

Summary of Consolidated Financial Results
for the Second Quarter of Fiscal Year Ending March 31, 2018
(Six Months Ended September 30, 2017)

[Japanese GAAP]

Company name: Maruzen Showa Unyu Co., Ltd.	Listing: Tokyo Stock Exchange, First Section
Stock code: 9068	URL: http://www.maruzenshowa.co.jp/
Representative: Toshiyuki Asai, President	
Contact: Kazuyuki Honda, General Manager of Accounting Division	Tel: +81-45-671-5923
Scheduled date of filing of Quarterly Report: November 13, 2017	
Scheduled date of payment of dividend: December 11, 2017	
Preparation of supplementary materials for quarterly financial results: None	
Holding of quarterly financial results meeting: None	

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2017
(April 1, 2017 - September 30, 2017)

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

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2017	54,322	6.0	2,971	12.3	3,356	14.0	2,414	20.4
Six months ended Sep. 30, 2016	51,224	3.0	2,644	2.4	2,944	0.9	2,005	3.7

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2017: 3,385 (up 82.0%)
Six months ended Sep. 30, 2016: 1,859 (up 61.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2017	26.93	23.55
Six months ended Sep. 30, 2016	22.42	19.54

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2017	125,864	76,885	61.0	850.80
As of Mar. 31, 2017	122,647	73,705	60.0	822.80

Reference: Shareholders' equity (million yen) As of Sep. 30, 2017: 76,785 As of Mar. 31, 2017: 73,608

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2017	-	5.00	-	6.00	11.00
Fiscal year ending Mar. 31, 2018	-	5.50			
Fiscal year ending Mar. 31, 2018 (forecasts)			-	5.50	11.00

Note: Revisions to the most recently announced dividend forecasts: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentages represent year-on-year changes)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	109,000	4.0	5,800	4.4	6,300	2.4	4,400	(0.5)	49.09

Note: Revisions to the most recently announced consolidated earnings forecasts: None

*** Notes**

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

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of issued shares (common shares)

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

As of Sep. 30, 2017:	98,221,706 shares	As of Mar. 31, 2017:	98,221,706 shares
----------------------	-------------------	----------------------	-------------------

2) Number of treasury shares at the end of the period

As of Sep. 30, 2017:	7,970,923 shares	As of Mar. 31, 2017:	8,760,639 shares
----------------------	------------------	----------------------	------------------

3) Average number of shares during the period

Six months ended Sep. 30, 2017:	89,639,163 shares	Six months ended Sep. 30, 2016:	89,466,005 shares
---------------------------------	-------------------	---------------------------------	-------------------

* The current quarterly financial report is not subject to quarterly review procedures.

* 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. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements" on page 4 for forecast assumptions and notes of caution for usage.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements	4
2. Quarterly Consolidated Financial Statements and Notes	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
Quarterly Consolidated Statement of Income	
For the Six-month Period	7
Quarterly Consolidated Statement of Comprehensive Income	
For the Six-month Period	8
(3) Quarterly Consolidated Statement of Cash Flows	9
(4) Notes to Quarterly Consolidated Financial Statements	10
Going Concern Assumption	10
Significant Changes in Shareholders' Equity	10
Segment and Other Information	10

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first half of the fiscal year ending March 31, 2018, the Japanese economy saw strong consumer spending and public investment, as well as continued steady growth in capital and housing investment, primarily through the support of the government's economic stimulus measures and the Bank of Japan's monetary easing policy. Looking around the world, the US economy has enjoyed continued growth in capital investment driven by robust corporate performance and the euro zone economy has recovered steadily while the Chinese economy still has unstable factors.

In the logistics industry, the volume of international cargoes for both ocean and air shipments increased for all regions as the risk of trade stagnation by a rise of protectionism has subsided and the world economy remained on a path to expansion. The volume of domestic cargoes has also increased as a whole for the second consecutive year. Specifically, consumption-related cargoes have continued to grow although a substantial increase in the previous fiscal year has limited its growth rate. Production-related cargoes have also turned into an increase driven by solid capital investments as well as strong mining and manufacturing production. However, as problems such as a shortage of drivers and price-based competition among cargo transport companies are still prevailing, and the fuel cost for trucks, which was favorable at one time due to lowered crude oil prices, is on a rising trend. All in all, operating environments for logistics companies show some positive signs but still are not free from unstable factors.

