Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2015 [J-GAAP] (Consolidated)

August 8, 2014

Company Name:	Kintetsu World Express, Inc. (KWE)		
Stock exchange listed on:	Tokyo Stock Exchange (First Section)		
Company code:	9375	URL:	http://www.kwe.co.jp

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The date of filing the quarterly financial statements: August 12, 2014
The date of the dividend payment start (planned): –
Preparation of quarterly earnings presentation material: No
Holding of quarterly earnings announcement: No

(Figures are rounded down to the nearest million yen.)

1. Consolidated earnings results for the first three months of the fiscal year ending March 2015 (April 1, 2014– June 30, 2014)

(1) Consolidated business results

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
First three months ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
June 30, 2014	75,240	16.4	3,193	17.8	3,573	22.1	659	(51.7)
June 30, 2013	64,644	0.7	2,710	(19.4)	2,925	(20.4)	1,364	(42.7)

(Note) Comprehensive income First three months ended June 30, 2014: (810)million yen (— %)
First three months ended June 30, 2013: 6,129 million yen (12.4%)

	Net income per share	Diluted net income per share
First three months ended	(Yen)	(Yen)
June 30, 2014	18.32	—
June 30, 2013	37.90	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of June 30, 2014	169,195	109,596	63.0	2,959.60
As of March 31, 2014	167,966	111,231	64.5	3,009.69

(Reference) Shareholders' equity As of June 30, 2014: 106,543 million yen As of March 31, 2014: 108,346 million yen

2. Dividends

	Annual dividends				
	Q1	Q2	Q3	Year-end	Full fiscal year
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 31, 2014	—	15.00	—	25.00	40.00
Fiscal year ending March 31, 2015	—				
Fiscal year ending March 31, 2015 (Forecasts)		17.00	—	27.00	44.00

(Note) Revisions to the most recently disclosed dividend forecasts: No

3. Consolidated earnings forecasts for the fiscal year ending March 2015 (April 1, 2014 – March 31, 2015)

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
First half	150,000	11.8	6,600	5.8	7,000	2.9	3,000	(26.2)	83.33
Full fiscal	310,000	10.1	16,000	16.4	16,000	4.8	10,100	7.2	280.56

(Note) Revisions to the most recently disclosed earnings forecasts: Yes

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries in accordance with changes in the scope of consolidation): No

(2) Application of special accounting treatment in preparing the quarterly consolidated financial statements: Yes

Note: Please refer to "2. Matters concerning Summery Information (Notes), (2) Application of Special Accounting Treatment in Preparing the Quarterly Consolidated Financial Statements" on page 6 of the attachment.

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

1) Changes in accounting policies with revision of accounting standards, etc. : Yes
2) Changes in accounting policies other than 1) above: Yes
3) Changes in accounting estimates: Yes
4) Restatement of revisions: No

This falls under Article 10-5 of "Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statement." Please refer to 2. Matters concerning Summery Information (Notes), (3) Changes in Accounting Policies and Accounting Estimates, and Restatement" on page 4 of the attachment.

(4) Number of issued shares (common shares)

1) Number of issued shares (including treasury stock)	As of June 30, 2014:	36,000,000 shares	As of March 31, 2014:	36,000,000 shares
2) Number of treasury stock	As of June 30, 2014:	714 shares	As of March 31, 2014:	714 shares
3) Average number of shares during the period	First three months ended June 30, 2014:	35,999,286 shares	First three months ended June 30, 2013:	35,999,286 shares

* Implementation status of quarterly review procedures

The quarterly review procedures stipulated in the Financial Instruments and Exchange Act are not applicable to this Financial Results report, and the procedures have not been completed when this Financial Results report was disclosed.

