

May 8, 2015

Summary of Consolidated Earnings Report for the Fiscal Year Ended March 31, 2015 (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 General Shareholders' Meeting: June 26, 2015 Scheduled date of dividend payment: June 29, 2015

Scheduled date for release of Securities Report: June 26, 2015

Availability of supplementary briefing material on annual financial results: Available

(Millions of yen, rounded down)

1. Consolidated Financial Results for Fiscal Year Ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated Business Results

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year Ended Mar. 31, 2015	1,924,929	9.8	50,811	24.3	59,563	18.8	26,382	0.1
Fiscal Year Ended Mar. 31, 2014	1,752,468	8.6	40,865	23.1	50,156	20.9	26,345	10.5

(Note) Comprehensive income:

Fiscal Year Ended Mar. 31, 2015: ¥62,639 million [23.6%]

Fiscal Year Ended Mar. 31, 2014: ¥50,679 million [19.6%]

	Net income per share	Diluted net income per share	Net income on equity	Ordinary income on assets	Operating margin to sales
	¥	¥	%	%	%
Fiscal Year Ended Mar. 31, 2015	25.87	—	5.1	4.2	2.6
Fiscal Year Ended Mar. 31, 2014	25.62	—	5.2	3.8	2.3

(Reference) Investment gain or loss on equity method:

Fiscal Year Ended Mar. 31, 2015: ¥744 million

Fiscal Year Ended Mar. 31, 2014: ¥796 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of Mar. 31, 2015	1,453,617	550,137	36.6	531.06
As of Mar. 31, 2014	1,377,443	509,954	36.0	483.38

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

As of Mar. 31, 2014: ¥495,881 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	¥ million	¥ million	¥ million	¥ million
Fiscal Year Ended Mar. 31, 2015	74,519	(22,386)	(33,636)	148,942
Fiscal Year Ended Mar. 31, 2014	57,892	(58,165)	5,835	125,900

2. Dividends Information

	Annual dividend per share					Total dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend payout ratio on net assets (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly			
	¥	¥	¥	¥	¥	¥ million	%	%
Fiscal Year Ended Mar. 31, 2014	—	5.00	—	5.00	10.00	10,258	39.0	2.1
Fiscal Year Ended Mar. 31, 2015	—	5.00	—	5.00	10.00	10,136	38.7	2.0
Fiscal Year Ending Mar. 31, 2016 (Forecast)	—	5.00	—	5.00	10.00		29.5	

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	%	
Interim of year	973,000	5.9	23,000	13.9	28,000	12.0	16,500	2.8	16.47
Full year	2,000,000	3.9	54,000	6.3	63,000	5.8	34,000	28.9	33.95

*Notes

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

(2) 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: Yes

3) Changes in accounting estimates: No

4) Corrections of errors: No

(Note) Please refer to "5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" on page 17 for details.

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

1) Total number of issued shares at end of period (including treasury stock)

As of Mar. 31, 2015	1,038,000,000 shares	As of Mar. 31, 2014	1,062,299,281 shares
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2) Total number of treasury stocks at end of period

As of Mar. 31, 2015	36,401,970 shares	As of Mar. 31, 2014	36,445,417 shares
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3) Average number of shares during period

Fiscal Year Ended Mar. 31, 2015	1,019,897,758 shares	Fiscal Year Ended Mar. 31, 2014	1,028,194,227 shares
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(Reference) Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Non-consolidated Business Results

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year Ended Mar. 31, 2015	1,089,935	4.4	29,321	22.3	36,625	17.5	20,719	23.2
Fiscal Year Ended Mar. 31, 2014	1,044,266	1.9	23,975	47.6	31,171	39.5	16,818	33.6

	Net income per share	Diluted net income per share
Fiscal Year Ended Mar. 31, 2015	¥ 20.32	—
Fiscal Year Ended Mar. 31, 2014	16.36	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of Mar. 31, 2015	917,236	364,449	39.7	363.87
As of Mar. 31, 2014	879,504	349,913	39.8	341.09

(Reference) Equity: As of Mar. 31, 2015: ¥364,449 million As of Mar. 31, 2014: ¥349,913 million

2. Forecast of Non-consolidated Financial Results for FY2015 (from April 1, 2015 to March 31, 2016)

(%: compared with the previous period)

	Revenues		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥
Interim of year	532,000	0.8	17,000	10.6	10,000	(9.5)	9.98
Full year	1,080,000	(0.9)	39,000	6.5	23,000	11.0	22.96

*Status of execution of the audit of financial statements

Because this Consolidated Earnings Report is not subject to the audit of the annual financial statements under the Financial Instruments and Exchange Act, the procedures for said audit were not completed at the time of disclosing this report.

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

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. Business Results and Analysis of Financial Position, (1) Analysis of Business Results (Performance Forecasts for Fiscal 2015) on page 5 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 May 8, 2015.

1. Business Results and Analysis of Financial Position

(1) Analysis of Business Results

(Business Results for FY2014)

During the consolidated fiscal year ended March 31, 2015, the Japanese economy saw a moderate recovery trend, thanks to factors such as continuing yen depreciation backed by additional monetary easing and the recovery in the U.S. economy, as well as improvement in the corporate profit environment due to a substantial drop in crude oil prices, despite weak personal consumption due to rising prices and the impact of the rebound decline following the last-minute rise in demand before the increase in the consumption tax.

Amid these economic conditions, the field of logistics as a whole performed strongly. In international freight, exports increased for the automobile and electronic components related freight mainly for the U.S. and Asia, offsetting severe conditions in domestic freight, including stagnant transportation of consumer-related freight.

In this business environment, the Nippon Express Group made united efforts to implement the four basic strategies of "Further Expanding Our Global Logistics Business," "Strengthening Management Practices for Our Domestic Businesses," "Expanding Business by Utilizing the Diversity of Group Companies" and "Contributing to Society through Our Businesses in Accordance with Corporate Social Responsibility (CSR) Management" in order to push forward the medium-term management plan "Nippon Express Group Corporate Strategy 2015 – Innovation and Moving Forward –."

As its main initiatives, in the global logistics business, the Group moved ahead actively to develop bases in various areas overseas, through measures such as establishing local companies and opening logistics centers, with a view to expanding sales for multimodal integrated transport services and capturing regional logistics demand within regions that are becoming active overseas, while working to enhance the borderless transport network.

In its domestic businesses, the Group strived to maximize its rate of profit through measures including further reinforcement of the one-stop sales structure in metropolitan areas through organizational reform beyond the boundaries of land, sea, and air, and implementation of price revisions to appropriately collect rates. Meanwhile, the Group worked to effectively manage its corporate resources by introducing an operational support system that integrates operation management and business management. Furthermore, the Group strongly promoted CSR management for the Nippon Express Group as a whole, by setting priority issues to be addressed by the Group as a global logistics company in "Nippon Express's Global CSR," including responsibilities to the Earth's environment, sound company conduct, and respect for human rights.

As a result, revenues increased by ¥172.4 billion, or 9.8% year on year, to ¥1,924.9 billion, while ordinary income increased by ¥9.4 billion, or 18.8% year on year, to ¥59.5 billion.

Net income increased by ¥30 million, or 0.1% year on year, to ¥26.3 billion.

Financial results by reportable segment are summarized below.

1. Combined Business (Distribution & Transportation, domestic companies)

As a result of factors including an increase in motor transportation and warehouse transactions, segment sales were ¥742.3 billion, a year-on-year increase of ¥20.6 billion, or 2.9%, while operating income was ¥18.2 billion, a year-on-year increase of ¥3.0 billion, or 20.0%.

2. Security Transportation (Distribution & Transportation, domestic companies)

As a result of factors including strong performance in security transportation business transactions, segment sales were up ¥0.7 billion, or 1.4% year on year, to ¥55.4 billion, while operating income was down by ¥0.3 billion, or 26.4% year on year, to ¥0.8 billion.

3. Heavy Haulage & Construction (Distribution & Transportation, domestic companies)

As a result of factors including an increase in domestic plant maintenance construction, etc., and an increase in various project items overseas, segment sales were up ¥10.2 billion, or 27.9% year on year, to ¥46.8 billion, and operating income was up by ¥0.2 billion, or 12.7% year on year, to ¥2.1 billion.

