Financial Results for the year ended March 31, 2009

April 28, 2009

Listed Company: **Hitachi Transport System, Ltd.** Stock exchange: First section of Tokyo

Code Number: 9086 URL: http://www.hitachi-hb.co.jp/

Representative: Takao Suzuki, President and Chief Executive Officer
Contact: Noriaki Kakino, Assistant General Manager, Human Resources and Business Support Office +81-3-5634-0307

Date of the Ordinary General Meeting of Shareholders (Schedule): June 25, 2009
Date of the Start of Dividend Payment (Schedule): June 1, 2009
Date of the Release of Asset Securities Report (Schedule): June 25, 2009

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Highlights for the Year ended March 2009 (April 1, 2008 to March 31, 2009)

(1) Consolidated Financial Results

(% indicates the percentage change over year)

	Service revenues		Operating income		Ordinary income		Net income	
Years ended:	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2009	352,800	4.3	14,171	1.2	14,351	0.5	7,000	(9.6)
March 31, 2008	338,217	11.3	14,002	19.2	14,280	17.4	7,747	14.1

	Net income per share	Net income per share (Diluted)	Return on equity	Ordinary income to total assets	Operating margin
Years ended:	Yen	Yen	%	%	%
March 31, 2009	62.75	–	5.0	6.4	4.0
March 31, 2008	69.45	–	5.7	6.6	4.1

(Reference) Equity in earnings of affiliated companies: March 2009: 147 million yen March 2008: 138 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
Years ended:	Million yen	Million yen	%	Yen
March 31,2009	226,504	143,327	62.5	1,268.67
March 31,2008	222,805	139,952	61.9	1,236.96

(Reference) Equity: March 2009: 141,523 million yen March 2008: 137,987 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of term
Years ended:	Million yen	Million yen	Million yen	Million yen
March 31, 2009	19,969	(14,797)	(2,510)	34,805
March 31, 2008	16,204	(15,018)	(5,893)	32,386

2. Dividend

	Dividend per share					Cash dividends (annual)	Payout ratio (consolidated)	Dividend on net assets (consolidated)
(Date of standard)	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of fiscal year	Annual			
Years ended:	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2008	–	9.00	–	9.00	18.00	2,008	25.9	1.5
March 31, 2009	–	10.00	—	10.00	20.00	2,231	31.9	1.6
Year ending March 31, 2010 (Forecast)	—	10.00	–	10.00	20.00		48.5	

3. Consolidated Financial Forecasts for the Year ending March 31, 2010 (April 1, 2009 to March 31, 2010)

(% indicates the percentage change over year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	160,000	(11.5)	3,800	(50.8)	3,700	(52.9)	1,800	(54.3)	16.14
Full year	330,000	(6.5)	10,000	(29.4)	9,800	(31.7)	4,600	(34.3)	41.24

4. Other

(1) Changes in major subsidiaries during the period (Changes in specified subsidiaries due to changes in the scope of consolidation): None

Addition: — companies (company name:) Elimination: — companies (company name:)

(Notes) For details, please refer to "Hitachi Transport System Group" on page 8.

(2) Changes in accounting policies

(a) Changes due to the modification in accounting method: Yes

(b) Any other changes: Yes

(3) Issued shares (Common stock)

(a) Issued shares at end of term (Including Treasury stock)

March 2009: 111,776,714 shares March 2008: 111,776,714 shares

(b) Treasury stock at cost

March 2009: 224,198 shares March 2008: 223,478 shares

(Reference) Non-Consolidated Financial Highlights

1. Non-Consolidated Financial Highlights for the Year ended March 2009 (April 1, 2008 to March 31, 2009)

(1) Non-Consolidated Financial Results (% shows year-on-year change)

	Service revenues		Operating income		Ordinary income		Net income	
Years ended:	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 2009	241,795	(1.5)	7,762	(2.7)	9,527	1.5	5,698	3.2
March 2008	245,442	4.7	7,975	32.1	9,390	28.1	5,523	18.9

	Net income per share	Net income per share (Diluted)
Years ended:	Yen	Yen
March 2009	51.09	–
March 2008	49.51	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
Years ended:	Million yen	Million yen	%	Yen
March 2009	187,278	114,621	61.2	1,027.51
March 2008	181,227	111,290	61.4	997.64

(Reference) Equity: March 2009: 114,621 million yen March 2008: 111,290 million yen

* Comments on appropriate use of the business forecast and other important note.