Under such circumstances, the Maruzen Showa Group (hereinafter, the "Group") formulated the Sixth Medium-term Management Plan, a three-year plan starting from the previous fiscal year and has started it since April 2016. By defining a more globalized and technologically advanced world as the "NEXT STAGE," we have committed ourselves to further strengthen our corporate infrastructure in the next three years so that we can continue to build our presence in the "NEXT STAGE" world. We have set the Group's vision as "a logistics partner for creating the best possible supply chains from a global perspective" and are making our efforts to achieve our sales and profit targets through "1) ensuring sales growth, 2) strengthening the corporate infrastructure, and 3) enhancing sales capabilities" as the top three priority measures.

Regarding the Group's results of operations for the first half of the current fiscal year, operating revenue increased by 6.0% year-on-year to 54,322 million yen, operating profit increased by 12.3% year-on-year to 2,971 million yen, and ordinary profit increased by 14.0% year-on-year to 3,356 million yen. Profit attributable to owners of parent increased by 20.4% year-on-year to 2,414 million yen.

Business segment performance was as follows.

Logistics Operations

The freight truck transportation sector as a whole saw an increase in operating revenue. In the Kanto region, while there was a decrease in the handling volume of household products and bridge parts, there was an increase in the handling volume of stainless steel, precision equipment, housing materials and miscellaneous goods for exports. In the Chubu region, there was an increase in the handling volume of stainless steel. In the Kansai region, while there was a decrease in the handling volume of housing equipment, there was an increase in the handling volume of resin products and transformers.

The harbor transportation sector as a whole saw an increase in operating revenue. In the Kanto region, while there was a decrease in the handling volume of thermal insulators and agricultural equipment, there was an increase in the handling volume of non-ferrous metals and for plant-related projects in the Middle East.

The warehousing operations sector as a whole saw an increase in operating revenue. In the Kanto region, while there was a decrease in the handling volume of household products and imported construction machinery, there was an increase in the handling volume of housing materials. In the Kansai region, there was an increase in the handling volume of household products.

The railway logistics sector saw an increase in operating revenue. In the Kanto region, there was an increase in the handling volume of housing materials and resin products.

The operations related to logistics as a whole saw an increase in operating revenue. Specifically, ocean transportation revenues increased due to an increase in the handling volume of ocean transportations for exporting automotive parts, plant-related projects in the Middle East, synthetic rubber and industrial gas. Coastal transportation revenues also increased due to an increase in the handling volume of coal, which was partly offset by a decrease in the handling volume of grains. Air transportation revenues increased due to a newly acquired order of electric power substation equipment for exports, which was partly offset by a decrease in the handling volume of beauty apparatus. Cargo handling work revenues increased due to an increase in the handling volume of motor-related parts and transformers, which was partly offset by a decrease in the handling volume of thermal insulators.

Overall, operating revenue of this segment increased by 6.3% year-on-year to 45,771 million yen and segment profit (operating profit) increased by 13.1% year-on-year to 2,245 million yen.

Yard Operations and Mechanical Cargo Handling

Operating revenue from the yard operations increased with an increase in the handling volume of resin products, which was partly offset by a decrease in the handling volume of soft drinks.

Operating revenue from the mechanical cargo handling decreased due to a decrease in the volume of cargo moved by cranes.

As a result, segment operating revenue increased by 1.4% year-on-year to 7,114 million yen and segment profit (operating profit) increased by 1.5% year-on-year to 452 million yen.

Other Operations

Construction revenue increased significantly due to an increase of orders for relocation projects in Japan.

Revenue from renting land also increased slightly, resulting in an overall increase in operating revenue from this sector.