* Explanation of the proper use of earnings forecasts and other special notes

(Remarks on forward-looking statements)

The statements about future described on this report such as earnings forecasts have been made based on information currently available and certain assumptions considered reasonable, and it is not intended to assure that we will achieve such results. Actual earnings may differ significantly from the above forecasts for various reasons. For the assumptions for earnings forecasts and cautions regarding the use of the earnings forecasts, please refer to "1. Qualitative Information concerning Consolidated Earnings Results for the First Three Months of the Fiscal Year Ending March 2015 (3) Explanation about Future Forecast Information including Consolidated Earnings Forecast" on page 5.

1. Qualitative Information concerning Consolidated Earnings Results for the First Three Months of the Fiscal Year Ending March 2015

(1) Explanation about Operating Results

During the three months ended June 30, 2014, a cold wave in the U.S. resulted in a decline in consumer spending and export, European economy showed signs of recovery but only weakly, and the economic growth in China and other emerging countries has been slowing down.

In Japan, there was a slight impact from backlash after the last-minute rise in demand before consumption tax rise, but the overall economy continued to show gradual recovery due to effects of various government policies.

In the international logistics market, the primary focus of the KWE Group, air freight transportation market started to recover gradually.

Under such conditions, for the three months ended June 30, 2014, the KWE Group's freight operations saw air freight export rose 10.3 %[*1], and air freight imports increased 4.5 %[*2] year-on-year. Sea freight exports also rose 15.2 %[*3], and imports increased 6.6 %[*2]. Logistics showed favorable results as the overseas business expanded in Asia.

Operating results by each segment are as follows. Starting from the three months ended June 30, 2014, the Philippine business was reclassified from "East Asia & Oceania" to "Southeast Asia" in reportable segment classification as a result of the review of the Group management unit, and the comparison and analysis for the current quarter is based on the new classification.

Japan

With regard to air freight exports, electronic products and automotive-related products were firm, resulting in a increase of 8.3 %[*1] year-on-year. Air freight imports decreased 1.5 %[*2] despite an increase in electronic products including personal computers due to lackluster activities for other products. As for sea freight, exports increased 17.4 %[*3] due to an increase in electronic products including semiconductor equipment and chemical products shipment, and imports also rose 5.7 %[*2] due to increases in PCs and its peripherals, and solar panels. In logistics, the volume increased in domestic affiliates due to an increase in transportation demand before consumption tax rise.

As a result, net sales for Japan, including domestic subsidiaries, increased 8.0 % to 27,572 million yen, and operating income increased 2.3 % to 1,125 million yen.

The Americas

Air freight exports decreased 5.9%[*1] year-on-year, despite a steady shipments of medical products, as the overall volume was stagnant including a decline in spot shipments. Air freight imports fell 2.2%[*2] due to a decrease in shipments by major customers while spot shipments were firm. In sea freight, exports rose 9.4%[*3] as aerospace products, lumber and grains increased, and imports also rose 13.9%[*2] as a result of an increase in electronic products and automotive-related products. Logistics remained sluggish overall due to a decline in Canada.

As a result, net sales for the Americas increased 9.0 % to 9,647 million yen, and operating income rose 44.9 % to 504 million yen.

The exchange rate used to translate U.S. dollars to Japanese yen was U.S.$1 = ¥ 102.78 and U.S.$1 = ¥ 92.42 for the three months ended June 30, 2014 and 2013, respectively.

Europe, Middle East & Africa

Air freight exports rose by 37.1 %[*1] year-on-year because of increases in automotive-related products, medical products and spot shipments. Air freight imports increased 27.2%*2 due to favorable growth primarily in automotive-related products and electronic products. In sea freight, exports increased 3.7%*3 due to increases in automotive-related products and plant-related transportation, and imports increased 8.4%*2 due to increases in chemical goods and electronic products. In logistics, overall volume decreased due to low volume in the U.K. and Germany.

As a result, net sales for Europe, Middle East & Africa increased 28.0% to 9,165 million yen, and operating income increased 74.9% to 170 million yen year-on-year.

The exchange rate used to translate Euro to Japanese yen was €1 = ¥140.79 and €1 = ¥122.04 for the three months ended June 30, 2014 and 2013, respectively.