* The financial forecasts above are based on current estimates and uncertain factors. The Company's actual results may be materially different and the figures have remained those announced before. Please refer to I. Operating Results, 1. Analysis of Operating Results, on page 3 for the suppositions that form the assumptions for business results and cautions concerning the use of business results forecasts.

* (Reference) Figures in the Summary of non-consolidated results have been rounded down to the nearest million yen.

[Review of Operations]

I. Operating Results

1. Analysis of Operating Results

(1) Overview of the current term

The Hitachi Transport System Group´s core business is the integrated support of corporate logistics, namely, “third party logistics (3PL: comprehensive logistics services).” In the continuously expanding and growing 3PL market, we are restructuring our business organization in our efforts to improve competiveness, while utilizing our advantages as a leading company, and clearly hammering out the differences from our competitiors in the market.

The business climate remained extremely severe in the logistics industry, as both domestic transport volume and international transport volume collapsed in response to the sudden global economic downturn sparked by the U.S. financial crisis, and intercorporate competition was increasingly intensified.

Consolidated service revenues for this fiscal year was ¥352,800 million, an increase of 4 percent compared with the previous fiscal year, mainly due to strong growth in new contracts in 3PL business and the inclusion of ESA s.r.o., a logistics company in the Czech Republic, in the scope of consolidation, despite the collapse in load volume from existing customers caused by the economic downturn. Consolidated operating income reached ¥14,171 million, an increase of 1 percent compared with the previous year thanks to the smooth launch of new contracts, efficient operation of business projects and radical costcutting measures as well as an increase in service revenues. The consolidated ordinary income was ¥14,351 million, an increase of 1 percent compared with the previous year, while consolidated net income was ¥7,000 million, a decrease of 10 percent compared with the previous year.

The dividend for the end of the second quarter was raised by ¥1 as in the preceding term to ¥10 a share, while an equivalent sum of ¥10 a share, an increase of ¥1, is also planned for the year-end dividend, totalling ¥20 for the annual dividend.

The sales results of the main segments in the year are shown below.

In the domestic logistics business, we established an efficient logistics operation system in line with customers' diverse needs, and implemented optimal, meticulous services.

During the fiscal year, we implemented a number of new projects for our customers in various industries, including retail sales, information and communications, food and life-style related industries. Among projects for customers in the food industry, we acquired all shares of a logistics subsidiary of Takano Foods Co., Ltd., took charge of all operations in eastern Japan, and relaunched these operations under a new corporate name in September 2008. Among projects for customers in lifestyle-related industries, with a view to expanding our business platform, we took over the business of a logistics company which handles footwear products and also, in February 2009, we announced our capital participation in a joint logistics company specializing in the sports industry ((JASPLO CORPORATION (Japan Associated Sports Logistics)), which is majority owned by sporting goods manufacturer and wholesaler Zett Corporation. We also worked to develop business sites, with new logistics centers going into operation in Saga Prefecture, Saitama Prefecture, Chiba Prefecture, Tokyo and Aichi Prefecture.

Consequently, the consolidated service revenues of these businesses reached ¥243,646 million, the same level as the previous year, due to strong growth in new contracts in 3PL business, despite the collapse in load volume from existing customers. Consolidated operating income increased 2 percent compared with the previous year to ¥19,392 million, thanks to decreased expenses, owing to the smooth launch of new projects, and enhanced workability, productivity, and transportation efficiency.

In the global logistics business, we stepped up the global 3PL business, comprehensive operations which cover everything from procurement to sales (one-stop service), at the global level, and the number of contracts we received for global projects increased steadily. Overseas, we enhanced our business foundation in North America, Europe, China and Asia, won contracts for global 3PL operations from a broad range of customers in China and Asia, and worked to expand the scale of our operations.

During the fiscal year, in North America, we worked to restructure our business organization, streamlining our logistics centers in response to the decline in transport volume. In Europe, we sought to build synergies through cooperation with our Czech subsidiary ESA s.r.o., which was included in the scope of consolidation from the current fiscal year. In China, we agreed to set up a joint-venture with a local company in Henan Province in the Central/Western (inland) region of China, where market growth is expected in the future, and signed the agreement in November 2008. We also set up a joint venture in December 2008 with a Hitachi subsidiary in Taipei which manufactures air-conditioning and refrigeration equipment.

As a result, the consolidated service revenues of this business increased 19 percent compared with the previous year to ¥90,885 million, mainly due to the fact that Czech subsidiary ESA s.r.o. and an equity method company in Thailand were newly included in the scope of consolidation. Consolidated operating income was ¥1,013 million, a decrease of 20 percent compared with the previous year, due to aggravated profitability caused by business restructuring in North America.

