

May 11, 2015

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2015
[Japanese GAAP]

Company name: Maruzen Showa Unyu Co., Ltd. Listing: Tokyo Stock Exchange, First Section
 Stock code: 9068 URL: <http://www.maruzenshowa.co.jp/>
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 Scheduled date of Annual General Meeting of Shareholders: June 26, 2015
 Scheduled date of payment of dividend: June 29, 2015
 Scheduled date of filing of Annual Securities Report: June 26, 2015
 Preparation of supplementary materials for financial results: None
 Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

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

(1) Consolidated results of operations (Percentages for operating revenue and incomes represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2015	94,672	5.8	4,770	11.2	5,391	14.7	3,660	17.2
Fiscal year ended Mar. 31, 2014	89,486	3.9	4,289	9.2	4,699	6.9	3,123	22.9

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2015: 6,308 (up 57.0%)

Fiscal year ended Mar. 31, 2014: 4,017 (down 1.4%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income to operating revenue
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2015	40.90	35.84	5.7	4.8	5.0
Fiscal year ended Mar. 31, 2014	34.90	34.32	5.2	4.5	4.8

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2015: 294

Fiscal year ended Mar. 31, 2014: 232

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2015	116,037	67,379	58.0	751.95
As of Mar. 31, 2014	108,116	61,985	57.3	691.63

Reference: Shareholders' equity (million yen) As of Mar. 31, 2015: 67,289 As of Mar. 31, 2014: 61,897

(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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2015	6,880	(4,821)	(1,695)	15,101
Fiscal year ended Mar. 31, 2014	4,234	(6,825)	3,544	14,688

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2014	-	4.00	-	4.00	8.00	729	22.9	1.2
Fiscal year ended Mar. 31, 2015	-	4.00	-	5.00	9.00	820	22.0	1.2
Fiscal year ending Mar. 31, 2016 (forecasts)	-	4.50	-	4.50	9.00		21.2	

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	51,500	11.9	2,500	7.7	2,800	6.3	1,900	7.1	21.23
Full year	103,000	8.8	5,100	6.9	5,600	3.9	3,800	3.8	42.46

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting policies and accounting-based estimates, and restatements

- | | |
|---|------|
| 1) Changes in accounting policies due to revisions in accounting standards, others: | Yes |
| 2) Changes in accounting policies other than 1) above: | None |
| 3) Changes in accounting-based estimates: | None |
| 4) Restatements: | None |

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Mar. 31, 2015:	98,221,706 shares	As of Mar. 31, 2014:	98,221,706 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2015:	8,734,650 shares	As of Mar. 31, 2014:	8,727,314 shares
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3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2015:	89,488,447 shares	Fiscal year ended Mar. 31, 2014:	89,503,809 shares
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Note: For the number of shares used for the calculation of consolidated net income per share, please refer to “Per-share Information” on page 34.

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2015	78,081	5.2	3,998	11.4	4,461	14.5	3,066	22.2
Fiscal year ended Mar. 31, 2014	74,193	4.0	3,587	6.5	3,896	5.5	2,509	21.6

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2015	33.64	29.51
Fiscal year ended Mar. 31, 2014	27.53	27.04

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2015	100,542	59,833	59.5	656.35
As of Mar. 31, 2014	95,627	55,494	58.0	608.70

Reference: Shareholders' equity (million yen) As of Mar. 31, 2015: 59,833 As of Mar. 31, 2014: 55,494

2. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages represent year-on-year changes)

	Operating revenue		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	40,000	3.6	2,250	4.4	1,550	4.1	17.00
Full year	80,000	2.5	4,500	0.9	3,100	1.1	34.01

* Information regarding the implementation of audit procedures

The current financial statements are exempted from audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the audit procedure for these consolidated statements has not been completed.

* Cautionary statement with respect to forward-looking statements, and other special items

Forecasts of future performance in these materials are based on assumption judged to be valid and information available to the Company's management at the time the materials were prepared. Actual results may differ materially from the forecasts. Please refer to “1. Analysis of Results of Operations and Financial Position, (1) Analysis of Results of Operations, Forecast for the fiscal year ending March 31, 2016” on page 3 for forecast assumptions and notes of caution for usage.

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1. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

1) Summary of the fiscal year

During the fiscal year ended March 31, 2015, the Japanese economy recovered slowly with the support of government economic stimulus measures and monetary easing by the Bank of Japan. But the outlook remained unclear for a number of reasons. Major sources of uncertainty are the drop in demand following the rush to make purchases prior to the April 2014 consumption tax hike, worries about higher prices of raw materials and commodities caused by the weaker yen, the lack of economic growth in Europe and slowing economic growth in emerging countries, and the impact of geopolitical risk in some areas of the world on the global economy.

In the logistics industry, the volume of international cargo was sluggish as there were downturns in the volume of Japan's imports arriving by sea and air. Furthermore, the downturn in domestic cargo volume became larger as declines in consumer spending and housing investments in Japan continued. The operating environment for logistics companies remained difficult even though there was finally a decrease in the cost of fuel for trucks. A shortage of drivers and price-based competition among cargo transport companies are the primary challenges.

In April 2013, the Maruzen Showa Group (the "Group") started its Fifth Medium-term Management Plan. The main objective of this three-year plan is positioning the Group as a logistics partner for creating the best possible supply chains from a global perspective. Reform of the corporate structure and raising consolidated revenue to more than 100 billion yen are the plan's targets. To reach the earnings target, we are taking actions centered on three goals: (1) Sales growth, (2) A stronger workforce, and (3) A more powerful corporate infrastructure. As one step toward achieving the Group's goals in the fiscal year ended March 31, 2015, which was the second year of the plan, Nidec Logistics Corporation, which was a logistics subsidiary of Nidec Group, became a wholly owned subsidiary of Maruzen Showa in February 2015. The company was then renamed Maruzen Densan Logistics Corporation. Acquiring this company strengthened the Group's operations in Japan and overseas while creating new opportunities for providing logistics services to the Nidec Group. The result is a sounder base to aim for more sales growth and building a more powerful corporate infrastructure. Revenue and earnings of Maruzen Densan Logistics are included in the consolidated financial statements beginning with the fourth quarter of the fiscal year that ended on March 31, 2015.

In the fiscal year ended March 31, 2015, operating revenue increased 5.8% year-on-year to 94,672 million yen. Operating income was up 11.2% to 4,770 million yen, ordinary income rose 14.7% to 5,391 million yen and net income increased 17.2% to 3,660 million yen.

Business segment performance was as follows.

Logistics Operations

In the freight truck transportation sector, in the Kanto region, there were new orders involving industrial gases and pharmaceuticals and growth in the volume of highly functional resins, household products and non-ferrous metals. In the Kansai region, the volume of household products handled increased. As a result, operating revenue in this sector increased.

In the harbor transportation sector, in the Kanto region, there was a decline in the export volume of construction machinery but growth in the volume of imports of fresh fruit and vegetables, housing-related materials and home appliances. In the Chubu region, there was an increase in ship loading operations in association with growth in the production of stainless steel. As a result, operating revenue in this sector increased.

In the warehousing operations sector, in the Kanto region, there were new orders involving industrial gases and pharmaceuticals and growth in the volume of household products and polishing materials. In the Kansai region, the volume of household products handled increased. Overall, operating revenue was higher.

In the rail logistics sector, operating revenue decreased as JR container volume for homebuilding materials and other products in the Kanto region was down.

In operations related to logistics, ocean transportation revenues increased mainly because of a higher volume of equipment for industrial plants exported to Southeast Asia and of industrial gases. Coastal transportation revenues increased because of higher volumes of soil and coal as well as growth in services involving cargo transport by sea. Transit revenues decreased along with a decline in the volume of medical film and other materials. However, total operating revenue in this sector increased.

As a result, operating revenue in this segment increased 7.6% year-on-year to 78,122 million yen and operating income increased 17.6% to 3,329 million yen.

Yard Operations and Mechanical Cargo Handling

In yard operations, higher production of steel sheets and rubber contributed to growth in volume in the Kanto region. However, volume was held down by the end of operations involving chemical products in the Kanto region and paint and coatings in the Chubu region. As a result, operating revenue in this sector decreased.

Mechanical cargo handling operating revenue decreased along with declines in the volume of cargo moved by cranes and other mechanical cargo handling volume.

Segment operating revenue decreased 1.7% year-on-year to 13,739 million yen and operating income decreased 1.2% to 923 million yen.

Other Operations

Construction revenues increased along with growth in orders for relocation projects in Japan. Revenue from the sale of electricity increased because of the start of solar power generation in the Kashima area following the Kansai region solar power generation. Revenue from renting land decreased because of a revision in contract formats.

As a result, segment operating revenue decreased 3.4% year-on-year to 2,809 million yen and operating income decreased 1.1% to 517 million yen.

2) Forecast for the fiscal year ending on March 31, 2016

In Japan, the outlook is for a slow economic recovery based on expectations for growth in capital expenditures and consumer spending as the yen remains at its current low level and the price of crude oil stays down. However, the outlook is still uncertain. In Japan, the cost of labor and raw materials are rising. Furthermore, there are many uncertainties about the global economy, including concerns about slowing emerging country economic growth and the debt problem in Europe.

The fiscal year ending on March 31, 2016 will be the final year of the Fifth Medium-term Management Plan, a three-year plan with the goal of raising consolidated revenue to more than 100 billion yen. Adding Maruzen Densan Logistics to the Maruzen Showa Group in the fiscal year ended March 31, 2015 gives the Group even more powerful business networks in Japan and overseas. This network makes it possible to conduct sales activities in areas where the Group could not previously serve customers. Consequently, group companies will concentrate in these areas on establishing relationships with new customers and capturing new business from current customers. Receiving orders from companies belonging to the Nidec Group for domestic and overseas logistics services, including third-party logistics, is another goal. By taking these actions, the Group is determined to increase revenue and reach the target for earnings, too.