East Asia & Oceania

Air freight exports increased 17.5%*1 year-on-year due to increases in equipment transportation and electronic products. Air freight imports also increased 2.6%*2 as with exports due to a steady growth in equipment transportation and electronic products. As for sea freight, exports increased 11.7%*3 due to increases in PCs and its peripherals and clothing, and imports also increased 3.0%*2 due to an increased volume of mainly electronic products. Logistics volume increased due to firm operation in bonded warehouse in China.

As a result, net sales for East Asia & Oceania increased 28.0% to 21,676 million yen, and operating income rose 43.1%% to 1,085 million yen.

Southeast Asia

Air freight exports increased 1.5%*1 year-on-year due to a steady growth in electronic products. Air freight imports also increased 11.7%*2 due to increase in electronic products and spot shipments. For sea freight, exports increased 26.7%*3 due to an increase mainly in automotive-related products, and imports also increased 9.4%*2 due to increases in electronic products and automotive-related products. In logistics, business with major electronic companies increased in Singapore.

As a result, net sales for Southeast Asia increased 17.5% to 8,691 million yen, but operating income fell 50.2% year-on-year to 129 million yen due to increase in indirect costs.

*1 based on weight	*2 based on number of shipments	*3 based on TEUs (Twenty-foot Equivalent Units)

As described above, the whole KWE Group worked together to promote sales activities, and net sales for the three months ended June 30, 2014 increased 16.4% year-on-year to 75,240 million yen, operating income increased 17.8% to 3,193 million yen, ordinary income increased 22.1% to 3,573 million yen, but net income decreased 51.7 % to 659 million yen. For the three months ended June 30, 2014, the Group recorded allowance for provision for U.S. antitrust matter of 1,745 million in extraordinary losses.

(2) Explanation about Financial Position

Assets, liabilities, and net assets

Total assets as of June 30, 2014 increased 1,228 million yen from March 31, 2014 to 169,195 million yen. Current assets decreased 2,145 million yen due to decreases in cash and deposits of 1,447 million yen and in other current assets of 1,040 million yen. Noncurrent assets increased 3,374 million yen due to increases in goodwill arising from acquisition of subsidiary's stock of 1,027 million yen and in investment and other assets of 2,351 million yen.

Total liabilities increased 2,862 million yen to 59,598 million yen. Current liabilities increased 2,447 million yen due to increases in short-term loans payable of 3,414 million yen and recording of provision for U.S. antitrust matter of 1,745 million yen while notes and operating accounts payable-trade decreased 1,200 million yen and income taxes payable decreased 985 million yen. Noncurrent liabilities increased 415 million yen due to an increase in net defined benefit liability of 471 million yen.

Net assets decreased 1,634 million yen to 109,596 million yen due to decrease in retained earnings and in foreign currency translation adjustment, resulting in the equity ratio of 63.0 %.

(3) Explanation about Future Forecast Information including Consolidated Earnings Forecast

The Group revised consolidated earnings forecast for the six months ending September 30, 2014 announced on May 8, 2014 as follows:

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A) (Announced on May 8, 2014)	150,000	7,400	7,400	4,700	¥130.56
Revised forecast (B)	150,000	6,600	7,000	3,000	¥83.33
Changes (B) – (A)	—	(800)	(400)	(1,700)	—
Change (%)	—	(10.8)	(5.4)	(36.2)	—
(Ref.) Actual results of six months ended September 30, 2013	134,121	6,238	6,805	4,064	¥112.90

(Reason of revision)

In relation to the class action against the Company alleging a violation of U.S. antitrust act concerning international airfreight transportation service, we recorded provision for allowance for U.S. antitrust matter of 1,745 million yen in extraordinary losses during the three months ended June 30, 2014 as a current estimate of possible future loss. Also, the lower-than-expected results of KWE Japan and overseas subsidiaries are also reflected in the revision. There are no changes in consolidated earnings forecasts for the fiscal year ending March 31, 2015 at this point from those announced on May 8, 2014.

