by reportable segment

### 6) The Americas

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
		FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)	Difference
F Y	Revenues	946	791	155	19.6	982	96.4	(35)
	Segment Income	50	34	16	49.5	50	100.4	0
4 Q	Revenues	232	219	13	6.2	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	10	6	3	54.7	4.3 [3.0]		
	Overview	<ul style="list-style-type: none"> <li>Income and profit increased on a local currency basis as well.</li> <li>Revenues grew for marine import forwarding and truck transportation transactions in the region overall.</li> </ul>						

### 7) Europe

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
		FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)	Difference
F Y	Revenues	845	836	9	1.2	850	99.5	(4)
	Segment Income	15	23	(8)	(34.9)	15	101.3	0
4 Q	Revenues	227	236	(9)	(4.0)	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	5	5	(0)	(4.7)	2.4 [2.4]		
	Overview	<ul style="list-style-type: none"> <li>Income and profit increased on a local currency basis.</li> <li>Revenues grew for marine import forwarding as well as warehousing and delivery business in the region overall.</li> </ul>						

# 1. Business Overview



## F. Overview by reportable segment

### 8) East Asia

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
		FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)	Difference
F Y	Revenues	1,150	1,013	137	13.6	1,188	96.9	(37)
	Segment Income	16	19	(2)	(11.8)	17	98.2	(0)
4 Q	Revenues	282	279	2	1.0	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	4	4	0	8.9	1.6 [1.5]		
	Overview	<ul style="list-style-type: none"> <li>Income decreased but profit increased on a local currency basis.</li> <li>Freight movements were sluggish for air export forwarding and marine export forwarding in the region overall.</li> <li>Profit increased due to strong performance in the automobile-related truck transportation and the warehousing and delivery business in China.</li> </ul>						

### 9) South Asia & Oceania

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
		FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)	Difference
F Y	Revenues	702	646	56	8.7	788	89.1	(85)
	Segment Income	15	9	6	68.5	16	92.8	(1)
4 Q	Revenues	164	191	(27)	(14.4)	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	4	(1)	5	-	2.7 [(0.7)]		
	Overview	<ul style="list-style-type: none"> <li>Income decreased but profit increased on a local currency basis.</li> <li>Income decreased due to a decline in air export forwarding and a rebound from demand for heavy haulage and construction-related business in the previous year.</li> <li>Profit increased due to forwarding cost control and improvement in the warehousing and delivery business.</li> </ul>						

# 1. Business Overview



## F. Overview by reportable segment

### 10) Goods Sales

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
			FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)
F Y	Revenues	3,673	4,201	(528)	(12.6)	4,115	89.3	(441)
	Segment Income	60	64	(3)	(5.3)	65	93.2	(4)
4 Q	Revenues	880	988	(108)	(10.9)	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	14	18	(3)	(18.4)	1.7 [1.8]		
	Overview	<ul style="list-style-type: none"> <li>Income decreased due to a drop in unit sales price of oil.</li> </ul>						

### 11) Other

(100 million yen)

		Actual	Comparison with FY2014			Comparison with forecast for full year (announced on January 29)		
			FY2015	FY2014	Difference	Difference (%)	Forecast	Progress (%)
F Y	Revenues	1,736	1,436	300	20.9	1,760	98.7	(23)
	Segment Income	27	26	1	3.9	27	100.6	0
4 Q	Revenues	472	452	19	4.4	4Q Operating Income Margin [4Q of FY2014]		
	Segment Income	4	8	(3)	(40.5)	1.0 [1.8]		
	Overview	<ul style="list-style-type: none"> <li>Wanbishi Archives Co., Ltd., which became a consolidated subsidiary in 3Q, contributed to increase in revenue.</li> <li>Profit decreased due to a reduction of last year's spot transactions at Nittsu Real Estate Co., Ltd.</li> </ul>						

## 2. Changes due to the External Environment

### Change factors

Change factors	Consolidated (full year)	Reference		
Impact of change in unit fuel price	Fuel cost: ¥(5.94) billion (cost decrease)	Average		
	* 4Q	FY2015	[FY2014]	
		Light oil: ¥ 85.26/ℓ	[¥110.55]	
		Gasoline: ¥120.54/ℓ	[¥144.40]	
	¥(0.96) billion (cost decrease)	Heavy oil: ¥ 42.52/ℓ	[¥ 66.47]	
Impact of foreign exchange	Revenues: +¥24.71 billion Operating income: +¥ 0.82 billion  * 4Q	Average exchange rate for the year (*)		
			FY2015	[FY2014]
		USD:	¥121.05	[¥105.85]
		EUR:	¥134.32	[¥140.42]
		HKD:	¥ 15.62	[¥ 13.65]
		RMB:	¥ 19.22	[¥ 17.19]
	Revenues: ¥(0.12) billion Operating Income: +¥0.01 billion	Average exchange rate for		
			4Q of FY2015	[4Q of FY2014]
		USD:	¥121.50	[¥114.54]
		EUR:	¥132.95	[¥143.07]
HKD:		¥ 15.68	[¥ 14.77]	
	RMB:	¥ 18.92	[¥ 18.62]	

