

## Financial Results for the Three-Month Period Ended September 30, 2015

November 12, 2015

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 Code No.: 9028  
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 Briefing session for the financial results for 1Q FY2015: None

### 1. Consolidated Financial Results for the Three-Month Period Ended September 30, 2015 (From July 1, 2015 to September 30, 2015)

(1) Consolidated Results (Figures less than one million yen are rounded down.)  
 Percentages shown below are the rates of increase or decrease compared with the same period of the previous year

	Sales		Operating income		Ordinary income		Net income attributable to owners of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three-Month Period Ended Sep. 30, 2015	19,311	12.8	1,293	210.7	1,403	207.3	878	241.1
Three-Month Period Ended Sep. 30, 2014	17,125	9.3	416	-37.8	456	-32.5	257	-30.6

(Note) Comprehensive income: 1Q FY2015 830 million yen (279.0%)  
 1Q FY2014 219 million yen (-46.3%)

	Earnings per share-basic	Earnings per share-diluted
	Yen	Yen
Three-Month Period Ended Sep. 30, 2015	52.28	-
Three-Month Period Ended Sep. 30, 2014	15.08	-

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2015	33,664	16,693	49.6	1,006.11
As of June 30, 2015	35,145	16,605	47.2	971.51

(Ref.) Shareholders' equity: As of Sep. 30, 2015: 16,693 million yen As of June 30, 2015: 16,605 million yen

## 2. Dividends

	Dividend per share				
	At end of 1Q	At end of 2Q	At end of 3Q	At end of 4Q	Annual total
	Yen	Yen	Yen	Yen	Yen
FY2014	-	8.00	-	19.50	27.50
FY2015	-				
Forecast for FY2015		10.00	-	23.60	33.60

(Note) Revision from the latest dividend forecast: None

## 3. Consolidated Forecasts for FY2015 (From July 1, 2015 to June 30, 2016)

Percentages shown below for whole FY2014 are the rates of increase or decrease compared with the previous year.

	Sales		Operating income		Ordinary income		Net income attributable to owners of parent company		Earnings per share - basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Whole FY 2015	76,400	-1.1	3,850	5.1	3,930	4.2	2,300	22.4	134.56

(Note) Revision to the latest consolidated forecasts: None

## 4. Others

- (1) Changes in important subsidiaries during period (Transfer of particular subsidiary which involves the change of scope of consolidation.): N/A
- (2) Application of particular accounting methods for quarterly consolidated financial statements: N/A
- (3) Changes in accounting policies, accounting estimates and restatement of corrections
  - ① Changes in accordance with the revision of accounting standards and others: Yes
  - ② Changes other than above: N/A
  - ③ Changes in accounting estimates: N/A
  - ④ Restatement of corrections: N/A
- (4) Number of issued shares (common shares)
  - ① Number of issued shares (including treasury stock) at the end of each period:  
As of September 30, 2015: 17,560,242      As of June 30, 2015: 17,560,242
  - ② Number of treasury stock at the end of each period:  
As of September 30, 2015: 967,732      As of June 30, 2015: 467,732
  - ③ Average number of issued shares during the first quarter of the fiscal year (excluding treasury shares)  
1Q FY 2015: 16,809,901      1Q FY 2014: 17,092,531

### ❖Implementation status review procedure

This financial report is exempt from the review procedure based upon the Financial Instruments and Exchange Act. The financial statements are under the review procedure at the time of disclosure of this report.

### ❖Explanation regarding appropriate use of forecasts

Statements in this report relating to future matters such as earnings forecasts are based on information presently available. Actual results may differ from those forecasts depending on various factors.

## Table of Contents of Attachments

1. Qualitative Information .....	2
(1) Analysis of business performance .....	2
(2) Analysis of the financial condition .....	3
(3) Forecast for the next consolidated fiscal year .....	3
2. Summary Information (Notes) .....	4
(1) Changes in important subsidiaries during period .....	4
(2) Application of particular accounting methods for quarterly consolidated financial statements.....	4
(3) Changes in accounting policies, accounting estimates and restatement of corrections.....	4
(4) Additional information.....	4
3. Consolidated Financial Statements .....	5
(1) Consolidated Balance Sheet .....	5
(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement.....	7
(Consolidated Income Statement)	
First three months .....	7
(Consolidated Comprehensive Income Statement) .....	
First three months .....	8
(3) Notes to Consolidated Financial Statements .....	9
(Note for the assumption of going concern) .....	9
(Note concerning major changes in shareholders' equity) .....	9
(Segment Information) .....	9

## 1. Qualitative Information

### (1) Analysis of business performance

While affected by the economic downturn in China and Eastern Asian countries, the nation's economy during the first three months of fiscal 2015 (referred to as the "current term") continues its progress to recovery due to improvements in corporate earnings and employment situation. On the other hand, with the global economic increasingly showing signs of a slowdown against the backdrop of a slowdown in the Chinese economy, the nation's economic prospect remains unclear.