Other services business performed relatively solidly. The consolidated service revenues of these businesses increased 2 percent compared with the previous year to ¥18,269 million, and consolidated operating income reached ¥1,712 million, an increase of 40 percent compared with the previous year.

(2) Prediction for the next year

Given that all advanced economies including Japan are expected to register negative growth and that in the meantime competition is intensifying, the business climate for the future is forecast as unpredictable.

Under such circumstances, we will restructure our business organization, which will include the reinforcement of our business divisions, and we will strive for the further expansion of our core 3PL business. At the same time we will seek further expansion of our global 3PL business where we provide one-stop services at the global level. This will include M&A transactions involving overseas transportation companies aimed at enhancing operational capacity on the ground in the four focal areas of North America, Europe, China and Asia. We also aim to generate profits through the implementation of efficient management and will keep up our efforts to improve loss-making and unprofitable business.

Notwithstanding these efforts, the decrease in load volumes from existing customers caused by the economic downturn is expected to have a significant impact, and our full-year projections for the following fiscal year show declines in revenues and profits.

The predictions for the following year’s business results are as follows:

Consolidated service revenues	¥330,000 million	(7% decrease from the previous year)
Consolidated operating income	¥10,000 million	(29% decrease from the previous year)
Consolidated ordinary income	¥9,800 million	(32% decrease from the previous year)
Consolidated net income	¥4,600 million	(34% decrease from the previous year)

2. Analysis of the Financial Position

(1) The state of assets, liabilities and net assets

Total assets at the end of the current term are ¥226,504 million, an increase of ¥3,699 million compared with the end of the previous term. Current assets are ¥107,478 million, a decrease of ¥3,119 million, while fixed assets are ¥119,026 million, an increase of ¥6,818 million. The principal factor for the decrease in current assets was that while deposit to parent company increased by ¥3,088 million, trade receivables decreased by ¥6,613 million at the same time. The principal factor for the increase in fixed assets was the fact that buildings and structures increased by ¥3,553 million from the previous term, and leased assets also increased by ¥1,193 million.

Total liabilities are ¥83,177 million, an increase of ¥324 million from the previous term, while current liabilities are ¥60,620 million, an increase of ¥5,652 million. Non-current liabilities are ¥22,557 million, a decrease of ¥5,328 million likewise. The principal factor for the increase in current liabilities was that while trade payables of accounts and notes decreased by ¥3,925 million from the previous term, the current potion of long-term debt increased by ¥6,000 million. The principal factor for the decrease in non-current liabilities was, among other things, the fact that the long-term debt decreased by ¥7,785 million from the previous term.

Net assets at the end of the current term are ¥143,327 million, an increase of ¥3,375 million from the previous term. Consequently, the equity ratio is 62.5% (61.9% in the previous term) and net assets per share are ¥1,268.67 (¥1,236.96 in the previous term).

(2) Cash Flows

Cash and cash equivalents at the end of the current term rose by ¥2,419 million from the end of the previous year to ¥34,805 million, thanks to the cash flows provided by operating activities.

(Net cash provided by operating activities)

Net cash provided by operating activities came to ¥19,969 million. Cash inflows, including higher net income from sales and a reduction in trade receivables, offset cash outflows, including income taxes paid.

(Net cash used in investing activities)

Net cash used in investing activities came to ¥14,797 million. These funds were primarily used for the purchase of property and equipment and intangible fixed assets at a cost of ¥14,803 million.

(Net cash used in financing activities)

Net cash used in financing activities came to ¥2,510 million. These funds were used primarily for the payment of dividends.

3. Basic policy for returning profit to shareholders, and dividend payments for the current and the next terms

Our basic policy on returning profit to shareholders is to strive for stable dividend payouts and return profit in correlation to earnings. For the current term, we have decided, under the management policy focused on shareholders' value, to raise dividends as in the previous term to make an interim dividend of ¥10, an increase of ¥1. We also intend to pay a year-end dividend of ¥10, including a ¥1 increase, which makes a total annual dividend of ¥20. For the next term, while we anticipate declines in revenues and profits, we intend to maintain an annual dividend of ¥20 in line with our policy of stable dividend payouts.