4. Air Freight Forwarding (Distribution & Transportation, domestic companies)

Owing to factors including robust transactions in import freight and domestic air freight, in addition to an increase in transport demand for export freight resulting from the impact of crowded ports on the west coast of the U.S., segment sales were up ¥29.0 billion, or 16.0% year on year, to ¥210.7 billion, and operating income was up by ¥4.5 billion, or 81.3% year on year, to ¥10.1 billion.

5. Marine & Harbor Transportation (Distribution & Transportation, domestic companies)

Mainly owing to a decrease in import freight and domestic freight transactions, segment sales were down ¥12.8 billion, or 9.8% year on year, to ¥118.8 billion, while operating income was down by ¥0.2 billion, or 4.0% year on year, to ¥4.9 billion.

6. The Americas (Distribution & Transportation, overseas companies)

As a result of factors including strong air freight export and warehousing and delivery, segment sales were up ¥10.0 billion, or 14.6% year on year, to ¥79.1 billion, and operating income was up by ¥0.5 billion, or 19.7% year on year, to ¥3.4 billion.

7. Europe (Distribution & Transportation, overseas companies)

As a result of factors including strong air freight export, segment sales were up ¥10.8 billion, or 14.9% year on year, to ¥83.6 billion, and operating income was up by ¥1.6 billion, or 232.5% year on year, to ¥2.3 billion.

8. East Asia (Distribution & Transportation, overseas companies)

Mainly owing to strong warehouse transactions, segment sales were up ¥9.1 billion, or 9.9% year on year, to ¥101.3 billion, and operating income was up by ¥0.6 billion, or 54.5% year on year, to ¥1.9 billion.

9. South Asia & Oceania (Distribution & Transportation, overseas companies)

As a result of factors including strong air freight export and warehouse transactions, segment sales were up ¥13.2 billion, or 25.8% year on year, to ¥64.6 billion, while operating income was down by ¥0.5 billion, or 35.1% year on year, to ¥0.9 billion.

10. Goods Sales

Mainly owing to strong export packaging transactions, segment sales increased by ¥7.3 billion, or 1.8% year on year, to ¥420.1 billion, and operating income was up by ¥1.5 billion, or 32.3% year on year, to ¥6.4 billion.

11. Other

As a result of factors including the acquisition of shares of Nittsu Panasonic Logistics Co., Ltd. and Nittsu NEC Logistics, Ltd., segment sales were up ¥82.1 billion, or 133.7% year on year, to ¥143.6 billion, and operating income was up by ¥0.6 billion, or 30.9% year on year, to ¥2.6 billion.

(Performance Forecasts for FY2015)

Performance forecasts for the next fiscal year have been made in consideration of trends in crude oil prices, risks of exchange rate fluctuations and other such factors.

As stated in "1. Business Results and Analysis of Financial Position (1) Analysis of Business Results," the corporate profit environment is showing a trend toward improvement due to factors including continuing yen depreciation and the drop in crude oil prices, and the economy is expected to remain on a recovery track going forward.

In its domestic businesses, the Nippon Express Group will reinforce its one-stop sales structure through organizational reform and boost the rate of profit by revising rates, while in its overseas businesses, the Group will actively develop bases mainly through the construction of warehouses and enhance the borderless transport network, among other measures. As a result, the Group expects growth in revenues, operating income, ordinary income, and net income for the full year.

Performance forecasts for the fiscal year ending March 31, 2016 as of the release date of this report are as follows.

Performance Forecasts of Consolidated Financial Results (Full year)

Revenues	¥2,000 billion (up 3.9% year on year)
Operating income	¥54 billion (up 6.3% year on year)
Ordinary income	¥63 billion (up 5.8% year on year)
Net income	¥34 billion (up 28.9% year on year)

Performance Forecasts of Non-consolidated Financial Results (Full year)

Revenues	¥1,080 billion (down 0.9% year on year)
Operating income	¥32 billion (up 9.1% year on year)
Ordinary income	¥39 billion (up 6.5% year on year)
Net income	¥23 billion (up 11.0% year on year)

* The above performance forecasts were deemed reasonable by the Company based on data currently available to the Company and actual business performance may differ from the performance forecasts.

(2) Analysis of Financial Position

Total assets as at the end of the fiscal year ended March 31, 2015 amounted to ¥1,453.6 billion, an increase of ¥76.1 billion or 5.5% from the end of the previous fiscal year.

Current assets amounted to ¥719.3 billion, an increase of ¥72.2 billion or 11.2% from the end of the previous fiscal year, while noncurrent assets totaled ¥734.3 billion, up ¥3.9 billion or, 0.5% from the end of the previous fiscal year.

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

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

Total liabilities as at the end of the fiscal year ended March 31, 2015 were ¥903.4 billion, an increase of ¥35.9 billion or 4.1% from the end of the previous fiscal year.

Current liabilities increased by ¥54.4 billion or 12.5% from the end of the previous fiscal year to ¥491.9 billion, while noncurrent liabilities decreased by ¥18.5 billion or 4.3% to ¥411.5 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 primarily due to the decrease in long-term loans payable, etc.

Net assets amounted to ¥550.1 billion at the end of the fiscal year ended March 31, 2015, an increase of ¥40.1 billion or 7.9%.

This was attributable to the increase in retained earnings and valuation differences on available-for-sale securities, etc.

Net cash provided by operating activities amounted to ¥74.5 billion, a year-on-year increase of ¥16.6 billion in proceeds. This was primarily due to the increase in consumer tax payable, etc.

Net cash used in investment activities totaled ¥22.3 billion, a year-on-year decrease of ¥35.7 billion in expenditures. This was mainly due to the decrease in the payment of purchase of consolidated subsidiary, etc.

Net cash used in financing activities amounted to ¥33.6 billion, a year-on-year decrease of ¥39.4 billion in proceeds. This was mainly due to the decrease in proceeds from long-term loans payable, etc.

As a result of the above, cash and cash equivalents at the end of the fiscal year ended March 31, 2015 increased ¥23.0 billion year on year to ¥148.9 billion.

As described in p.17 "(Changes in Accounting Policies) 2. Changes in Scope of Funds in Consolidated Statements of Cash Flows," cash related to CSD services and exchange money delivery services in the Security Transportation Business has been excluded from the scope of funds (i.e., cash and cash equivalents). Accordingly, the figures above reflect the retrospective application of the change in the accounting policies.

(Reference) Trends in the Group's cash flow indicators are as follows.

	FY2010	FY2011	FY2012	FY2013	FY2014
Equity ratio (%)	40.7	39.1	41.2	36.0	36.6
Marked-to-market equity ratio (%)	29.0	27.4	38.6	37.6	46.3
Ratio of cash flow to interest-bearing liabilities (years)	4.4	4.4	5.5	6.5	4.9
Interest coverage ratio (times)	21.1	25.0	18.7	18.7	25.3

(Notes)

Equity ratio: $\text{Equity} / \text{Total assets}$
 Marked-to-market equity ratio: $\text{Market capitalization} / \text{Total assets}$
 Ratio of cash flow to interest-bearing liabilities: $\text{Interest-bearing liabilities} / \text{Operating cash flow}$
 Interest coverage ratio: $\text{Operating cash flow} / \text{Interest payment}$

* All indicators have been calculated based on consolidated financial data.

* Market capitalization is calculated by multiplying the closing share price as at the end of the fiscal year by the number of issued shares as at the end of the fiscal year (after deducting treasury stock).

* For operating cash flow, cash flow from operating activities in the consolidated cash flow statement has been used.

Interest-bearing liabilities include all liabilities declared in the consolidated balance sheet for which interest is paid. For interest payment, the amount of interest paid according to the consolidated cash flow statement is used.

(3) Basic Policy for Profit Sharing and Dividends for the Fiscal Year Ended March 31, 2015 and the Fiscal Year Ending March 31, 2016

The Company regards the return of profits to shareholders as one of its most important priorities. We aim to maximize returns and maintain dividend stability, while also expanding our business operations, strengthening our financial position, increasing shareholders' equity and improving profit ratios.

The earnings retained by Nippon Express will be used for investments mainly in the development of logistics bases and the replacement of vehicles, to expand sales of our distribution and transportation services and improve our transportation efficiency. We will also utilize retained earnings to strengthen our financial position as well as our corporate foundation.

