



May 7, 2010

## Summary of Consolidated Earnings Report for the Fiscal Year Ended March 31, 2010

Name of listed company: **Nippon Express Co., Ltd.**

Listed stock exchange: Tokyo, Osaka

Code: **9062**

(URL <http://www.nittsu.co.jp>)

Representative: President, CEO Masanori Kawai  
General Manager

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Scheduled date for general shareholders' meeting: June 29, 2010 Scheduled date of dividend payment: June 30, 2010

Scheduled date for release Securities Report: June 29, 2010

(Millions of Yen, rounded down)

### 1. Consolidated Financial Results for Fiscal Year ended Mar. 31, 2010 (from April 1, 2009 to March 31, 2010)

#### (1) Consolidated Business Results

(%: compared with the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year Ended Mar. 31, 2010	1,569,633	(14.2)	37,535	12.0	37,753	(10.2)	12,566	(17.2)
Fiscal Year Ended Mar. 31, 2009	1,828,946	(3.8)	33,513	(30.9)	42,019	(24.9)	15,172	(58.4)

	Net income per share	Diluted net income per share	Net income on equity	Ordinary income on assets	Operating margin to sales
	Yen	Yen	%	%	%
Fiscal Year Ended Mar. 31, 2010	12.05	—	2.6	3.2	2.4
Fiscal Year Ended Mar. 31, 2009	14.55	—	3.1	3.4	1.8

(Note) Investment gain or loss on equity method:

Fiscal Year Ended Mar. 31, 2010: (¥7,869 million)

Fiscal Year Ended Mar. 31, 2009: ¥729 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	Yen
Fiscal Year Ended Mar. 31, 2010	1,201,801	495,883	40.3	464.38
Fiscal Year Ended Mar. 31, 2009	1,172,074	484,337	40.4	454.03

(Note) Equity: Fiscal Year Ended Mar. 31, 2010: ¥484,253 million Fiscal Year Ended Mar. 31, 2009: ¥473,490 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flow from financing activities	Cash and cash equivalents at end of year
	¥ million	¥ million	¥ million	¥ million
Fiscal Year Ended Mar. 31, 2010	82,198	(54,325)	(648)	121,187
Fiscal Year Ended Mar. 31, 2009	64,080	(75,614)	(31,927)	93,031

### 2. Dividends Information

	Dividend per share					Total dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend payout ratio on net assets (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly			
Fiscal Year Ended Mar. 31, 2009	—	5.00	—	5.00	10.00	¥ Million 10,428	% 68.7	% 2.1
Fiscal Year Ended Mar. 31, 2010	—	5.00	—	5.00	10.00	¥ Million 10,428	% 83.0	% 2.2
Fiscal Year Ending Mar. 31, 2011 (Forecast)	—	5.00	—	5.00	10.00		% 41.7	

### 3. Forecast of Consolidated Financial Results for FY2010 (from April 1, 2010 to March 31, 2011)

(%: compared with the previous period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen
Interim of year	790,000	3.4	19,500	23.6	22,000	90.1	8,000	88.2	7.67
Full year	1,606,000	2.3	45,500	21.2	50,500	33.8	25,000	98.9	23.97

#### 4. Other

(1) Significant changes of subsidiaries during the period under review (affecting specific subsidiaries due to changes in scope of consolidation): Not applicable

(2) Changes in the accounting principles, accounting procedures, presentation, etc. related to preparation of consolidated financial statements (those to be described as Changes in Significant Matters that are the Basis for Preparing Consolidated Financial Statements)

1) Changes due to the revision of accounting standards, etc.: Yes

2) Any changes other than 1) above: Not applicable

(3) Total number of issued shares (common stock)

1) Total number of issued shares at end of period (including treasury stock):

Fiscal year ended Mar. 31, 2010: 1,062,299,281 shares

Fiscal year ended Mar. 31, 2009: 1,062,299,281 shares

2) Total number of treasury shares at the end of period:

Fiscal year ended Mar. 31, 2010: 19,500,690 shares

Fiscal year ended Mar. 31, 2009: 19,441,558 shares

#### (Notes) Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year ended March 31, 2010 (from April 1, 2009 to March 31, 2010)

(1) Non-consolidated Business Results

(%: compared with the previous period)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Fiscal Year Ended Mar. 31, 2010	1,047,549	(16.0)	23,241	33.6	28,852	31.8	5,944	16.6
Fiscal Year Ended Mar. 31, 2009	1,246,476	(5.0)	17,401	(39.2)	21,895	(33.7)	5,097	(77.7)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal Year Ended Mar. 31, 2010	5.70	—
Fiscal Year Ended Mar. 31, 2009	4.89	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	Yen
Fiscal Year Ended Mar. 31, 2010	828,987	350,875	42.3	336.48
Fiscal Year Ended Mar. 31, 2009	821,861	350,698	42.7	336.29

(Note) Equity: Fiscal Year Ended Mar. 31, 2010: ¥350,875 million Fiscal Year Ended Mar. 31, 2009: ¥350,698 million

2. Forecast of Non-consolidated Financial Results for FY2010 (from April 1, 2010 to March 31, 2011)

(%: compared with the previous period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	Yen
Interim of year	526,000	0.5	12,000	12.2	14,000	3.6	6,000	(14.9)	5.75
Full year	1,061,000	1.3	28,000	20.5	32,000	10.9	16,000	169.2	15.34

#### \* Explanation for the appropriate use of financial forecasts and other special notes:

The above financial forecast is based on data available at that time. It should be noted that such information contains elements of uncertainty and risk. Please note that our actual business performance may differ from these forecasts. For matters related to the above projection, please refer to page 4.

## **1. Business Results**

### **(1) Analysis of Business Results**

During the first half of the fiscal year under review, the Japanese economy continued to suffer the aftermath of the severe worldwide recession following the so-called Lehman Shock in 2008, while the latter half saw a hint of buoyancy as export and consumer spending started to show signs of recovery albeit weak, thanks to the various economic policy packages both at home and abroad.

In the field of logistics, despite symptom of turnaround in the demand for international freight transportation, mainly exports to Asian countries such as China given the economic environment as described above, domestic business climate remained generally without recognizable turnaround as the gross volume of domestic freight transportation showed negative growth for the 10th consecutive years, due primarily to the restraint in public sector investment and shrinking private capital investment.

In such a tough business environment, the Nippon Express Group made all-out efforts to achieve the objectives raised in the single-year management policy titled "FY 2009 Nippon Express Group Business Infrastructure Consolidation Policy - Toward a New Leap Ahead".

Specifically, we have been devoted to reinforcing business infrastructure for a new phase of growth, including the enhancement of services and operational quality in an effort to adapt to the violently changing business environment, along with the top-to-bottom cost-cutting guided by careful review of local operations, improvement in Group capital efficiency as well as effective assets utilization, and the improvement of financial position by eliminating bad debts.

In the meantime, with the aim to reinforce our sales capabilities, we have been promoting proposal-based sales activities that anticipates customer needs along with positive development of global logistics business by taking advantage of the strength of the Group, while gaining market shares in specialized businesses backed up by our wealth of experience and technologies and providing various services that are tailored to fit local needs.

Besides, to fulfill our corporate social responsibility (CSR), we have been positively promoting CSR activities including reduction of CO2 emission by energy conservation, which is one of our efforts to help create a low-carbon society, and practice of the 3R (Reduce, Reuse and Recycle), along with thorough compliance in all applicable areas.

As a result, net sales decreased 259.3 billion yen or 14.2% year-on-year to 1,569.6 billion yen, while ordinary income decreased 4.2 billion yen or 10.2% year-on-year to 37.7 billion yen.

The financial results by industry segment are summarized below.

#### **(i) Distribution & Transportation**

In Japan, we suffered a sharp decline in demand during the first half of the fiscal year, whose impact could not be offset by a moderate recovery in international freight handling volume in the air transportation division in the latter half. Overseas demand was characterized by a decrease in handling volume in each region, not to mention the impact of the exchange rate attributable to the strong yen. As a result, net sales decreased 240.3 billion yen or 15.7% year-on-year to 1,288.3 billion yen. On the other hand, thanks to the fall in fuel costs and the general cost-cutting exercise, operating income was 32.3 billion yen, a year-on-year increase of 4.2 billion yen, or 15.2%.