As a result, segment operating revenue increased by 27.1% year-on-year to 1,436 million yen and segment profit (operating profit) increased by 27.7% to 273 million yen.

(2) Explanation of Financial Position

1) Balance sheet position

The balance of total assets at the end of the second quarter was 125,864 million yen, up 3,216 million yen from the end of the previous fiscal year.

The balance of current assets was 46,639 million yen, up 1,133 million yen from the end of the previous fiscal year. This was mainly due to increases of 1,032 million yen in notes and operating accounts receivable-trade and 999 million yen in securities, which were partly offset by a decrease of 910 million yen in cash and deposits. The balance of non-current assets was 79,225 million yen, up 2,083 million yen from the end of the previous fiscal year. This was mainly due to increases of 1,793 million yen in buildings and structures and 1,412 million yen in investment securities, which were partly offset by a decrease of 1,328 million yen in construction in progress.

The balance of current liabilities was 33,125 million yen, up 5,508 million yen from the end of the previous fiscal year. This was mainly due to an increase of 5,211 million yen in short-term loans payable. The balance of non-current liabilities was 15,854 million yen, down 5,471 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 5,405 million yen in long-term loans payable.

The balance of net assets at the end of the second quarter was 76,885 million yen, up 3,180 million yen from the end of the previous fiscal year. This was mainly due to increases of 1,885 million yen in retained earnings and 963 million yen in valuation difference on available-for-sale securities.

2) Cash flows

Cash and cash equivalents (hereinafter, “net cash”) at the end of the second quarter of the current fiscal year decreased 410 million yen from the end of the previous fiscal year to 19,585 million yen.

Cash flows for the first half of the current fiscal year and the main factors for changes are described as below.

Cash flows from operating activities

Net cash provided by operating activities increased 262 million yen year-on-year to 2,896 million yen.

This was mainly due to recording of profit before income taxes of 3,616 million yen and depreciation of 1,592 million yen, which were partly offset by income taxes paid of 1,181 million yen and an increase of 1,032 million yen in notes and accounts receivable-trade.

Cash flows from investing activities

Net cash used in investing activities increased 1,011 million yen year-on-year to 2,410 million yen.

This was mainly due to payment of 1,966 million yen for the purchase of property, plant and equipment.

Cash flows from financing activities

Net cash used in financing activities decreased 459 million yen year-on-year to 919 million yen.

This was mainly due to payments of 589 million yen for the repayment of long-term loans payable and cash dividends of 546 million yen.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

Given the expectation that steady growth will continue primarily in the US and euro zone, we estimate that the Japanese economy will remain resilient going forward with its trend of steady recovery being intact against a backdrop of improvement in employment and income caused fundamentally by the persistent labor shortage, and the surge of construction demand related to the Tokyo Olympics.

However, the economy can hardly gain momentum because of many concerns such as movements in foreign exchange rates, the slowdown of the Chinese economy, and vulnerability of recovery in the domestic consumer spending caused, for example, by an added burden in social insurance costs and a decline in purchasing power of pension recipient households.

Under these business circumstances, the Group will continue its efforts to achieve its Sixth Medium-term Management Plan for enhancing its presence in the market and creating a bright future beyond it. To this end, we will aggressively take on a challenge with all of our officers and employees together toward “Making a Further Leap Forward with Passion and Effort” while fulfilling our corporate social responsibility.

There are no revisions to the full-year earnings forecast for the fiscal year ending March 31, 2018, which was announced on August 7, 2017.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/17 (As of Mar. 31, 2017)	Second quarter of FY3/18 (As of Sep. 30, 2017)
Assets		
Current assets		
Cash and deposits	12,096	11,185
Notes and operating accounts receivable-trade	22,718	23,751
Securities	5,799	6,799
Supplies	111	130
Prepaid expenses	580	794
Deferred tax assets	623	616
Other	3,577	3,362
Allowance for doubtful accounts	(0)	(1)
Total current assets	45,505	46,639
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,480	24,273
Machinery and equipment, net	2,165	2,102
Vehicles.net	981	1,055
Tools, furniture and fixtures, net	78	93
Leased assets, net	875	815
Land	20,175	20,362
Construction in progress	1,392	64
Total property, plant and equipment	48,150	48,767
Intangible assets		
Goodwill	1,629	1,523
Other	923	1,082
Total intangible assets	2,552	2,606
Investments and other assets		
Investment securities	20,544	21,957
Long-term loans receivable	15	12
Deferred tax assets	98	95
Net defined benefit asset	110	129
Other	5,687	5,675
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	26,439	27,851
Total non-current assets	77,141	79,225
Total assets	122,647	125,864