For this fiscal year, the Company plans to pay an annual dividend of ¥10, consisting of an interim dividend and a year-end dividend of ¥5 each (consolidated dividend payout ratio of 38.7%). For the fiscal year ending March 31, 2016, we plan to pay an annual dividend of ¥10, consisting of an interim dividend and a year-end dividend of ¥5 each (forecast consolidated dividend payout ratio of 29.5%).

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2013 (as of March 31, 2014)	FY2014 (as of March 31, 2015)
ASSETS		
Current assets:		
Cash and cash in banks	186,297	207,112
Notes receivable—trade	14,540	13,471
Accounts receivable—trade	273,330	321,679
Inventories	8,722	6,020
Advanced money	2,112	4,098
Prepaid expenses	11,173	12,670
Deferred tax assets	11,847	13,689
Lease investment assets	108,062	108,273
Other	32,272	33,602
Less: allowance for doubtful accounts	(1,289)	(1,304)
Total current assets	647,069	719,313
Noncurrent assets:		
Property and equipment		
Vehicles	168,545	171,508
Less: accumulated depreciation	(146,512)	(147,415)
Vehicles, net	22,032	24,092
Buildings	563,251	563,414
Less: accumulated depreciation	(319,129)	(328,977)
Buildings, net	244,122	234,437
Structures	64,884	64,403
Less: accumulated depreciation	(52,188)	(52,618)
Structures, net	12,695	11,784
Machinery	71,134	72,983
Less: accumulated depreciation	(57,248)	(59,051)
Machinery, net	13,885	13,932
Tools, furniture and fixtures	99,002	102,492
Less: accumulated depreciation	(77,665)	(80,774)
Tools, furniture and fixtures, net	21,337	21,718
Vessels	17,799	17,769
Less: accumulated depreciation	(11,694)	(12,382)
Vessels, net	6,105	5,387
Land	174,248	176,165
Leased assets	14,569	6,668
Less: accumulated depreciation	(4,095)	(2,711)
Leased assets, net	10,474	3,956
Construction in progress	842	1,071
Net property and equipment	505,745	492,545
Intangible assets		
Leasehold right	7,491	7,527
Goodwill	16,982	14,821
Other	34,732	37,737
Total intangible assets	59,206	60,087
Investments and other assets		
Investment securities	112,713	133,577
Long-term loans receivable	4,062	2,513
Long-term loan to employees	216	139
Long-term prepaid expense	3,808	4,643
Security deposit	18,088	21,245
Net retirement benefit asset	1,230	1,783
Deferred tax assets	14,154	6,607
Other	12,295	12,169
Less: allowance for doubtful accounts	(1,146)	(1,009)
Total investments and other assets	165,423	181,670
Total noncurrent assets	730,374	734,304
Total assets	1,377,443	1,453,617

(Unit: Millions of yen)

	FY2013 (as of March 31, 2014)	FY2014 (as of March 31, 2015)
LIABILITIES		
Current liabilities:		
Notes payable—trade	8,024	7,308
Accounts payable—trade	153,390	170,211
Short-term loans payable	46,813	83,397
Other Payables	37,741	25,949
Income taxes payable	17,063	16,192
Consumer tax payable	4,251	16,487
Unpaid expenses	19,137	21,127
Advance receipt	10,016	26,906
Deposits	63,145	61,165
Deposits from employees	27,660	27,764
Provision for bonuses	20,281	21,752
Provision for directors' bonus	137	135
Allowance for warranty and repair	62	62
Allowance for class action lawsuit filed in the United States	—	3,899
Allowance for business structure improvement expenses	—	1,050
Other	29,721	8,530
Total current liabilities	437,449	491,940
Noncurrent liabilities:		
Bonds payable	65,000	65,000
Long-term loans payable	204,037	180,969
Deferred tax liabilities	4,083	4,865
Provision for directors' retirement benefits	330	350
Provision for special repairment	260	202
Provision for loss on guarantees	829	829
Net retirement benefit liability	126,951	135,678
Other	28,547	23,644
Total noncurrent liabilities	430,040	411,539
Total liabilities	867,489	903,480
NET ASSETS		
Shareholders' equity:		
Common stock	70,175	70,175
Additional paid-in capital	26,908	26,908
Retained earnings	417,869	419,851
Less: treasury stock	(17,353)	(19,444)
Total shareholders' equity	467,599	497,490
Accumulated other comprehensive income:		
Valuation differences on available-for-sale securities	40,077	61,900
Deferred gains (losses) on hedges	3	(7)
Foreign currency translation adjustments	3,829	14,901
Remeasurements of retirement benefit plans	(45,628)	(42,375)
Total accumulated other comprehensive income	(1,717)	34,419
Minority interests	14,072	18,227
Total net assets	509,954	550,137
Total liabilities and net assets	1,377,443	1,453,617

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Unit: Millions of yen)

	FY2013 (from April 1, 2013 to March 31, 2014)	FY2014 (from April 1, 2014 to March 31, 2015)
Revenues	1,752,468	1,924,929
Operating costs	1,628,037	1,783,621
Gross profit	124,430	141,308
Selling, general and administrative expenses:		
Salaries, compensation, and welfare expenses	45,661	48,952
Depreciation and amortization	5,523	6,592
Advertising expenses	3,831	4,110
Provision for allowance for doubtful accounts	183	24
Other	28,365	30,816
Total selling, general and administrative expenses	83,564	90,497
Operating income	40,865	50,811
Non-operating income:		
Interest income	723	708
Dividends income	2,679	2,474
Gain on sales of vehicles	353	349
Equity in earnings of affiliates	796	744
Income from foreign exchange	2,857	2,840
Other	7,238	7,367
Total non-operating income	14,647	14,483
Non-operating expenses:		
Interest expenses	3,151	2,882
Loss on sale and retirement of vehicles	33	43
Other	2,171	2,805
Total non-operating expenses	5,357	5,731
Ordinary income	50,156	59,563
Extraordinary income:		
Gain on sales of noncurrent assets	3,405	2,875
Gain on sales of investment securities	7,975	5,205
Other	28	664
Total extraordinary income	11,410	8,745
Extraordinary loss:		
Loss on disposal of noncurrent assets	4,086	7,686
Loss on sales of investment securities	0	7
Loss on valuation of investment securities	154	606
Impairment loss	-	5,441
Extraordinary additional retirement benefits	9,725	-
Provision of allowance for class action lawsuit filed in the United States	-	3,899
Provision of allowance for business structure improvement expenses	-	1,050
Other	480	638
Total extraordinary loss	14,447	19,329
Income before income taxes and minority interests	47,119	48,978
Income taxes—current	23,373	26,346
Income taxes—deferred	(3,191)	(3,429)
Total income taxes	20,181	22,916
Income before minority interests	26,937	26,062
Minority interests	591	(319)
Net income	26,345	26,382

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	FY2013 (from April 1, 2013 to March 31, 2014)	FY2014 (from April 1, 2014 to March 31, 2015)
Income before minority interests	26,937	26,062
Other comprehensive income:		
Valuation differences on available-for-sale securities	4,712	21,823
Deferred gains (losses) on hedges	20	(11)
Foreign currency translation adjustments	18,495	11,183
Remeasurements of retirement benefit plans	-	3,132
Share of other comprehensive income of affiliates accounted for using the equity method	513	448
Other comprehensive income	23,742	36,576
Comprehensive income	50,679	62,639
(Comprehensive income attributable to)		
Shareholders of Nippon Express	49,480	62,518
Minority interests	1,199	120

(3) Consolidated Statements of Changes in Net Assets
 FY2013 (from April 1, 2013 to March 31, 2014)

(Unit: Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the year	70,175	26,908	401,902	(6,078)	492,907
Cumulative effects of changes in accounting policies			-		-
Restated balance	70,175	26,908	401,902	(6,078)	492,907
Changes during the year					
Cash dividends			(10,377)		(10,377)
Net income			26,345		26,345
Change in amounts due to change in scope of consolidation			-		-
Increase in treasury stock				(11,278)	(11,278)
Decrease in treasury stock		0	-	3	3
Retirement of treasury stock		-	-	-	-
Net changes in items other than shareholders' equity					
Total changes during the year	-	0	15,967	(11,275)	4,691
Balance at end of the year	70,175	26,908	417,869	(17,353)	497,599