#### **(ii) Goods Sales**

As a result of decrease in unit sales price of petroleum and poor performance of the export packaging division due to the impact of the recession and other factors, net sales decreased by 43.3 billion yen or 11.7% year-on-year to 326.3 billion yen, while operating income decreased 0.4 billion yen or 6.7% year-on-year to 5.8 billion yen.

#### **(iii) Other**

Net sales increased by 2.9 billion yen or 9.4% year-on-year to 33.9 billion yen. Operating income was 1.4 billion yen, a year-on-year decrease of 20 million yen or 1.5%.

### **(2) Projections for Next Fiscal Year**

Projections for next fiscal year have been made in consideration of trends in crude oil prices, risks of exchange rate

fluctuations and other such factors.

As stated in “1. Business Results (1) Analysis of Business Results”, the economic climate still remains stagnant although the global recession that started in 2008 has run its course.

As for freight movement, while international freight segment, which is showing recovery in the freight transportation to Asian and other emerging economies, is anticipated to remain solid, demand for domestic freight transportation is expected to remain slow as recovery in domestic demand is unlikely.

In such climate, the Nippon Express Group is expected to show increase in net sales and operating income thanks to the development of global logistics business at home and abroad, while ordinary income and net income is also expected to increase, thanks to the effect of having declared equity in losses of affiliates in the amount of 7.8 billion yen and a loss on valuation of investment securities in the amount of 5.7 billion yen in the fiscal year ended March 31, 2010.

Impact of the specific agreement on the amendment to the plan for parcel delivery business integration, as concluded with Japan Post Service Co., Ltd. on January 29, 2010, is yet to be determined, thus not taken into account in the projections below.

Projections for the fiscal year ending March 31, 2011 as of the release date of this report are as follows.

#### **Projection of Consolidated Financial Results (Full-year)**

Net sales	1,606 billion yen (up 2.3% year-on-year)
Operating income	45.5 billion yen (up 21.2% year-on-year)
Ordinary income	50.5 billion yen (up 33.8% year-on-year)
Net income	25 billion yen (up 98.9% year-on-year)

#### **Projection of Non-consolidated Financial Results (Full-year)**

Net sales	1,061 billion yen (up 1.3% year-on-year)
Operating income	28 billion yen (up 20.5% year-on-year)
Ordinary income	32 billion yen (up 10.9% year-on-year)
Net income	16 billion yen (up 169.2% year-on-year)

\* The above forward-looking statements were deemed reasonable by the Company based on data available to the Company at the time. It should be noted that its actual business performance may differ from the projections.

### **(3) Analysis of Financial Position**

Total assets as at the end of the fiscal year under review amounted to 1,201.8 billion yen, a year-on-year increase of 29.7 billion yen or 2.5%.

Current assets amounted to 522.0 billion yen, a year-on-year increase of 41.3 billion yen or 8.6%, while noncurrent assets totaled 679.7 billion yen, down 11.6 billion yen or 1.7% year-on-year.

The primary factors behind the increase in current assets were increase in cash and deposits, etc.

The primary factors behind the decrease in noncurrent assets were decrease in new equipment, etc.

Total liabilities as at the end of the fiscal year were 705.9 billion yen, a year-on-year increase of 18.1 billion yen or 2.6%.

Current liabilities increased by 40 billion yen or 10.2% year-on-year to 434.2 billion yen, while noncurrent liabilities decreased 21.9 billion yen or 7.5% to 271.6 billion yen.

The increase in current liabilities was primarily due to the increase in short-term loans payable, etc.

The decrease in noncurrent liabilities was mainly attributable to the decrease in long-term loans payable, etc.

Net assets amounted to 495.8 billion yen at the end of the current fiscal year, a year-on-year increase of 11.5 billion yen or 2.4%.

The main contributor to the increase in net assets was the increase in retained earnings and valuation difference on available-for-sale securities, etc.

Net cash provided by operating activities amounted to 82.1 billion yen, a year-on-year increase of 18.1 billion yen. This was primarily due to the decrease in the payment of income taxes, etc.

Net cash used in investment activities totaled 54.3 billion yen, a decrease of 21.2 billion yen year-on-year. This was mainly due to the decrease in payments for purchase of noncurrent assets, etc.

Net cash used in financing activities amounted to 0.6 billion yen, a year-on-year decrease of 31.2 billion yen. This was largely due to the increase in proceeds from issuing bonds, etc.

As a result of the above, cash and cash equivalents at the end of the fiscal year increased 28.1 billion yen year-on-year to 121.1 billion yen.

Trends in the Group's cash flow indicators are as follows.

	FY2005	FY2006	FY2007	FY2008	FY2009
Equity ratio (%)	37.1	37.3	39.3	40.4	40.3
Marked-to-market equity ratio (%)	53.0	56.6	46.1	27.4	34.9
Ratio of cash flow to interest-bearing liabilities (%)	5.7	2.9	3.9	5.3	4.2
Interest coverage ratio (%)	15.1	30.1	20.7	14.8	23.4

(Notes)

Equity ratio:  $\text{Equity} / \text{Total assets}$

Marked-to-market equity ratio:  $\text{Market capitalization} / \text{Total assets}$

Ratio of cash flow to interest-bearing liabilities:  $\text{Interest-bearing liabilities} / \text{Operating cash flow}$

Interest coverage ratio:  $\text{Operating cash flow} / \text{Interest payment}$

\* All indicators have been calculated based on consolidated financial data.

\* Market capitalization is calculated by multiplying the closing share price as at the end of the fiscal year by the number of issued shares as at the end of the fiscal year (after deducting treasury stock).

\* For operating cash flow, cash flow from operating activities in the consolidated cash flow statement has been used. Interest-bearing liabilities include all liabilities declared in the consolidated balance sheet for which interest is paid. For interest payment, the amount of interest paid according to the consolidated cash flow statement is used.

#### **(4) Basic Policy for Profit Sharing and Dividends for FY2009 and FY2010**

Generating returns for shareholders is regarded as one of the most important policies by the Company. The Company's policy is to endeavor to enhance its operations, strengthen its balance sheet, boost shareholders' equity and improve profitability, while increasing shareholder returns with a focus on stable dividends.

On the other hand, we will utilize retained earnings in capital investments aimed at expanding the sales of various transport products and improving transportation efficiency, such as developing logistics centers and replacing vehicles. We will also seek to strengthen the Company's financial position and endeavor to reinforce its fundamentals.

For this fiscal year, the Company plans to pay an annual dividend of 10 yen, consisting of an interim dividend and a year-end dividend of 5 yen each (consolidated dividend payout ratio of 83.0%). For FY2010, we plan to pay an annual dividend of 10 yen, consisting of an interim dividend and a year-end dividend of 5 yen each (consolidated dividend payout ratio of 41.7%).

#### 4. Consolidated Financial Statements

##### (1) Consolidated Balance Sheets

(Unit: Millions of Yen)

	FY2008 (as of Mar. 31, 2009)	FY2009 (as of Mar. 31, 2010)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	97,167	129,217
Notes receivable-trade	12,794	12,023
Accounts receivable-trade	229,546	226,907
Inventories	6,675	4,985
Advanced money	2,290	1,330
Prepaid expenses	8,173	8,197
Deferred tax assets	12,476	15,281
Leased investment assets	83,385	89,978
Other	29,369	35,179
Allowance for doubtful accounts	(1,250)	(1,084)
<b>Total current assets</b>	<b>480,627</b>	<b>522,014</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Vehicles	246,649	181,553
Accumulated depreciation	(216,724)	(157,686)
Vehicles (net)	29,925	23,867
Buildings	519,216	522,012
Accumulated depreciation	(269,565)	(274,811)
Buildings (net)	249,650	247,200
Structures	65,142	64,341
Accumulated depreciation	(48,504)	(48,633)
Structures (net)	16,637	15,707
Machinery	86,775	65,055
Accumulated depreciation	(68,025)	(49,883)
Machinery (net)	18,749	15,171
Tools, furniture and fixtures	169,189	92,565
Accumulated depreciation	(139,961)	(69,128)
Tools, furniture and fixtures (net)	29,228	23,437
Vessels	18,069	16,696
Accumulated depreciation	(11,855)	(11,587)
Vessels (net)	6,213	5,109
Land	169,042	167,448
Leased assets	3,819	5,394
Accumulated depreciation	(753)	(1,438)
Leased assets (net)	3,065	3,955
Construction in progress	3,696	5,170
<b>Total property, plant and equipment</b>	<b>526,209</b>	<b>507,069</b>
<b>Intangible assets</b>		
Land leasehold	6,932	6,742
Other	22,462	21,539
<b>Total Intangible assets</b>	<b>29,395</b>	<b>28,282</b>