(Note) Cautionary Statement concerning Earnings Forecasts

The forecasts above are based on information currently available. Actual performance may differ from the above forecasts due to various factors.

2. Matters concerning Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Treatment in Preparing the Quarterly Consolidated Financial Statements

Tax expenses are calculated as income before income taxes and minority interests for the quarter multiplied by the estimated effective tax rate. The effective tax rate is reasonably estimated taking into consideration deferred tax accounting as the rate applicable to income before income taxes and minority interests for the consolidated fiscal year including the quarter ended June 30, 2014.

(3) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatement of Revisions

(Change of the calculation method of retirement benefit obligations and service costs)

Effective April 1, 2014, the Group applied the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan ("ASBJ") Statement No. 26, May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012) with respect to the article 35 of the Accounting Standard for Retirement Benefits and the article 67 of the Guidance on Accounting Standard for Retirement Benefits. Consequently, the calculation method of retirement benefit obligations and service costs was reviewed, and the period attribution method for estimated retirement benefits was changed from the straight-line basis to benefit formula basis. The Group also changed the method of determining the discount rate from the method where discount rate is determined using the period approximate to the expected average remaining working lives of employees as the underlying bond terms to the method where different discount rates are used according to the estimated timing of benefit payment.

In accordance with the transitional treatment stipulated in the article 37 of the Accounting Standard for Retirement Benefits, the effects of such changes of the calculation method of retirement benefit obligations and service costs were recorded in retained earnings as of April 1, 2014.

As a result, net defined benefit liability increased 130 million yen and retained earnings decreased 101 million yen as of April 1, 2014. Also, operating income, ordinary income and income before income taxes increased 34 million yen, respectively.

(Change of the depreciation method of property, plant and equipment)

Effective April 1, 2014, the Company, its domestic consolidated subsidiaries and certain overseas consolidated subsidiaries changed the depreciation method of property, plant and equipment other than buildings from the declining-balance method to the straight-line method. In order to achieve one of the goals stated in the Medium-Term Management Plan to expand logistics business, the Group took the planned major capital investment "Misato Warehouse Project" as the opportunity to assess the use situation of property, plant and equipment held, and determined that allocating costs equally over the period of use would reflect periodic profit or loss more properly as the effects of capital investments or its contribution to profit have been observed in a stable manner. This change of depreciation method will achieve the standardization of accounting treatment among the Group as majority of overseas subsidiaries of the Group have been using the straight-line method. The impact of this change on the earnings for the three months ended June 30, 2014 was insignificant.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY3/14 (As of March 31, 2014)	First quarter of FY3/15 (As of June 30, 2014)
Assets		
Current assets		
Cash and deposits	50,360	48,913
Notes and operating accounts receivable	56,786	57,120
Other	6,883	5,842
Allowance for doubtful accounts	(350)	(341)
Total current assets	113,680	111,534
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	18,601	18,198
Land	11,164	11,097
Other, net	6,222	6,705
Total property, plant and equipment	35,988	36,000
Intangible assets		
Goodwill	397	1,425
Other	1,011	993
Total intangible assets	1,408	2,418
Total investments and other assets	16,889	19,241
Total noncurrent assets	54,286	57,660
Total assets	167,966	169,195
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	24,283	23,082
Short-term loans payable	9,092	12,506
Income taxes payable	1,935	950
Provision for bonuses	1,938	1,667
Provision for directors' bonuses	245	99
Provision for U.S. antitrust matter	–	1,745
Other	9,948	9,838
Total current liabilities	47,443	49,891
Noncurrent liabilities		
Long-term loans payable	5,267	5,215
Net defined benefit liability	3,047	3,518
Other	977	973
Total noncurrent liabilities	9,291	9,706
Total liabilities	56,735	59,598

(Millions of yen)