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation differences on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	35,358	(17)	(14,565)	-	20,776	4,725	518,409
Cumulative effects of changes in accounting policies							-
Restated balance	35,358	(17)	(14,565)	-	20,776	4,725	518,409
Changes during the year							
Cash dividends							(10,377)
Net income							26,345
Change in amounts due to change in scope of consolidation							-
Increase in treasury stock							(11,278)
Decrease in treasury stock							3
Retirement of treasury stock							-
Net changes in items other than shareholders' equity	4,719	21	18,395	(45,628)	(22,493)	9,346	(13,146)
Total changes during the year	4,719	21	18,395	(45,628)	(22,493)	9,346	(8,454)
Balance at end of the year	40,077	3	3,829	(45,628)	(1,717)	14,072	509,954

FY2014 (from April 1, 2014 to March 31, 2015)

(Unit: Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	
Balance at beginning of the year	70,175	26,908	417,869	(17,353)	497,599
Cumulative effects of changes in accounting policies			(1,819)		(1,819)
Restated balance	70,175	26,908	416,050	(17,353)	495,779
Changes during the year					
Cash dividends			(10,258)		(10,258)
Net income			26,382		26,382
Change in amounts due to change in scope of consolidation			656		656
Increase in treasury stock				(15,072)	(15,072)
Decrease in treasury stock		0	(0)	2	2
Retirement of treasury stock		(0)	(12,979)	12,979	-
Net changes in items other than shareholders' equity					
Total changes during the year	-	(0)	3,801	(2,090)	1,710
Balance at end of the year	70,175	26,908	419,851	(19,444)	497,490

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation differences on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of retirement benefit plans	Total accumulated other comprehensive income		
Balance at beginning of the year	40,077	3	3,829	(45,628)	(1,717)	14,072	509,954
Cumulative effects of changes in accounting policies							(1,819)
Restated balance	40,077	3	3,829	(45,628)	(1,717)	14,072	508,135
Changes during the year							
Cash dividends							(10,258)
Net income							26,382
Change in amounts due to change in scope of consolidation							656
Increase in treasury stock							(15,072)
Decrease in treasury stock							2
Retirement of treasury stock							-
Net changes in items other than shareholders' equity	21,822	(11)	11,072	3,253	36,136	4,155	40,291
Total changes during the year	21,822	(11)	11,072	3,253	36,136	4,155	42,002
Balance at end of the year	61,900	(7)	14,901	(42,375)	34,419	18,227	550,137

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2013 (from April 1, 2013 to March 31, 2014)	FY2014 (from April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	47,119	48,978
Depreciation and amortization	47,108	51,005
Amortization of goodwill	2,009	2,453
Extraordinary additional retirement benefits	9,725	-
Loss on sale or write-down of securities, net	(7,821)	(4,592)
Gain on sale or disposal of property and equipment, net	361	4,506
Impairment loss	-	5,441
Increase (decrease) in provision for bonus	1,464	245
Increase (decrease) in allowance for class action lawsuit filed in the United States	-	3,899
Increase (decrease) in allowance for business structure improvement expenses	-	1,050
Increase (decrease) in net retirement benefit liability	7,805	8,349
Interest and dividend income	(3,402)	(3,182)
Interest expense	3,151	2,882
Equity in earnings of unconsolidated subsidiaries and affiliates	(796)	(744)
(Increase) decrease in trade receivables	(27,805)	(26,266)
(Increase) decrease in inventories	(3,134)	2,817
Increase (decrease) in accounts payable	9,080	1,915
Increase (decrease) in consumption taxes etc. payable	(637)	11,050
Other	(3,274)	(5,074)
Sub-total	80,954	104,735
Interest and dividends received	3,605	3,954
Interest paid	(3,102)	(2,945)
Payment for extraordinary additional retirement benefits	(9,725)	-
Payment for loss on disaster	(48)	-
Payment for deposits associated with class action lawsuit filed in the United States	-	(3,899)
Income taxes paid	(13,791)	(27,325)
Net cash provided by operating activities	57,892	74,519
Cash flows from investment activities		
Payment for purchase of securities	(9,173)	(2,157)
Proceeds from sale of securities	9,081	8,012
Payment for purchase of property and equipment	(42,150)	(48,809)
Proceeds from sales of property and equipment	5,032	15,880
Payment for purchase of shares of subsidiaries resulting in change in scope of consolidation	(22,639)	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	4,164
Other	1,683	522
Net cash used in investment activities	(58,165)	(22,386)

(Unit: Millions of yen)

	FY2013 (from April 1, 2013 to March 31, 2014)	FY2014 (from April 1, 2014 to March 31, 2015)
Cash flows from financing activities		
Change in short-term loans payable	(2,935)	5,179
Change in commercial paper	1,500	(6,000)
Proceeds from long-term loans payable	90,150	49,131
Payment of long-term loans payable	(60,198)	(40,710)
Redemption of bonds	–	(15,000)
Proceeds from stock issuance to minority shareholders	23	39
Cash dividends	(10,377)	(10,258)
Purchase of treasury stock	(11,278)	(15,073)
Other	(1,047)	(945)
Net cash provided by (used in) financing activities	5,835	(33,636)
Effect of exchange rate changes on cash	6,649	4,373
Net increase (decrease) in cash and cash equivalents	12,211	22,869
Cash and cash equivalents at beginning of year	113,689	125,900
Increase (decrease) in cash and cash equivalents due to change in scope of consolidation	–	172
Cash and cash equivalents at end of year	125,900	148,942

(5) Notes to Consolidated Financial Statements
(Changes in Accounting Policies)

1. Retirement Benefits

With regard to the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012; the “Retirement Benefits Accounting Standard”) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, March 26, 2015; the “Guidance on Retirement Benefits”), the Company has applied provisions set forth in Article 35 of the Retirement Benefits Accounting Standard and Article 67 of the Guidance on Retirement Benefits effective from the fiscal year ended March 31, 2015. Under the new policy, the Company reviewed the method of calculating retirement benefit obligation and service cost, and, in regard to the method to determine the discount rate, changed from the use of the period approximate to the expected average remaining working years of employees to the use of a single weighted average discount rate reflecting the estimated timing of benefit payment and its amount for each estimated timing, mainly as the period of maturity of bond used as assumptions in determining the discount rate.

The Retirement Benefits Accounting Standard, etc., are being applied transitionally as set forth in Article 37 of the Retirement Benefits Accounting Standard. At the beginning of the fiscal year ended March 31, 2015, the amount of effect of the change in the method of calculating retirement benefit obligation and service cost is stated as increase or decrease in retained earnings.

As a result of this change, net retirement benefit liability increased by ¥2,825 million and retained earnings decreased by ¥1,819 million at the beginning of the fiscal year ended March 31, 2015. The effect of this change on operating income, ordinary income and income before income taxes and minority interests for the fiscal year ended March 31, 2015 is immaterial.

The effect of these changes on per share information is described in “Per Share Information.”

2. Changes in Scope of Funds in Consolidated Statements of Cash Flows

Cash related to the CSD and exchange money delivery services of the Security Transportation Business was previously included in the scope of funds (i.e., cash and cash equivalents). However, due to increasing volume of requests for these services, net changes in the amount of deposits received from customers has increased its impact on “cash flows from operating activities”. At the same time, there are increasing needs for more transparent disclosure of the current state of the funds supporting our business strategies including M&As. Therefore, reviews of the services were conducted in accordance with their actual conditions in the wake of system upgrades implemented for the purpose of enhancing fund management and capturing more detailed information. As a result, in order to disclose the state of cash flows more adequately, cash related to the CSD and exchange money delivery services are excluded from the scope of funds starting from the fiscal year ended March 31, 2015.

This change in the accounting policies has been applied retrospectively, and the consolidated financial statements for the previous fiscal year consist of the figures after the retrospective application.

Consequently, for the previous fiscal year, “net cash provided by (used in) operating activities” and “net increase in cash and cash equivalents” increased by ¥13,684 million, respectively, while “cash and cash equivalents at end of period” decreased by ¥53,129 million, compared to those before the retrospective application.

(Supplementary Information)

1. Allowance for class action lawsuit filed in the United States

In March 2009, the Company was handed down a cease and desist order from the Japan Fair Trade Commission for the reason of violation of the Antimonopoly Act regarding fuel surcharges on international airfreight forwarding.