(Unit: Millions of Yen)

	FY2008 (as of Mar. 31, 2009)	FY2009 (as of Mar. 31, 2010)
Investments and other assets		
Investment securities	98,440	104,585
Long-term loans receivable	1,426	1,425
Long-term loan to employees	2,168	1,655
Long-term prepaid expense	4,238	3,407
Deposit	16,287	14,708
Other	15,502	20,613
Allowance for doubtful accounts	(2,220)	(1,959)
Total Investments and other assets	135,842	144,435
Total noncurrent assets	691,447	679,786
Total assets	1,172,074	1,201,801
Liabilities		
Current liabilities		
Notes payable-trade	8,611	6,687
Accounts payable-trade	124,616	129,002
Short-term loans payable	68,588	111,501
Other Payables	45,027	30,057
Income taxes payable	2,138	7,680
Consumer tax payable	3,060	4,899
Unpaid expenses	18,996	19,267
Advance receipt	12,128	10,754
Deposits	44,586	53,341
Deposits from employees	30,595	29,932
Provision for bonus	19,341	19,159
Provision for directors' bonus	151	154
Allowance for warranty and repair	3	2
Other	16,321	11,815
Total current liabilities	394,167	434,258
Noncurrent liabilities		
Bonds payable	20,000	50,000
Long-term loans payable	201,198	145,127
Provision for retirement benefits	44,490	39,268
Provision for directors' retirement benefits	575	417
Provision for special repayment	187	287
Deferred tax liabilities	7,365	21,108
Other	19,751	15,450
Total noncurrent liabilities	293,569	271,659
Total liabilities	687,736	705,918

(Unit: Millions of Yen)

	FY2008 (as of Mar. 31, 2009)	FY2009 (as of Mar. 31, 2010)
Net assets		
Shareholder's equity		
Capital stock	70,175	70,175
Capital surplus	26,908	26,908
Retained earnings	373,749	377,675
Treasury stock	(11,507)	(11,524)
Total shareholder's equity	459,326	463,234
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	28,271	33,248
Deferred gains/loses on hedges	(0)	12
Foreign currency translation adjustments	(14,106)	(12,241)
Total valuation and translation adjustments	14,164	21,019
Minority interests	10,846	11,629
Total net assets	484,337	495,883
Total liabilities and net assets	1,172,074	1,201,801



## (2) Consolidated Statements of Income

(Unit: Millions of Yen)

	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)	FY2009 (from Apr. 1, 2009 to Mar. 31, 2010)
Net sales	1,828,946	1,569,633
Cost of sales	1,714,557	1,457,865
Gross profit	114,388	111,768
Selling, general and administrative expenses		
Employment costs	42,850	40,699
Depreciation and amortization	5,922	4,421
Advertising expenses	4,764	4,042
Provision for allowance for doubtful accounts	782	99
Other	26,554	24,969
Total selling, general and administrative expenses	80,874	74,232
Operating income	33,513	37,535
Non-operating income		
Interest income	1,257	507
Dividends income	2,425	2,177
Gain on sales of vehicles	265	214
Equity in earnings of affiliates	729	
Income from foreign exchange	1,992	1,724
Other	7,602	8,714
Total non-operating income	14,272	13,338
Non-operating expenses		
Interest expenses	4,091	3,629
Loss on sale and retirement of vehicles	378	271
Equity in losses of affiliates	-	7,869
Other	1,296	1,349
Total non-operating expenses	5,766	13,120
Ordinary income	42,019	37,753
Extraordinary income		
Gain on sales of noncurrent assets	1,303	1,604
Gain on sales of investment securities	9	932
Gain on change in equity		2,478
Change in profit for previous term	177	341
Other	108	47
Total extraordinary income	1,599	5,404
Extraordinary loss		
Loss on disposal of noncurrent assets	4,182	4,998
Loss on sales of investment securities	0	1,761
Loss on valuation of investment securities	2,460	5,761
Impairment loss	340	464
Promotion expenses for parcel delivery business integration	930	518
Penalty imposed by Japan Fair Trade Commission	2,495	
Cost of car painting renewal		3,377
Change in loss for previous term	34	6
Other	495	504
Total extraordinary loss	10,939	17,392
Income before income taxes and minority interests	32,678	25,764
Income taxes, inhabitants tax and enterprise taxes	8,517	9,995
Income taxes and other adjustments	8,187	2,412
Total enterprise taxes etc.	16,704	12,407
Minority interests	801	790
Net income	15,172	12,566

## (3) Consolidated Statements of Changes in Net Assets

	(Unit: Millions of Yen)	
	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)	FY2009 (from Apr. 1, 2009 to Mar. 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	70,175	70,175
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	<u>70,175</u>	<u>70,175</u>
Capital surplus		
Balance at the end of previous period	26,909	26,908
Changes of items during the period		
Disposal of treasury stock	(1)	-
Total changes of items during the period	(1)	-
Balance at the end of current period	<u>26,908</u>	<u>26,908</u>
Retained earnings		
Balance at the end of previous period	369,264	373,749
Effect of changes in accounting policies applied to foreign subsidiaries	(231)	-
Changes of items during the period		
Dividends from surplus	(10,428)	(10,428)
Net income	15,172	12,566
Disposal of treasury stock	(25)	(5)
Change of scope of equity method		1,793
Total changes of items during the period	4,717	3,925
Balance at the end of current period	<u>373,749</u>	<u>377,675</u>
Treasury stock		
Balance at the end of previous period	(11,504)	(11,507)
Changes of items during the period		
Purchase of treasury stock	(90)	(32)
Disposal of treasury stock	88	15
Total changes of items during the period	(2)	(17)
Balance at the end of current period	<u>(11,507)</u>	<u>(11,524)</u>
Total shareholders' equity		
Balance at the end of previous period	454,844	459,326
Effect of changes in accounting policies applied to foreign subsidiaries	(231)	-
Changes of items during the period		
Dividends from surplus	(10,428)	(10,428)
Net income	15,172	12,566
Purchase of treasury stock	(90)	(32)
Disposal of treasury stock	60	9
Change of scope of equity method		1,793
Total changes of items during the period	4,713	3,907
Balance at the end of current period	<u>459,326</u>	<u>463,234</u>

(Unit: Millions of Yen)

	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)	FY2009 (from Apr. 1, 2009 to Mar. 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	50,194	28,271
Changes of items during the period		
Net changes of items other than shareholders' equity	(21,922)	4,976
Total changes of items during the period	(21,922)	4,976
Balance at the end of current period	28,271	33,248
Deferred gains/loses on hedges		
Balance at the end of previous period	(7)	(0)
Changes of items during the period		
Net changes of items other than shareholders' equity	7	12
Total changes of items during the period	7	12
Balance at the end of current period	(0)	12
Foreign currency translation adjustments		
Balance at the end of previous period	5,221	(14,106)
Changes of items during the period		
Net changes of items other than shareholders' equity	(19,328)	1,865
Total changes of items during the period	(19,328)	1,865
Balance at the end of current period	(14,106)	(12,241)
Total valuation and translation adjustments		
Balance at the end of previous period	55,408	14,164
Changes of items during the period		
Net changes of items other than shareholders' equity	(41,243)	6,855
Total changes of items during the period	(41,243)	6,855
Balance at the end of current period	14,164	21,019
Minority interests		
Balance at the end of previous period	10,569	10,846
Changes of items during the period		
Net changes of items other than shareholders' equity	276	782
Total changes of items during the period	276	782
Balance at the end of current period	10,846	11,629
Total net assets		
Balance at the end of previous period	520,823	484,337
Effect of changes in accounting policies applied to foreign subsidiaries	(231)	
Changes of items during the period		
Dividends from surplus	(10,428)	(10,428)
Net income	15,172	12,566
Purchase of treasury stock	(90)	(32)
Disposal of treasury stock	60	9
Change of scope of equity method		1,793
Net changes of items other than shareholders' equity	(40,966)	7,638
Total changes of items during the period	(36,253)	11,545
Balance at the end of current period	484,337	495,883