Based on this outlook, we anticipate growth in consolidated revenue and earnings. We forecast operating revenue of 103,000 million yen, operating income of 5,100 million yen, ordinary income of 5,600 million yen, and profit attributable to owners of parent of 3,800 million yen.

(2) Analysis of Financial Position

1) Balance sheet position

Total assets

The balance of total assets at the end of the current fiscal year was 116,037 million yen, up 7,921 million yen from the end of the previous fiscal year. The main factors of the increase were increases of 2,063 million yen in notes and accounts receivable, 1,012 million yen in cash and deposits, and 599 million yen in trust beneficiary right included in other current assets under current assets. There were also increases of 3,562 million yen in investment securities, 2,049 million yen in goodwill, and 297 million yen in long-term loans receivable under non-current assets. On the other hand, there were decreases of 1,699 million yen in securities under current assets, and 440 million yen in property, plant and equipment under non-current assets.

Liabilities

The balance of total liabilities at the end of the current fiscal year was 48,658 million yen, up 2,527 million yen from the end of the previous fiscal year. This was mainly due to increases of 3,147 million yen in short-term loans payable, 1,332 million yen in notes and operating accounts payable-trade, and 994 million yen in accrued consumption taxes under current liabilities. There were also a 681 million yen increase in deferred tax liabilities and a 3,822 million yen decrease in long-term loans payable under non-current liabilities.

Net assets

The balance of net assets was 67,379 million yen at the end of the current fiscal year, up 5,394 million yen from the end of the previous fiscal year. There was an increase of 2,748 million yen in shareholders' equity. In addition, there were increases of 2,342 million yen in valuation difference on available-for-sale securities and 221 million yen in remeasurements of defined benefit plans under accumulated other comprehensive income. The equity ratio was 58.0%, up 0.7 percentage point from the end of the previous fiscal year.

2) Cash flows

Cash and cash equivalents (hereinafter, "cash") at the end of the current fiscal year were 15,101 million yen, an increase of 412 million yen from the previous fiscal year. The main factors include income before income taxes and minority interests of 5,462 million yen, a 639 million yen increase from the previous fiscal year, and an increase in cash and deposits from new consolidation, while there were payments for the purchase of shares of a subsidiary.

Cash flows by category were as follows.

Cash flows from operating activities

Net cash provided by operating activities totaled 6,880 million yen, an increase of 2,645 million yen from the previous fiscal year.

This was mainly due to income before income taxes and minority interests of 5,462 million yen, depreciation of 3,163 million yen, and income taxes paid of 1,848 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 4,821 million yen, a decrease of 2,003 million yen from the previous fiscal year.

This was mainly due to payments of 3,493 million yen for the purchase of shares of subsidiaries resulting in change in scope of consolidation and 1,432 million yen for the purchase of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities totaled 1,695 million yen, compared with 3,544 million yen provided in the previous fiscal year.

The main factors were repayments of 1,182 million yen in long-term loans payable and cash dividends paid of 729 million yen.

Reference: Cash flow indicators

	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Equity ratio (%)	58.2	58.9	59.2	57.3	58.0
Equity ratio based on market value (%)	28.5	25.4	30.3	28.8	31.5
Interest-bearing debt to cash flow ratio (years)	3.9	4.0	4.4	5.3	3.1
Interest coverage ratio (times)	20.5	19.6	19.6	16.9	29.7

Notes: Equity ratio: Shareholders' equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

- 1) All indicators are calculated based on consolidated figures.
- 2) Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.
- 3) Operating cash flows are the figures for operating cash flows in the consolidated statement of cash flows.
Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest. Interest payments use the amount of interest expenses paid stated on the consolidated statement of cash flows.

(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

Distributing earnings to shareholders is one of our highest priorities. The basic policy is to pay a dividend that is stable over the long term while taking into consideration results of operations, the dividend payout ratio, the return on equity and all other applicable items.

Retained earnings are used for investments aimed at building an even stronger operating foundation in order to maintain the long-term stability of performance. Major investments include new warehouses and other facilities, vehicles and machinery needed to increase transportation capacity and meet environmental regulations, and IT systems to keep pace with advances in technology. Based on this policy, in consideration of results of operations, financial position and other factors, we plan to pay a dividend of 9 yen per share for the fiscal year that ended on March 31, 2015. This is the sum of a 4 yen interim dividend and a 5 yen year-end dividend.

For the fiscal year ending on March 31, 2016, we plan to pay a dividend of 9 yen per share, the sum of a 4.50 yen interim dividend and a 4.50 yen year-end dividend.

(4) Business Risks

Listed below are the risk factors that may affect operating results and financial condition as well as the stock price and other performance indices of the Group.

1) Price competition

Intense price-based competition in the logistics industry in which the Group operates is causing fees received for logistics services to decline steadily. In Japan, the volume of cargo is decreasing in part because of the shift of manufacturing activity to other countries. The consolidation of logistics operations by many companies is also contributing to this heated competition.

Our goal is to remain among the winners in the logistics industry by building new IT systems for third-party logistics, comprehensive contracting services for logistics operations, so that we can offer logistics services with outstanding quality and added value. However, there is no assurance that we can retain our competitive edge in the future. If we lose customers due to the inability in the future to compete in terms of prices and services, there may be an impact on the Group's results of operations and financial condition.

2) Higher cost of crude oil

Transporting cargo using trucks is one of the Group's core businesses. An increase in the cost of crude oil will almost certainly lead to increases in the prices of diesel fuel and naphtha, which is a key raw material used to make tires. If the cost of fuel and tires rises and the Group is unable to increase truck cargo rates to incorporate the resulting higher cost of operations, there may be an impact on the Group's results of operations and financial condition.

3) Accidents

The Group is implementing a Safety Visualization Campaign that consists of safety and hygiene, quality management and other activities. The aim is to eliminate vehicle and cargo accidents, workplace accidents, and accidents involving financial matters, documents and other items. However, there is no assurance that this campaign will prevent these accidents or that an accident will not occur in the future. We have purchased insurance policies for risks involving these accidents, but there is no assurance that these policies will cover all expenses associated with an accident. Increasing coverage regarding an incident resulting in the payment of substantial damages would raise insurance premiums. In addition, any payments that exceed the limits of insurance policies would result in an extraordinary loss. Furthermore, an incident would probably cause sales to fall by damaging the Group's reputation among customers. Consequently, the occurrence of an accident may impact the Group's results of operations and financial condition.

4) Tighter environmental regulations

In the truck cargo transport business, we must comply with legal restrictions on emissions of trucks with diesel engines. Laws place restrictions on nitrogen oxides and particulate matter in these emissions in order to combat global warming associated with the loss of the ozone layer. In some regions of Japan, trucks, buses and other vehicles that fail to meet these restrictions cannot be used after a certain date. As a result, we must replace older vehicles with models that comply with the latest regulations. Purchasing these vehicles is raising the cost of procuring and using vehicles and the cost of transporting cargo because the restrictions have been stricter year by year and truck manufacturers need to raise the prices of vehicles to collect development costs for new engines. We are purchasing vehicles that meet the environmental regulations at the normal replacement times of existing vehicles. However, if vehicles need to be replaced sooner because of the enactment of tighter regulations, there would probably be a larger increase in the cost of purchasing vehicles. If we are unable to increase truck cargo transport fees to offset the higher cost of purchasing vehicles, there may be an impact on the Group's results of operations and financial condition.

5) IT systems

We use an outsourcing center with the required equipment and capabilities for disaster preparedness, security measures, uninterrupted service and other items involving key components of our IT infrastructure (the Group's network, the logistics operations system and groupware). Despite these measures, data may be lost, altered or leaked in the event of an unexpected disaster, computer virus, unauthorized external access or other incident. Any of these events may force us to suspend IT system operations or some of our services. If this damages the Group's reputation among customers, there may be an impact on the Group's results of operations and financial condition.

6) Laws and regulations

The Group must comply with a large number of legal restrictions in association with the business operations listed in the Articles of Incorporation. Compliance is one of our highest priorities. We have a Compliance Committee that is overseen by the CSR Promotion Council, which is chaired by the company president. However, a law or regulation may restrict some of our business activities or we may be subject to penalty due to the violation of a law or

regulation. Any of these events may impact the Group's results of operations and financial condition.

7) Value of non-current assets

If there is a decline in the value of non-current assets held by the Group due to a drop in the fair value, lower profitability or any other reason, there may be an impact on the Group's results of operations and financial condition.

8) Overseas operations

We are enlarging global logistics operations by using an overseas network centered in Southeast Asia that also has locations in the United States and Europe. In all these regions, our operations are vulnerable to many risk factors. Risks include, but are not limited to, political changes, instability caused by terrorism or other violence, unforeseen revisions to regulations, the outbreak of a new infectious disease or other type of disease, and a sudden change in foreign exchange rates. The occurrence of any of these problems may impact the Group's results of operations and financial condition.

9) Reliance on specific client industries and companies

Services provided to manufacturers of chemical products account for a large percentage of consolidated revenue. Consequently, any changes in the chemical products industry, demands from client companies to streamline operations or other events involving this industry may impact the Group's results of operations and financial condition.

10) Other significant risk factors

In addition to the preceding nine risk factors, our operations are vulnerable to the following risks. Equipment may be damaged or the supply of water or electricity may be limited due to natural disasters such as an earthquake, typhoon, tsunami, volcanic eruption and human disasters such as a fire and dispute. Also, there may be the outbreak of a new strain of influenza or other infectious disease or a significant fluctuation in stock and bond markets. The occurrence of any of these events may impact the Group's results of operations and financial condition.