	(Millions of yen)	
	FY3/17 (As of Mar. 31, 2017)	Second quarter of FY3/18 (As of Sep. 30, 2017)
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	10,878	10,825
Short-term loans payable	10,125	15,337
Current portion of bonds	15	17
Accounts payable-other	1,155	1,301
Income taxes payable	1,330	1,278
Accrued consumption taxes	448	339
Accrued expenses	1,702	1,883
Provision for bonuses	1,381	1,420
Provision for directors' bonuses	1	3
Other	578	716
Total current liabilities	27,616	33,125
Non-current liabilities		
Bonds payable	5,405	5,067
Long-term loans payable	10,782	5,376
Deferred tax liabilities	3,146	3,555
Provision for directors' retirement benefits	24	27
Net defined benefit liability	150	152
Asset retirement obligations	692	694
Other	1,123	981
Total non-current liabilities	21,325	15,854
Total liabilities	48,942	48,979
Net assets		
Shareholders' equity		
Capital stock	9,117	9,117
Capital surplus	7,850	7,966
Retained earnings	53,258	55,144
Treasury shares	(2,489)	(2,279)
Total shareholders' equity	67,736	69,947
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,106	7,069
Foreign currency translation adjustment	(191)	(216)
Remeasurements of defined benefit plans	(42)	(16)
Total accumulated other comprehensive income	5,872	6,837
Non-controlling interests	96	100
Total net assets	73,705	76,885
Total liabilities and net assets	122,647	125,864

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income
(For the Six-month Period)**

(Millions of yen)

	First six months of FY3/17 (Apr. 1, 2016 - Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 - Sep. 30, 2017)
Operating revenue	51,224	54,322
Operating cost	46,722	49,427
Operating gross profit	4,501	4,895
Selling, general and administrative expenses	1,856	1,924
Operating profit	2,644	2,971
Non-operating income		
Interest income	2	3
Dividend income	265	290
Share of profit of entities accounted for using equity method	126	125
Miscellaneous income	42	64
Total non-operating income	437	484
Non-operating expenses		
Interest expenses	95	90
Miscellaneous expenses	42	9
Total non-operating expenses	138	99
Ordinary profit	2,944	3,356
Extraordinary income		
Gain on sales of non-current assets	107	47
Gain on sales of investment securities	-	245
Total extraordinary income	107	293
Extraordinary losses		
Loss on sales and retirement of non-current assets	72	32
Total extraordinary losses	72	32
Profit before income taxes	2,978	3,616
Income taxes-current	938	1,208
Income taxes-deferred	31	(11)
Total income taxes	970	1,196
Profit	2,008	2,419
Profit attributable to non-controlling interests	2	5
Profit attributable to owners of parent	2,005	2,414

Quarterly Consolidated Statement of Comprehensive Income
(For the Six-month Period)

	(Millions of yen)	
	First six months of FY3/17 (Apr. 1, 2016 - Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 - Sep. 30, 2017)
Profit	2,008	2,419
Other comprehensive income		
Valuation difference on available-for-sale securities	(21)	947
Foreign currency translation adjustment	(168)	(24)
Remeasurements of defined benefit plans, net of tax	38	26
Share of other comprehensive income of entities accounted for using equity method	3	15
Total other comprehensive income	(148)	965
Comprehensive income	1,859	3,385
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,857	3,379
Comprehensive income attributable to non-controlling interests	2	5