To provide for possible future loss on a class action lawsuit filed in the United States due to this incident, the Company recorded the amount estimated at that point at ¥3,315 million as “allowance for class action lawsuit filed in the United States” in the first quarter ended June 30, 2014.

The Company revised the estimated amount in respect of fluctuation of foreign exchange rate at the end of the fiscal year ended March 31, 2015, and thus the amount of the allowance has been changed to ¥3,899 million.

2. Retirement benefits

Due to some revisions the Company made in the employees’ retirement benefits rules during the fiscal year ended March 31, 2015, the retirement benefit obligation increased by ¥3,508 million. However, as it falls under the prior service cost, this increase is amortized by the straight-line method over 15 years in accordance with the Company’s accounting policies.

(Segment Information, etc.)

[Segment Information]

1. Method for calculating the amounts of revenues, income (loss), assets, liabilities and other items by reportable segment

Income in each reportable segment is stated on the basis of operating income. Intersegment revenues and money transfers are based on current market price.

As noted in "Changes in Accounting Policies," following the change in the calculation method for retirement benefit obligation and service cost effective from the beginning of the fiscal year ended March 31, 2015, the Company has changed the calculation method for these items for each business segment in the same manner. The effect of this change on each reportable segment and others is immaterial.

2. Revenues, income (loss), assets, liabilities and other items by reportable segment
FY2013 (From April 1, 2013 to March 31, 2014)

(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	714,659	54,625	36,450	178,590	123,567	56,809	67,166
Intersegment	7,057	26	205	3,130	8,140	12,257	5,621
Total	721,717	54,651	36,656	181,720	131,708	69,066	72,788
Segment income	15,165	1,178	1,913	5,613	5,108	2,843	720
Segment assets	477,500	81,290	14,867	94,737	94,914	38,136	52,118
Other items							
Depreciation and amortization	21,075	2,182	650	4,147	4,347	1,052	1,409
Amortization of goodwill	-	-	-	-	-	311	433
Impairment loss on noncurrent assets	-	-	-	-	-	-	-
Investment in equity method affiliates	5,486	-	-	1,052	1,261	51	-
Increase in property and equipment and intangible assets	19,699	3,091	1,419	6,281	2,583	787	7,974

	Distribution & Transportation		Goods Sales	Other	Total	Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Overseas Companies						
	East Asia	South Asia & Oceania					
Revenues							
Revenues from external customers	84,806	47,278	347,653	40,859	1,752,468	-	1,752,468
Intersegment	7,350	4,088	65,192	20,600	133,672	(133,672)	-
Total	92,156	51,367	412,846	61,460	1,886,141	(133,672)	1,752,468
Segment income	1,232	1,434	4,856	2,019	42,085	(1,219)	40,865
Segment assets	55,735	37,837	261,530	110,854	1,319,523	57,920	1,377,443
Other items							
Depreciation and amortization	953	1,160	5,423	1,618	44,022	3,085	47,108
Amortization of goodwill	579	207	319	157	2,009	-	2,009
Impairment loss on noncurrent assets	-	-	-	-	-	-	-
Investment in equity method affiliates	1,527	1,602	-	1,628	12,610	-	12,610
Increase in property and equipment and intangible assets	2,429	1,060	5,039	17,035	67,401	5,201	72,603

(Notes) 1. Details of the adjustments are as follows:

- (1) The segment income adjustment of ¥1,219 million includes ¥260 million for the elimination of intersegment income, and ¥1,519 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) The segment assets adjustment of ¥57,920 million includes ¥154,528 million for the elimination of intersegment income, and ¥231,770 million of corporate assets not allocated to each reportable segment. Corporate assets mainly represent cash and cash in banks, securities and noncurrent assets held by the head office not attributable to each reportable segment.
- (3) The depreciation and amortization adjustment represents the depreciation and amortization at the head office not attributable to each reportable segment.
- (4) The adjustment in increase in property and equipment and intangible assets represents primarily the capital expenditures at the head office not attributable to each reportable segment.
2. Segment income has been reconciled with operating income in the consolidated financial statements.

FY2014 (From April 1, 2014 to March 31, 2015)

(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	734,736	55,371	46,611	208,007	109,004	65,198	78,497
Intersegment	7,619	30	275	2,756	9,832	13,962	5,111
Total	742,356	55,401	46,886	210,763	118,836	79,160	83,609
Segment income	18,201	867	2,156	10,173	4,904	3,404	2,394
Segment assets	470,597	80,274	20,061	109,815	84,105	54,534	52,064
Other items							
Depreciation and amortization	21,126	2,301	1,136	4,552	3,593	1,140	1,487
Amortization of goodwill	-	-	-	-	-	311	453
Impairment loss on noncurrent assets	2	-	-	-	-	-	-
Investment in equity method affiliates	5,607	-	-	1,085	1,385	63	-
Increase in property and equipment and intangible assets	17,702	2,746	1,981	1,873	1,300	1,157	2,074

	Distribution & Transportation		Goods Sales	Other	Total	Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Overseas Companies						
	East Asia	South Asia & Oceania					
Revenues							
Revenues from external customers	92,008	59,456	357,042	118,994	1,924,929	-	1,924,929
Intersegment	9,312	5,151	63,113	24,608	141,773	(141,773)	-
Total	101,321	64,607	420,155	143,602	2,066,703	(141,773)	1,924,929
Segment income	1,904	930	6,423	2,643	54,005	(3,193)	50,811
Segment assets	62,491	49,236	271,564	138,346	1,393,092	60,524	1,453,617
Other items							
Depreciation and amortization	1,135	1,229	5,230	4,702	47,636	3,369	51,005
Amortization of goodwill	435	130	319	802	2,453	-	2,453
Impairment loss on noncurrent assets	-	-	44	5,394	5,441	-	5,441
Investment in equity method affiliates	1,606	1,933	-	-	11,682	-	11,682
Increase in property and equipment and intangible assets	664	3,053	5,665	11,382	49,603	3,424	53,027

(Notes) 1. Details of the adjustments are as follows:

- (1) The segment income adjustment of ¥3,193 million includes ¥110 million for the elimination of intersegment income, and ¥3,130 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) The segment assets adjustment of ¥60,524 million includes ¥183,839 million for the elimination of intersegment income, and ¥268,142 million of corporate assets not allocated to each reportable segment. Corporate assets mainly represent cash and cash in banks, securities and noncurrent assets held by the head office not attributable to each reportable segment.
 - (3) The depreciation and amortization adjustment represents the depreciation and amortization at the head office not attributable to each reportable segment.
 - (4) The adjustment in increase in property and equipment and intangible assets represents primarily the capital expenditures at the head office not attributable to each reportable segment.
2. Segment income has been reconciled with operating income in the consolidated financial statements.

(Per Share Information)

The amounts and bases for the computation of net assets per share and net income per share are set out below.

(Unit: Millions of yen unless otherwise stated)

	FY2013 (as of March 31, 2014)	FY2014 (as of March 31, 2015)
(1) Net assets per share (yen)	483.38	531.06
(Basis for calculation)		
Total net assets on consolidated balance sheets	509,954	550,137
Net assets related to common stock	495,881	531,909
Breakdown of difference:		
Minority interests	14,072	18,227
Number of common stock issued (1,000 shares)	1,062,299	1,038,000
Treasury stock of common stock (1,000 shares)	36,445	36,401
Number of common stock used to calculate net assets per share (1,000 shares)	1,025,853	1,001,598

	FY2013 (From April 1, 2013 to March 31, 2014)	FY2014 (From April 1, 2014 to March 31, 2015)
(2) Net income per share (yen)	25.62	25.87
(Basis for calculation)		
Net income	26,345	26,382
Net income related to common stock	26,345	26,382
Weighted average number of common stock during the year (1,000 shares)	1,028,194	1,019,897

(Notes) 1. Diluted net income per share is not stated because there were no residual securities.

2. As noted in "Changes in Accounting Policies," the Company has adopted the Retirement Benefit Accounting Standard, etc., subject to the transitional treatment stipulated by Article 37 of said standard.

As a result, net assets per share for the fiscal year ended March 31, 2015 decreased by ¥1.82. However, the effect of such decrease on net income per share is immaterial.

(Significant Subsequent Events)

Not applicable.