2. Corporate Group

The Maruzen Showa Group includes Maruzen Showa Unyu Co., Ltd. (the “Company”), 35 subsidiaries and six affiliates. Freight truck transportation, harbor transportation and yard operations are the main business activities. The goal of the Group is to strengthen and deepen operations while improving the corporate structure in order to become the best logistics partner for customers.

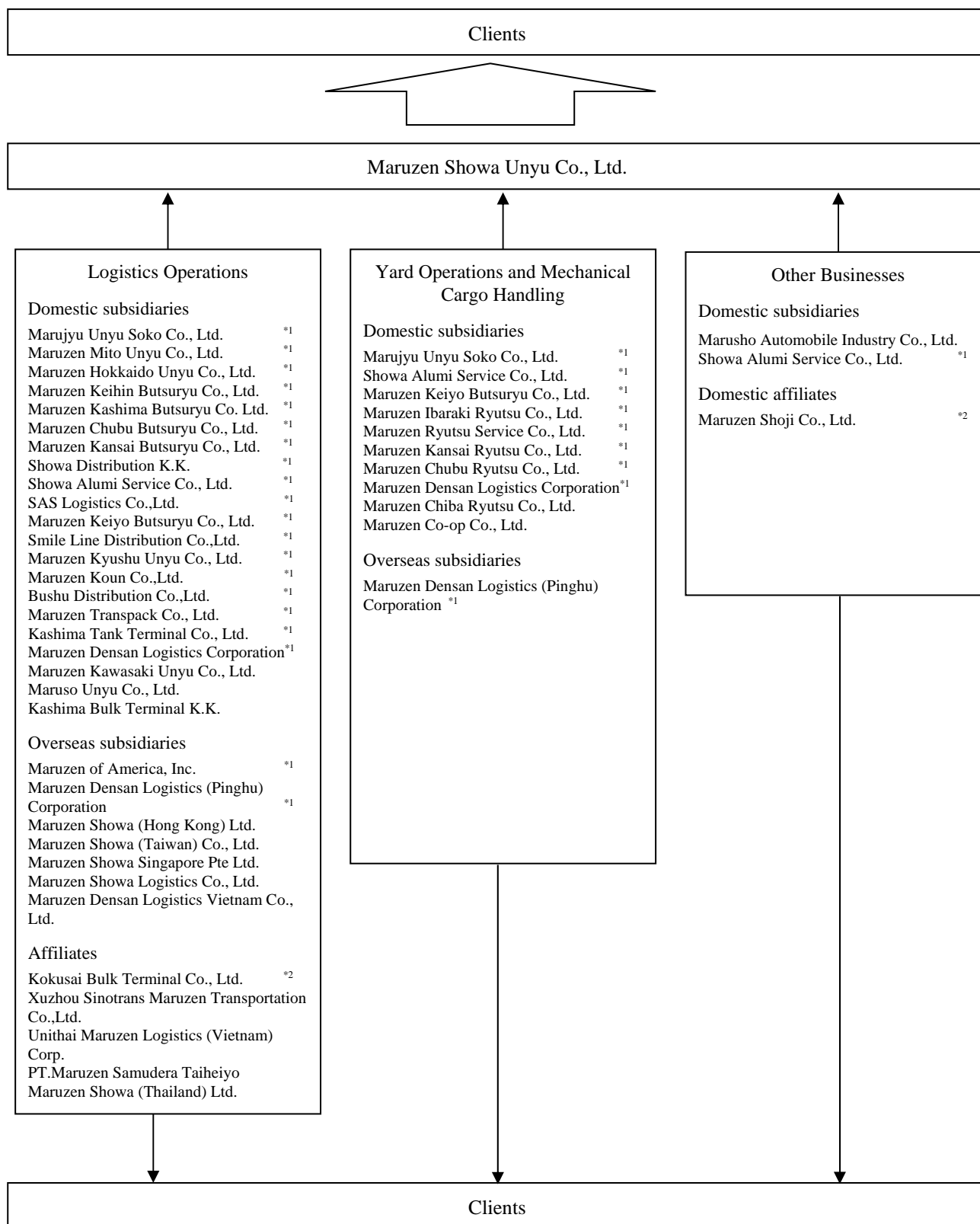
To conduct business activities, all group companies cooperate with each other by providing additional geographic coverage and facilitating the efficient use of equipment.

Business activities are categorized by using the characteristics of individual activities and the relationships of these activities with one another.

	Positioning of the business activities of group companies
Logistics Operations	<p>This segment includes freight truck transportation, harbor transportation, warehousing operations, customs brokerage and other activities.</p> <p>These activities are performed by the following companies:</p> <p>Maruzen Showa Unyu Co., Ltd.</p> <p>20 domestic subsidiaries:</p> <p>Marujyu Unyu Soko Co., Ltd., Maruzen Mito Unyu Co., Ltd., Maruzen Hokkaido Unyu Co., Ltd., Maruzen Kawasaki Unyu Co., Ltd., Maruzen Kyushu Unyu Co., Ltd., Maruso Unyu Co., Ltd., Maruzen Keiyo Butsuryu Co., Ltd., Maruzen Keihin Butsuryu Co., Ltd., Maruzen Kashima Butsuryu Co., Ltd., Maruzen Chubu Butsuryu Co., Ltd., Maruzen Kansai Butsuryu Co., Ltd., Showa Distribution K.K., Showa Alumi Service Co., Ltd. and its subsidiary SAS Logistics Co.,Ltd., Smile Line Distribution Co.,Ltd., Maruzen Koun Co.,Ltd., Bushu Distribution Co.,Ltd., Maruzen Transpack Co., Ltd., Kashima Tank Terminal Co., Ltd., and Maruzen Densan Logistics Corporation</p> <p>Seven overseas subsidiaries:</p> <p>Maruzen of America, Inc., Maruzen Showa (Taiwan) Co., Ltd., Maruzen Showa Singapore Pte Ltd., Maruzen Showa (Hong Kong) Ltd. and its subsidiary Maruzen Showa Logistics Co., Ltd., and Maruzen Densan Logistics (Pinghu) Corporation and Maruzen Densan Logistics Vietnam Co., Ltd. which are subsidiaries of Maruzen Densan Logistics Corporation</p> <p>The Company and its subsidiaries work together to provide integrated cargo transportation services. The goals are performing transportation and storage operations efficiently and providing complementary geographic support.</p> <p>Affiliates Kokusai Bulk Terminal Co., Ltd., Xuzhou Sinotrans Maruzen Transportation Co.,Ltd., Unithai Maruzen Logistics (Vietnam) Corp., PT.Maruzen Samudera Taiheiyo, Maruzen Showa (Thailand) Ltd. are also engaged in the logistics business, working with the Company in order to conduct integrated cargo transportation services.</p> <p>In addition, Kashima Bulk Terminal K.K. was established in October 2014 to operate a coal storage facility.</p>
Yard Operations and Mechanical Cargo Handling	<p>This segment includes on-site moving, assembly, filling and warehouse storage of raw materials, finished products, heavy loads, precision machinery and other items, handling of incoming and outgoing shipments, provision of services associated with these activities, and rental of machinery.</p> <p>These activities are performed by Maruzen Showa Unyu Co., Ltd., Marujyu Unyu Soko Co., Ltd., Maruzen Ibaraki Ryutsu Co., Ltd., Maruzen Ryutsu Service Co., Ltd., Maruzen Kansai Ryutsu Co., Ltd., Maruzen Chiba Ryutsu Co., Ltd., Maruzen Chubu Ryutsu Co., Ltd., Maruzen Co-op Co., Ltd., Maruzen Keiyo Butsuryu Co., Ltd., Showa Alumi Service Co., Ltd., Maruzen Densan Logistics Corporation and its subsidiary Maruzen Densan Logistics (Pinghu) Corporation.</p> <p>The following companies function as partner companies for the Company: Maruzen Ibaraki Ryutsu Co., Ltd., Maruzen Ryutsu Service Co., Ltd., Maruzen Chiba Ryutsu Co., Ltd., Maruzen Chubu Ryutsu Co., Ltd., and Maruzen Co-op Co., Ltd.</p>

	Positioning of the business activities of group companies
Other Businesses	<p>This segment includes the construction, real estate, insurance agent, vehicle maintenance, security and other businesses. The Company is engaged in the construction business and other businesses.</p> <p>(Subsidiaries) Marusho Automobile Industry Co., Ltd. operates a vehicle maintenance business to service the vehicles of the Company, Maruzen Kawasaki Unyu Co., Ltd., Maruso Unyu Co., Ltd. and Maruzen Keihin Butsuryu Co., Ltd. Showa Alumi Service Co., Ltd. provides security services.</p> <p>(Affiliates) Maruzen Shoji Co., Ltd. leases office equipment, rents cargo pallets and has an insurance agency business and provides these services mainly to the Company.</p>

An organizational chart of the Group is as follows.



Notes:

- *1 Consolidated subsidiaries *2 Equity-method affiliates
- Maruzen Keihin Butsuryu Co., Ltd. merged Maruzen Kawasaki Butsuryu Co., Ltd. on April 1, 2014.
- Maruzen Ryutsu Service Co., Ltd. merged Maruzen Kita-Kanto Ryutsu Co., Ltd. on April 1, 2014.
- The Company acquired the shares of Nidec Logistics Corporation from its parent company Nidec Corporation on February 2, 2015. Accordingly, the name of the acquired company was changed to Maruzen Densan Logistics Corporation, and included in scope of consolidation together with its subsidiary Maruzen Densan Logistics (Pinghu) Corporation.