(\*) The average exchange rates for FY2015 and FY2014 are the reference rates. For the preparation of financial reports, average quarterly rates are applied to the quarterly results of businesses on a local currency basis.

### 3. Review of Business Plan



## Nippon Express Group Corporate Strategy 2015 - Innovation and Moving Forward -

### Nippon Express Group Corporate Philosophy and Vision

#### Nippon Express Group Corporate Strategy 2015

— Innovation and Moving Forward —

April 1, 2013 to March 31, 2016 (three years)

Proportion of sales from overseas-related business  
FY2015 40%

Operating income margin for domestic combined business  
FY2015 3%

**Growth potential** Further Expanding Our Global Logistics Business

**Profitability** Strengthening Management Practices for Our Domestic Businesses

**Growth potential** Expanding Business by Utilizing the Diversity of Group Companies

**Social** Contributing to Society through Our Businesses in Accordance with CSR Management

Numerical Targets	Targets to be achieved in FY2015	Actual results in FY2015
Revenues	¥1,800.0 billion	¥1,909.1 billion
Operating Income	¥54.0 billion	¥54.7 billion
Net Income	¥34.0 billion	¥35.6 billion
Return on Assets (ROA)	2.5%	2.4%
Proportion of Sales from Overseas-Related Business	40%	36.2%
Operating Income Margin for Domestic Combined Business	3%	3.1%
CO2 emissions	Reduce by an average of 1.0% or more per year*	Average reduction rate in FY2013-15 3.9% (forecast)

\*Using FY2009 as the benchmark base unit for the Nippon Express Group

## 4. Performance Outlook of the Fiscal Year Ending March 2017



### A. Consolidated forecast

(100 million yen)

	FY2016 Forecast			Actual for FY2015			Difference [Ratio of difference(%)]		
	1H	2H	Full FY	1H	2H	Full FY	1H	2H	Full FY
Revenues	9,350	9,950	19,300	9,532	9,558	19,091	(182) [(1.9)]	391 [4.1]	208 [1.1]
Operating Income	235	335	570	231	316	547	3 [1.6]	18 [5.8]	22 [4.1]
Ordinary Income	278	352	630	276	347	623	1 [0.5]	4 [1.3]	6 [1.0]
Net income attributable to shareholders of Nippon Express	165	195	360	152	204	356	12 [8.5]	(9) [(4.6)]	3 [1.0]

## 4. Performance Outlook of the Fiscal Year Ending March 2017

### B. New reportable segments

#### Former reportable segments

Logistics	Domestic Companies	Combined Business
		Security Transportation
		Heavy Haulage & Construction
		Air Freight Forwarding
		Marine & Harbor Transportation
		Subtotal
	Overseas Companies	The Americas
		Europe
		East Asia
		South Asia & Oceania
		Subtotal
	Total	
	Goods Sales	
	Other	



#### New reportable segments

Logistics	Japan
	The Americas
	Europe
	East Asia
	South Asia & Oceania
	Total
Security Transportation	
Heavy Haulage & Construction	
Logistics Support	

(Note) Logistics Support:  
Nittsu Shoji, Nittsu Research Institute and Consulting, Nippon Express Capital, Nittsu Real Estate, Careerroad, Nittsu Driving School, etc.