## (4) Consolidated Cash Flows

(Unit: Millions of Yen)

	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)	FY2009 (from Apr. 1, 2009 to Mar. 31, 2010)
Cash flows from operating activities		
Income before income taxes and minority interests	32,678	25,764
Depreciation and amortization	63,085	52,446
Impairment loss	340	464
Promotion expenses for parcel delivery business integration	930	518
Penalty imposed by Japan Fair Trade Commission	2,495	
Cost of car painting renewal		3,377
(Gain) loss on change in equity		(2,478)
(Gain) loss on sales or valuation of investment securities	2,387	6,553
(Gain) loss on sales of noncurrent assets	3,056	3,488
Increase (decrease) in provision for bonus	(2,225)	(186)
Increase (decrease) in provision for retirement benefits	(8,740)	(5,233)
Interest and dividend income	(3,682)	(2,685)
Interest expense	4,091	3,629
Equity in (earnings) losses of affiliates	(729)	7,869
(Increase) decrease in notes and accounts receivable-trade	33,996	(753)
(Increase) decrease in inventories	(473)	1,694
Increase (decrease) in notes and accounts payable-trade	(40,095)	(657)
Increase (decrease) in consumption tax payable	(1,204)	1,955
Other	(1,033)	(934)
Subtotal	84,877	94,833
Interest and dividends income received	3,898	3,071
Interest expenses paid	(4,316)	(3,509)
Payment of other payables upon transfer to defined contribution pension plan	(4,050)	(3,937)
Payment for promotion expenses for parcel delivery business integration	(977)	(1,407)
Japan Fair Trade Commission surcharge		(2,495)
Payment for cost of car painting renewal		(668)
Income taxes paid	(15,351)	(3,688)
Net cash provided by operating activities	64,080	82,198
Cash flows from investment activities		
Payments for purchase of investment securities	(3,597)	(252)
Proceeds from sales of investment securities	24	5,310
Payments for purchase of noncurrent assets	(67,657)	(63,673)
Proceeds from sales of noncurrent assets	2,117	3,906
Proceeds from purchase of consolidated subsidiary due to change in scope of consolidation	(850)	
Other	(5,652)	384
Net cash used in investment activities	(75,614)	(54,325)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable, net	16,718	(14,493)
Increase (decrease) in commercial paper, net	3,700	(4,700)
Proceeds from long-term loans payable	74,548	48,724
Payment of long-term loans payable	(73,985)	(47,427)
Proceeds from issuing bonds		30,000
Redemption of bonds	(40,100)	
Proceeds from stock issuance to minority shareholders		144
Cash dividends paid	(10,428)	(10,428)
Other	(2,380)	(2,468)
Net cash used in financing activities	(31,927)	(648)
Effect of exchange rate changes on cash and cash equivalents	(8,144)	931
Net increase (decrease) in cash and cash equivalents	(51,607)	28,155
Cash and cash equivalents at beginning of period	144,639	93,031
Cash and cash equivalents at end of period	93,031	121,187

## 5. Non-Consolidated Financial Statements

### (1) Non-Consolidated Balance Sheets

(Unit: Millions of Yen)

	FY2008 (as of Mar. 31, 2009)	FY2009 (as of Mar. 31, 2010)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	58,228	81,227
Notes receivable-trade	4,643	4,985
Accounts receivable-trade	159,326	153,610
Inventories	926	964
Short-term loan to employees	271	228
Short-term loan	110	
Short-term loan to affiliates	3,875	275
Accrued credit	8,211	12,108
Advanced money	502	484
Prepaid expenses	5,101	5,324
Deferred tax assets	7,163	11,034
Advances paid	2,033	2,488
Allowance for doubtful accounts	(654)	(574)
<b>Total current assets</b>	<b>249,739</b>	<b>272,157</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Vehicles	105,457	100,327
Accumulated depreciation	(92,427)	(90,764)
Vehicles (net)	13,029	9,563
Buildings	426,025	427,401
Accumulated depreciation	(215,262)	(219,320)
Buildings (net)	210,763	208,080
Structures	53,353	52,578
Accumulated depreciation	(39,903)	(39,701)
Structures (net)	13,449	12,877
Machinery	38,837	33,059
Accumulated depreciation	(30,533)	(27,057)
Machinery (net)	8,304	6,002
Tools, furniture and fixtures	47,726	39,128
Accumulated depreciation	(41,202)	(34,090)
Tools, furniture and fixtures (net)	6,523	5,037
Vessels	1,797	1,804
Accumulated depreciation	(1,295)	(1,368)
Vessels (net)	502	436
Land	134,394	130,287
Leased assets	26,325	25,986
Accumulated depreciation	(7,119)	(11,165)
Leased assets (net)	19,206	14,820
Construction in progress	2,575	4,326
<b>Total property, plant and equipment</b>	<b>408,750</b>	<b>391,433</b>
<b>Intangible assets</b>		
Land leasehold	5,449	5,304
Telephone line	1,712	1,695
Software	13,120	12,825
Other	581	560
<b>Total Intangible assets</b>	<b>20,864</b>	<b>20,385</b>

(Unit: Millions of Yen)

	FY2008 (as of Mar. 31, 2009)	FY2009 (as of Mar. 31, 2010)
Investments and other assets		
Investment securities	84,794	90,801
Investment in affiliates	27,526	26,799
Invested capital	4,291	4,291
Invested capital to affiliates	1,352	1,220
Long-term loan to employees	2,151	1,636
Long-term loan to affiliates	1,905	1,603
Claims in bankruptcy and reorganization, etc.	822	904
Long-term prepaid expense	2,297	1,553
Deposit	11,831	10,532
Other	6,686	6,761
Allowance for doubtful accounts	(1,151)	(1,092)
Total Investments and other assets	142,508	145,011
Total noncurrent assets	572,122	556,830
Total assets	821,861	828,987
Liabilities		
Current liabilities		
Accounts payable-trade	85,964	88,771
Short-term loans payable	29,306	72,580
Lease obligations	6,534	5,206
Other Payables	29,426	15,034
Income taxes payable	—	3,173
Consumer tax payable	1,339	2,399
Unpaid expenses	10,398	10,604
Advance receipt	8,786	8,162
Deposits	37,709	46,872
Deposits from employees	30,296	29,660
Provision for bonus	12,173	12,475
Provision for directors' bonus	97	97
Total current liabilities	252,032	295,036
Noncurrent liabilities		
Bonds payable	20,000	50,000
Long-term loans payable	130,376	69,034
Lease obligations	13,632	10,355
Provision for retirement benefits	31,666	26,398
Provision for loss on business of affiliates	—	667
Deferred tax liabilities	13,035	20,069
Long-term deposits	6,230	6,333
Long-term unpaid	4,190	216
Other	0	0
Total noncurrent liabilities	219,130	183,075
Total liabilities	471,162	478,111

(Unit: Millions of Yen)

	FY2008 (as of Mar. 31, 2009)	FY2009 (as of Mar. 31, 2010)
Net assets		
Shareholder's equity		
Capital stock	70,175	70,175
Capital surplus		
Capital reserve	26,908	26,908
Total capital surplus	26,908	26,908
Retained earnings		
Earned reserve	17,543	17,543
Other retained earnings		
Noncurrent asset reduction reserve	26,468	25,112
Other reserve	181,000	181,000
Retained earnings carried forward	12,610	9,476
Total retained earnings	237,622	233,133
Treasury stock	(11,507)	(11,524)
Total shareholder's equity	323,199	318,692
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	27,499	32,171
Deferred gains/loses on hedges	(0)	12
Total valuation and translation adjustments	27,499	32,183
Total net assets	350,698	350,875
Total liabilities and net assets	821,861	828,987