In the automobile industry, new vehicle sales in the domestic market turned out to be 93.2% of that in the corresponding quarter from the previous year (hereinafter referred as "year-on-year") (Japan Automobile Manufacturers Association's statistical data), with performance being affected by the hike in vehicle taxes on mini-cars. On the other hand, with the yen continuing to be weak the situation has remained favorable to exports to overseas markets, recording a year-on-year increase.

The used car market is in a downturn due to a weakening in consumer confidence, but in the latest quarter showed signs of recovery on a year-on-year basis. While the export of used cars dropped in the latest quarter, it still demonstrates healthy movement.

Under these circumstances, our Group promoted strategic sales activities matching the changes in the market environment in each of its segments, created higher added-value services by strengthening the group synergy of its three businesses, and worked to strengthen cost reduction and other profit administration systems.

Our Group's financial results for the first three month of fiscal year 2015 recorded sales of 19,311 million yen (112.8% year-on-year) and operating income of 1,293 million yen (310.7% year-on-year), thus posting year-on-year increase in sales and income. Upon taking non-operating gains and losses into account, ordinary income was 1,403 million yen (307.3% year-on-year), and net income attributable to owners of parent company was 878 million yen (341.1% year-on-year).

【No. of Motor Vehicles Related to Domestic Distribution】		Unit : Units		
Domestic Sales		July 2014-September 2014	July 2015-September 2015	Year-on-year Change (%)
<b>New Vehicles</b>				
Domestic automakers	*1	1,242,962	1,158,921	93.2%
(Nissan Motor Co. only)	*1	(157,066)	(144,314)	(91.9%)
Foreign automakers	*2	69,545	72,595	104.4%
<b>Used Cars</b>				
Passenger cars	*3	858,339	864,692	100.7%
Mini-cars	*4	676,185	673,010	99.5%
Total used cars		1,534,524	1,537,702	100.2%
Deregistered vehicles	*3	59,396	51,134	86.1%

  

Exports		July 2014-September 2014	July 2015-September 2015	Year-on-year Change (%)
Domestic automakers' new vehicles	*1	1,147,292	1,157,234	100.9%
Used passenger cars	*5	366,908	354,709	96.7%

\*1: Calculated using the Japan Automobile Manufacturers Association's statistics

\*2: Calculated using the Japan Automobile Importers Association's statistics

\*3: Calculated using the Japan Automobile Dealers Association's statistics

\*4: Calculated using the Japan Light Motor Vehicle and Motorcycle Association's statistics

\*5: Calculated using the number of deregistered used cars for export listed in the Japan Automobile Dealers Association's statistics

① Automobile-related Business

In this business segment, domestic sales of Nissan Motor Company, our major customer, was affected by a downturn in consumer confidence, and posted sales of 144,314 units (91.9% year-on-year) of new vehicles in Japan (Japan Automobile Manufacturers Association's statistical data).

Due to the above reasons, the sales of Nissan's new cars transportation decreased. However, efforts were made to increase used car export, transportation for new customers and effects of value added contingent work, revision of charge; as a result, the automobile-related business posted an overall increase year on year.

As a result, this segment's sales rose to 14,833 million yen (112.6% year-on-year) and profit was 1,438 million yen (215.8% year-on-year).

② Human Resources Business

In this segment, while companies seeking human resources are on the increase as the nation's economy is on a recovery trend, our corporate clients continue to be very strict in terms of dispatch and contract work fees. Under these circumstances, we were able to increase sales in this segment, thanks to steady efforts to develop new sales regions and customers through strong sales activities and enhanced sales operations in the employee dispatch business.

As a result, this segment posted sales of 3,266 million yen (112.0% year on year) but due to increase in recruitment costs, etc., profits were 107 million yen (98.1% year-on-year).