3. Management Policies

(1) Basic Management Policy

The central philosophy that guides our operations is a commitment to providing quality logistics services based on the spirit of customers first in the field of logistics. We want to be the best possible logistics partner for our customers. To accomplish this goal, we offer ideas for optimizing logistics by using systems that unify the flow of goods and information. We are constantly upgrading the quality of our services and steadily enlarging our operations. We are determined to be a corporate group that meets the expectations of shareholders and other stakeholders and makes significant contributions to society.

(2) Medium- and Long-term Business Strategy

I. The Fifth Medium-term Management Plan

The Fifth Medium-term Management Plan, the “MLP Revolution 1000 Plan,” which covers the three-year period from April 2013 to March 2016 was established in March 2013.

To continue growing in the current period of dramatic changes in the logistics market, we must alter our corporate structure while retaining the characteristics that have always defined the Maruzen Showa Group.

The plan has the following four goals along with the target of raising consolidated revenue to more than 100 billion yen in the plan’s final fiscal year.

- 1) View changes in the operating environment as opportunities. Make big investments to enter new business domains, create a strategic organization, focus resources on business sectors to be strengthened, and take other actions needed to reform corporate structure and build a foundation for growth.
- 2) To raise consolidated revenue to more than 100 billion yen, enlarge and deepen operations, mainly through the growth of third-party logistics and the global logistics business, and use M&A to enter new downstream business domains.
- 3) Reinforce skills and motivation in on-site activities, sales activities and administrative activities by creating a dedicated workforce with a strong desire to take on the challenge of entering new business fields.
- 4) Increase corporate value by making CSR an integral part of operations with emphasis on safety, the environment and compliance.

II. Final Year Sales and Earnings Targets

Consolidated operating revenue:	103 billion yen	Ordinary income:	5.6 billion yen
Non-consolidated operating revenue:	80 billion yen	Ordinary income:	.5 billion yen

III. Three-year Investment Plan

Capital expenditures:	15 billion yen
Mergers & acquisitions:	5 billion yen
Total:	20 billion yen

IV. Key Initiatives

- 1) Sales growth
 - a. Expand third-party logistics
 - b. Expand global logistics
 - c. Increase sales in growing business sectors and enter new business domains

- 2) A stronger workforce
 - a. Rotate people among many assignments and fully utilize the capabilities of employees
 - b. Start a new employee training program
- 3) A more powerful corporate infrastructure
 - a. Change the corporate structure
 - b. Strengthen logistics capabilities
 - c. Build a stronger operating foundation

4. Basic Approach to the Selection of Accounting Standards

We plan to continue using Japanese accounting standards for preparing consolidated financial statements for the time being. One reason is that shareholders, lenders and customers in Japan account for most of the stakeholders of the Group. In addition, using Japanese accounting standards allows comparing financial information with prior years and with the financial information of other companies in Japan.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(Millions of yen)	
	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Assets		
Current assets		
Cash and deposits	6,088	7,101
Notes and accounts receivable	18,833	20,896
Securities	8,599	6,899
Supplies	121	113
Prepaid expenses	506	588
Deferred tax assets	573	626
Other	1,393	2,166
Allowance for doubtful accounts	(28)	(5)
Total current assets	36,088	38,387
Non-current assets		
Property, plant and equipment		
Buildings and structures	64,313	66,926
Accumulated depreciation	(39,719)	(42,267)
Buildings and structures, net	24,594	24,658
Machinery and equipment	10,601	11,088
Accumulated depreciation	(8,314)	(8,784)
Machinery and equipment, net	2,286	2,304
Vehicles	8,801	9,328
Accumulated depreciation	(8,177)	(8,658)
Vehicle, net	624	670
Tools, furniture and fixtures	619	706
Accumulated depreciation	(571)	(642)
Tools, furniture and fixtures, net	48	63
Land	19,466	19,983
Leased assets	1,428	1,822
Accumulated depreciation	(736)	(908)
Leased assets, net	692	913
Construction in progress	1,362	40
Total property, plant and equipment	49,075	48,635
Intangible assets		
Goodwill	-	2,049
Other	786	880
Total intangible assets	786	2,929
Investments and other assets		
Investment securities	15,963	19,526
Long-term loans receivable	301	598
Deferred tax assets	50	35
Net defined benefit asset	306	348
Other	5,595	5,626
Allowance for doubtful accounts	(51)	(50)
Total investments and other assets	22,165	26,085
Total non-current assets	72,027	77,649
Total assets	108,116	116,037

	(Millions of yen)	
	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	8,775	10,108
Short-term loans payable	9,646	12,794
Current portion of bonds	29	29
Accounts payable-other	1,112	672
Income taxes payable	1,057	1,199
Accrued consumption taxes	132	1,126
Accrued expenses	1,568	1,689
Provision for bonuses	1,199	1,367
Provision for directors' bonuses	-	3
Other	589	596
Total current liabilities	24,111	29,588
Non-current liabilities		
Bonds payable	5,086	5,054
Long-term loans payable	12,492	8,669
Deferred tax liabilities	2,854	3,535
Provision for directors' retirement benefits	11	14
Net defined benefit liability	105	140
Asset retirement obligations	605	636
Other	864	1,018
Total non-current liabilities	22,019	19,069
Total liabilities	46,130	48,658
Net assets		
Shareholders' equity		
Capital stock	9,117	9,117
Capital surplus	7,848	7,849
Retained earnings	43,932	46,683
Treasury shares	(2,474)	(2,477)
Total shareholders' equity	58,424	61,172
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,789	6,131
Foreign currency translation adjustment	(178)	(98)
Remeasurements of defined benefit plans	(136)	84
Total accumulated other comprehensive income	3,473	6,117
Minority interests	87	89
Total net assets	61,985	67,379
Total liabilities and net assets	108,116	116,037

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

(Millions of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Operating revenue	89,486	94,672
Operating cost	81,822	86,437
Operating gross profit	7,664	8,234
Selling, general and administrative expenses		
Directors' compensations	557	519
Salaries and allowances	1,201	1,237
Bonuses	257	294
Provision for directors' bonuses	-	3
Retirement benefit expenses	50	44
Provision for directors' retirement benefits	9	1
Taxes and dues	52	29
Depreciation	130	81
Provision of allowance for doubtful accounts	12	2
Other	1,102	1,249
Total selling, general and administrative expenses	3,374	3,464
Operating income	4,289	4,770
Non-operating income		
Interest income	13	18
Dividend income	322	376
Share of profit of entities accounted for using equity method	232	294
Miscellaneous income	187	189
Total non-operating income	756	879
Non-operating expenses		
Interest expenses	255	235
Miscellaneous expenses	91	22
Total non-operating expenses	346	258
Ordinary income	4,699	5,391
Extraordinary income		
Gain on sales of non-current assets	70	64
Gain on sales of investment securities	-	58
Gain on bargain purchase	129	-
Subsidy income	60	3
Total extraordinary income	260	126
Extraordinary losses		
Loss on sales and retirement of non-current assets	72	28
Loss on valuation of investment securities	-	21
Impairment loss	3	1
Loss on reduction of non-current assets	60	3
Total extraordinary losses	136	54
Income before income taxes and minority interests	4,823	5,462
Income taxes-current	1,571	1,912
Income taxes-deferred	127	(114)
Total income taxes	1,698	1,798
Income before minority interests	3,124	3,664
Minority interests in income	1	4
Net income	3,123	3,660

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Income before minority interests	3,124	3,664
Other comprehensive income		
Valuation difference on available-for-sale securities	778	2,321
Foreign currency translation adjustment	102	79
Remeasurements of defined benefit plans, net of tax	-	221
Share of other comprehensive income of entities accounted for using equity method	11	21
Total other comprehensive income	892	2,644
Comprehensive income	4,017	6,308
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,015	6,304
Comprehensive income attributable to minority interests	1	4

(3) Consolidated Statement of Changes in Equity

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,117	7,848	41,538	(2,467)	56,036
Cumulative effects of changes in accounting policies					-
Restated balance	9,117	7,848	41,538	(2,467)	56,036
Changes of items during period					
Dividends of surplus			(729)		(729)
Increase by merger					-
Net income			3,123		3,123
Disposal of treasury shares		0		0	0
Purchase of treasury shares				(6)	(6)
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	0	2,393	(6)	2,387
Balance at end of current period	9,117	7,848	43,932	(2,474)	58,424

	Accumulated other comprehensive income				Minority 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	2,999	(281)	-	2,717	86	58,841
Cumulative effects of changes in accounting policies						-
Restated balance	2,999	(281)	-	2,717	86	58,841
Changes of items during period						
Dividends of surplus				-		(729)
Increase by merger				-		-
Net income				-		3,123
Disposal of treasury shares				-		0
Purchase of treasury shares				-		(6)
Net changes of items other than shareholders' equity	789	102	(136)	755	1	756
Total changes of items during period	789	102	(136)	755	1	3,143
Balance at end of current period	3,789	(178)	(136)	3,473	87	61,985

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	9,117	7,848	43,932	(2,474)	58,424
Cumulative effects of changes in accounting policies			(196)		(196)
Restated balance	9,117	7,848	43,736	(2,474)	58,227
Changes of items during period					
Dividends of surplus			(729)		(729)
Increase by merger			16		16
Net income			3,660		3,660
Disposal of treasury shares		0		1	2
Purchase of treasury shares				(4)	(4)
Net changes of items other than shareholders' equity					-
Total changes of items during period	-	0	2,947	(3)	2,944
Balance at end of current period	9,117	7,849	46,683	(2,477)	61,172