## (2) Non-Consolidated Statements of Income

(Unit: Millions of Yen)

	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)	FY2009 (from Apr. 1, 2009 to Mar. 31, 2010)
Net sales	1,246,476	1,047,549
Cost of sales	1,200,992	999,567
Gross profit	45,484	47,982
Selling, general and administrative expenses		
Employment costs	8,471	8,439
Depreciation and amortization	2,897	1,411
Advertising expenses	4,250	3,697
Provision for allowance for doubtful accounts	372	126
Other	12,090	11,066
Total selling, general and administrative expenses	28,082	24,740
Operating income	17,401	23,241
Non-operating income		
Interest income	299	143
Dividends income	3,949	3,761
Gain on sales of vehicles	25	30
Income from foreign exchange	1,110	913
Miscellaneous income	4,154	5,300
Total non-operating income	9,539	10,149
Non-operating expenses		
Interest expenses	2,943	2,580
Interest of bonds	863	684
Loss on sale and retirement of vehicles	262	169
Miscellaneous expenses	976	1,104
Total non-operating expenses	5,045	4,539
Ordinary income	21,895	28,852
Extraordinary income		
Gain on sales of noncurrent assets	906	1,162
Gain on sales of investment securities	31	58
Change in profit for previous term	8	125
Total extraordinary income	945	1,346
Extraordinary loss		
Loss on disposal of noncurrent assets	4,422	4,718
Loss on sales of investment securities	37	5,268
Loss on valuation of investment securities	2,554	6,197
Promotion expenses for parcel delivery business integration	930	518
Cost of car painting renewal		3,495
Provision for loss on business of affiliates		667
Penalty imposed by Japan Fair Trade Commission	2,495	
Change in loss for previous term	5	0
Total extraordinary loss	10,445	20,865
Income before income taxes	12,395	9,332
Income taxes, inhabitants tax and enterprise Taxes	1,914	3,440
Income taxes and other adjustments	5,383	(51)
Total enterprise taxes etc.	7,297	3,388
Net income	5,097	5,944



## (3) Non-Consolidated Statements of Changes in Net Assets

	(Unit: Millions of Yen)	
	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)	FY2009 (from Apr. 1, 2009 to Mar. 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	70,175	70,175
Changes of items during the period		
Total changes of items during the period		
Balance at the end of current period	<u>70,175</u>	<u>70,175</u>
Capital surplus		
Capital reserve		
Balance at the end of previous period	26,908	26,908
Changes of items during the period		
Total changes of items during the period		
Balance at the end of current period	<u>26,908</u>	<u>26,908</u>
Other capital surplus		
Balance at the end of previous period	1	
Changes of items during the period		
Disposal of treasury stock	(1)	
Total changes of items during the period	<u>(1)</u>	
Balance at the end of current period		
Total capital surplus		
Balance at the end of previous period	26,909	26,908
Changes of items during the period		
Disposal of treasury stock	(1)	
Total changes of items during the period	<u>(1)</u>	
Balance at the end of current period	<u>26,908</u>	<u>26,908</u>
Retained earnings		
Earned reserve		
Balance at the end of previous period	17,543	17,543
Changes of items during the period		
Total changes of items during the period		
Balance at the end of current period	<u>17,543</u>	<u>17,543</u>
Other retained earnings		
Noncurrent asset reduction reserve		
Balance at the end of previous period	27,325	26,468
Changes of items during the period		
Reversal of noncurrent asset reduction reserve	(1,306)	(1,968)
Provision of noncurrent asset reduction reserve	449	612
Total changes of items during the period	<u>(856)</u>	<u>(1,355)</u>
Balance at the end of current period	<u>26,468</u>	<u>25,112</u>
Other reserve		
Balance at the end of previous period	171,000	181,000
Changes of items during the period		
Provision of other reserve	10,000	
Total changes of items during the period	<u>10,000</u>	
Balance at the end of current period	<u>181,000</u>	<u>181,000</u>

(Unit: Millions of Yen)

	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)	FY2009 (from Apr. 1, 2009 to Mar. 31, 2010)
Retained earnings carried forward		
Balance at the end of previous period	27,111	12,610
Changes of items during the period		
Reversal of noncurrent asset reduction reserve	1,306	1,968
Provision of noncurrent asset reduction reserve	(449)	(612)
Provision of other reserve	(10,000)	
Dividends from surplus	(10,428)	(10,428)
Net income	5,097	5,944
Disposal of treasury stock	(25)	(5)
Total changes of items during the period	(14,500)	(3,134)
Balance at the end of current period	12,610	9,476
Total retained earnings		
Balance at the end of previous period	242,980	237,622
Changes of items during the period		
Reversal of noncurrent asset reduction reserve		
Provision of noncurrent asset reduction reserve		
Provision of other reserve		
Dividends from surplus	(10,428)	(10,428)
Net income	5,097	5,944
Disposal of treasury stock	(25)	(5)
Total changes of items during the period	(5,357)	(4,489)
Balance at the end of current period	237,622	233,133
Treasury stock		
Balance at the end of previous period	(11,504)	(11,507)
Changes of items during the period		
Purchase of treasury stock	(90)	(32)
Disposal of treasury stock	88	15
Total changes of items during the period	(2)	(17)
Balance at the end of current period	(11,507)	(11,524)
Total shareholders' equity		
Balance at the end of previous period	328,560	323,199
Changes of items during the period		
Dividends from surplus	(10,428)	(10,428)
Net income	5,097	5,944
Purchase of treasury stock	(90)	(32)
Disposal of treasury stock	60	9
Total changes of items during the period	(5,361)	(4,506)
Balance at the end of current period	323,199	318,692

	(Unit: Millions of Yen)	
	FY2008 (from Apr. 1, 2008 to Mar. 31, 2009)	FY2009 (from Apr. 1, 2009 to Mar. 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	48,828	27,499
Changes of items during the period		
Net changes of items other than shareholders' equity	(21,328)	4,671
Total changes of items during the period	(21,328)	4,671
Balance at the end of current period	27,499	32,171
Deferred gains/loses on hedges		
Balance at the end of previous period	(6)	(0)
Changes of items during the period		
Net changes of items other than shareholders' equity	6	12
Total changes of items during the period	6	12
Balance at the end of current period	(0)	12
Total valuation and translation adjustments		
Balance at the end of previous period	48,821	27,499
Changes of items during the period		
Net changes of items other than shareholders' equity	(21,322)	4,683
Total changes of items during the period	(21,322)	4,683
Balance at the end of current period	27,499	32,183
Total net assets		
Balance at the end of previous period	377,382	350,698
Changes of items during the period		
Dividends from surplus	(10,428)	(10,428)
Net income	5,097	5,944
Purchase of treasury stock	(90)	(32)
Disposal of treasury stock	60	9
Net changes of items other than shareholders' equity	(21,322)	4,683
Total changes of items during the period	(26,683)	177
Balance at the end of current period	350,698	350,875

**Disclaimer:**

**This English translation has been prepared for general reference purposes only.  
The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text.  
In any legal matter, readers should refer to and rely upon the original Japanese text released May 7, 2010.**

1. Consolidated Financial Statements

○ Financial Results of Business segment and Geographic segment for FY 2009

(Business Segment)

(Unit: Millions of yen, %)

		FY 2009	FY 2008	Change	
				Amount	Ratio
Net sales	Distribution & Transportation	1,288,373	1,528,695	(240,322)	(15.7)
	Goods Sales	326,337	369,661	(43,323)	(11.7)
	Other	33,919	31,002	2,916	9.4
	Elimination	(78,996)	(100,412)	21,416	—
	Total	1,569,633	1,828,946	(259,313)	(14.2)
Operating Income	Distribution & Transportation	[2.5] 32,371	[1.8] 28,109	4,261	15.2
	Goods Sales	[1.8] 5,890	[1.7] 6,316	(425)	(6.7)
	Other	[4.2] 1,418	[4.6] 1,439	(20)	(1.5)
	Eliminations or all companies	(2,145)	(2,351)	206	—
	Total	[2.4] 37,535	[1.8] 33,513	4,021	12.0