3. Reference Materials

(1) Consolidated Reference Materials

- Financial Results of Reportable Segment for FY2014

(Unit: Millions of yen, %)

			FY2014	FY2013	Change			
					Amount	Ratio		
Revenues	Reportable Segment	Distribution & Transportation	Combined Business	742,356	721,717	20,638	2.9	
			Security Transportation	55,401	54,651	750	1.4	
			Heavy Haulage & Construction	46,886	36,656	10,230	27.9	
			Air Freight Forwarding	210,763	181,720	29,043	16.0	
			Marine & Harbor Transportation	118,836	131,708	(12,871)	(9.8)	
			Subtotal	1,174,245	1,126,454	47,791	4.2	
			Overseas Companies	The Americas	79,160	69,066	10,093	14.6
				Europe	83,609	72,788	10,820	14.9
				East Asia	101,321	92,156	9,164	9.9
				South Asia & Oceania	64,607	51,367	13,240	25.8
		Subtotal	328,699	285,379	43,319	15.2		
		Total	1,502,944	1,411,834	91,110	6.5		
		Goods Sales	420,155	412,846	7,309	1.8		
		Other	143,602	61,460	82,142	133.7		
		Subtotal	2,066,703	1,886,141	180,561	9.6		
Adjustment	(141,773)	(133,672)	(8,100)	—				
Total	1,924,929	1,752,468	172,461	9.8				
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Combined Business	[2.5] 18,201	[2.1] 15,165	3,036	20.0	
			Security Transportation	[1.6] 867	[2.2] 1,178	(310)	(26.4)	
			Heavy Haulage & Construction	[4.6] 2,156	[5.2] 1,913	243	12.7	
			Air Freight Forwarding	[4.8] 10,173	[3.1] 5,613	4,560	81.3	
			Marine & Harbor Transportation	[4.1] 4,904	[3.9] 5,108	(204)	(4.0)	
			Subtotal	[3.1] 36,304	[2.6] 28,978	7,325	25.3	
			Overseas Companies	The Americas	[4.3] 3,404	[4.1] 2,843	560	19.7
				Europe	[2.9] 2,394	[1.0] 720	1,674	232.5
				East Asia	[1.9] 1,904	[1.3] 1,232	671	54.5
				South Asia & Oceania	[1.4] 930	[2.8] 1,434	(503)	(35.1)
		Subtotal	[2.6] 8,633	[2.2] 6,231	2,402	38.6		
		Total	[3.0] 44,938	[2.5] 35,209	9,728	27.6		
		Goods Sales	[1.5] 6,423	[1.2] 4,856	1,567	32.3		
		Other	[1.8] 2,643	[3.3] 2,019	623	30.9		
		Subtotal	[2.6] 54,005	[2.2] 42,085	11,919	28.3		
Adjustment	(3,193)	(1,219)	(1,974)	—				
Total	[2.6] 50,811	[2.3] 40,865	9,945	24.3				

(Note) Figures in brackets indicate Operating Margins.

○ Projection of Consolidated Financial Results for FY2015
(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	[2.4] 1,340	[1.6] 867	472	54.5	
				Heavy Haulage & Construction	[4.6] 2,260	[4.6] 2,156	103	4.8	
				Air Freight Forwarding	[3.8] 7,510	[4.8] 10,173	(2,663)	(26.2)	
				Marine & Harbor Transportation	[4.7] 5,770	[4.1] 4,904	865	17.7	
				Subtotal	[3.3] 38,810	[3.1] 36,304	2,505	6.9	
			Overseas Companies	The Americas	[4.2] 4,140	[4.3] 3,404	735	21.6	
				Europe	[2.8] 2,400	[2.9] 2,394	5	0.2	
				East Asia	[1.9] 2,280	[1.9] 1,904	375	19.7	
				South Asia & Oceania	[1.5] 1,190	[1.4] 930	259	27.9	
			Subtotal	[2.6] 10,010	[2.6] 8,633	1,376	15.9		
			Total	[3.2] 48,820	[3.0] 44,938	3,881	8.6		
			Goods Sales	[1.6] 6,530	[1.5] 6,423	106	1.7		
			Other	[1.9] 3,350	[1.8] 2,643	706	26.7		
			Subtotal	[2.8] 58,700	[2.6] 54,005	4,694	8.7		
Adjustment	(4,700)	(3,193)	(1,506)	—					
Total	[2.7] 54,000	[2.6] 50,811	3,188	6.3					

(Note) Figures in brackets indicate Operating Margins.

○ Projection for First Half of FY2015
(Reportable Segment)

(Unit: Millions of yen, %)

				First half of FY2015	First half of FY2014	Change		
						Amount	Ratio	
Revenues	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	366,000	365,571	428	0.1
				Security Transportation	27,800	27,636	163	0.6
				Heavy Haulage & Construction	25,700	24,614	1,085	4.4
				Air Freight Forwarding	93,900	91,898	2,001	2.2
				Marine & Harbor Transportation	61,100	59,674	1,425	2.4
			Subtotal	574,500	569,395	5,104	0.9	
			Overseas Companies	The Americas	49,400	37,439	11,960	31.9
				Europe	40,400	39,574	825	2.1
				East Asia	57,800	48,097	9,702	20.2
				South Asia & Oceania	36,800	29,175	7,624	26.1
		Subtotal		184,400	154,286	30,113	19.5	
		Total	758,900	723,682	35,217	4.9		
		Goods Sales	196,800	208,432	(11,632)	(5.6)		
		Other	84,800	53,829	30,970	57.5		
		Subtotal	1,040,500	985,943	54,556	5.5		
Adjustment	(67,500)	(66,721)	(778)	—				
Total	973,000	919,222	53,777	5.9				
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Domestic Companies	Combined Business	[2.5] 9,250	[1.8] 6,471	2,778	42.9
				Security Transportation	[2.1] 570	[1.4] 387	182	47.1
				Heavy Haulage & Construction	[4.5] 1,160	[4.6] 1,124	35	3.1
				Air Freight Forwarding	[2.9] 2,740	[2.8] 2,565	174	6.8
				Marine & Harbor Transportation	[5.3] 3,220	[4.9] 2,918	301	10.3
			Subtotal	[2.9] 16,940	[2.4] 13,467	3,472	25.8	
			Overseas Companies	The Americas	[4.5] 2,240	[4.6] 1,740	499	28.7
				Europe	[2.1] 850	[2.6] 1,040	(190)	(18.3)
				East Asia	[1.7] 960	[1.5] 726	233	32.2
				South Asia & Oceania	[1.6] 580	[2.3] 683	(103)	(15.1)
		Subtotal		[2.5] 4,630	[2.7] 4,189	440	10.5	
		Total	[2.8] 21,570	[2.4] 17,657	3,912	22.2		
		Goods Sales	[1.6] 3,100	[1.3] 2,763	336	12.2		
		Other	[1.1] 958	[1.4] 732	225	30.8		
		Subtotal	[2.5] 25,628	[2.1] 21,153	4,474	21.2		
Adjustment	(2,628)	(952)	(1,675)	—				
Total	[2.4] 23,000	[2.2] 20,201	2,798	13.9				

(Note) Figures in brackets indicate Operating Margins.

○ Changes in number of employees as of year end

(Unit: Persons, %)

	Mar. end 2015	Sep. end 2014	Mar. end 2014	Change (vs Mar. end 2014)	
				Amount	Ratio
Distribution & Transportation	60,520	60,927	61,006	(486)	(0.8)
Goods Sales	3,313	3,400	2,531	782	30.9
Other	3,485	1,603	1,602	1,883	117.5
Eliminations	29	25	23	6	26.1
Total	67,347	65,955	65,162	2,185	3.4

○ Capital expenditures

(Unit: Millions of yen)

	Actual amount in FY2014
Vehicles	10,676
Buildings	8,293
Land	881
Leased assets	9,079
Other	14,514
Total	43,446

Major investment

(Unit: Millions of yen)

Company	Amount	Note
Nippon Express	20,431	Crawler Crane with lifting capability of 1,350t, ¥1,044 million Maizuru International Pier Warehouse, ¥701 million, etc.

* Amount for Nippon Express does not include leased assets.