	Accumulated other comprehensive income				Minority 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	3,789	(178)	(136)	3,473	87	61,985
Cumulative effects of changes in accounting policies						(196)
Restated balance	3,789	(178)	(136)	3,473	87	61,788
Changes of items during period						
Dividends of surplus				-		(729)
Increase by merger				-		16
Net income				-		3,660
Disposal of treasury shares				-		2
Purchase of treasury shares				-		(4)
Net changes of items other than shareholders' equity	2,342	79	221	2,644	1	2,645
Total changes of items during period	2,342	79	221	2,644	1	5,590
Balance at end of current period	6,131	(98)	84	6,117	89	67,379

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	4,823	5,462
Depreciation	3,025	3,163
Amortization of goodwill	0	52
Increase (decrease) in provision for retirement benefits	(126)	-
Increase (decrease) in provision for directors' retirement benefits	2	(5)
Increase (decrease) in provision for bonuses	(25)	111
Increase (decrease) in provision for directors' bonuses	(1)	3
Increase (decrease) in allowance for doubtful accounts	7	(24)
Decrease (increase) in net defined benefit asset	(517)	(11)
Increase (decrease) in net defined benefit liability	105	(1)
Interest and dividend income	(336)	(394)
Interest expenses	255	235
Share of (profit) loss of entities accounted for using equity method	(232)	(294)
Loss (gain) on sales and retirement of non-current assets	1	(35)
Loss (gain) on sales of investment securities	-	(58)
Loss (gain) on valuation of investment securities	-	21
Decrease (increase) in notes and accounts receivable-trade	(1,636)	(309)
Decrease (increase) in inventories	(14)	10
Increase (decrease) in notes and accounts payable-trade	140	(67)
Increase (decrease) in accrued consumption taxes	(149)	930
Gain on bargain purchase	(129)	-
Decrease (increase) in prepaid pension costs	208	-
Loss on reduction of non-current assets	60	3
Subsidy income	(60)	(3)
Other, net	(150)	(249)
Subtotal	5,249	8,538
Interest and dividend income received	363	419
Interest expenses paid	(251)	(231)
Income taxes paid	(1,187)	(1,848)
Proceeds from subsidy income	60	3
Net cash provided by (used in) operating activities	4,234	6,880
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,371)	(1,432)
Proceeds from sales of property, plant and equipment	84	69
Purchase of intangible assets	(135)	(125)
Purchase of investment securities	(143)	(237)
Proceeds from sales of investment securities	-	96
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(3,493)
Collection of short-term loans receivable	45	31
Acquisition of other investments	(627)	(681)
Proceeds on sale of other investments	391	813
Payments of loans receivable	(56)	(326)
Other, net	(12)	464
Net cash provided by (used in) investing activities	(6,825)	(4,821)

	(Millions of yen)	
	FY3/14	FY3/15
	(Apr. 1, 2013 – Mar. 31, 2014)	(Apr. 1, 2014 – Mar. 31, 2015)
Cash flows from financing activities		
Increase in short-term loans payable	380	200
Decrease in short-term loans payable	(1,429)	(347)
Proceeds from long-term loans payable	6,820	654
Repayments of long-term loans payable	(6,222)	(1,182)
Proceeds from issuance of bonds	5,000	-
Redemption of bonds	(29)	(29)
Cash dividends paid	(729)	(729)
Other, net	(245)	(261)
Net cash provided by (used in) financing activities	3,544	(1,695)
Effect of exchange rate change on cash and cash equivalents	54	30
Net increase (decrease) in cash and cash equivalents	1,008	394
Cash and cash equivalents at beginning of period	13,679	14,688
Increase in cash and cash equivalents from newly consolidated subsidiary	-	18
Cash and cash equivalents at end of period	14,688	15,101

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 24

Names of consolidated subsidiaries:

Marujyu Unyu Soko Co., Ltd.

Maruzen Mito Unyu Co., Ltd.

Maruzen Hokkaido Unyu Co., Ltd.

Maruzen of America, Inc.

Maruzen Keihin Butsuryu Co., Ltd.

Maruzen Chubu Butsuryu Co., Ltd.

Maruzen Kansai Butsuryu Co., Ltd.

Maruzen Kashima Butsuryu Co., Ltd.

Showa Distribution K.K.

Showa Alumi Service Co., Ltd.

SAS Logistics Co.,Ltd.

Smile Line Distribution Co.,Ltd.

Maruzen Keiyo Butsuryu Co., Ltd.

Maruzen Koun Co.,Ltd.

Maruzen Ryutsu Service Co., Ltd.

Maruzen Ibaraki Ryutsu Co., Ltd.

Maruzen Kyushu Unyu Co., Ltd.

Bushu Distribution Co.,Ltd.

Maruzen Kansai Ryutsu Co., Ltd.

Maruzen Chubu Ryutsu Co., Ltd.

Maruzen Transpack Co., Ltd.

Kashima Tank Terminal Co., Ltd.

Maruzen Densan Logistics Corporation

Maruzen Densan Logistics (Pinghu) Corporation

Maruzen Keihin Butsuryu Co., Ltd. (consolidated subsidiary) merged Maruzen Kawasaki Butsuryu Co., Ltd. (consolidated subsidiary), and Maruzen Ryutsu Service Co., Ltd. (consolidated subsidiary) merged Maruzen Kita-Kanto Ryutsu Co., Ltd. (non-consolidated subsidiary) in the current fiscal year.

Maruzen Densan Logistics Corporation and its subsidiary Maruzen Densan Logistics (Pinghu) Corporation were included in the scope of consolidation due to the acquisition of Maruzen Densan Logistics' shares by the Company.

(2) Names of major non-consolidated subsidiaries

Maruzen Kawasaki Unyu Co., Ltd.

Reason for exclusion

This subsidiary is not included in the scope of consolidation since it is a small-scale business whose assets, operating revenue, net income/loss (equity in earnings) and retained earnings (equity in earnings) have no significant effect on the overall results of consolidated financial statements.

2. Application of equity method

(1) Number of affiliates accounted for by the equity method: 2

Names of affiliates accounted for by the equity method

Kokusai Bulk Terminal Co., Ltd.

Maruzen Shoji Co., Ltd.

(2) Names of major non-consolidated subsidiaries and affiliates not accounted for by the equity method

Xuzhou Sinotrans Maruzen Transportation Co.,Ltd.

Maruzen Kawasaki Unyu Co., Ltd.

Reason for not accounted for by the equity method

These non-consolidated subsidiaries and affiliates are not accounted for by the equity method, given the fact that it has a very minor effect on consolidated net income (loss) and retained earnings and is relatively insignificant in the context of consolidated financial statements.

(3) Some equity-method subsidiaries and affiliates end their fiscal years on a date that differs from the end of the fiscal year for the consolidated financial statements, and financial statements for the fiscal years of these companies are used to prepare the consolidated financial statements.

3. Fiscal year of consolidated subsidiaries

The fiscal year-end of Maruzen of America, Inc. and Maruzen Densan Logistics (Pinghu) Corporation is December 31.

The consolidated financial statements include the financial statements of these consolidated subsidiaries as of December 31.

Necessary adjustments have been made for the consolidation concerning material transactions arising between January 1 and March 31.

4. Accounting standards

(1) Valuation standards and methods for principal assets

1) Marketable securities

Available-for-sale securities

Securities with market quotations

Stated at fair value at the end of the fiscal year. (Unrealized gain or loss is included in net assets. Cost of securities sold is determined by the moving-average method.)

Securities without market quotations

Stated at cost determined by the moving-average method.

2) Supplies

Stated at cost, cost being determined by the last purchased cost method. (The carrying value on the balance sheet is written down to reflect declines in profitability).

(2) Depreciation and amortization of significant depreciable assets

1) Property, plant and equipment (excluding leased assets)

Primarily calculated by using the declining-balance method, except for buildings (excluding attached structures) acquired on or after April 1, 1998 on which depreciation is calculated by the straight-line method.

Useful lives of principle assets are as follows:

Buildings and structures: 2-65 years

Machinery and equipment: 2-17 years

2) Intangible assets (excluding leased assets)

Amortization of intangible assets is calculated by the straight-line method.

Software for internal use is amortized over an expected internal useful life of 5 years by the straight-line method.

3) Leased assets

The straight-line method with no residual value is applied with the lease period used as the useful life of the asset.

For finance lease transaction where there is no transfer of ownership that started on or before March 31, 2008, an accounting method that is based on the method used for ordinary rental transactions is used.

(3) Recognition of significant allowances

1) Allowance for doubtful accounts

To prepare for credit losses on accounts receivable, allowances equal to the estimated amount of uncollectible receivables are provided for general receivables based on the historical write-off ratio, and bad receivables based on case-by-case determination of collectibility.

2) Provision for bonuses

To provide for employees' bonus obligation, allowances equal to the estimated bonus obligations are recorded.

3) Provision for directors' bonuses

To provide for directors' bonuses, certain domestic consolidated subsidiaries provide an allowance equal to the estimated bonus obligations in the current fiscal year.

4) Provision for directors' retirement benefits

To provide for directors' retirement benefits, certain domestic consolidated subsidiaries provide an allowance for the aggregate amount payable at the end of the fiscal year pursuant to the Company's rules on directors' retirement benefits.

(4) Accounting method for retirement benefits

1) Method of attributing estimated retirement benefit obligations to periods

In calculation of retirement benefit obligations, the Company uses the benefit formula basis as the method for attributing estimated retirement benefit obligations to periods.

2) Amortization of actuarial differences

Actuarial differences are amortized and charged to expenses in the year following the fiscal year in which such gain or loss is recognized by the straight-line method over a certain period (10 years) which is within the average remaining years of service of the eligible employees.

3) Use of simplified method at consolidated subsidiaries

Some consolidated subsidiaries calculate net defined benefit liability and retirement benefit expenses by using a simplified method in which the retirement benefit obligations are equal to the amount that would be paid if all employees voluntarily requested retirement benefits at the end of the fiscal year.

