

# Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2018 (Based on Japanese GAAP)

May 11, 2018

Company name: NIKKON Holdings Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 9072 URL <http://www.nikon-hd.co.jp>  
 Representative: President & Representative Director Masakatsu Kuroiwa  
 Director, Executive Officer, and General  
 Inquiries: Manager of Accounting Department Yasunori Matsuda TEL 03-3541-5330  
 Scheduled date of ordinary general meeting of shareholders: June 28, 2018  
 Scheduled date to file Securities Report: June 29, 2018  
 Scheduled date to commence dividend payments: June 7, 2018  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	187,819	4.7	19,009	4.9	20,715	5.8	14,545	8.0
Year ended March 31, 2017	179,312	3.0	18,130	3.5	19,574	6.2	13,468	13.4

Note: Comprehensive income Year ended March 31, 2018 ¥15,966 million [2.2%]  
 Year ended March 31, 2017 ¥15,615 million [113.1%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2018	215.30	214.58	8.2	7.3	10.1
Year ended March 31, 2017	199.22	198.65	8.2	7.3	10.1

Reference: Investment profit (loss) on equity method Year ended March 31, 2018 ¥540 million  
 Year ended March 31, 2017 ¥356 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	286,559	182,627	63.5	2,702.46
As of March 31, 2017	280,079	171,282	61.0	2,529.33

Reference: Equity As of March 31, 2018 ¥182,101 million  
 As of March 31, 2017 ¥170,910 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2018	24,309	(22,884)	(8,330)	28,302
Year ended March 31, 2017	22,757	(20,984)	6,987	35,027

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2017	—	27.00	—	33.00	60.00	4,056	30.1	2.5
Year ended March 31, 2018	—	30.00	—	35.00	65.00	4,385	30.2	2.5
Year ending March 31, 2019 (Forecast)	—	32.00	—	33.00	65.00		30.0	

## 3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2018	95,000	3.7	9,300	3.2	10,000	2.7	6,900	(1.3)	102.40
Full year	195,000	3.8	19,500	2.6	21,200	2.3	14,600	0.4	216.67

## 4. Notes

### (1) Changes in significant subsidiaries during the year ended March 31, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

### (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

### (3) Number of issued shares (common shares)

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

As of March 31, 2018	68,239,892 shares	As of March 31, 2017	68,239,892 shares
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Number of treasury shares at the end of the period

As of March 31, 2018	856,202 shares	As of March 31, 2017	668,489 shares
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Average number of shares during the period

Year ended March 31, 2018	67,559,016 shares	Year ended March 31, 2017	67,605,457 shares
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Reference: Summary of non-consolidated financial results

Non-consolidated financial results for the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	4,018	(16.6)	12	(95.0)	9,547	34.0	9,561	40.8
Year ended March 31, 2017	4,818	(89.5)	241	(92.5)	7,124	(10.2)	6,790	12.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2018	141.53	141.06
Year ended March 31, 2017	100.44	100.15

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	191,578	112,342	58.5	1,662.43
As of March 31, 2017	187,570	106,353	56.6	1,569.85

Reference: Equity As of March 31, 2018 ¥112,020 million

As of March 31, 2017 ¥106,076 million

\* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

\* Proper use of forecasts of financial results, and other special matters

(Caution regarding forward-looking statements)

Forward-looking statements, including financial results forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Actual financial and other results may differ substantially from the statements herein due to various factors.

(How to obtain material on financial results meeting)

The Company plans to hold a financial results meeting for analysts on May 24, 2018. The presentation materials distributed at the meeting will be available on our website immediately.

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## 1. Overview of operating results and others

### (1) Overview of operating results for the period

In the fiscal year ended March 31, 2018, the Japanese economy remained on a path of gradual recovery as corporate earnings and the employment environment improved. However, the outlook remained uncertain due to the overseas political situation and other factors.

In the logistics industry, the severe business situation continued as domestic labor market stayed tight and competition intensified.