(Geographical Segment)

(Unit: Millions of yen, %)

		FY 2009	FY 2008	Change	
				Amount	Ratio
Net sales	Japan	1,418,878	1,625,564	(206,686)	(12.7)
	The Americas	37,717	56,831	(19,114)	(33.6)
	Europe	44,724	69,059	(24,334)	(35.2)
	Asia & Oceania	93,830	112,654	(18,823)	(16.7)
	Elimination	(25,517)	(35,162)	9,645	—
	Total	1,569,633	1,828,946	(259,313)	(14.2)
Operating Income	Japan	[2.5] 34,775	[1.6] 26,623	8,152	30.6
	The Americas	[0.6] 215	[4.1] 2,332	(2,117)	(90.8)
	Europe	[1.0] 439	[2.6] 1,784	(1,345)	(75.4)
	Asia & Oceania	[3.3] 3,075	[3.7] 4,170	(1,095)	(26.3)
	Eliminations or all companies	(971)	(1,398)	426	—
	Total	[2.4] 37,535	[1.8] 33,513	4,021	12.0

Note: Figures in brackets indicate Operating Margin

○ Projection for FY 2010

(Business Segment)

(Unit: Millions of yen, %)

		FY 2010	FY 2009	Change	
				Amount	Ratio
Net sales	Distribution & Transportation	1,313,444	1,288,373	25,071	1.9
	Goods Sales	338,566	326,337	12,228	3.7
	Other	35,647	33,919	1,727	5.1
	Elimination	(81,658)	(78,996)	(2,661)	—
	Total	1,606,000	1,569,633	36,366	2.3
Operating Income	Distribution & Transportation	[3.1] 40,716	[2.5] 32,371	8,344	25.8
	Goods Sales	[1.8] 6,032	[1.8] 5,890	141	2.4
	Other	[4.7] 1,667	[4.2] 1,418	248	17.5
	Eliminations or all companies	(2,916)	(2,145)	(770)	—
	Total	[2.8] 45,500	[2.4] 37,535	7,964	21.2

(Geographical Segment)

(Unit: Millions of yen, %)

		FY 2010	FY 2009	Change	
				Amount	Ratio
Net sales	Japan	1,438,859	1,418,878	19,980	1.4
	The Americas	43,289	37,717	5,572	14.8
	Europe	47,631	44,724	2,906	6.5
	Asia & Oceania	104,152	93,830	10,321	11.0
	Elimination	(27,932)	(25,517)	(2,415)	—
	Total	1,606,000	1,569,633	36,366	2.3
Operating Income	Japan	[2.8] 39,898	[2.5] 34,775	5,122	14.7
	The Americas	[2.8] 1,221	[0.6] 215	1,005	467.3
	Europe	[3.3] 1,587	[1.0] 439	1,147	261.2
	Asia & Oceania	[3.8] 3,920	[3.3] 3,075	844	27.5
	Eliminations or all companies	(1,127)	(971)	(156)	—
	Total	[2.8] 45,500	[2.4] 37,535	7,964	21.2

Note: Figures in brackets indicate Operating Margin

○ Projection for 1H of the year for FY 2010

(Business Segment)

(Unit: Millions of yen, %)

		FY 2010	FY 2009	Change	
				Amount	Ratio
Net sales	Distribution & Transportation	651,861	634,687	17,173	2.7
	Goods Sales	163,227	150,987	12,240	8.1
	Other	16,833	15,426	1,407	9.1
	Elimination	(41,921)	(36,922)	(4,999)	—
	Total	790,000	764,179	25,820	3.4
Operating Income	Distribution & Transportation	[2.7] 17,415	[2.2] 13,823	3,592	26.0
	Goods Sales	[1.7] 2,838	[1.5] 2,265	573	25.3
	Other	[3.7] 624	[2.9] 449	175	39.0
	Eliminations or all companies	(1,379)	(766)	(612)	—
	Total	[2.5] 19,500	[2.1] 15,771	3,728	23.6

(Geographical Segment)

(Unit: Millions of yen, %)

		FY 2010	FY 2009	Change	
				Amount	Ratio
Net sales	Japan	713,106	697,252	15,853	2.3
	The Americas	20,974	18,710	2,263	12.1
	Europe	22,925	20,213	2,712	13.4
	Asia & Oceania	49,781	40,391	9,390	23.2
	Elimination	(16,788)	(12,389)	(4,399)	—
	Total	790,000	764,179	25,820	3.4
Operating Income	Japan	[2.5] 17,544	[2.2] 15,149	2,394	15.8
	The Americas	[3.4] 713	[(0.9)] (173)	887	—
	Europe	[2.3] 527	[(0.9)] (174)	702	—
	Asia & Oceania	[3.2] 1,575	[3.2] 1,287	287	22.4
	Eliminations or all companies	(860)	(317)	(543)	—
	Total	[2.5] 19,500	[2.1] 15,771	3,728	23.6

Note: Figures in brackets indicate Operating Margin

○ Changes in number of employees as of year end

(Unit: Millions of yen, %)

	Mar. end 2010	Sep. end 2009	Mar. end 2009	Change (vs Mar. end 2009)	
				Amount	Ratio
Distribution & Transportation	61,921	63,955	67,316	(5,395)	(8.0)
Goods Sales	2,884	2,964	2,915	(31)	(1.1)
Other	1,091	1,104	1,100	(9)	(0.8)
Eliminations and other	20	22	21	(1)	(4.8)
Total	65,916	68,045	71,352	(5,436)	(7.6)

○ Capital Expenditures

(Unit: Millions of yen)

	Actual amount in FY 2009
Vehicles	7,561
Buildings	18,983
Land	2,124
Leased assets	11,578
Other	16,031
Total	56,279

Major investment

(Unit: Millions of yen)

Company	Amount	Note
Nippon Express	33,337	Toyonaka logistics center 3,838 million yen, etc.
Shiogamako Unso Co., Ltd.	963	Acquisition of land for Sendai Port new logistics center

\* Amount for Nippon Express does not include leased assets.

(Unit: Millions of yen)

	Forecast for FY 2010
Vehicles	9,922
Buildings	27,261
Land	2,751
Leased assets	9,520
Other	14,151
Total	63,606

Major plans

(Unit: Millions of yen)

Company	Amount	Note
Nippon Express	35,000	New base for Sapporo Security Transportation 1,210 million yen, etc.
Nippon Truck Co., Ltd.	1,307	New terminal and warehouse in Fukui

\* Amount for Nippon Express does not include leased assets.

## 2. Non-consolidated Financial Statements

○ Details of sales and operating expenses for FY 2009

(Unit: Millions of yen, %)