	FY3/14 (As of March 31, 2014)	First quarter of FY3/15 (As of June 30, 2014)
Net assets		
Shareholders' equity		
Capital stock	7,216	7,216
Capital surplus	4,867	4,867
Retained earnings	88,650	88,308
Treasury stock	(1)	(1)
Total shareholders' equity	100,732	100,390
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,242	1,491
Foreign currency translation adjustment	6,695	4,910
Remeasurements of defined benefit plans	(324)	(248)
Total accumulated other comprehensive income	7,614	6,153
Minority interests	2,884	3,053
Total net assets	111,231	109,596
Total liabilities and net assets	167,966	169,195

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Millions of yen)

	First three months of FY3/14 (April 1, 2013 – June 30, 2013)	First three months of FY3/15 (April 1, 2014 – June 30, 2014)
Net sales	64,644	75,240
Cost of sales	53,949	63,174
Operating gross profit	10,694	12,065
Selling, general and administrative expenses	7,984	8,871
Operating income	2,710	3,193
Non-operating income		
Interest income	88	119
Dividends income	6	3
Amortization of negative goodwill	8	8
Equity in earnings of affiliates	–	79
Foreign exchange gains	104	182
Miscellaneous income	105	55
Total non-operating income	313	449
Non-operating expenses		
Interest expenses	56	60
Equity in losses of affiliates	24	–
Miscellaneous expenses	18	9
Total non-operating expenses	98	70
Ordinary income	2,925	3,573
Extraordinary income		
Gain on sales of noncurrent assets	4	–
Total extraordinary income	4	–
Extraordinary loss		
Loss on retirement of noncurrent assets	25	11
Loss on valuation of investment securities	217	–
Provision for loss on U.S. antitrust matter	–	1,745
Total extraordinary losses	243	1,757
Income before income taxes	2,687	1,816
Income taxes	1,212	1,051
Income before minority interests	1,474	764
Minority interests in income	110	105
Net income	1,364	659

(Millions of yen)

	First three months of FY3/14 (April 1, 2013 – June 30, 2013)	First three months of FY3/15 (April 1, 2014 – June 30, 2014)
Income before minority interests	1,474	764
Other comprehensive income		
Valuation difference on available-for-sale securities	184	248
Foreign currency translation adjustment	4,015	(1,903)
Remeasurements of defined benefit plans	–	79
Share of other comprehensive income of associates accounted for using equity method	455	0
Total other comprehensive income	4,655	(1,575)
Comprehensive income	6,129	(810)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	5,845	(801)
Comprehensive income attributable to minority interests	284	(8)

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes concerning Going Concern Assumption)

Not applicable.

(Significant Changes in Shareholders' Equity)

Not applicable.

(Notes to quarterly consolidated statement of income)

(Provision for allowance for U.S. antitrust matter)

In relation to the class action against the Company alleging a violation of U.S. antitrust act concerning international airfreight transportation service, we recorded a current estimate of possible future loss.

(Segment Information, etc.)

I First three months of the fiscal year ended March 2014 (April 1, 2013 – June 30, 2013)

Information about sales, income / loss for each reportable segment

(Millions of yen)

	Reportable segment						Other Note 1	Total	Adjustment Note 2	Carrying amount on quarterly consolidated statements of income Note 3
	Japan	The Americas	Europe, Middle East & Africa	East Asia & Oceania	Southeast Asia	Total				
Net sales										
Net sales to outside customers	25,069	8,446	6,987	16,760	7,299	64,563	81	64,644	—	64,644
Inter-segment sales/transfers	458	407	175	172	99	1,314	439	1,753	(1,753)	—
Total net sales	25,528	8,853	7,163	16,933	7,398	65,877	520	66,397	(1,753)	64,644
Segment income	1,100	348	97	758	260	2,565	143	2,709	0	2,710

Notes: 1. Other refers to business not included in reportable segments and mainly consists of incidental logistics operations within the Group.

2. The 0 million yen adjustment in segment income is an elimination of income generated from business between segments.

3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.