(5) Translation of significant foreign currency-denominated assets and liabilities

Foreign currency-denominated monetary assets and liabilities are translated into yen at the spot exchange rate in effect on the consolidated balance sheet date. Exchange gain or loss is accounted as income or loss. The balance sheet and income statement accounts of overseas consolidated subsidiaries are also translated into yen at the spot exchange rate in effect on the balance sheet date. Translation adjustments are included in the foreign currency translation adjustments in net assets.

(6) Method and period of goodwill amortization

Goodwill is amortized over 10 years by the straight-line method, except that immaterial amounts are charged or credited to income as incurred.

(7) Scope of cash and cash equivalents on consolidated statement of cash flows

Cash and cash equivalents consist of cash on hand, deposits that can be withdrawn on demand, and short-term investments, with original maturities of three months or less, that are readily convertible to known amounts of cash and present insignificant risk of change in value.

(8) Other significant accounting policies in the preparation of consolidated financial statements

Accounting for consumption taxes

National and local consumption taxes are accounted by the tax-exclusion method.

Changes in Accounting Policies

Application of the Accounting Standard for Retirement Benefits, etc.

The Company has applied the “Accounting Standard for Retirement Benefits” (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015) from the current fiscal year, for provisions set forth in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits.

Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and revised the method of determining the discount rate, for the period of bonds used for the basis of determining the discount rate, from the method using years that approximate to average remaining years of employees service of the eligible employees to the method using a single weighted average discount rate reflecting the estimated period and amount of benefit payment.

For the application of these accounting standards, etc. in accordance with the transitional accounting treatments set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, the adjustments associated with the change in calculation methods of retirement benefit obligations and service costs are recorded in retained earnings at the beginning of the current fiscal year.

As a result, net defined benefit asset and retained earnings decreased by 304 million yen and 196 million yen, respectively, and operating income, ordinary income and income before income taxes and minority interests increased by 10 million yen each in the current fiscal year.

The effect of these changes on per share information is shown in the corresponding section.

Reclassifications

Not applicable.

Additional Information

Not applicable.

Notes to Consolidated Balance Sheet***1. Assets pledged as collateral and liabilities with collateral**

Assets pledged as collateral are as follows.

(Millions of yen)

	FY3/14		FY3/15	
	(As of Mar. 31, 2014)		(As of Mar. 31, 2015)	
Buildings and structures	1,752	[1,752]	1,596	[1,596]
Machinery and equipment	285	[285]	254	[254]
Land	3,072	[1,525]	3,072	[1,525]
Total	5,110	[3,562]	4,924	[3,376]

Liabilities with collateral are as follows.

(Millions of yen)

	FY3/14		FY3/15	
	(As of Mar. 31, 2014)		(As of Mar. 31, 2015)	
Current portion of long-term loans payable	896	[684]	901	[689]
Long-term loans payable	3,776	[3,147]	3,429	[3,012]
Total	4,673	[3,832]	4,331	[3,702]

Figures in brackets are for harbor transportation, road transport business foundation mortgages, factory foundation mortgages and associated liabilities.

***2. Investment securities for non-consolidated subsidiaries and affiliates are as follows.**

(Millions of yen)

	FY3/14		FY3/15	
	(As of Mar. 31, 2014)		(As of Mar. 31, 2015)	
Investment securities (stock)		2,593		2,856
Other (investments in capital)		315		341

3. Guarantee liabilities

The Company guarantees following affiliates' bank loans.

(Millions of yen)

	FY3/14		FY3/15	
	(As of Mar. 31, 2014)		(As of Mar. 31, 2015)	
World Cargo Distribution Center Co., Ltd.		360		254
Aomi Cargo Distribution Center		32		17
Total		393		272

4. Notes receivable endorsed

(Millions of yen)

	FY3/14		FY3/15	
	(As of Mar. 31, 2014)		(As of Mar. 31, 2015)	
Notes receivable endorsed		64		60

5. The Company and its consolidated subsidiaries have current account overdraft agreements with three banks in order to raise funds efficiently. The balance of unused credit lines under these agreements as of the end of the fiscal year is as follows.

(Millions of yen)

	FY3/14		FY3/15	
	(As of Mar. 31, 2014)		(As of Mar. 31, 2015)	
Current account overdraft		400		1,650
Credit used		180		120
Credit available		220		1,530

*6. Reduction entry due to government subsidies, etc.

During the fiscal year ended March 31, 2015, reduction entry resulting from the use of government subsidies, etc. was 3 million yen for buildings.

Cumulative reduction entry associated with government subsidies, etc. for property, plant and equipment is as follows.

	(Millions of yen)	
	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Buildings and structures	74	77
Machinery and equipment	60	60

Notes to Consolidated Statement of Income

*1. Provisions for reserves included in operating cost

	(Millions of yen)	
	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Provision for bonuses	1,083	1,182

*2. Breakdown of gain on sales of non-current assets is as follows.

	(Millions of yen)	
	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Machinery and equipment	4	16
Vehicles	65	47
Other	-	0
Total	70	64

*3. Breakdown of loss on sales of non-current assets is as follows.

	(Millions of yen)	
	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Buildings and structures	6	7
Machinery and equipment	30	1
Vehicles	1	0
Tools, furniture and fixtures	0	1
Removal expenses	32	17
Other	1	0
Total	72	28

*4. Impairment loss

The Group recognized impairment losses on the following groups of assets.

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

Location	Use	Item
Yokohama City, Kanagawa, and others	Idle assets	Telephone subscription rights

We group business assets according to the Group's operating divisions and idle assets according to each asset type.

Idle assets

The book value of the telephone subscription rights classified as idle assets has been written down to the amount that can be recovered, due to a significant decline in the fair value, and the reduction was recorded as a 3 million yen impairment loss in extraordinary losses.

The recoverable amount of the asset group has been measured based on the estimated net selling price for these telephone subscription rights.

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

Location	Use	Item
Yokohama City, Kanagawa, and others	Idle assets	Telephone subscription rights

We group business assets according to the Group's operating divisions and idle assets according to each asset type.

Idle assets

The book value of the telephone subscription rights classified as idle assets has been written down to the amount that can be recovered, due to a significant decline in the fair value, and the reduction was recorded as a 1 million yen impairment loss in extraordinary losses.

The recoverable amount of the asset group has been measured based on the estimated net selling price for these telephone subscription rights.

Notes to Consolidated Statement of Comprehensive Income

* Re-classification adjustments and tax effect with respect to other comprehensive income

(Millions of yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Valuation difference on available-for-sale securities:		
Amount incurred during the period	1,174	3,182
Re-classification adjustments	-	(65)
Before tax effect adjustments	1,174	3,117
Tax effect	396	795
Valuation difference on available-for-sale securities	778	2,321
Foreign currency translation adjustment		
Amount incurred during the period	102	79
Foreign currency translation adjustment	102	79
Remeasurements of defined benefit plans, net of tax		
Amount incurred during the period	-	302
Re-classification adjustments	-	32
Before tax effect adjustments	-	335
Tax effect	-	113
Remeasurements of defined benefit plans, net of tax	-	221
Share of other comprehensive income of entities accounted for using equity method		
Amount incurred during the period	11	21
Share of other comprehensive income of entities accounted for using equity method	11	21
Total other comprehensive income	892	2,644

Notes to Consolidated Statement of Changes in Equity

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

1. Type and number of outstanding shares and treasury shares

(Thousand shares)

	Number of shares as of Apr. 1, 2013	Increase	Decrease	Number of shares as of Mar. 31, 2014
Outstanding shares				
Common shares	98,221	-	-	98,221
Total	98,221	-	-	98,221
Treasury shares				
Common shares	8,707	20	0	8,727
Total	8,707	20	0	8,727

Notes: Number of treasury shares of common shares increased 20 thousand shares due to acquisition of odd-lot shares.

Number of treasury shares of common shares decreased 0 thousand shares due to sales of odd-lot shares.

2. Dividends

(1) Dividend payment

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 27, 2013	Common shares	364	4.0	Mar. 31, 2013	Jun. 28, 2013
Board of Directors' meeting on Nov. 11, 2013	Common shares	364	4.0	Sep. 30, 2013	Dec. 9, 2013

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of shares	Total dividends (Millions of yen)	Source of funds	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders on June 26, 2014	Common shares	364	Retained earnings	4.0	Mar. 31, 2014	Jun. 27, 2014

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Type and number of outstanding shares and treasury shares

(Thousand shares)

	Number of shares as of Apr. 1, 2014	Increase	Decrease	Number of shares as of Mar. 31, 2015
Outstanding shares				
Common shares	98,221	-	-	98,221
Total	98,221	-	-	98,221
Treasury shares				
Common shares	8,727	12	5	8,734
Total	8,727	12	5	8,734

Notes: Number of treasury shares of common shares increased 12 thousand shares due to acquisition of odd-lot shares.

Number of treasury shares of common shares decreased 0 thousand shares due to sales of odd-lot shares and 4 thousand shares due to appropriation for convertible bonds.

2. Dividends

(1) Dividend payment

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 26, 2014	Common shares	364	4.0	Mar. 31, 2014	Jun. 27, 2014
Board of Directors' meeting on Nov. 10, 2014	Common shares	364	4.0	Sep. 30, 2014	Dec. 8, 2014

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Resolution	Type of shares	Total dividends (Millions of yen)	Source of funds	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders on Jun. 26, 2015	Common shares	455	Retained earnings	5.0	Mar. 31, 2015	Jun. 29, 2015

Notes to Consolidated Statement of Cash Flows

* Reconciliation of cash and cash equivalents at the end of the fiscal year and amounts on the consolidated balance sheet is made as follows.