		FY 2009		FY 2008		Change			
			% in Sales		% in Sales	Amount	Change %		
Net sales	Railway utilization transportation	86,009	8.2	93,538	7.5	(7,528)	(8.0)		
	Motor transportation	Combined delivery services	112,837	10.8	206,791	16.6	(93,953)	(45.4)	
		Chartered truck services	270,773	25.8	292,698	23.5	(21,924)	(7.5)	
		Subtotal	383,611	36.6	499,489	40.1	(115,878)	(23.2)	
	Marine and harbor transportation	Marine transportation	51,878	5.0	70,634	5.7	(18,755)	(26.6)	
		Harbor transportation	55,100	5.2	64,823	5.2	(9,723)	(15.0)	
		Subtotal	106,979	10.2	135,457	10.9	(28,478)	(21.0)	
		(Exports)	[ 47,097 ]	—	[ 64,882 ]	—	[ (17,784) ]	[ (27.4) ]	
		(Imports)	[ 36,192 ]	—	[ 42,186 ]	—	[ (5,994) ]	[ (14.2) ]	
		(Domestic)	[ 23,689 ]	—	[ 28,388 ]	—	[ (4,698) ]	[ (16.6) ]	
	Warehousing	95,113	9.1	96,040	7.7	(926)	(1.0)		
	Air transportation	Air freight forwarding	International air freight	97,994	9.4	117,767	9.4	(19,772)	(16.8)
			(Exports)	[ 77,394 ]	—	[ 96,192 ]	—	[ (18,797) ]	[ (19.5) ]
			(Imports)	[ 20,600 ]	—	[ 21,574 ]	—	[ (974) ]	[ (4.5) ]
			Domestic air freight	43,363	4.1	49,635	4.0	(6,272)	(12.6)
		Subtotal	141,358	13.5	167,402	13.4	(26,044)	(15.6)	
	Travel	5,073	0.5	7,066	0.6	(1,992)	(28.2)		
Subtotal	146,431	14.0	174,469	14.0	(28,037)	(16.1)			
Heavy haulage and construction	49,823	4.8	60,639	4.8	(10,816)	(17.8)			
Incidental operations and others	179,580	17.1	186,840	15.0	(7,260)	(3.9)			
Total	1,047,549	100.0	1,246,476	100.0	(198,926)	(16.0)			
	(Domestic operation-related revenues)	[ 844,489 ]	80.6	[ 990,051 ]	79.4	[ (145,561) ]	[ (14.7) ]		
	(International operation-related revenues)	[ 203,060 ]	19.4	[ 256,424 ]	20.6	[ (53,364) ]	[ (20.8) ]		
Operating expenses	Employment costs	Drivers/workers	118,698	11.4	136,927	11.0	(18,229)	(13.3)	
		Office personnel	132,218	12.6	147,593	11.8	(15,374)	(10.4)	
		Subtotal	250,916	24.0	284,521	22.8	(33,604)	(11.8)	
	Forwarding costs	Railway	44,912	4.3	48,967	3.9	(4,054)	(8.3)	
		Marine	15,990	1.5	26,961	2.2	(10,970)	(40.7)	
		Air	49,503	4.7	67,137	5.4	(17,634)	(26.3)	
		Subtotal	110,406	10.5	143,066	11.5	(32,659)	(22.8)	
	Costs of car chartering and subcontracting	422,453	40.3	514,493	41.3	(92,040)	(17.9)		
	Depreciation and amortization	34,223	3.3	40,146	3.2	(5,922)	(14.8)		
	Facility usage charges	81,048	7.7	85,397	6.8	(4,348)	(5.1)		
Other	125,258	12.0	161,449	13.0	(36,190)	(22.4)			
Total	1,024,308	97.8	1,229,074	98.6	(204,766)	(16.7)			
Operating income	23,241	2.2	17,401	1.4	5,839	33.6			



○ Details of sales for the first and second half of FY 2009

(Unit: Millions of yen, %)

		FY 2009		FY 2008		Change			
			% in Sales		% in Sales	Amount	Change %		
1H of sales	Motor transportation	Railway utilization transportation	41,256	7.9	47,744	7.3	(6,488)	(13.6)	
		Combined delivery services	64,607	12.4	103,910	15.9	(39,302)	(37.8)	
		Chartered truck services	133,592	25.5	151,836	23.3	(18,243)	(12.0)	
		Subtotal	198,200	37.9	255,747	39.2	(57,546)	(22.5)	
	Marine and harbor transportation	Marine transportation	25,905	5.0	40,454	6.2	(14,548)	(36.0)	
		Harbor transportation	26,807	5.1	36,252	5.6	(9,444)	(26.1)	
		Subtotal	52,713	10.1	76,707	11.8	(23,993)	(31.3)	
		(Exports)	[ 22,197 ]	—	[ 38,658 ]	—	[ (16,460) ]	[ (42.6) ]	
		(Imports)	[ 18,844 ]	—	[ 23,185 ]	—	[ (4,340) ]	[ (18.7) ]	
		(Domestic)	[ 11,671 ]	—	[ 14,863 ]	—	[ (3,192) ]	[ (21.5) ]	
		Warehousing	47,795	9.1	47,728	7.3	67	0.1	
	Air transportation	Air freight forwarding	International air freight	43,305	8.3	70,105	10.8	(26,799)	(38.2)
			(Exports)	[ 33,455 ]	—	[ 58,661 ]	—	[ (25,205) ]	[ (43.0) ]
			(Imports)	[ 9,850 ]	—	[ 11,444 ]	—	[ (1,594) ]	[ (13.9) ]
			Domestic air freight	21,679	4.1	25,496	3.9	(3,816)	(15.0)
			Subtotal	64,984	12.4	95,601	14.7	(30,616)	(32.0)
			Travel	2,418	0.5	4,086	0.6	(1,667)	(40.8)
	Subtotal	67,403	12.9	99,688	15.3	(32,284)	(32.4)		
	Heavy haulage and construction	27,399	5.2	29,420	4.5	(2,020)	(6.9)		
	Incidental operations and others	88,398	16.9	94,798	14.6	(6,399)	(6.8)		
	Total	523,167	100.0	651,833	100.0	(128,666)	(19.7)		
	(Domestic operation-related revenues)	[ 428,166 ]	81.8	[ 502,350 ]	77.1	[ (74,184) ]	[ (14.8) ]		
	(International operation-related revenues)	[ 95,001 ]	18.2	[ 149,483 ]	22.9	[ (54,481) ]	[ (36.4) ]		
2H of sales	Motor transportation	Railway utilization transportation	44,753	8.5	45,793	7.7	(1,040)	(2.3)	
		Combined delivery services	48,229	9.2	102,880	17.3	(54,650)	(53.1)	
		Chartered truck services	137,181	26.2	140,861	23.7	(3,680)	(2.6)	
		Subtotal	185,410	35.4	243,742	41.0	(58,331)	(23.9)	
	Marine and harbor transportation	Marine transportation	25,972	4.9	30,179	5.1	(4,206)	(13.9)	
		Harbor transportation	28,292	5.4	28,570	4.8	(278)	(1.0)	
		Subtotal	54,265	10.3	58,750	9.9	(4,484)	(7.6)	
		(Exports)	[ 24,899 ]	—	[ 26,223 ]	—	[ (1,324) ]	[ (5.0) ]	
		(Imports)	[ 17,347 ]	—	[ 19,001 ]	—	[ (1,654) ]	[ (8.7) ]	
		(Domestic)	[ 12,018 ]	—	[ 13,524 ]	—	[ (1,506) ]	[ (11.1) ]	
		Warehousing	47,318	9.0	48,312	8.1	(994)	(2.1)	
	Air transportation	Air freight forwarding	International air freight	54,689	10.4	47,661	8.0	7,027	14.7
			(Exports)	[ 43,939 ]	—	[ 37,531 ]	—	[ 6,408 ]	[ 17.1 ]
			(Imports)	[ 10,750 ]	—	[ 10,130 ]	—	[ 619 ]	[ 6.1 ]
			Domestic air freight	21,684	4.2	24,139	4.1	(2,455)	(10.2)
			Subtotal	76,373	14.6	71,801	12.1	4,572	6.4
			Travel	2,654	0.5	2,980	0.5	(325)	(10.9)
	Subtotal	79,028	15.1	74,781	12.6	4,247	5.7		
	Heavy haulage and construction	22,424	4.3	31,219	5.2	(8,795)	(28.2)		
	Incidental operations and others	91,181	17.4	92,042	15.5	(860)	(0.9)		
	Total	524,382	100.0	594,642	100.0	(70,260)	(11.8)		
	(Domestic operation-related revenues)	[ 416,323 ]	79.4	[ 487,700 ]	82.0	[ (71,376) ]	[ (14.6) ]		
	(International operation-related revenues)	[ 108,058 ]	20.6	[ 106,941 ]	18.0	[ 1,116 ]	[ 1.0 ]		

○ Changes in number of employees as of year end

(Unit: Person, %)

		Mar. end 2010	Sep. end 2009	Mar. end 2009	Change (vs Mar. end 2009)	
					Change	%
Drivers /workers	Nationwide employees	1,561	1,736	1,967	(406)	(20.6)
	Other employees	16,926	17,510	18,404	(1,478)	(8.0)
	Subtotal	18,487	19,246	20,371	(1,884)	(9.2)
Office personnel	Nationwide employees	12,366	12,661	13,427	(1,061)	(7.9)
	Other employees	4,321	4,689	5,186	(865)	(16.7)
	Subtotal	16,687	17,350	18,613	(1,926)	(10.3)
Total		35,174	36,596	38,984	(3,810)	(9.8)