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	First six months of FY3/17 (Apr. 1, 2016 - Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 - Sep. 30, 2017)
Cash flows from operating activities		
Profit before income taxes	2,978	3,616
Depreciation	1,553	1,592
Amortization of goodwill	105	105
Interest and dividend income	(268)	(294)
Interest expenses	95	90
Share of (profit) loss of entities accounted for using equity method	(126)	(125)
Loss (gain) on sales and retirement of non-current assets	(34)	(14)
Loss (gain) on sales of investment securities	-	(245)
Decrease (increase) in notes and accounts receivable-trade	(969)	(1,032)
Decrease (increase) in inventories	(6)	(18)
Increase (decrease) in notes and accounts payable-trade	189	(45)
Increase (decrease) in accrued consumption taxes	0	(98)
Decrease (increase) in other current assets	(166)	(29)
Other, net	118	279
Subtotal	3,468	3,777
Interest and dividend income received	330	387
Interest expenses paid	(96)	(86)
Income taxes paid	(1,068)	(1,181)
Net cash provided by (used in) operating activities	2,633	2,896
Cash flows from investing activities		
Purchase of securities	-	(200)
Purchase of property, plant and equipment	(1,203)	(1,966)
Proceeds from sales of property, plant and equipment	218	59
Purchase of investment securities	(50)	(118)
Proceeds from sales of investment securities	-	365
Purchase of intangible assets	(22)	(198)
Payments into time deposits	-	(300)
Purchase of shares of subsidiaries	(29)	-
Payments of loans receivable	(52)	(0)
Other, net	(259)	(50)
Net cash provided by (used in) investing activities	(1,398)	(2,410)
Cash flows from financing activities		
Decrease in short-term loans payable	(425)	(4)
Proceeds from long-term loans payable	363	400
Repayments of long-term loans payable	(1,052)	(589)
Proceeds from issuance of bonds	400	-
Cash dividends paid	(501)	(546)
Other, net	(162)	(178)
Net cash provided by (used in) financing activities	(1,378)	(919)
Effect of exchange rate change on cash and cash equivalents	(94)	(12)
Net increase (decrease) in cash and cash equivalents	(237)	(445)
Cash and cash equivalents at beginning of period	18,147	19,996
Increase in cash and cash equivalents from newly consolidated subsidiary	-	35
Cash and cash equivalents at end of period	*1 17,909	*1 19,585

(4) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

Segment information

I. First six months of FY3/17 (Apr. 1, 2016 - Sep. 30, 2016)

1. Information related to operating revenue and profit or loss for each reportable segment (Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Total				
Operating revenue							
External sales	43,076	7,017	50,094	1,130	51,224	-	51,224
Inter-segment sales and transfers	-	-	-	225	225	(225)	-
Total	43,076	7,017	50,094	1,355	51,449	(225)	51,224
Segment profit	1,985	445	2,431	213	2,644	-	2,644

Notes: 1. "Other" is a business segment not included in reportable segments and provides construction, security, industrial waste disposal, real estate, insurance agency, vehicle maintenance and other services.
2. The adjustment of negative 225 million yen is elimination of inter-segment transactions.
3. Total of segment profit is operating profit as shown on the quarterly consolidated statement of income.

II. First six months of FY3/18 (Apr. 1, 2017 - Sep. 30, 2017)

1. Information related to operating revenue and profit or loss for each reportable segment (Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Logistics Operations	Yard Operations and Mechanical Cargo Handling	Total				
Operating revenue							
External sales	45,771	7,114	52,886	1,436	54,322	-	54,322
Inter-segment sales and transfers	-	-	-	240	240	(240)	-
Total	45,771	7,114	52,886	1,676	54,563	(240)	54,322
Segment profit	2,245	452	2,697	273	2,971	-	2,971

Notes: 1. "Other" is a business segment not included in reportable segments and provides construction, security, industrial waste disposal, real estate, insurance agency, vehicle maintenance and other services.
2. The adjustment of negative 240 million yen is elimination of inter-segment transactions.
3. Total of segment profit is operating profit as shown on the quarterly consolidated statement of income.

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.