Under these circumstances, the Group promoted proactive capital investments and sales activities toward expansion of its business size, domestically, by establishing or increasing warehouses and workplaces in Kani, Gifu Prefecture, Kikugawa, Shizuoka Prefecture, Hino, Shiga Prefecture, Isesaki, Gunma Prefecture, and Suzuka, Mie Prefecture, and overseas, by increasing warehouses in the United States.

Additionally, with the increased importance of the subsidiaries in Indonesia and India, the Company made them consolidated subsidiaries from the fiscal year ended March 31, 2018.

As a result, consolidated sales were 187,819 million yen, up 4.7% from the previous fiscal year.

Operating profit was 19,009 million yen, up 4.9%, due to improved efficiency of operations, despite cost-increasing factors such as fuel expenses.

Ordinary profit was 20,715 million yen, up 5.8%. In addition to the rise in operating profit, foreign exchange losses decreased.

Profit attributable to owners of parent was 14,545 million yen, up 8.0%.

Business results by segment are as follows.

Transportation business

Sales were 88,771 million yen, up 3.9% from the previous fiscal year, due to an increase in the volume of cargo handled. Operating profit was 4,782 million yen, up 10.5%, due to higher efficiency of transportation and a fall in depreciation, despite a rise in fuel expenses.

Warehousing business

Sales were 27,721 million yen, up 4.6% from the previous fiscal year. Cargo volume increased due to the expansion of storage capacity as a result of capital investments. Operating profit was 5,980 million yen, up 2.4%, due to the effect of increased sales, despite a rise in depreciation.

Packaging business

Sales were 44,089 million yen, up 4.6% from the previous fiscal year, due to an increase in business volume. Operating profit was 3,921 million yen, up 4.1%, due to the effects of increased sales and improved operational efficiency, despite a rise in subcontract expenses.

Testing business

Sales were 21,620 million yen, up 9.1% from the previous fiscal year, due to an increase in business volume. Operating profit was 3,824 million yen, up 8.9%, due to the rise in sales.

### (2) Overview of financial position for the period

(Assets)

Current assets at the end of the fiscal year under review totaled 74,225 million yen, a decrease of 1,900 million yen from the end of the previous fiscal year. The decrease mainly came as securities and cash and deposits fell 2,993 million yen and 836 million yen, respectively, and electronically recorded monetary claims - operating and notes and accounts receivable - trade rose 696 million yen and 655 million yen, respectively. Non-current assets totaled 212,334 million yen, an increase of 8,380 million yen from the end of the previous fiscal year. The increase mainly came as property, plant and equipment and investment securities rose 8,005 million yen and 678 million yen, respectively.

As a result, total assets were 286,559 million yen, an increase of 6,479 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year under review totaled 52,813 million yen, an increase of 8,274 million yen from the end of the previous fiscal year. The increase mainly came as the current portion of bonds, accounts payable - other and notes and accounts payable - trade rose 10,000 million yen, 1,977 million yen and 1,091 million yen, respectively, and electronically recorded obligations - non-operating fell 5,601 million yen from the previous fiscal year. Non-current liabilities totaled 51,118 million yen, a decrease of 13,139 million yen from the end of the previous fiscal year. The decrease mainly came as bonds payable, long-term loans payable and net defined benefit liability fell 10,000 million yen, 3,800 million yen and 1,255 million yen, respectively, and deferred tax liabilities rose 1,420 million yen.

As a result, total liabilities were 103,932 million yen, a decrease of 4,864 million yen from the end of the previous fiscal year.

(Net assets)

Net assets at the end of the fiscal year under review were 182,627 million yen, an increase of 11,344 million yen from the end of the previous fiscal year. The increase mainly came as retained earnings and valuation difference on available-for-sale securities rose 10,288 million yen and 1,603 million yen, respectively.

As a result, the equity ratio at the end of the fiscal year under review was 63.5% (61.0% at the end of the previous fiscal year).