4. Business Risks

(1) Tightening of public regulations

As a provider of general logistics services, we are regulated by the business laws governing logistics, which includes truck transportation, warehousing and customs clearance. While we make it our principle to keep to the straight and narrow and work together to promote compliance management, we may be required to incur further costs to comply with tighter environmental and safety regulations. Accordingly, this may adversely affect our performance and financial results.

(2) Major fluctuations in commercial relations

Our core business is "third party logistics (3PL: comprehensive logistics services)," and when we receive contracts for logistics operations from customers, we may make prior capital investment in distribution centers, plant and equipment, information systems ans suchlike. In the event of investment, we formulate a detailed business income and expenditure plan and make an investment decision carefully, but if, for example, the customer's performance deteriorated or the customer became insolvent due to factors such as worsening of economic conditions in Japan and overseas, we may be prevented from recovering our invested funds and this may inhibit future growth and reduce profitability. Accordingly, this may adversely affect our performance and financial results.

(3) Global expansion

As a company that provides global 3PL operations at the global level, we have business facilities in key overseas regions. The operation of these overseas business sites entails the following risks, and if any of these risks materialized, this may pose a problem for the execution of global logistics operations. Accordingly, this may affect our performance and financial results.

① Political and legislative change
② Severe economic fluctuation
③ Delay in the development of logistics infrastructure
④ Severe fluctuations in foreign exchange rates
⑤ Social disruption caused by terrorist attack, war or other factors

(4) Rising costs

In the truck transportation business, if fuel costs rise due to oil price movements, transportation and delivery costs may increase sharply, but since it is difficult to pass cost increases on to customers straight away, there is the risk that the profit margins of the truck transportation business will deteriorate. Accordingly, this may adversely affect our performance and financial results.

(5) Major accidents

We use trucks and other vehicles to transport a wide variety of customer goods, which is why, in all of our business activities, we are ever mindful of traffic safety and, among other things, implement comprehensive service management, reinforce safety training, and fit digital tachnograph equipment to all our trucks. However, if a serious traffic accident occurred, this may damage customer confidence and our reputation and we may be ordered to stop using vehicles, ordered to suspend trading or otherwise punished by the regulatory authorities. Accordingly, this may affect our performance and financial results.

(6) Serious disaster

Given that we operate logistics centers and handle customer products and information about product management, we work to provide manuals and develop backup systems in case of disaster. However, if a situation such as power outage or the blockage of transportation routes occurred as a result of an earthquake, storm or flood damage, or other natural disaster, this may slow down logistics operations. Accordingly, this may adversely affect our performance and financial results.

(7) Information leaks

We handle information about customers and other sensitive matters when undertaking logistics operations. While we endeavour to manage information by providing training to our employees on areas such as compliance and comprehensive personal data management, if a situation such as an information leak or the loss of data occurred, this may damage our reputation and we may also receive a compensation claim from our customers. Accordingly, this may adversely affect our performance and financial results.

II. Hitachi Transport System Group

(As of March 31, 2009)

Customers

Parent company: Hitachi, Ltd.

Fellow subsidiary: Hitachi Appliance, Inc.

Hitachi Transport System, Ltd.

Domestic Logistics

3PL [Domestic] (Comprehensive Logistics Services, including the Establishment of a Logistics System, Information Control, Inventory Control, Order Control, Value Added Services, Distribution Center Operation, Factory Logistics, Transportation and Delivery) etc.

Subsidiaries

- Hokkaido Hitachi Transport Service Co., Ltd.
- Higashinippon Hitachi Transport Service Co., Ltd.
- Kitakanto Hitachi Transport Service Co., Ltd.
- Higashikanto Hitachi Transport Service Co., Ltd.
- Nishikanto Hitachi Transport Service Co., Ltd.
- Minamikanto Hitachi Transport Service Co., Ltd.
- Keiyo Hitachi Transport Service Co., Ltd.
- Chubu Hitachi Transport Service Co., Ltd.
- Kansai Hitachi Transport Service Co., Ltd.
- Chugoku Hitachi Transport Service Co., Ltd.
- Kyushu Hitachi Transport Service Co., Ltd.
- Hitachi Collabonext Transport System Co., Ltd.
- Omitama H.B. Service Co, Ltd.
- Unique Co., Ltd.
- Sunwork Co., Ltd.

Affiliate

- F&H Air Express Co., Ltd.

Global Logistics

3PL [International] (Comprehensive Logistics Services, including Customs Clearance, International Intermodal Transportation by Land, Sea and Air) etc.