③ General Cargo Transportation Business

Sales of 1,335 million yen (117.1% year-on-year) was recorded in this business segment. The main business of port cargo handling showed steady performance, and as there were improvements in the business efficiency from the cost aspect, this segment posted profit of 254 million yen (323.5% year-on-year).

Incidentally, concerning unclassifiable group-wide expenses (expenses concerning the company's administrative departments) and the amortization of goodwill, etc., which are not included in the above profit and loss by segment, they are recognized as "Adjustments" items as listed in "Segment Information" in "3. Consolidated Financial Statements" and amounted to 507 million yen.

(2) Analysis of the financial condition

(Assets)

Compared to the end of the previous term, current assets decreased by 1,492 million yen (8.8%) to 15,398 million yen.

This is chiefly due, despite the increase of notes and accounts receivable-trade by 381 million yen, to the decrease of cash and deposits by 1,628 million yen. Compared to the end of the previous term, fixed assets increased by 11 million yen (0.1%) to 18,266 million yen. This is chiefly due, despite the increase of construction in progress by 63 million yen, and machinery, to the decrease of goodwill by 86 million yen.

As a result of the foregoing, compared to the end of the previous term, total assets decreased by 1,480 million yen (4.2%) to 33,664 million yen.

(Liabilities)

Compared to the end of the previous term, current liabilities decreased by 1,302 million yen (11.7%) to 9,804 million yen. This is chiefly due to the decrease in allowance for bonus by 174 million yen, income taxes payable by 399 million yen and accrued consumption taxes by 207 million yen.

Compared to the end of the previous term, long-term liabilities decreased by 267 million yen (3.6%) to 7,166 million yen. As a result of the foregoing, compared to the end of the previous term, total liabilities decreased by 1,569 million yen (8.5%) to 16,970 million yen.

(Net Assets)

Compared to the end of the previous term, net assets increased by 88 million yen (0.5%) to 16,693 million yen. This is chiefly due, despite acquisition of treasury stock, etc., to posting of net income attributable to owners of parent company which increased retained earnings.

(3) Forecast for the next consolidated fiscal year

The forecast has not changed from the consolidated forecast published on August 7, 2015.

2. Summary Information (Notes)

(1) Changes in important subsidiaries during period: N/A

(2) Application of particular accounting methods for quarterly consolidated financial statements: N/A

(3) Changes in accounting policies, accounting estimates and restatement of corrections

(Application of the ASBJ Statement)

The Company has applied “Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013) (hereinafter referred to as the “Business Combinations Accounting Standard”), “Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013) hereinafter referred to as the “Consolidation Accounting Standard”), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) (hereinafter referred to as the “Business Divestitures Accounting Standard” ) and other standards from the current term. Accordingly, the accounting methods have been changed to record the difference arising from changes in equity in subsidiaries which the Company continues to control as capital surplus, and to record business acquisition costs as expenses for the fiscal year in which incurred. In addition, regarding business combinations occurring on or after the start of the current term, the accounting method has been changed to retroactively reflect adjustments to the amount allocated to acquisition costs arising from the finalization of the provisional accounting treatment on the consolidated financial statements of the period in which the business combination occurs. Furthermore, presentation of Net income has been changed. In order to reflect the changes in presentation of financial statements, reclassification was made accordingly in the quarterly consolidated financial statements for the three months ended September 30, 2014.

The Business Combinations Accounting Standard and other standards have been applied from the start of the current term in accordance with the transitional treatment set forth in Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard and Article 57-4 (4) of the Business Divestitures Accounting Standard. Incidentally, there is no effect on the profits and losses in the quarterly consolidated financial statements for the current term and on the capital surplus at the end of the current accounting period.

(4) Additional Information

(Abolition of Retirement Benefits for Directors)

At the ordinary general meeting of shareholders convened on September 29, 2015, a resolution was passed to make final payment pursuant to abolition of the directorate retirement benefits system. Pursuant to the foregoing, the Company reversed the full amount of “Provision for retirement benefits for director” and included the outstanding balance under “Others” of Long-term liabilities as long-term accounts payable in order to continue to be prepared to pay retirement benefits for directors.

Incidentally, in some of the consolidated subsidiaries, in order to prepare for payment of retirement benefits to directors, the amounts to be paid based on internal regulations have been recognized under “Provision for retirement benefits for directors”.