○ Cash flows

(Unit: Millions of yen)

	FY 2009	FY 2008	Change
Cash and cash equivalents at beginning of period	58,228	88,494	(30,266)
Cash flows from operating activities	57,630	50,840	6,789
Cash flows from investment activities	(29,996)	(46,891)	16,894
Cash flows from financing activities	(4,633)	(34,215)	29,581
Cash and cash equivalents at end of period	81,227	58,228	22,999

○ Capital expenditures

(Unit: Millions of yen)

	Actual amount in FY 2009
Vehicle	5,574
Buildings	17,457
Land	394
Software	4,794
Other	5,115
Total	33,337

\* Major investment

(Unit: Millions of yen)

Type	Description	m <sup>2</sup>	Amount
Building	Toyonaka logistics center	37,010	3,838
Building	Toyama logistics center	10,167	1,006

(Unit: Millions of yen)

	Forecasted amount in FY 2010
Vehicle	7,000
Buildings	17,000
Land	1,000
Software	5,000
Other	5,000
Total	35,000

\* Major investment

(Unit: Millions of yen)

Type	Description	(Planned to complete)	m <sup>2</sup>	Amount
Building	New base for Sapporo Security Transportation	(July 2011)	8,610	1,210

○ Projection for FY2010

(Unit: Millions of yen, %)

		FY2010		FY2009		Change			
			% in Sales		% in Sales	Amount	Change %		
Net sales	Railway utilization transportation	88,000	8.3	86,009	8.2	1,990	2.3		
	Motor transportation	Combined delivery services	93,000	8.8	112,837	10.8	(19,837)	(17.6)	
		Chartered truck services	273,000	25.7	270,773	25.8	2,226	0.8	
		Subtotal	366,000	34.5	383,611	36.6	(17,611)	(4.6)	
	Marine and harbor transportation	Marine transportation	63,000	5.9	51,878	5.0	11,121	21.4	
		Harbor transportation	59,000	5.6	55,100	5.2	3,899	7.1	
		Subtotal	122,000	11.5	106,979	10.2	15,020	14.0	
	Warehousing	96,000	9.1	95,113	9.1	886	0.9		
	Air transportation	Air freight forwarding	International air freight	111,500	10.5	97,994	9.4	13,505	13.8
			Domestic air freight	43,500	4.1	43,363	4.1	136	0.3
			Subtotal	155,000	14.6	141,358	13.5	13,641	9.7
		Travel	5,000	0.5	5,073	0.5	(73)	(1.5)	
		Subtotal	160,000	15.1	146,431	14.0	13,568	9.3	
	Heavy haulage and construction	44,000	4.1	49,823	4.8	(5,823)	(11.7)		
Incidental operations and others	185,000	17.4	179,580	17.1	5,419	3.0			
Total	1,061,000	100.0	1,047,549	100.0	13,450	1.3			
Operating expenses	Employment costs	Drivers/workers	119,103	11.2	118,698	11.4	404	0.3	
		Office personnel	136,012	12.8	132,218	12.6	3,793	2.9	
		Subtotal	255,115	24.0	250,916	24.0	4,198	1.7	
	Forwarding costs	Railway	49,572	4.7	44,912	4.3	4,659	10.4	
		Marine	18,743	1.8	15,990	1.5	2,752	17.2	
		Air	52,404	4.9	49,503	4.7	2,900	5.9	
		Subtotal	120,719	11.4	110,406	10.5	10,312	9.3	
	Costs of car chartering and subcontracting	411,783	38.8	422,453	40.3	(10,670)	(2.5)		
	Depreciation and amortization	37,483	3.6	34,223	3.3	3,259	9.5		
	Facility usage charges	79,400	7.5	81,048	7.7	(1,648)	(2.0)		
Other	128,500	12.1	125,258	12.0	3,241	2.6			
Total	1,033,000	97.4	1,024,308	97.8	8,691	0.8			
Operating income	28,000	2.6	23,241	2.2	4,758	20.5			
Non-operating income	9,023	0.9	10,149	1.0	(1,126)	(11.1)			
Non-operating expenses	5,023	0.5	4,539	0.4	483	10.7			
Ordinary income	32,000	3.0	28,852	2.8	3,147	10.9			
Extraordinary income	5,300	0.5	1,346	0.1	3,953	293.7			
Extraordinary loss	9,300	0.9	20,865	2.0	(11,565)	(55.4)			
Income before income taxes	28,000	2.6	9,332	0.9	18,667	200.0			
Income taxes	12,000	1.1	3,388	0.3	8,611	254.1			
Net income	16,000	1.5	5,944	0.6	10,055	169.2			
Financial income	—	—	640	—	(640)	(100.0)			

○ Projection for the 1H FY2010

(Unit: Millions of yen, %)

		First half of FY2010		First half of FY2009		Change			
			% in Sales		% in Sales	Amount	Change %		
Net sales	Railway utilization transportation	42,000	8.0	41,256	7.9	743	1.8		
	Motor transportation	Combined delivery services	45,000	8.5	64,607	12.4	(19,607)	(30.3)	
		Chartered truck services	135,000	25.7	133,592	25.5	1,407	1.1	
		Subtotal	180,000	34.2	198,200	37.9	(18,200)	(9.2)	
	Marine and harbor transportation	Marine transportation	32,000	6.1	25,905	5.0	6,094	23.5	
		Harbor transportation	29,000	5.5	26,807	5.1	2,192	8.2	
		Subtotal	61,000	11.6	52,713	10.1	8,286	15.7	
	Warehousing	48,000	9.1	47,795	9.1	204	0.4		
	Air transportation	Air freight forwarding	International air freight	55,000	10.4	43,305	8.3	11,694	27.0
			Domestic air freight	21,500	4.1	21,679	4.1	(179)	(0.8)
		Subtotal	76,500	14.5	64,984	12.4	11,515	17.7	
		Travel	2,500	0.5	2,418	0.5	81	3.4	
	Subtotal	79,000	15.0	67,403	12.9	11,596	17.2		
Heavy haulage and construction	24,000	4.6	27,399	5.2	(3,399)	(12.4)			
Incidental operations and others	92,000	17.5	88,398	16.9	3,601	4.1			
Total	526,000	100.0	523,167	100.0	2,832	0.5			
Operating expenses	Employment costs	Drivers/workers	60,842	11.6	60,213	11.5	628	1.0	
		Office personnel	70,265	13.3	66,438	12.7	3,826	5.8	
		Subtotal	131,107	24.9	126,652	24.2	4,454	3.5	
	Forwarding costs	Railway	25,434	4.9	21,514	4.1	3,919	18.2	
		Marine	8,387	1.6	7,381	1.4	1,005	13.6	
		Air	22,200	4.2	19,902	3.8	2,297	11.5	
		Subtotal	56,021	10.7	48,798	9.3	7,222	14.8	
	Costs of car chartering and subcontracting	205,766	39.1	217,507	41.6	(11,741)	(5.4)		
	Depreciation and amortization	17,706	3.4	16,354	3.1	1,351	8.3		
	Facility usage charges	39,700	7.5	41,410	7.9	(1,710)	(4.1)		
Other	63,700	12.1	61,750	11.8	1,949	3.2			
Total	514,000	97.7	512,473	97.9	1,526	0.3			
Operating income	12,000	2.3	10,694	2.1	1,305	12.2			
Non-operating income	4,582	0.9	5,223	1.0	(641)	(12.3)			
Non-operating expenses	2,582	0.5	2,400	0.5	181	7.6			
Ordinary income	14,000	2.7	13,516	2.6	483	3.6			
Extraordinary income	4,100	0.7	742	0.1	3,357	452.3			
Extraordinary loss	8,000	1.5	1,719	0.3	6,280	365.1			
Income before income taxes	10,100	1.9	12,539	2.4	(2,439)	(19.5)			
Income taxes	4,100	0.8	5,488	1.1	(1,388)	(25.3)			
Net income	6,000	1.1	7,051	1.3	(1,051)	(14.9)			
Financial income	375	—	584	—	(209)	(35.8)			