4. Major countries or regions except Japan in each category are as follows:

(1) The Americas: United States, Canada, and Latin American countries

(2) Europe, Middle East & Africa: United Kingdom, Germany, France, Italy, Netherlands, Belgium, Switzerland, Ireland, other European countries, Russia, African countries, and Middle Eastern countries

(3) East Asia & Oceania: Hong Kong, China, South Korea, Taiwan, and Australia

(4) Southeast Asia: Singapore, Malaysia, Thailand, India, Indonesia, Vietnam, and Philippines

II First three months of the fiscal year ending March 2015 (April 1, 2014 – June 30, 2014)

Information about sales, income / loss for each reportable segment

(Millions of yen)

	Reportable segment						Other Note 1	Total	Adjustment Note 2	Carrying amount on quarterly consolidated statements of income Note 3
	Japan	The Americas	Europe, Middle East & Africa	East Asia & Oceania	Southeast Asia	Total				
Net sales										
Net sales to outside customers	27,086	9,206	8,870	21,480	8,520	75,164	75	75,240	—	75,240
Inter-segment sales/transfers	486	441	294	195	170	1,588	476	2,064	(2,064)	—
Total net sales	27,572	9,647	9,165	21,676	8,691	76,753	552	77,305	(2,064)	75,240
Segment income	1,125	504	170	1,085	129	3,015	175	3,191	2	3,193

Notes: 1. Other refers to business not included in reportable segments and mainly consists of incidental logistics operations within the Group.

2. The 2 million yen adjustment in segment income is an elimination of income generated from business between segments.

3. Segment income has been adjusted for the operating income appearing in the quarterly consolidated statements of income.

4. Major countries or regions except Japan in each category are as follows:

(1) The Americas: United States, Canada, and Latin American countries

(2) Europe, Middle East & Africa: United Kingdom, Germany, France, Italy, Netherlands, Belgium, Switzerland, Ireland, other European countries, Russia, African countries, and Middle Eastern countries

(3) East Asia & Oceania: Hong Kong, China, South Korea, Taiwan, and Australia

(4) Southeast Asia: Singapore, Malaysia, Thailand, India, Indonesia, Vietnam, and Philippines

2. Information about assets for each reportable segment

During the three months ended June 30, 2014, we acquired shares of Kintetsu Panasonic Trading Service Co., Ltd. (former Panasonic Trading Service Japan Co., Ltd.) and included the company in the scope of consolidation. As a result, “Japan” segment asset increased 2,020 million yen compared to the balance as of March 31, 2014.

During the three months ended June 30, 2014, we acquired shares of Trans Global Logistics Group Ltd. and included in the scope of companies accounted for using the equity method. As a result, “East Asia & Oceania” segment asset increased 1,492 million yen compared to the balance as of March 31, 2014.

3. Matters related to changes in reportable segment

(Change of segment classification)

Starting from the three months ended June 30, 2014, the Philippine business was reclassified from “East Asia & Oceania” to “Southeast Asia” in reportable segment classification as a result of the review of the Group’s management unit. The segment information for the three months ended June 30, 2014 is based on the new classification.

(Change of depreciation method of property, plant and equipment)

As stated in “2. Matters concerning Summary Information (Notes),” the Company, its domestic consolidated subsidiaries and certain overseas consolidated subsidiaries changed the depreciation method of property, plant and equipment other than buildings from the declining-balance method to the straight-line method. The impact of this change on segment income for the three months ended June 30, 2014 was insignificant.

(Change of calculation method of retirement benefit obligations and service costs)

As stated in "2. Matters concerning Summary Information (Notes)," the Company changed the calculation method of retirement benefit obligations and service costs, and the calculation method for reportable segment is also changed accordingly. As result of this change, "Japan" segment income for the three months ended June 30, 2014 increased 34 million yen compared to those calculated under the previous method.

4. Information regarding impairment loss of noncurrent assets or goodwill for each reportable segment

(Significant change in goodwill)

During the three months ended June 30, 2014, "Japan" segment acquired shares of Kintetsu Panasonic Trading Service Co., Ltd. (former Panasonic Trading Service Japan Co., Ltd.) and included the company in the scope of consolidation, which resulted in an increase in goodwill of 1,039 million yen. .