(Introduction of a Performance-based Stock Compensation Program)

At the ordinary general meeting of shareholders convened on September 29, 2015, a resolution was passed to newly introduce a new stock compensation program ‘Board Benefit Trust (BBT)’ (hereinafter referred to as the “Program”) for the Company’s directors, auditors and executive officers (excluding those serving concurrently as officers of the Company’s parent company, outside directors and outside auditors) (hereinafter referred to as the “Directors and

Others”). The purpose of the Program is to make clearer the link between compensation of the Directors and Others and the Company’s performance and stock prices, and by having the Directors and Others share not only the merits of an increase in stock prices but the risks of a drop in stock prices, increase the awareness of the Directors and Others of their contribution to improving medium to long-term performance and increasing corporate value.

This is a performance-based stock compensation program whereby shares of the Company are acquired by the Trust using money contributed as funds by the Company, and distributed by the Trust in accordance with the Rules on Distributions of Board Benefits based on points given to each of the Directors and Others in view of their positions and performance. Incidentally, the shares of the Company shall be distributed to the Directors and Others as a general rule when they leave their positions.

#### Outline of the Trust

- (i) Designation: Board Benefit Trust (BBT)
- (ii) Trustor: The Company
- (iii) Trustee: Mizuho Trust & Banking Co., Ltd.
- (iv) Beneficiaries: Those who have left the position of director, auditor, or executive officer, and who satisfy the requirements for benefits set forth in the Rules on Distributions of Board Benefits
- (v) Trust administrator: A third party with no interests in the Company is scheduled to be selected
- (vi) Type of trust: Trust of money other than cash trust (third-party trust)
- (vii) Date of conclusion of the Trust Agreement: December 2015 (tentative)
- (viii) Date of entrustment of money: December 2015 (tentative)
- (ix) Period of the trust: From December 2015 (tentative) to expiration of the trust (the trust shall not have a definite expiration date, but shall continue as long as the Program exists)
- (x) Maximum amount of money to be contributed: 500 million yen (subject period shall be the five fiscal years from the fiscal year ending on June 30, 2016 to the fiscal year ending on June 30, 2020)
- (xi) Method of Acquisition of the Company’s Shares: Either through acquisition from the stock market, or subscription to disposition of treasury stock

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Unit: million yen)

	As of June 30, 2015	As of September 30, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	6,051	4,422
Notes and accounts receivable - trade	8,448	8,829
Merchandise	812	786
Supplies	82	83
Deferred tax assets	262	262
Others	1,320	1,100
Allowance for doubtful accounts	(87)	(87)
Total current assets	16,890	15,398
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	3,288	3,240
Machinery, equipment and vehicles, net	218	226
Tools, furniture and fixtures, net	67	66
Land	7,939	7,939
Lease assets, net	2,059	1,985
Construction in progress	73	136
Total property, plant and equipment	13,647	13,596
Intangible assets		
Goodwill	1,227	1,140
Others	535	542
Total intangible assets	1,763	1,683
Investments and other assets		
Investment securities	1,468	1,487
Long-term loans receivable	85	106
Deferred tax assets	406	431
Others	1,004	1,067
Allowance for doubtful accounts	(120)	(105)
Total investments and other assets	2,844	2,986
Total fixed assets	18,255	18,266
Total assets	35,145	33,664

	As of June 30, 2015	As of September 30, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,212	3,322
Short-term loans payable	880	860
Current portion of long-term loans payable	1,335	1,278
Income taxes payable	948	549
Accrued consumption taxes	649	441
Allowance for bonus	435	260
Allowance for sub-lease loss	15	15
Others	3,629	3,075
<b>Total current liabilities</b>	<b>11,106</b>	<b>9,804</b>
Long-term liabilities		
Long-term loans payable	1,823	1,575
Deferred tax liabilities	14	10
Deferred tax liabilities for land revaluation	987	987
Provision for retirement benefits for directors	496	105
Allowance for sub-lease loss	28	24
Provision for retirement benefits	2,155	2,116
Asset retirement obligation	84	84
Others	1,842	2,261
<b>Total long-term liabilities</b>	<b>7,433</b>	<b>7,166</b>
<b>Total liabilities</b>	<b>18,540</b>	<b>16,970</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,390	3,390
Capital surplus	3,204	3,204
Retained earnings	10,317	10,862
Treasury stock	(152)	(561)
<b>Total shareholders' equity</b>	<b>16,759</b>	<b>16,896</b>
Accumulated other comprehensive income		
Unrealized gains (losses) on securities	54	38
Revaluation reserve for land	(603)	(603)
Foreign currency translation adjustment	147	155
Accumulated retirement allowance adjustment	247	208
<b>Total accumulated other comprehensive income</b>	<b>(154)</b>	<b>(202)</b>
<b>Total net assets</b>	<b>16,605</b>	<b>16,693</b>
<b>Total liabilities and net assets</b>	<b>35,145</b>	<b>33,664</b>