### (3) Overview of cash flows for the period

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the fiscal year under review were 28,302 million yen, a decrease of 6,725 million yen from the end of the previous fiscal year.

The following is the status and factors of each of the cash flow categories during the fiscal year under review.

(Cash flows from operating activities)

Net cash provided by operating activities was 24,309 million yen, an increase of 1,551 million yen from the previous fiscal year. As positive factors, profit before income taxes rose 1,231 million yen, and the increase in other assets and the increase in notes and accounts payable - trade totaled 679 million yen and 607 million yen, respectively. As a negative factor, cash flow from increase and decrease in net defined benefit liability fell 1,342 million yen.

(Cash flows from investing activities)

Cash flows from investing activities totaled 22,884 million yen, an increase of 1,900 million yen from the previous fiscal year. As positive factors, payments into time deposits and the purchase of shares in subsidiaries resulting in change in scope of consolidation increased 3,400 million yen and 934 million yen, respectively. As a negative factor, the purchase of property, plant and equipment fell 2,401 million yen.

(Cash flows from financing activities)

The decrease in cash from financing activities totaled 8,330 million yen, an increase of 15,317 million yen from the previous fiscal year. While the proceeds from long-term loans payable decreased 13,000 million yen, the repayments of long-term loans payable increased 1,482 million yen.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Equity ratio (%)	64.0	62.6	61.0	63.5
Market value equity ratio (%)	58.5	54.2	57.3	65.6
Interest-bearing debt to cash flow ratio (%)	209.7	227.6	239.9	210.5
Interest coverage ratio (times)	122.6	102.3	125.5	124.3

\* Equity ratio: Equity / Total assets

Market value equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flow

Interest coverage ratio: Cash flow / Interest payments

1. All indicators are based on consolidated financial statements.

2. Market capitalization is calculated by multiplying the closing stock price at fiscal year-end by the number of shares issued at fiscal year-end (minus treasury shares).

3. Cash flow from operating activities is used for cash flow.

4. Interest-bearing debts include all those on the consolidated balance sheet on which interest is being paid. Interest payments are taken from the consolidated statements of cash flows.

### (4) Future outlook

The Japanese economy is expected to continue to have an uncertain outlook, with sluggish growth of personal consumption, though corporate earnings and the employment situation will improve further.

In the logistics industry, the severe business environment is likely to continue due to the tight supply and demand situation in the employment market and intensified competition.

Amid these circumstances, the Company started a new medium-term management plan (Challenge11) for the three years from April 1, 2017.

For the fiscal year ending March 2019, the second year of the plan, the Company forecast consolidated sales at 195,000 million yen, operating profit at 19,500 million yen, ordinary profit at 21,200 million yen and profit attributable to owners of parent at 14,600 million yen.

### (5) Basic policy on distribution of profits, and dividends in period under review and subsequent period

The Company has a basic policy for dividend payments of aiming for a consolidated payout ratio of 30%.

For the fiscal year ended March 31, 2018, the Company plans to pay term-end dividends of 35 yen per share and annual dividends of 65 yen per share, including interim dividend.

For the fiscal year ending March 31, 2019, the Company plans to pay annual dividends of 65 yen per share (32 yen in interim dividends and 33 yen in term-end dividends).

## 2. Basic philosophy for selecting accounting standards

The Group currently prepares the consolidated financial statements according to the generally accepted accounting standards in Japan (Japanese GAAP), as it makes it possible to compare the consolidated financial statements against previous fiscal year and against other companies.

With regard to future adoption of IFRSs, the Group will give due consideration to domestic and international circumstances and take actions accordingly.