## 4. Performance Outlook of the Fiscal Year Ending March 2017



### C. Overview by reportable segment

#### 1) Japan

(100 million yen)

Full year	Forecast	Comparison with FY2015 results			Overview			
	FY2016	FY2015	Difference	Difference (%)				
Revenues	11,885	11,583	301	2.6	<ul style="list-style-type: none"> <li>Work on generating effects through a series of organizational changes while a major increase in volume is not expected.</li> </ul>			
Segment Income	405	366	38	10.7				
Income Margin	3.4	3.2						
1H and 2H	1H				2H			
	FY2016	FY2015	Difference	Difference (%)	FY2016	FY2015	Difference	Difference (%)
Revenues	5,856	5,731	124	2.2	6,029	5,852	176	3.0
Segment Income	161	143	17	12.4	244	222	21	9.5
Income Margin	2.7	2.5			4.0	3.8		

#### 2) The Americas

(100 million yen)

Full year	Forecast	Comparison with FY2015 results			Overview			
	FY2016	FY2015	Difference	Difference (%)				
Revenues	846	946	(100)	(10.7)	<ul style="list-style-type: none"> <li>While automobile-related marine import forwarding and truck transportation transactions in the U.S. and Mexico are expected to remain favorable, the decline of special demand in the previous year is still expected to have an impact.</li> </ul>			
Segment Income	42	50	(8)	(17.5)				
Income Margin	5.0	5.4						
1H and 2H	1H				2H			
	FY2016	FY2015	Difference	Difference (%)	FY2016	FY2015	Difference	Difference (%)
Revenues	415	482	(67)	(14.1)	431	464	(33)	(7.1)
Segment Income	20	27	(7)	(26.8)	22	23	(1)	(6.6)
Income Margin	4.8	5.7			5.1	5.1		



## 4. Performance Outlook of the Fiscal Year Ending March 2016



### C. Overview by reportable segment

#### 3) Europe

(100 million yen)

Full year	Forecast	Comparison with FY2015 results			Overview			
	FY2016	FY2015	Difference	Difference (%)				
Revenues	804	845	(41)	(4.9)	<ul style="list-style-type: none"> <li>Steady growth in revenues in the warehousing and delivery business in the Netherlands, despite presence of geopolitical risks.</li> <li>Improvement in Russia is expected to contribute.</li> </ul>			
Segment Income	20	15	4	28.3				
Income Margin	2.5	1.8						
1H and 2H	1H				2H			
	FY2016	FY2015	Difference	Difference (%)	FY2016	FY2015	Difference	Difference (%)
Revenues	379	410	(31)	(7.6)	425	435	(10)	(2.4)
Segment Income	8	6	1	14.4	12	8	3	39.6
Income Margin	2.1	1.7			2.8	2.0		

#### 4) East Asia

(100 million yen)

Full year	Forecast	Comparison with FY2015 results			Overview			
	FY2016	FY2015	Difference	Difference (%)				
Revenues	1,115	1,150	(35)	(3.1)	<ul style="list-style-type: none"> <li>Automobile-related milk-run transactions is expected to remain favorable.</li> </ul>			
Segment Income	17	16	0	1.2				
Income Margin	1.5	1.5						
1H and 2H	1H				2H			
	FY2016	FY2015	Difference	Difference (%)	FY2016	FY2015	Difference	Difference (%)
Revenues	509	574	(65)	(11.4)	606	576	29	5.2
Segment Income	6	5	0	3.2	11	10	0	0.2
Income Margin	1.2	1.0			1.8	1.9		

## 4. Performance Outlook of the Fiscal Year Ending March 2016



### C. Overview by reportable segment

#### 5) South Asia & Oceania

(100 million yen)

Full year	Forecast	Comparison with FY2015 results			Overview			
	FY2016	FY2015	Difference	Difference (%)				
Revenues	790	702	87	12.5	<ul style="list-style-type: none"> <li>• Efforts to secure profit while achieving growth in revenues, including improved profitability in logistics operations.</li> <li>• Focus on capturing air and marine forwarding transactions.</li> </ul>			
Segment Income	21	15	5	33.9				
Income Margin	2.7	2.2						
1H and 2H	1H				2H			
	FY2016	FY2015	Difference	Difference (%)	FY2016	FY2015	Difference	Difference (%)
Revenues	367	367	(0)	(0.3)	423	334	88	26.5
Segment Income	9	8	0	4.5	12	7	4	69.6
Income Margin	2.5	2.3			2.8	2.1		

#### 6) Security Transportation

(100 million yen)

Full year	Forecast	Comparison with FY2015 results			Overview			
	FY2016	FY2015	Difference	Difference (%)				
Revenues	557	538	18	3.5	<ul style="list-style-type: none"> <li>• Efforts to expand revenues by creating cash and logistics platform.</li> <li>• Decrease in profit is expected due to increase in various people-related costs.</li> </ul>			
Segment Income	11	15	(4)	(30.0)				
Income Margin	2.0	2.9						
1H and 2H	1H				2H			
	FY2016	FY2015	Difference	Difference (%)	FY2016	FY2015	Difference	Difference (%)
Revenues	278	272	5	2.2	279	265	13	4.9
Segment Income	4	7	(3)	(45.5)	7	8	(1)	(16.4)
Income Margin	1.4	2.7			2.5	3.1		