Subsidiaries

- Nisshin Transportation Co., Ltd.
- HTS Sea & Air Service Co., Ltd.
- Nisshin Trans Consolidator Co., Ltd.
- Hitachi Transport System (America), Ltd.
- Hitachi Sistema de Transporte Mexico, S.A. de C.V.
- Hitachi Transport Systeem (Nederland) B.V.
- Hitachi Transport System (UK) Ltd.
- ESA s.r.o.
- ESA LOGISTIKA, s.r.o.
- ESA - chranena dilna s.r.o.
- ESA - servis palet s.r.o.
- ESA LOGISTIKA, s.r.o. Bulgaria
- Hitachi Transport System (Asia) Pte. Ltd.
- Hitachi Transport System (Malaysia) Sdn. Bhd.
- Sunrise Integrated Services (Malaysia) Sdn. Bhd.
- Hitachi Transport System (Thailand), Ltd.
- P.T. Berdiri Matahari Logistik
- Hitachi Transport System India Pvt. Ltd.
- Hitachi Transport System (Hong Kong) Ltd.
- Hitachi Transport System (Shanghai), Ltd
- EHB Logistics Co., Ltd.
- Nisshin Unyu (SHANGHAI) Co., Ltd.
- Hitachi Transport System (Taiwan) Ltd.

Affiliate

- HTS Forwarding Malaysia Sdn. Bhd.
- TST Sunrise Service, Ltd.
- Manila International Freight Forwarders, Inc.
- Miffi Logistics, Co. Inc.
- Dahang International Transportation Co., Ltd.
- Nisshin Transportation (Shanghai) Co., Ltd.
- Shanghai Xiexin Customs Declaration Co., Ltd.
- Nisshin Transportation (Qingdao) Co., Ltd.
- Suzhou Bondex Nisshin Logistic Co., Ltd.
- Shanghai Bondex Nisshin Logistics Co., Ltd.
- World Day One (Shanghai) Enterprise Management Consulting Co., Ltd.

Other Services

Logistics System Development, Car Sales and Inspection, Travel Agency business

Subsidiaries

- Hitachi Distribution Software Co., Ltd.
- Sunrise Logistics Solutions (America), Ltd.
- Hitachi Distribution Software (Shanghai) Co., Ltd.
- Hitachi Auto Service Co., Ltd.
- Hitachi Travel Bureau, Ltd.
- Sunrise Air Service, Inc.

Consolidated subsidiaries (45 companies) Affiliates (12 companies)

(Notes)
1. Hitachi Xinxin Global Logistics Co., Ltd. was established in April 2009.
2. Omitama H.B. Service Co., Ltd. was merged into Higashinippon Hitachi Transport Service Co., Ltd. in April 2009.
3. Unique Co., Ltd. was merged into Keiyo Hitachi Transport Service Co., Ltd. in April 2009.
4. Sunwork Co., Ltd. was merged into Kansai Hitachi Transport Service Co., Ltd. in April 2009.

III. Management Policy

1. Basic Policy of Management

Our corporate philosophy is "to provide high-quality services that will help make the world a better place for mankind and nature." As an expert in business logistics, which is an essential infrastructure capability that links production and consumption, Hitachi Transport System endeavors to contribute to the development of society by combining the Group's comprehensive capabilities to provide a sincere service and by demonstrating advanced information resources, ample creativity and innovative technology. As a logistics service provider which provides the optimal solutions to its customers, Hitachi Transport System aims to further enhance corporate value and shareholder value by pursuing sincere and highly transparent management with an emphasis on corporate social responsibility (CSR).

2. Medium-to-Long-Term Management Strategies and Pending Issues

[Basic Policy]

Our core business is the integrated support of corporate logistics, namely, "third party logistics (3PL: comprehensive logistics services)." In the continuously growing and expanding 3PL market where companies are increasingly opting to outsource their logistic requirements, we aim to become a representative company by leveraging our superior position as the number one company in third party logistics (3PL), and by clearly differentiating ourselves from competitors; and we aim to respond to the accelerating pace of customers' offshore expansion and become a truly global logistics company. We also aspire to acquiring the trust of customers and regional communities and to helping make the world a better place for mankind and nature.

[Priority Measures]

(1) Consolidating our position as a leading company by further strengthening 3PL business.

① We will actively seek to propose solutions to customers who need to make improvement in their logistics and we will innovate their logistics systems through improved business divisions and higher levels of technical expertise.

② We will demonstrate synergies between groups companies through expansion of the scope of consolidation, and work to increase contracts from a broad range of customers.