(Unit: Millions of yen)

	Forecast for FY2015
Vehicles	15,300
Buildings	31,100
Land	1,300
Leased assets	6,500
Other	15,800
Total	70,000

Major plans

(Unit: Millions of yen)

Company	Amount	Note
Nippon Express	40,000	Reconstruction of Tokyo Central Terminal, ¥ 13,957 million, etc.
Nippon Express Korea	1,295	Pusan New Warehouse

* Amount for Nippon Express does not include leased assets.

(2) Non-consolidated Reference Materials

○ Details of revenues and operating expenses for FY2014

(Unit: Millions of yen, %)

		FY2014		FY2013		Change		
			% in Sales		% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation	83,740	7.7	84,990	8.1	(1,249)	(1.5)	
	Motor transportation	Combined delivery services	82,886	7.6	82,946	7.9	(60)	(0.1)
		Chartered truck services	274,419	25.2	273,744	26.3	675	0.2
		Subtotal	357,305	32.8	356,690	34.2	615	0.2
	Marine and harbor transportation	Marine transportation	74,487	6.8	70,493	6.7	3,994	5.7
		Harbor transportation	54,341	5.0	56,280	5.4	(1,938)	(3.4)
		Subtotal	128,829	11.8	126,773	12.1	2,056	1.6
		(Exports)	[62,120]	—	[59,622]	—	[2,497]	[4.2]
		(Imports)	[39,120]	—	[39,513]	—	[(392)]	[(1.0)]
		(Domestic)	[27,588]	—	[27,637]	—	[(49)]	[(0.2)]
	Warehousing	114,941	10.5	112,089	10.7	2,851	2.5	
	Air transportation	International air freight	123,312	11.3	96,947	9.3	26,364	27.2
		(Exports)	[100,535]	—	[75,955]	—	[24,579]	[32.4]
		(Imports)	[22,776]	—	[20,992]	—	[1,784]	[8.5]
		Domestic air freight	40,283	3.7	39,641	3.8	642	1.6
	Subtotal	163,595	15.0	136,589	13.1	27,006	19.8	
Heavy haulage & construction	58,139	5.4	45,637	4.4	12,501	27.4		
Incidental operations and others	183,383	16.8	181,495	17.4	1,888	1.0		
Total	1,089,935	100.0	1,044,266	100.0	45,669	4.4		
	(Domestic operation-related revenues)	[832,714]	76.4	[820,959]	78.6	[11,755]	[1.4]	
	(Overseas-related revenues)	[257,220]	23.6	[223,306]	21.4	[33,914]	[15.2]	
Operating expenses	Employment costs	Drivers/workers	119,567	11.0	117,355	11.3	2,211	1.9
		Office personnel	135,831	12.4	135,914	13.0	(83)	(0.1)
		Subtotal	255,398	23.4	253,270	24.3	2,128	0.8
	Forwarding costs	Railway	43,058	4.0	44,231	4.2	(1,172)	(2.7)
		Marine	27,389	2.5	24,773	2.4	2,616	10.6
		Air	59,820	5.5	42,876	4.1	16,944	39.5
		Subtotal	130,269	12.0	111,881	10.7	18,387	16.4
	Vehicle chartering and subcontracting costs	444,344	40.8	427,335	40.9	17,008	4.0	
	Depreciation and amortization	30,046	2.8	29,518	2.8	527	1.8	
	Facility usage charges	72,689	6.7	71,805	6.9	883	1.2	
Other	127,865	11.6	126,478	12.1	1,386	1.1		
Total	1,060,614	97.3	1,020,290	97.7	40,323	4.0		
Operating income	29,321	2.7	23,975	2.3	5,346	22.3		

(Note) 1. As more than one fiscal year has passed since the transfer of travel business to its subsidiary, NIPPON EXPRESS TRAVEL CO., LTD., the Company no longer records sales related to the business. Accordingly, "Travel" is deleted from category of Revenues in Details of revenues and operating income effective from the fiscal year under review. The figures for the previous year (¥209 thousand) is now included in "Incidental operations and others."

○ Details of revenues for the first and second half of FY2014

(Unit: Millions of yen, %)

		FY2014		FY2013		Change		
			% in Sales		% in Sales	Amount	Ratio	
1H of revenues	Railway utilization transportation	40,426	7.7	40,279	7.8	147	0.4	
	Motor transportation	Combined delivery services	40,323	7.6	40,170	7.8	153	0.4
		Chartered truck services	135,374	25.7	134,054	26.1	1,320	1.0
		Subtotal	175,698	33.3	174,224	33.9	1,474	0.8
	Marine and harbor transportation	Marine transportation	37,618	7.2	36,526	7.1	1,092	3.0
		Harbor transportation	27,565	5.2	28,542	5.6	(976)	(3.4)
		Subtotal	65,183	12.4	65,068	12.7	115	0.2
		(Exports)	[31,198]	—	[31,032]	—	[165]	[0.5]
		(Imports)	[19,969]	—	[20,299]	—	[(330)]	[(1.6)]
	(Domestic)	[14,016]	—	[13,736]	—	[280]	[2.0]	
	Warehousing	56,790	10.8	56,301	11.0	488	0.9	
	Air transportation	International air freight	49,037	9.3	47,017	9.2	2,019	4.3
		(Exports)	[38,075]	—	[37,055]	—	[1,019]	[2.8]
		(Imports)	[10,961]	—	[9,962]	—	[999]	[10.0]
		Domestic air freight	19,765	3.7	19,144	3.7	620	3.2
Subtotal	68,802	13.0	66,162	12.9	2,639	4.0		
Heavy haulage & construction	30,607	5.8	22,359	4.4	8,248	36.9		
Incidental operations and others	90,019	17.0	89,396	17.3	623	0.7		
Total	527,530	100.0	513,792	100.0	13,738	2.7		
(Domestic operation-related revenues)	[411,107]	77.9	[404,258]	78.7	[6,849]	[1.7]		
(Overseas-related revenues)	[116,423]	22.1	[109,534]	21.3	[6,888]	[6.3]		
2H of revenues	Railway utilization transportation	43,313	7.7	44,710	8.4	(1,396)	(3.1)	
	Motor transportation	Combined delivery services	42,562	7.6	42,776	8.1	(213)	(0.5)
		Chartered truck services	139,044	24.7	139,689	26.3	(645)	(0.5)
		Subtotal	181,606	32.3	182,466	34.4	(859)	(0.5)
	Marine and harbor transportation	Marine transportation	36,869	6.5	33,966	6.4	2,902	8.5
		Harbor transportation	26,775	4.8	27,738	5.2	(962)	(3.5)
		Subtotal	63,645	11.3	61,704	11.6	1,940	3.1
		(Exports)	[30,922]	—	[28,589]	—	[2,332]	[8.2]
		(Imports)	[19,151]	—	[19,213]	—	[(61)]	[(0.3)]
	(Domestic)	[13,571]	—	[13,901]	—	[(329)]	[(2.4)]	
	Warehousing	58,150	10.3	55,787	10.5	2,362	4.2	
	Air transportation	International air freight	74,274	13.2	49,929	9.4	24,344	48.8
		(Exports)	[62,459]	—	[38,899]	—	[23,559]	[60.6]
		(Imports)	[11,814]	—	[11,030]	—	[784]	[7.1]
		Domestic air freight	20,518	3.7	20,496	3.9	21	0.1
Subtotal	94,793	16.9	70,426	13.3	24,366	34.6		
Heavy haulage & construction	27,531	4.9	23,278	4.4	4,253	18.3		
Incidental operations and others	93,363	16.6	92,098	17.4	1,264	1.4		
Total	562,405	100.0	530,473	100.0	31,931	6.0		
(Domestic operation-related revenues)	[421,607]	75.0	[416,701]	78.6	[4,906]	[1.2]		
(Overseas-related revenues)	[140,797]	25.0	[113,772]	21.4	[27,025]	[23.8]		

(Note) 1. As more than one fiscal year has passed since the transfer of travel business to its subsidiary, NIPPON EXPRESS TRAVEL CO., LTD., the Company no longer records sales related to the business. Accordingly, "Travel" is deleted from categories of first half and second half in Details of revenues for the first and second half effective from the fiscal year under review. The figures for the previous year (¥216 thousand for the first half, ¥(7) thousand for the second half) are now included in "Incidental operations and others."