## 4. Performance Outlook of the Fiscal Year Ending March 2016



### C. Overview by reportable segment

#### 7) Heavy Haulage & Construction

(100 million yen)

Full year	Forecast	Comparison with FY2015 results			Overview			
	FY2016	FY2015	Difference	Difference (%)				
Revenues	486	513	(27)	(5.4)	<ul style="list-style-type: none"> <li>Focus on capturing shutdown and maintenance contracts.</li> <li>Impact of peaking out in overseas large-scale plant constructions is expected to be inevitable.</li> </ul>			
Segment Income	29	36	(7)	(21.4)				
Income Margin	6.0	7.2						
1H and 2H	1H				2H			
	FY2016	FY2015	Difference	Difference (%)	FY2016	FY2015	Difference	Difference (%)
Revenues	259	275	(16)	(5.9)	227	238	(11)	(4.9)
Segment Income	13	16	(3)	(19.9)	16	20	(4)	(22.5)
Income Margin	5.0	5.9			7.0	8.6		

#### 8) Logistics Support

(100 million yen)

Full year	Forecast	Comparison with FY2015 results			Overview			
	FY2016	FY2015	Difference	Difference (%)				
Revenues	4,066	4,109	(43)	(1.0)	<ul style="list-style-type: none"> <li>Impact of falling unit sales price of oil is expected to continue until the first half of the fiscal year.</li> </ul>			
Segment Income	83	81	1	1.7				
Income Margin	2.0	2.0						
1H and 2H	1H				2H			
	FY2016	FY2015	Difference	Difference (%)	FY2016	FY2015	Difference	Difference (%)
Revenues	1,922	2,072	(150)	(7.3)	2,144	2,036	107	5.3
Segment Income	41	40	0	1.5	42	41	0	1.9
Income Margin	2.1	1.9			2.0	2.0		