③ We will make the most of our strength as a member of the Hitachi Group through cooperation with the Hitachi Group, including joint development of advanced logstics technologies.

(2) Acheiving dramatic growth in size by accelerating global business.

① We will strengthen "Global 3PL Business", which provides comprehensive service from procurement to sales at the global level, and provide high-quality logistics systems best suited for our customers' global strategies.

② We will further expand our business by means such as M&A transactions involving overseas transportation companies aimed at enhancing operational capacity on the ground in the four focal areas of North America, Europe, China and Asia, and we will also aggressively advance into emerging countries and areas.

③ We will further strengthen our global business structure through the expansion of business sites and the reinforcement of business divisions, and will also work to bolster Cargo Forwarding Business, which is a strategic capability of global logistics.

(3) Promoting product development based on green logistics (environmentally friendly logistics systems).

① We will expand “Industry Platform Operations” to a broad range of industries, as “Industry Platform Operations” reduce costs and environmental impact through the recommendation of joint storage and delivery to customers within the same industry.

② We will aim for reduction in CO_2 emissions by promoting modal shift, establishing environmentally friendly logistics centers, introducing low-emission vehicles and installing digital tachnographs.

(4) Emphasizing Corporate Social Responsibility (CSR) and working to enhance corporate value.

① We will strive to enhance safety education, and work to further promote high-quality, safe logistics services.

② We will implement compliance, establish a solid foundation for information security, and create internal control systems, while strengthening our management administration structure.

③ We will improve on management benchmarks such as the ratio of operating income to service revenues by increasing productivity of operations and making improvements in loss-making and unprofitable business to improve corporate value and shareholder value.

[Management Indices]

Since we formulated our mid-term objectives entitled “Vision 2010” in April 2006 (calling for consolidated service revenues of ¥500 billion and operating income of ¥25 billion by 2010), we have steadily improved our performance. However, as a result of the severe global economic downturn sparked by the U.S. financial crisis, the business environment in which we operate has changed completely, leaving us no choice but to revise our projections. Through steady implementation of the priority measures described above, we will refocus our efforts on attaining the management benchmarks of ¥500 billion in consolidated service revenues by 2012, two years later than initially planned.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Year ended March 2008 (As of March 31, 2008)	Year ended March 2009 (As of March 31, 2009)
Assets		
Current assets		
Cash	4,818	4,491
Trade receivables of accounts and notes	70,958	64,345
Inventories	988	–
Merchandise	–	461
Work in progress	–	161
Raw materials and supplies	–	166
Deposit to parent company	28,138	31,226
Deferred tax assets	3,531	3,395
Other current assets	2,758	3,794
Allowance for doubtful receivables	(594)	(561)
Total current assets	110,597	107,478
Fixed assets		
Property and equipment		
Buildings and structures (Net)	48,442	51,995
Machinery, equipment and vehicles (Net)	5,107	6,086
Tool, furniture and fixtures (Net)	2,611	2,683
Land	32,557	33,055
Leased assets (Net)	773	1,966
Construction in progress	209	1,731
Total tangible assets	89,699	97,516
Intangible assets		
Goodwill	4,087	3,903
Other intangible assets	3,482	3,629
Total intangible assets	7,569	7,532
Investments and other assets		
Investments in securities	2,693	2,707
Long-term loan receivables	204	147
Deferred tax assets	2,515	2,679
Other assets	9,595	8,508
Allowance for doubtful receivables	(67)	(63)
Total investments and other assets	14,940	13,978
Total fixed assets	112,208	119,026
Total assets	222,805	226,504

(Millions of yen)

	Year ended March 2008 (As of March 31, 2008)	Year ended March 2009 (As of March 31, 2009)
Liabilities		
Current liabilities		
Trade payables of accounts and notes	25,692	21,767
Short-term bank loans	942	2,407
Current portion of long-term debt	–	6,000
Lease obligation	336	529
Income taxes payable	4,271	3,697
Accrued expenses	10,069	10,308
Other current liabilities	13,658	15,912
Total current liabilities	54,968	60,620
Non-current liabilities		
Long-term debt	14,063	6,278
Lease obligation	524	1,461
Accrued retirement and severance benefits	10,380	10,375
Accrued retirement benefits for directors	761	684
Negative goodwill	42	25
Other non-current liabilities	2,115	3,734
Total non-current liabilities	27,885	22,557
Total liabilities	82,853	83,177
Net assets		
Shareholders' equity		
Common stock	16,803	16,803
Additional paid-in capital	13,427	13,428
Retained earnings	107,721	112,602
Treasury stock at cost	(175)	(176)
Total shareholders’ equity	137,776	142,657
Valuation, translation, adjustments and others		
Net unrealized holding gain on securities	306	16
Foreign currency translation adjustments	(95)	(1,150)
Total valuation, translation, adjustments and others	211	(1,134)
Minority interests	1,965	1,804
Total net assets	139,952	143,327
Total liabilities and net assets	222,805	226,504