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	18,592	17,755
Notes and accounts receivable - trade	32,377	33,032
Electronically recorded monetary claims - operating	2,553	3,249
Securities	17,099	14,105
Merchandise and finished goods	4	4
Raw materials and supplies	310	366
Deferred tax assets	1,793	1,618
Other	3,399	4,102
Allowance for doubtful accounts	(5)	(10)
Total current assets	76,125	74,225
Non-current assets		
Property, plant and equipment		
Buildings and structures	157,075	163,829
Accumulated depreciation	(85,812)	(90,135)
Buildings and structures, net	71,262	73,694
Machinery, equipment and vehicles	43,089	45,185
Accumulated depreciation	(34,502)	(36,535)
Machinery, equipment and vehicles, net	8,587	8,649
Tools, furniture and fixtures	6,643	7,163
Accumulated depreciation	(5,454)	(5,870)
Tools, furniture and fixtures, net	1,189	1,293
Land	84,752	88,717
Leased assets	803	713
Accumulated depreciation	(328)	(345)
Leased assets, net	474	368
Construction in progress	1,454	3,005
Total property, plant and equipment	167,721	175,727
Intangible assets	1,911	1,918
Investments and other assets		
Investment securities	27,082	27,760
Long-term loans receivable	454	129
Deferred tax assets	2,243	2,018
Other	4,630	4,864
Allowance for doubtful accounts	(90)	(84)
Total investments and other assets	34,320	34,688
Total non-current assets	203,954	212,334
Total assets	280,079	286,559



(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,481	11,573
Electronically recorded obligations - operating	3,918	3,962
Short-term loans payable	3,554	3,800
Current portion of bonds	–	10,000
Lease obligations	127	118
Income taxes payable	4,085	3,379
Provision for bonuses	3,397	3,627
Provision for directors' bonuses	188	186
Notes payable - facilities	339	383
Electronically recorded obligations - non-operating	6,465	863
Other	11,978	14,918
Total current liabilities	44,538	52,813
Non-current liabilities		
Bonds payable	20,000	10,000
Long-term loans payable	30,000	26,200
Lease obligations	386	284
Deferred tax liabilities	5,759	7,180
Net defined benefit liability	6,369	5,113
Provision for directors' retirement benefits	275	276
Other	1,467	2,063
Total non-current liabilities	64,258	51,118
Total liabilities	108,797	103,932
Net assets		
Shareholders' equity		
Capital stock	11,316	11,316
Capital surplus	12,332	12,332
Retained earnings	137,823	148,112
Treasury shares	(1,193)	(1,716)
Total shareholders' equity	160,279	170,044
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,834	13,437
Foreign currency translation adjustment	(393)	(777)
Remeasurements of defined benefit plans	(810)	(603)
Total accumulated other comprehensive income	10,630	12,056
Share acquisition rights	277	321
Non-controlling interests	95	204
Total net assets	171,282	182,627
Total liabilities and net assets	280,079	286,559

## (2) Consolidated statements of income and consolidated statements of comprehensive income

### (Consolidated statements of income)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales		
Transportation income	85,409	88,771
Warehouse income	26,495	27,721
Packaging income	42,132	44,089
Other revenue	25,274	27,236
Total net sales	179,312	187,819
Cost of sales		
Transportation cost	76,597	79,630
Warehouse cost	19,545	20,711
Packaging cost	36,203	37,870
Other cost	19,962	21,565
Total cost of sales	152,309	159,778
Gross profit	27,002	28,041
Selling, general and administrative expenses		
Personnel expenses	5,180	5,613
Provision for bonuses	376	323
Provision for directors' bonuses	178	174
Retirement benefit expenses	129	146
Provision for directors' retirement benefits	51	52
Depreciation	524	482
Taxes and dues	1,250	815
Traveling and transportation expenses	311	351
Provision of allowance for doubtful accounts	(1)	(5)
Other	1,606	1,774
Total selling, general and administrative expenses	8,872	9,031
Operating profit	18,130	19,009
Non-operating income		
Interest income	88	87
Dividend income	498	560
Rent income	102	104
Share of profit of entities accounted for using equity method	356	540
Subsidy income	495	418
Miscellaneous income	355	364
Total non-operating income	1,895	2,075
Non-operating expenses		
Interest expenses	187	197
Foreign exchange losses	169	61
Non-deductible consumption taxes	23	41
Miscellaneous expenses	70	69
Total non-operating expenses	451	370
Ordinary profit	19,574	20,715