	(Millions of yen)	
	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Cash and deposits	6,088	7,101
Short-term investments (securities), with original maturities of three months or less	8,099	6,899
Trust beneficiary rights with the period of three months or less included in other current assets	500	1,099
Cash and cash equivalents	14,688	15,101

Business Combinations

Business combination through acquisition

The Board of Directors of the Company approved a resolution on December 17, 2014 to purchase all of the shares of Nidec Logistics Corporation from Nidec Corporation and make it a wholly-owned subsidiary. The contract for this transaction was signed on December 19 and the purchase was made on February 2, 2015.

1. Summary of business combinations

(1) Name of company acquired, business activities and size

Name: Nidec Logistics Corporation

Business activity: Total logistics services and sale of packaging materials and products

Size (FY3/14)

Capital stock:	250 million yen
Consolidated operating revenue:	6,888 million yen
Consolidated ordinary income:	277 million yen

(2) Reasons for business combination

Nidec Logistics Corporation provides logistics services to the entire Nidec Group.

The company was acquired in line with the policies of the Company's Fifth Medium-term Management Plan. Integrating Nidec Logistics business relationship with the Nidec Group and its know-how in logistics services with the Group's management resources will contribute to enhancing the efficiency of Nidec Group's logistics operations and raise the Group's corporate value.

(3) Date of business combination

February 2, 2015 (acquisition date)

(4) Legal form of business combination

Acquisition of shares with cash

(5) Name of the seller

Nidec Corporation

(6) Name of the enterprise after business combination

Maruzen Densan Logistics Corporation (company name was changed from Nidec Logistics Corporation on February 2, 2015.)

(7) Ratio of voting rights ownership acquired

100%

(8) Main reason for choosing to acquire company

Acquisition of shares with cash

2. Period of business results of the acquired company included in the consolidated statement of income

From January 1, 2015 to March 31, 2015

3. Calculation of acquisition cost and other items

Acquisition cost and other particulars

Purchase price:	5,000 million yen
Advisory fees, etc.:	40 million yen
Total:	5,040 million yen

4. Source of funds for the acquisition

Internal funds

5. Summary of goodwill

(1) Goodwill resulting from the acquisition

2,102 million yen

(2) Source of goodwill

Expected contribution to earnings growth.

(3) Amortization method and amortization period

Goodwill is amortized over ten years by the straight-line method.

6. Summary of assets acquired and liabilities assumed on the date of business combination

Current assets:	2,792 million yen
Non-current assets:	1,762 million yen
Total assets:	4,555 million yen
Current liabilities:	1,426 million yen
Non-current liabilities:	189 million yen
Total liabilities:	1,616 million yen

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the Company constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The Company's operations are divided into the logistics business, the yard operations and mechanical cargo handling business, and other businesses. Each consolidated subsidiary is an independent business unit that undergoes periodic reviews by the Board of Directors of the Company. Each subsidiary establishes its own comprehensive strategy and conducts its own business activities.

Consequently, the Group's operations consist of business segments for different services based on the three categories in the preceding paragraph and the activities of consolidated subsidiaries. To provide suitable information about business activities and the operating environment, operations that are generally similar regarding economic characteristics, services and other items are combined into two reportable segments: Logistics Operations, and Yard Operations and Mechanical Cargo Handling.

Services by reportable segment are as follows.

Reportable segment	Services
Logistics Operations	Freight truck transportation, freight forwarding (truck, rail, ocean transportation and coastal transportation, air), harbor transportation (general harbor transportation, loading and unloading (in ships and on shore), barges), warehousing operations, customs brokerage, packaging, marine cargo transportation, air cargo agency
Yard Operations and Mechanical Cargo Handling	On-site moving, assembly, filling and warehouse storage of raw materials, finished products, heavy loads, precision machinery and other items, handling of incoming and outgoing shipments, provision of services associated with these activities, and rental of machinery.

2. Calculation method for operating revenue, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is generally the same as the methods listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable business segments are operating income figures.

Inter-segment sales and transfers are based on market prices.

As described in the section "Changes in Accounting Policies," the Company has revised the methods for calculating retirement benefit obligations and service costs in the current fiscal year. Accordingly, the calculating method for these items for business segments have been revised as well. The effect of this change on segment profit is insignificant.

3. Information related to operating revenue, profit or loss, assets, liabilities, and other items for each reportable segment

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Total (Note 3)
	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Total				
Operating revenue							
(1) External sales	72,595	13,983	86,578	2,907	89,486	-	89,486
(2) Inter-segment sales and transfers	-	-	-	448	448	(448)	-
Total	72,595	13,983	86,578	3,355	89,934	(448)	89,486
Segment profit	2,832	934	3,766	522	4,289	-	4,289
Segment assets	63,537	6,934	70,471	3,363	73,834	34,281	108,116
Other items:							
Depreciation	2,602	210	2,813	212	3,025	-	3,025
Increase in property, plant and equipment and intangible assets	6,756	122	6,879	316	7,195	-	7,195

- Notes:
1. "Other" is a business segment not included in reportable segments and provides construction, security, real estate, insurance agency, vehicle maintenance and other services.
 2. The adjustment of (448) million yen is elimination of inter-segment transactions.
The adjustment to segment assets of 34,281 million yen is company-wide assets that are not allocated to reportable segments.
 3. Total of segment profit is operating income as shown on the consolidated financial statements.

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Total (Note 3)
	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Total				
Operating revenue							
(1) External sales	78,122	13,739	91,862	2,809	94,672	-	94,672
(2) Inter-segment sales and transfers	-	-	-	455	455	(455)	-
Total	78,122	13,739	91,862	3,264	95,127	(455)	94,672
Segment profit	3,329	923	4,253	517	4,770	-	4,770
Segment assets	68,709	5,969	74,679	2,894	77,574	38,463	116,037
Other items:							
Depreciation	2,872	168	3,041	122	3,163	-	3,163
Increase in property, plant and equipment and intangible assets	1,287	150	1,438	30	1,468	-	1,468

- Notes:
1. "Other" is a business segment not included in reportable segments and provides construction, security, real estate, insurance agency, vehicle maintenance and other services.
 2. The adjustment of (455) million yen is elimination of inter-segment transactions
The adjustment to segment assets of 38,463 million yen is company-wide assets that are not allocated to reportable segments.
 3. Total of segment profit is operating income as shown on the consolidated financial statements.

Related information

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

1. Information by product and service

This information is omitted since the same information is presented in segment information.

2. Information by region

(1) Operating revenue

This information is omitted since sales to external customers in Japan exceeded 90% of operating revenue on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted since no external client accounts for more than 10% of consolidated operating revenue on the consolidated statement of income.

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

1. Information by product and service

This information is omitted since the same information is presented in segment information.

2. Information by region

(1) Operating revenue

This information is omitted since sales to external customers in Japan exceeded 90% of operating revenue on the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted since property, plant and equipment in Japan exceeded 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major client

This information is omitted since no external client accounts for more than 10% of consolidated operating revenue on the consolidated statement of income.

Information related to impairment of non-current assets for each reportable segment

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other business	Elimination or corporate	Total
Impairment loss	3	-	-	-	3

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other business	Elimination or corporate	Total
Impairment loss	1	-	-	-	1

Information related to goodwill amortization and the unamortized balance for each reportable segment

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other business	Elimination or corporate	Total
Amortization for the period	1	-	-	-	1
Balance at the end of period	-	-	-	-	-

Amortization for the period and unamortized balance of negative goodwill that was booked as a result of business combination before April 1, 2010 are as follows.

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other business	Elimination or corporate	Total
Amortization for the period	1	-	-	-	1
Balance at the end of period	-	-	-	-	-

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Other business	Elimination or corporate	Total
Amortization for the period	50	1	-	-	52
Balance at the end of period	1,981	67	-	-	2,049

Information related to gain on bargain purchase for each reportable segment

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

In the Logistics Operations segment, the Company's consolidated subsidiary, Maruzen Keiyo Butsuryu Co., Ltd. acquired the business of the Mobara office of MSC Logistics East Japan Co., Ltd. in November 2013. The resulting negative goodwill of 129 million yen was recorded as extraordinary income for the fiscal year ended March 31, 2014.

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

Not applicable.

Per-share Information

(Yen)

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Net assets per share	691.63	751.95
Net income per share	34.90	40.90
Diluted net income per share	34.32	35.84

Notes: 1. The basis for calculating net income per share and diluted net income per share is as follows.

	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)	FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)
Net income per share		
Net income (Millions of yen)	3,123	3,660
Amount not attributable to common shareholders (Millions of yen)	-	-
Net income applicable to common shares (Millions of yen)	3,123	3,660
Average number of shares outstanding during period (Thousand shares)	89,503	89,488
Diluted net income per share		
Adjusted to net income (Millions of yen)	(19)	(19)
[Administration charge (After deducting amount equivalent to tax) (Millions of yen)]	[(19)]	[(19)]
Increase in the number of common shares (Thousand shares)	928	12,106
[Convertible bonds (Thousand shares)]	[928]	[12,106]

2. As noted in the section “Changes in Accounting Policies,” the Company has applied the Accounting Standard for Retirement Benefits, etc. based on the transitional accounting treatments set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits.

As a result, net assets per share decreased 2.12 yen, and net income per share and diluted net income per share increased 0.07 yen each in FY3/15.

Material Subsequent Events

Not applicable.

Omission of Disclosure

Disclosure of the notes on leases, related-parties, deferred tax accounting, financial instruments, marketable securities, retirement benefits, asset retirement obligations, investment and rental property was omitted due to the minor necessity of disclosure.