○ Changes in number of employees as of year end

(Unit: Person, %)

		Mar. end 2015	Sep. end 2014	Mar. end 2014	Change (vs Mar. end 2014)	
					Change	Ratio
Drivers /workers	Nationwide employees	779	837	878	(99)	(11.3)
	Other employees	16,459	16,841	16,887	(428)	(2.5)
	Subtotal	17,238	17,678	17,765	(527)	(3.0)
Office personnel	Nationwide employees	11,344	11,475	11,588	(244)	(2.1)
	Other employees	3,928	3,974	3,800	128	3.4
	Subtotal	15,272	15,449	15,388	(116)	(0.8)
Total		32,510	33,127	33,153	(643)	(1.9)

○ Cash flows

(Unit: Millions of yen)

	FY2014	FY2013	Change
Cash and cash equivalents at beginning of the year	58,366	61,072	(2,705)
Cash flows from operating activities	47,789	47,253	535
Cash flows from investment activities	(10,435)	(50,567)	40,131
Cash flows from financing activities	(45,901)	607	(46,509)
Cash and cash equivalents at end of the year	49,817	58,366	(8,548)

(Note) 1. Cash related to the CSD and exchange money delivery services of the Security Transportation Business are excluded from the scope of funds starting from the fiscal year ended March 31, 2015. This change in the accounting policies has been applied retrospectively in the figures above.

○ Capital expenditures

(Unit: Millions of yen)

	Actual amount in FY2014
Vehicles	6,855
Buildings	5,634
Land	83
Software	3,849
Other	4,008
Total	20,431

* Major investment

(Unit: Millions of yen)

Type	Description	m ²	Total construction expenses	Actual amount in FY2014
Other	1,350t Crawler Crane	-	1,483	1,044
Building	Maizuru International Pier Warehouse	7,988	730	701
Building	Reconstruction of Tokyo Central Terminal	150,708	27,311	468

(Unit: Millions of yen)

	Forecasted amount in FY2015
Vehicles	7,500
Buildings	23,000
Land	800
Software	5,000
Other	3,700
Total	40,000

* Major investment

(Unit: Millions of yen)

Type	Description	(Planned to complete)	m ²	Total construction expenses	Forecasted amount in FY2015
Building	Reconstruction of Tokyo Central Terminal	(January 2017)	150,708	27,311	13,957
Building	Honmoku Distribution Center	(October 2016)	21,411	4,763	813

○ Projection for FY2015

(Unit: Millions of yen, %)

		FY2015		FY2014		Change		
			% in Sales		% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation	84,600	7.8	83,740	7.7	859	1.0	
	Motor transportation	Combined delivery services	83,000	7.7	82,886	7.6	113	0.1
		Chartered truck services	275,000	25.4	274,419	25.2	580	0.2
		Subtotal	358,000	33.1	357,305	32.8	694	0.2
	Marine and harbor transportation	Marine transportation	76,600	7.1	74,487	6.8	2,112	2.8
		Harbor transportation	54,800	5.1	54,341	5.0	458	0.8
		Subtotal	131,400	12.2	128,829	11.8	2,570	2.0
	Warehousing	115,300	10.7	114,941	10.5	358	0.3	
	Air transportation	International air freight	106,800	9.9	123,312	11.3	(16,512)	(13.4)
		Domestic air freight	40,700	3.8	40,283	3.7	416	1.0
		Subtotal	147,500	13.7	163,595	15.0	(16,095)	(9.8)
	Heavy haulage & construction	59,400	5.5	58,139	5.4	1,260	2.2	
	Incidental operations and others	183,800	17.0	183,383	16.8	416	0.2	
	Total	1,080,000	100.0	1,089,935	100.0	(9,935)	(0.9)	
Operating expenses	Employment costs	Drivers/workers	120,100	11.1	119,567	11.0	532	0.4
		Office personnel	134,200	12.4	135,831	12.4	(1,631)	(1.2)
		Subtotal	254,300	23.5	255,398	23.4	(1,098)	(0.4)
	Forwarding costs	Railway	43,700	4.0	43,058	4.0	641	1.5
		Marine	28,400	2.6	27,389	2.5	1,010	3.7
		Air	47,300	4.4	59,820	5.5	(12,520)	(20.9)
		Subtotal	119,400	11.0	130,269	12.0	(10,869)	(8.3)
	Vehicle chartering and subcontracting costs	444,700	41.2	444,344	40.8	355	0.1	
	Depreciation and amortization	29,700	2.8	30,046	2.8	(346)	(1.2)	
	Facility usage charges	72,800	6.7	72,689	6.7	110	0.2	
	Other	127,100	11.8	127,865	11.6	(765)	(0.6)	
Total	1,048,000	97.0	1,060,614	97.3	(12,614)	(1.2)		
Operating income	32,000	3.0	29,321	2.7	2,678	9.1		
Non-operating income	11,000	1.0	11,618	1.1	(618)	(5.3)		
Non-operating expenses	4,000	0.4	4,314	0.4	(314)	(7.3)		
Ordinary income	39,000	3.6	36,625	3.4	2,374	6.5		
Extraordinary income	2,000	0.2	7,702	0.6	(5,702)	(74.0)		
Extraordinary loss	6,400	0.6	11,379	1.0	(4,979)	(43.8)		
Income before income taxes	34,600	3.2	32,949	3.0	1,650	5.0		
Income taxes	11,600	1.1	12,229	1.1	(629)	(5.1)		
Net income	23,000	2.1	20,719	1.9	2,280	11.0		

○ Projection for the First Half of FY2015

(Unit: Millions of yen, %)

		First half of FY2015		First half of FY2014		Change		
			% in Sales		% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation	40,700	7.7	40,426	7.7	273	0.7	
	Motor transportation	Combined delivery services	40,400	7.6	40,323	7.6	76	0.2
		Chartered truck services	135,800	25.5	135,374	25.7	425	0.3
		Subtotal	176,200	33.1	175,698	33.3	501	0.3
	Marine and harbor transportation	Marine transportation	38,500	7.2	37,618	7.2	881	2.3
		Harbor transportation	27,800	5.2	27,565	5.2	234	0.8
		Subtotal	66,300	12.4	65,183	12.4	1,116	1.7
	Warehousing	57,100	10.7	56,790	10.8	309	0.5	
	Air transportation	International air freight	49,900	9.4	49,037	9.3	862	1.8
		Domestic air freight	20,000	3.8	19,765	3.7	234	1.2
		Subtotal	69,900	13.2	68,802	13.0	1,097	1.6
	Heavy haulage & construction	31,500	5.9	30,607	5.8	892	2.9	
	Incidental operations and others	90,300	17.0	90,019	17.0	280	0.3	
	Total		532,000	100.0	527,530	100.0	4,469	0.8
Operating expenses	Employment costs	Drivers/workers	60,200	11.3	59,663	11.3	536	0.9
		Office personnel	67,500	12.7	67,885	12.9	(385)	(0.6)
		Subtotal	127,700	24.0	127,548	24.2	151	0.1
	Forwarding costs	Railway	21,100	4.0	20,933	4.0	166	0.8
		Marine	13,900	2.6	13,417	2.5	482	3.6
		Air	21,900	4.1	21,128	4.0	771	3.7
		Subtotal	56,900	10.7	55,478	10.5	1,421	2.6
	Vehicle chartering and subcontracting costs	221,300	41.6	220,040	41.7	1,259	0.6	
	Depreciation and amortization	14,300	2.7	14,497	2.7	(197)	(1.4)	
	Facility usage charges	36,200	6.8	36,159	6.9	40	0.1	
Other	62,100	11.7	62,369	11.8	(269)	(0.4)		
Total		518,500	97.5	516,094	97.8	2,405	0.5	
Operating income		13,500	2.5	11,435	2.2	2,064	18.0	
Non-operating income		5,300	1.0	5,832	1.1	(532)	(9.1)	
Non-operating expenses		1,800	0.3	1,901	0.4	(101)	(5.3)	
Ordinary income		17,000	3.2	15,367	2.9	1,632	10.6	
Extraordinary income		1,800	0.3	6,505	1.2	(4,705)	(72.3)	
Extraordinary loss		3,800	0.7	5,389	1.0	(1,589)	(29.5)	
Income before income taxes		15,000	2.8	16,483	3.1	(1,483)	(9.0)	
Income taxes		5,000	0.9	5,436	1.0	(436)	(8.0)	
Net income		10,000	1.9	11,046	2.1	(1,046)	(9.5)	