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Extraordinary income		
Gain on sales of non-current assets	370	457
Gain on sales of investment securities	428	–
Gain on revision of retirement benefit plan	–	189
Total extraordinary income	799	647
Extraordinary losses		
Loss on sales of non-current assets	27	3
Loss on retirement of non-current assets	53	100
Loss on sales of investment securities	2	0
Impairment loss	1	0
Loss on disaster	260	–
Total extraordinary losses	346	103
Profit before income taxes	20,027	21,259
Income taxes - current	6,452	6,092
Income taxes - deferred	97	608
Total income taxes	6,549	6,700
Profit	13,477	14,558
Profit attributable to non-controlling interests	8	12
Profit attributable to owners of parent	13,468	14,545

**(Consolidated statements of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	13,477	14,558
Other comprehensive income		
Valuation difference on available-for-sale securities	2,284	1,603
Foreign currency translation adjustment	(455)	(419)
Remeasurements of defined benefit plans, net of tax	383	207
Share of other comprehensive income of entities accounted for using equity method	(74)	16
Total other comprehensive income	2,137	1,407
Comprehensive income	15,615	15,966
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,605	15,972
Comprehensive income attributable to non-controlling interests	10	(6)

### (3) Consolidated statements of changes in equity

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,316	12,332	128,170	(1,139)	150,679
Changes of items during period					
Dividends of surplus			(3,786)		(3,786)
Profit attributable to owners of parent			13,468		13,468
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Purchase of treasury shares				(161)	(161)
Disposal of treasury shares			(29)	108	78
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	0	9,653	(53)	9,599
Balance at end of current period	11,316	12,332	137,823	(1,193)	160,279

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	9,550	137	(1,194)	8,494	297	90	159,561
Changes of items during period							
Dividends of surplus							(3,786)
Profit attributable to owners of parent							13,468
Change in ownership interest of parent due to transactions with non-controlling interests							0
Purchase of treasury shares							(161)
Disposal of treasury shares							78
Net changes of items other than shareholders' equity	2,284	(531)	383	2,136	(20)	4	2,120
Total changes of items during period	2,284	(531)	383	2,136	(20)	4	11,720
Balance at end of current period	11,834	(393)	(810)	10,630	277	95	171,282

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	11,316	12,332	137,823	(1,193)	160,279
Changes of items during period					
Dividends of surplus			(4,257)		(4,257)
Profit attributable to owners of parent			14,545		14,545
Purchase of treasury shares				(529)	(529)
Disposal of treasury shares			(0)	6	6
Change of scope of consolidation					—
Net changes of items other than shareholders' equity					—
Total changes of items during period	—	—	10,288	(523)	9,765
Balance at end of current period	11,316	12,332	148,112	(1,716)	170,044

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	11,834	(393)	(810)	10,630	277	95	171,282
Changes of items during period							
Dividends of surplus							(4,257)
Profit attributable to owners of parent							14,545
Purchase of treasury shares							(529)
Disposal of treasury shares							6
Change of scope of consolidation						107	107
Net changes of items other than shareholders' equity	1,603	(384)	207	1,426	44	1	1,472
Total changes of items during period	1,603	(384)	207	1,426	44	108	11,344
Balance at end of current period	13,437	(777)	(603)	12,056	321	204	182,627