(2) Consolidated Statements of Income

(Millions of yen)

	Year ended March 2008 (From April 1, 2007 to March 31, 2008)	Year ended March 2009 (From April 1, 2008 to March 31, 2009)
Service revenues	338,217	352,800
Cost of service	305,959	318,440
Gross profit	32,258	34,360
Selling, general and administrative expenses	18,256	20,189
Operating income	14,002	14,171
Other income		
Interest income	268	242
Dividends income	44	75
Equity in earnings of affiliated companies	138	147
Reversal of allowance for doubtful receivables	—	77
Others	189	237
Total other income	639	778
Other expenses		
Interest expenses	137	340
Exchange loss	103	121
Others	121	137
Total other expenses	361	598
Ordinary income	14,280	14,351
Extraordinary profit		
Gain on sales of property, plant and equipment	14	142
Total extraordinary profit	14	142
Extraordinary loss		
Loss on sales of property, plant and equipment	61	17
Loss on removal of property, plant and equipment	479	227
Area business restructuring cost	289	230
Additional retirement benefits	44	42
Impairment loss	15	—
Total extraordinary loss	888	516
Income before income taxes and minority interests	13,406	13,977
Current income taxes	5,776	6,741
Deferred income taxes	(295)	120
Total income taxes	5,481	6,861
Minority interests	178	116
Net income	7,747	7,000

(3) Consolidated Statements of Changes in Shareholders' Equity

(Millions of yen)

	Year ended March 2008 (From April 1, 2007 to March 31, 2008)	Year ended March 2009 (From April 1, 2008 to March 31, 2009)
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	16,803	16,803
Change in the period		
Total change in the period	—	—
Balance at end of the year	16,803	16,803
Additional paid-in capital		
Balance at end of previous fiscal year	13,427	13,427
Change in the period		
Disposal of treasury stock	0	1
Total change in the period	0	1
Balance at end of the year	13,427	13,428
Retained earnings		
Balance at end of previous fiscal year	101,870	107,721
Change in the period		
Cash dividends	(1,896)	(2,119)
Net income	7,747	7,000
Total change in the period	5,851	4,881
Balance at end of the year	107,721	112,602
Treasury stock		
Balance at end of previous fiscal year	(173)	(175)
Change in the period		
Purchase of treasury stock	(2)	(2)
Disposal of treasury stock	0	1
Total change in the period	(2)	(1)
Balance at end of the year	(175)	(176)
Total shareholders' equity		
Balance at end of previous fiscal year	131,927	137,776
Change in the period		
Cash dividends	(1,896)	(2,119)
Net income	7,747	7,000
Purchase of treasury stock	(2)	(2)
Disposal of treasury stock	0	2
Total change in the period	5,849	4,881
Balance at end of the year	137,776	142,657

(Millions of yen)

	Year ended March 2008 (From April 1, 2007 to March 31, 2008)	Year ended March 2009 (From April 1, 2008 to March 31, 2009)
Valuation, translation, adjustments and others		
Net unrealized holding gain on securities		
Balance at end of previous fiscal year	669	306
Change in the period		
Net changes of items other than shareholders’ equity (net)	(363)	(290)
Total change in the period	(363)	(290)
Balance at end of the year	306	16
Foreign currency translation adjustments		
Balance at end of previous fiscal year	372	(95)
Change in the period		
Net changes of items other than shareholders’ equity (net)	(467)	(1,055)
Total change in the period	(467)	(1,055)
Balance at end of the year	(95)	(1,150)
Total valuation, translation, adjustments and others		
Balance at end of previous fiscal year	1,041	211
Change in the period		
Net changes of items other than shareholders’ equity (net)	(830)	(1,345)
Total change in the period	(830)	(1,345)
Balance at end of the year	211	(1,134)
Minority interests		
Balance at end of previous fiscal year	425	1,965
Change in the period		
Net changes of items other than shareholders’ equity (net)	1,540	(161)
Total change in the period	1,540	(161)
Balance at end of the year	1,965	1,804
Total net assets		
Balance at end of previous fiscal year	133,393	139,952
Change in the period		
Cash dividends	(1,896)	(2,119)
Net income	7,747	7,000
Purchase of treasury stock	(2)	(2)
Disposal of treasury stock	0	2
Net changes of items other than shareholders’ equity (net)	710	(1,506)
Total change in the period	6,559	3,375
Balance at end of the year	139,952	143,327