## (2) Consolidated Income Statement and Consolidated Comprehensive Income Statement

(Consolidated Income Statement)  
(First three months)

(Unit: million yen)

	First three months of FY14 (from July 1, 2014) to Sep. 30, 2014)	First three months of FY15 (from July 1, 2015) to Sep. 30, 2015)
Sales	17,125	19,311
Cost of sales	14,987	16,146
Gross profit	2,138	3,164
Selling, general and administrative expenses	1,722	1,871
Operating income	416	1,293
Non-operating income		
Interest income	0	0
Dividend income	1	0
Commission fee	15	16
Equity in earnings of affiliates	9	35
Others	39	77
Total non-operating income	66	130
Non-operating expenses		
Interest expenses	16	18
Loss on disposal of supplies	7	—
Others	1	1
Total non-operating expenses	25	19
Ordinary income	456	1,403
Extraordinary income		
Gain on sale of fixed assets	0	1
Total extraordinary income	0	1
Extraordinary loss		
Loss on disposal of fixed assets	1	1
Total extraordinary losses	1	1
Net income before tax adjustments	455	1,404
Income taxes	197	525
Net income	257	878
Net income attributable to owners of parent company	257	878

(Consolidated Comprehensive Income Statement)  
 (First three months)

(Unit: million yen)

	First three months of FY14 (from July 1, 2014 to Sep. 30, 2014)	First three months of FY15 (from July 1, 2015 to Sep. 30, 2015)
Income before minority interests	257	878
Other comprehensive income		
Unrealized gains (losses) on securities	5	(15)
Accumulated retirement allowance adjustment	(22)	(39)
Equity of equity-method affiliate	(22)	7
Total other comprehensive income (loss)	(38)	(48)
Comprehensive income	219	830
(Breakdown)		
Parent company portion of comprehensive income	219	830

(3) Notes to Consolidated Financial Statements

(Note for the assumption of going concern)

None.

(Note concerning major changes in shareholders' equity)

None.

Segment Information

**1. Sales and profit for each reportable segment for the first three months of FY2014 (from July 1, 2014 to September 30, 2014)**

(Unit: million yen)

	Automobile transportation-related	Human resources	General cargo transportation	Total	Elimination and corporate	Consolidated
Sales						
(1) Sales of external customers	13,158	2,845	1,121	17,125	-	17,125
(2) Internal sales between business segments or transfer	15	70	18	104	(104)	-
Total	13,173	2,915	1,140	17,229	(104)	17,125
Operating income	666	109	78	854	(438)	416

(Notes)

1. Elimination of -438 million yen includes corporate expense of -357 million yen, goodwill amortization of -82 million yen and elimination among the segments of 1 million yen. The corporate expense is the expense of the administrative departments which do not belong to any reported segment.
2. The segment profit is adjusted according to the operating profit in the quarterly consolidated profit and loss statement.

**2. Sales and profit for each reportable segment for the first three months of FY2015 (from July 1, 2015 to September 30, 2015)**

(Unit: million yen)

	Automobile transportation-related	Human resources	General cargo transportation	Total	Elimination and Corporate (Note 1)	Consolidated (Note 2)
Sales						
(1) Sales for external customers	14,817	3,178	1,315	19,311	-	19,311
(2) Internal sales between business segments or transfer	16	87	20	124	(124)	-
Total	14,833	3,266	1,335	19,435	(124)	19,311
Operating income	1,438	107	254	1,800	(507)	1,293

(Notes)

1. Elimination of -507 million yen includes corporate expense of -420 million yen, goodwill amortization of -86 million yen and elimination among the segments of 0 million yen. The corporate expense is the expense of the administrative departments which do not belong to any reported segment.
2. The segment profit is adjusted according to the operating profit in the quarterly consolidated profit and loss statement.