#### (4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	20,027	21,259
Depreciation	9,351	9,461
Increase (decrease) in provision for bonuses	103	228
Increase (decrease) in provision for directors' bonuses	33	(2)
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in net defined benefit liability	589	(753)
Decrease (increase) in net defined benefit asset	12	–
Increase (decrease) in provision for directors' retirement benefits	18	1
Interest and dividend income	(586)	(647)
Interest expenses	187	197
Share of loss (profit) of entities accounted for using equity method	(356)	(540)
Loss (gain) on sales of non-current assets	(343)	(454)
Gain on revision of retirement benefit plan	–	(189)
Loss (gain) on sales of investment securities	(425)	0
Decrease (increase) in notes and accounts receivable - trade	(1,381)	(996)
Decrease (increase) in other assets	(1,279)	(600)
Increase (decrease) in notes and accounts payable - trade	526	1,133
Increase (decrease) in other liabilities	1,956	2,298
Other, net	358	(328)
Subtotal	28,790	30,066
Interest and dividend income received	977	1,081
Interest expenses paid	(181)	(195)
Income taxes paid	(6,829)	(6,643)
Net cash provided by (used in) operating activities	22,757	24,309
Cash flows from investing activities		
Payments into time deposits	(13)	(3,414)
Proceeds from withdrawal of time deposits	183	517
Purchase of securities	(1,599)	(999)
Proceeds from sales and redemption of securities	1,599	1,000
Purchase of property, plant and equipment	(21,675)	(19,273)
Proceeds from sales of property, plant and equipment	776	845
Purchase of intangible assets	(578)	(94)
Payments for investments in capital of subsidiaries and associates	(84)	(159)
Purchase of investment securities	(232)	(486)
Proceeds from sales of investment securities	688	50
Payments of loans receivable	(126)	(112)
Collection of loans receivable	148	180
Purchase of shares of subsidiaries and associates	(70)	(20)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(934)
Other, net	0	17
Net cash provided by (used in) investing activities	(20,984)	(22,884)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Proceeds from long-term loans payable	13,000	–
Repayments of long-term loans payable	(2,072)	(3,554)
Purchase and Proceeds from sales of treasury stock	(161)	(529)
Cash dividends paid	(3,786)	(4,257)
Dividends paid to non-controlling interests	(5)	(7)
Other, net	12	17
Net cash provided by (used in) financing activities	6,987	(8,330)
Effect of exchange rate change on cash and cash equivalents	(220)	(31)
Net increase (decrease) in cash and cash equivalents	8,540	(6,936)
Cash and cash equivalents at beginning of period	26,487	35,027
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	–	211
Cash and cash equivalents at end of period	35,027	28,302



## **(5) Notes on consolidated financial statements**

(Notes on going concern assumption)

No such events occurred.

(Segment information, etc.)

### **1. Overview of reportable segments**

The Company's reportable segments are components of the Company for which separate financial information is available that is evaluated regularly by the Board of Directors to determine allocation of management resources and assess performance.

Depending on the type of service to provide, the Company has four reporting segments, Transportation, Warehousing, Packaging and Testing.

The Transportation segment engages in the transportation of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others.

The Warehousing segment engages in the storage of finished four-wheeled vehicles and motorcycles, automotive parts, housing equipment, agricultural machinery and others.

The Packaging segment engages in processing for distribution, delivery agency of automotive parts and others, export packing and other operations.

The Testing segment engages in testing finished four-wheeled vehicles and motorcycles, automotive parts, agricultural machinery and others.

### **2. Methods of calculating amounts of net sales, profit or loss, assets, liabilities, and other items by reportable segment**

Methods of accounting procedures for the reportable segments are generally identical to those adopted for the consolidated financial statements. Profits in the reportable segments are operating profits. Transactions between the reportable segments are based on market prices.

3. Information regarding net sales, profit or loss, liabilities, assets and other items by reportable segment

Fiscal year ended March 31, 2017

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Consolidated financial statements amount
	Transportation business	Warehousing business	Packaging business	Testing business	Total				
Net sales									
Sales to external customers	85,409	26,495	42,132	19,811	173,849	5,463	179,312	–	179,312
Intersegment sales or transfers	314	321	449	1	1,087	1,458	2,545	(2,545)	–
Total	85,724	26,817	42,581	19,812	174,936	6,921	181,857	(2,545)	179,312
Segment profit	4,327	5,842	3,768	3,511	17,450	458	17,908	221	18,130
Segment assets	95,783	82,032	45,205	13,955	236,976	25,190	262,166	17,912	280,079
Others									
Depreciation (Note 3)	3,428	3,750	930	655	8,765	586	9,351	–	9,351
Investment in equity method affiliates	1,741	–	1,211	–	2,953	2,030	4,983	–	4,983
Increase in property, plant and equipment and intangible assets (Note 3)	6,310	12,075	3,180	880	22,446	769	23,216	–	23,216