6. Non-consolidated Financial Statements**(1) Balance Sheet**

	(Millions of yen)	
	FY3/14	FY3/15
	(As of Mar. 31, 2014)	(As of Mar. 31, 2015)
Assets		
Current assets		
Cash and deposits	2,856	2,231
Notes receivable-trade	995	1,024
Operating accounts receivable	15,563	15,865
Securities	8,099	6,099
Supplies	95	92
Prepaid expenses	349	335
Deferred tax assets	362	358
Short-term loans receivable	915	918
Accounts receivable-other	230	152
Suspense payments	22	19
Advances paid	638	782
Trust beneficiary right	500	1,099
Allowance for doubtful accounts	(26)	(3)
Total current assets	30,603	28,976
Non-current assets		
Property, plant and equipment		
Buildings	19,613	19,424
Structures	1,026	1,038
Machinery and equipment	1,891	1,946
Vehicle	260	207
Tools, furniture and fixtures	26	31
Land	17,135	17,213
Leased assets	62	40
Construction in progress	1,362	20
Total property, plant and equipment	41,379	39,923
Intangible assets		
Leasehold right	415	415
Trademark right	0	1
Telephone subscription right	9	8
Right of using facilities	19	20
Software	244	244
Leased assets	6	-
Software in progress	20	117
Total intangible assets	716	808
Investments and other assets		
Investment securities	12,793	15,914
Shares of subsidiaries and associates	4,297	9,330
Investments in capital	28	31
Investments in capital of subsidiaries and associates	315	315
Long-term loans receivable	447	745
Long-term prepaid expenses	90	66
Prepaid pension cost	483	188
Guarantee deposits	1,560	1,528
The terminable annuity insurance	2,899	2,707
Other	139	143
Allowance for doubtful accounts	(128)	(137)
Total investments and other assets	22,928	30,834
Total non-current assets	65,024	71,565
Total assets	95,627	100,542

	(Millions of yen)	
	FY3/14 (As of Mar. 31, 2014)	FY3/15 (As of Mar. 31, 2015)
Liabilities		
Current liabilities		
Operating accounts payable	8,215	8,304
Short-term loans payable	7,817	7,817
Current portion of long-term loans payable	783	4,188
Current portion of bonds	29	29
Lease obligations	32	19
Accounts payable-other	901	418
Accrued expenses	706	698
Income taxes payable	827	956
Accrued consumption taxes	-	592
Deposits received	150	116
Unearned revenue	117	75
Provision for bonuses	649	683
Total current liabilities	20,230	23,901
Non-current liabilities		
Bonds payable	5,086	5,054
Long-term loans payable	11,152	7,568
Lease obligations	37	22
Deferred tax liabilities	2,821	3,372
Long-term accounts payable-other	68	68
Asset retirement obligations	472	482
Other	263	238
Total non-current liabilities	19,903	16,807
Total liabilities	40,133	40,709
Net assets		
Shareholders' equity		
Capital stock	9,117	9,117
Capital surplus		
Legal capital surplus	7,842	7,842
Other capital surplus	1	2
Total capital surpluses	7,844	7,845
Retained earnings		
Legal retained earnings	1,658	1,658
Other retained earnings		
Reserve for reduction entry of replaced specific property	1,479	1,517
Reserve for retirement allowance	300	300
General reserve	30,693	32,493
Retained earnings brought forward	2,650	2,957
Total retained earnings	36,781	38,926
Treasury shares	(1,879)	(1,883)
Total shareholders' equity	51,864	54,006
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,630	5,826
Total valuation and translation adjustments	3,630	5,826
Total net assets	55,494	59,833
Total liabilities and net assets	95,627	100,542

(2) Statement of Income

	(Millions of yen)	
	FY3/14	FY3/15
	(Apr. 1, 2013 – Mar. 31, 2014)	(Apr. 1, 2014 – Mar. 31, 2015)
Operating revenue	74,193	78,081
Operating cost	68,538	72,004
Operating gross profit	5,655	6,076
Selling, general and administrative expenses	2,067	2,078
Operating income	3,587	3,998
Non-operating income		
Interest and dividend income	437	542
Miscellaneous income	131	123
Total non-operating income	569	665
Non-operating expenses		
Interest expenses	199	185
Miscellaneous loss	61	16
Total non-operating expenses	260	202
Ordinary income	3,896	4,461
Extraordinary income		
Gain on sales of non-current assets	16	31
Gain on sales of investment securities	-	58
Subsidy income	60	3
Total extraordinary income	76	93
Extraordinary losses		
Loss on sales and retirement of non-current assets	69	25
Loss on valuation of investment securities	-	21
Impairment loss	2	0
Loss on reduction of non-current assets	60	3
Total extraordinary losses	132	50
Income before income taxes	3,840	4,504
Income taxes-current	1,250	1,530
Income taxes-deferred	80	(92)
Total income taxes	1,330	1,437
Net income	2,509	3,066

(3) Statement of Changes in Equity

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Millions of yen)

	Shareholders' equity											
	Capital stock	Capital surplus			Retained earnings						Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings		
						Reserve for reduction entry of replaced specific property	Reserve for retirement allowance	General reserve	Retained earnings brought forward			
Balance at beginning of current period	9,117	7,842	1	7,844	1,658	1,518	300	29,293	2,232	35,001	(1,873)	50,090
Cumulative effects of changes in accounting policies				-						-		-
Restated balance	9,117	7,842	1	7,844	1,658	1,518	300	29,293	2,232	35,001	(1,873)	50,090
Changes of items during period												
Reversal of reserve for reduction entry of replaced specific property				-		(38)			38	-		-
Change in reserve for advanced depreciation of non-current assets due to change in tax rate				-						-		-
Dividends of surplus				-					(729)	(729)		(729)
Provision of general reserve				-				1,400	(1,400)	-		-
Disposal of treasury shares			0	0						-	0	0
Purchase of treasury shares				-						-	(6)	(6)
Net income				-					2,509	2,509		2,509
Net changes of items other than shareholders' equity				-						-		-
Total changes of items during period	-	-	0	0	-	(38)	-	1,400	418	1,780	(6)	1,773
Balance at end of current period	9,117	7,842	1	7,844	1,658	1,479	300	30,693	2,650	36,781	(1,879)	51,864

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	2,866	2,866	52,956
Cumulative effects of changes in accounting policies		-	-
Restated balance	2,866	2,866	52,956
Changes of items during period			
Reversal of reserve for reduction entry of replaced specific property		-	-
Change in reserve for advanced depreciation of non-current assets due to change in tax rate		-	-
Dividends of surplus		-	(729)
Provision of general reserve		-	-
Disposal of treasury shares		-	0
Purchase of treasury shares		-	(6)
Net income		-	2,509
Net changes of items other than shareholders' equity	763	763	763
Total changes of items during period	763	763	2,537
Balance at end of current period	3,630	3,630	55,494

FY3/15 (Apr. 1, 2014 – Mar. 31, 2015)

(Millions of yen)

	Shareholders' equity											
	Capital stock	Capital surplus			Retained earnings						Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings				Total retained earnings		
						Reserve for reduction entry of replaced specific property	Reserve for retirement allowance	General reserve	Retained earnings brought forward			
Balance at beginning of current period	9,117	7,842	1	7,844	1,658	1,479	300	30,693	2,650	36,781	(1,879)	51,864
Cumulative effects of changes in accounting policies				-					(192)	(192)		(192)
Restated balance	9,117	7,842	1	7,844	1,658	1,479	300	30,693	2,458	36,589	(1,879)	51,671
Changes of items during period												
Reversal of reserve for reduction entry of replaced specific property				-		(35)			35	-		-
Change in reserve for advanced depreciation of non-current assets due to change in tax rate				-		73			(73)	-		-
Dividends of surplus				-					(729)	(729)		(729)
Provision of general reserve				-				1,800	(1,800)	-		-
Disposal of treasury shares			0	0						-	1	2
Purchase of treasury shares				-						-	(4)	(4)
Net income				-					3,066	3,066		3,066
Net changes of items other than shareholders' equity				-						-		-
Total changes of items during period	-	-	0	0	-	38	-	1,800	499	2,337	(3)	2,335
Balance at end of current period	9,117	7,842	2	7,845	1,658	1,517	300	32,493	2,957	38,926	(1,883)	54,006

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of current period	3,630	3,630	55,494
Cumulative effects of changes in accounting policies		-	(192)
Restated balance	3,630	3,630	55,301
Changes of items during period			
Reversal of reserve for reduction entry of replaced specific property		-	-
Change in reserve for advanced depreciation of non-current assets due to change in tax rate		-	-
Dividends of surplus		-	(729)
Provision of general reserve		-	-
Disposal of treasury shares		-	2
Purchase of treasury shares		-	(4)
Net income		-	3,066
Net changes of items other than shareholders' equity	2,196	2,196	2,196
Total changes of items during period	2,196	2,196	4,531
Balance at end of current period	5,826	5,826	59,833

7. Others

(1) Changes in Directors

1) Changes in representative

Planned changes

Senior Adviser Masayoshi Noguchi (currently Chairman)

2) Changes in other directors

Candidates for directors

Director Hidetaka Ryukoden (currently Head of Kawasaki Branch)

Director Masamichi Wakao (currently Head of Kanto Branch)

Director Hirotsugu Okada (currently Head of Chubu Branch)

Retiring Directors

Managing Director Kiyoshi Suzuki (to be appointed as Special Advisor)

Managing Director Hidetsugu Ueyama (to be appointed as President of Maruzen Densan Logistics Corporation)

Director candidates for promotion

Managing Director Hitoshi Kayama (currently Director)

Managing Director Hideaki Suzuki (currently Director)

3) Effective date

June 26, 2015

This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.