## 4. Performance Outlook of the Fiscal Year Ending March 2017



### D. Assumptions of external factors

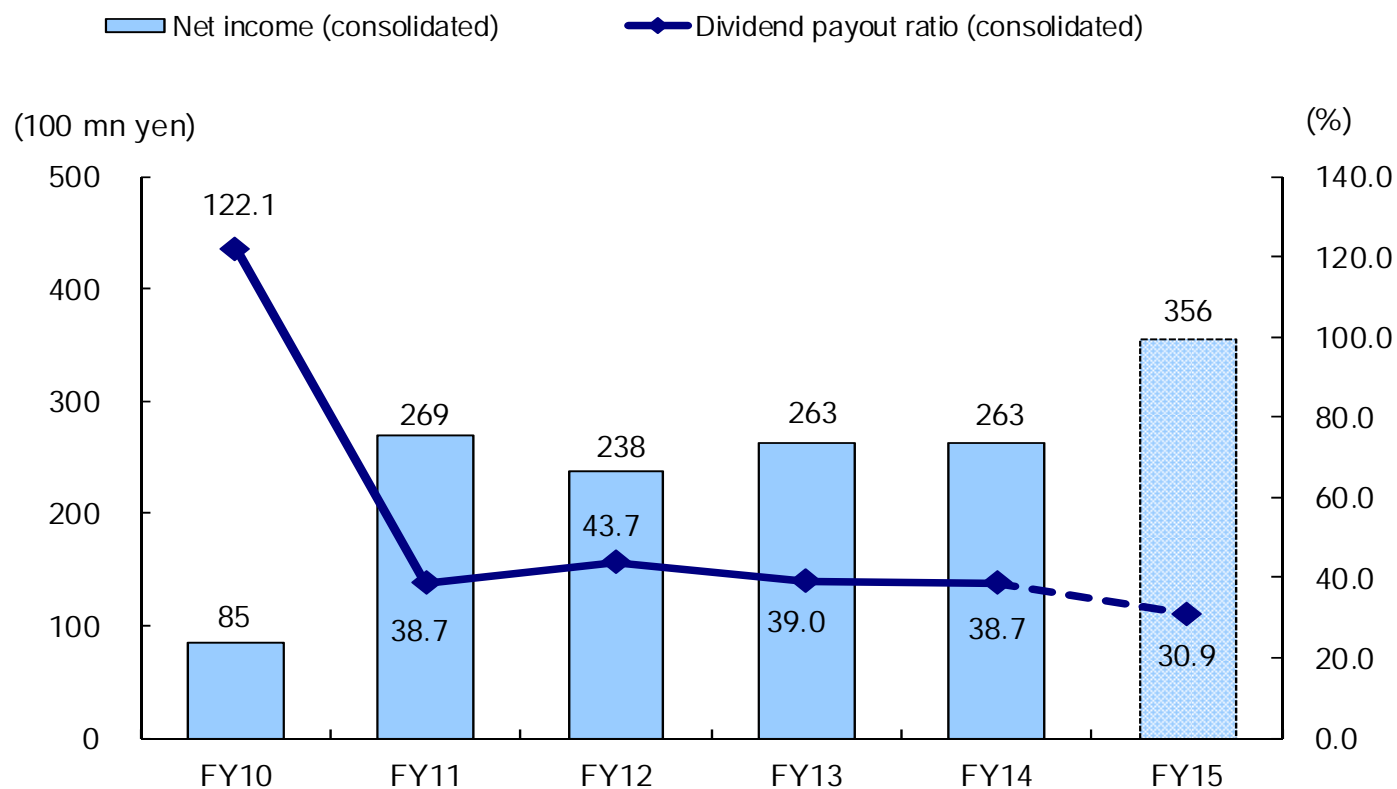
Change factors	Impact on consolidated results	Assumptions															
Impact of change in unit fuel price	Fuel cost: ¥(2.87) billion (cost decrease)	<table> <tr> <td></td> <td>FY2016</td> <td>[Yearly average in FY2015]</td> </tr> <tr> <td>Light oil:</td> <td>¥ 74.61/ℓ</td> <td>[¥ 85.26]</td> </tr> <tr> <td>Gasoline:</td> <td>¥104.48/ℓ</td> <td>[¥120.54]</td> </tr> <tr> <td>Heavy oil:</td> <td>¥ 28.69/ℓ</td> <td>[¥ 42.52]</td> </tr> </table> <p>Assumes the same amount of fuel will be used as that of the previous year.</p>		FY2016	[Yearly average in FY2015]	Light oil:	¥ 74.61/ℓ	[¥ 85.26]	Gasoline:	¥104.48/ℓ	[¥120.54]	Heavy oil:	¥ 28.69/ℓ	[¥ 42.52]			
	FY2016	[Yearly average in FY2015]															
Light oil:	¥ 74.61/ℓ	[¥ 85.26]															
Gasoline:	¥104.48/ℓ	[¥120.54]															
Heavy oil:	¥ 28.69/ℓ	[¥ 42.52]															
Impact of foreign exchange	Revenues: ¥(32.21) billion Operating income: ¥ (1.01) billion	<table> <tr> <td></td> <td>FY2016</td> <td>[Yearly average in FY2015(*)]</td> </tr> <tr> <td>USD:</td> <td>¥111.20</td> <td>[¥121.05]</td> </tr> <tr> <td>EUR:</td> <td>¥125.90</td> <td>[¥134.32]</td> </tr> <tr> <td>HKD:</td> <td>¥ 14.40</td> <td>[¥ 15.62]</td> </tr> <tr> <td>RMB:</td> <td>¥ 17.20</td> <td>[¥ 19.22]</td> </tr> </table>		FY2016	[Yearly average in FY2015(*)]	USD:	¥111.20	[¥121.05]	EUR:	¥125.90	[¥134.32]	HKD:	¥ 14.40	[¥ 15.62]	RMB:	¥ 17.20	[¥ 19.22]
	FY2016	[Yearly average in FY2015(*)]															
USD:	¥111.20	[¥121.05]															
EUR:	¥125.90	[¥134.32]															
HKD:	¥ 14.40	[¥ 15.62]															
RMB:	¥ 17.20	[¥ 19.22]															

(\*) The average exchange rates used for FY2016 and FY 2015 in the assumptions are the reference rates. For the preparation of financial reports, average quarterly rates are applied to the quarterly results of local businesses.

Retirement benefit expenses	+ ¥1.47 billion (Increase in expenses)	Impact of negative interest rates, etc.
Size-based business tax	+ ¥1.53 billion (Increase in expenses)	Impact of rise in tax rate, etc.

## 5. Dividend

### Changes in dividend payout ratio and forecast





This document is not aimed to solicit or gain investments in any of our securities that are to be issued.

The opinions and forecasts in this document are based on information available at the time of creation of this document. We do not guarantee or commit to the accuracy of this information, and it may be altered without notice.

We do not bear any responsibility for any damages caused by information contained in this document.