- (Notes)
1. The “Others” category consists of business that is not included in reportable segments. It includes customs clearance business and automobile repair business, etc.
  2. Adjustment of segment profit of ¥221 million is the difference resulting from the elimination of operating and non-operating transactions.  
Adjustment of segment assets of ¥17,912 million primarily includes surplus operating assets (deposits and securities, etc.) and long-term investment assets (investment securities) in the parent company.
  3. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

Fiscal year ended March 31, 2018

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjusted amount (Note 2)	Consolidated financial statements amount
	Transportation business	Warehousing business	Packaging business	Testing business	Total				
Net sales									
Sales to external customers	88,771	27,721	44,089	21,620	182,202	5,616	187,819	–	187,819
Intersegment sales or transfers	330	350	406	10	1,098	1,602	2,701	(2,701)	–
Total	89,102	28,072	44,495	21,631	183,301	7,219	190,520	(2,701)	187,819
Segment profit	4,782	5,980	3,921	3,824	18,509	249	18,758	251	19,009
Segment assets	98,177	83,568	46,602	13,196	241,545	26,817	268,362	18,196	286,559
Others									
Depreciation (Note 3)	3,157	4,066	972	687	8,884	576	9,461	–	9,461
Investment in equity method affiliates	1,846	–	209	–	2,055	976	3,031	–	3,031
Increase in property, plant and equipment and intangible assets (Note 3)	4,523	6,328	1,570	959	13,382	1,831	15,213	–	15,213

- (Notes)
1. The “Others” category consists of business that is not included in reportable segments. It includes customs clearance business and automobile repair business, etc.
  2. Adjustment of segment profit of ¥251 million is the difference resulting from the elimination of operating and non-operating transactions.  
Adjustment of segment assets of ¥18,196 million primarily includes surplus operating assets (deposits and securities, etc.) and long-term investment assets (investment securities) in the parent company.
  3. Depreciation includes the amortized amount of long-term prepaid expenses. Increase in property, plant and equipment and intangible assets includes the amount of increase in long-term prepaid expenses.

(Per share information)

Previous fiscal year (April 1, 2016 to March 31, 2017)		Current fiscal year (April 1, 2017 to March 31, 2018)	
Net assets per share	2,529.33 yen	Net assets per share	2,702.46 yen
Earnings per share	199.22 yen	Earnings per share	215.30 yen
Earnings per share after adjustment for the effects of dilutive potential shares	198.65 yen	Earnings per share after adjustment for the effects of dilutive potential shares	214.58 yen

(Note) The basis for calculating earnings per share and earnings per share after adjustment for the effects of dilutive potential shares during the period is as follows.

Items	Previous fiscal year (April 1, 2016 to March 31, 2017)	Current fiscal year (April 1, 2017 to March 31, 2018)
(1) Earnings per share		
Profit attributable to owners of parent (millions of yen)	13,468	14,545
Amount not belonging to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent on common stock (millions of yen)	13,468	14,545
Average common shares during the period (thousand shares)	67,605	67,559
(2) Earnings per share after adjustment for the effects of dilutive potential shares		
Adjustment of profit attributable to owners of parent (million yen)	–	–
Increase in the number of common shares (thousand shares)	197	227
(Subscription rights to shares (thousand shares))	(197)	(227)
Overview of potential shares not included in the calculation of Earnings per share after adjustment for the effects of dilutive potential shares because of having no dilutive effect	–	–

(Subsequent events)

No such events occurred.