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 2008 (From April 1, 2007 to March 31, 2008)	Year ended March 2009 (From April 1, 2008 to March 31, 2009)
Cash flows from operating activities		
Income before income taxes and minority interests	13,406	13,977
Depreciation and amortization	8,280	9,195
Depreciation of long-term prepaid expenses	912	783
Impairment losses for fixed assets	15	—
Amortization of goodwill	169	259
Increase (decrease) in accrued retirement and severance benefits	(623)	(29)
Increase (decrease) in accrued retirement benefits for directors	78	(77)
Increase (decrease) in other allowance	217	(23)
Interest income and dividends	(312)	(317)
Interest expenses	137	340
Loss (gain) on sale of fixed assets	(14)	(125)
Decrease (increase) in trade receivables	(2,494)	5,480
Decrease (increase) in inventories	33	132
Increase (decrease) in trade payables	(10)	(3,271)
Change in other assets and liabilities	514	899
Other, net	672	67
Subtotal	20,980	27,290
Receipts of interest income and dividends	312	303
Interest paid	(138)	(332)
Income taxes paid	(4,950)	(7,292)
Net cash provided by operating activities	16,204	19,969
Cash flows from investing activities		
Increase in time deposits	(30)	(22)
Decrease in time deposits	64	1,220
Purchase of property and equipment and intangible assets	(10,121)	(14,803)
Proceeds from sales of property and equipment and intangible assets	78	229
Purchase of investments in securities	(386)	(544)
Proceeds from sales of investments in securities	1	14
Purchase of long-term prepaid expenses	(805)	(363)
Expenditure through purchase of subsidiary stocks causing change in consolidation range	(3,308)	—
Proceeds from acquisition of subsidiary stocks causing change in consolidation range	—	50
Other, net	(511)	(578)
Net cash used in investing activities	(15,018)	(14,797)

(Millions of yen)

	Year ended March 2008 (As of March 31, 2008)	Year ended March 2009 (As of March 31, 2009)
Cash flows from financing activities		
Increase (decrease) in short-term bank loans (net)	—	1,931
Proceeds from long-term bank loans	50	—
Payment of long-term bank loans	(4,000)	(1,708)
Dividends paid to shareholders	(1,896)	(2,119)
Dividends paid to minority shareholders of subsidiaries	(40)	(34)
Other, net	(7)	(580)
Net cash used in financing activities	(5,893)	(2,510)
Effect of exchange rate changes on cash and cash equivalents	(397)	(243)
Net increase (decrease) in cash and cash equivalents	(5,104)	2,419
Cash and cash equivalents at beginning of year	37,263	32,386
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	227	—
Cash and cash equivalents at end of year	32,386	34,805

Segment Information

1. Business Segment Information

For the year ended March 2008 (From April 1, 2007 to March 31, 2008)

(Millions of yen)

	Domestic Logistics	Global Logistics	Other Services	Subtotal	Intersegment elimination	Total
Service revenues and operating income & loss						
Service revenues						
(1) Service revenues from unaffiliated customers	243,946	76,311	17,960	338,217	—	338,217
(2) Service revenues from intersegment transactions and transfers	—	—	5,816	5,816	(5,816)	—
Total	243,946	76,311	23,776	344,033	(5,816)	338,217
Cost of service	224,890	75,041	22,554	322,485	1,730	324,215
Operating income	19,056	1,270	1,222	21,548	(7,546)	14,002
Assets, depreciation and amortization, impairment losses and capital outlay						
Assets	147,868	36,969	23,049	207,886	14,919	222,805
Depreciation and amortization	5,743	932	1,257	7,932	348	8,280
Impairment losses for fixed assets	15	—	—	15	—	15
Capital outlay	9,913	1,088	913	11,914	195	12,109

For the year ended March 2009 (From April 1, 2008 to March 31, 2009)

(Millions of yen)

	Domestic Logistics	Global Logistics	Other Services	Subtotal	Intersegment elimination	Total
Service revenues and operating income & loss						
Service revenues						
(1) Service revenues from unaffiliated customers	243,646	90,885	18,269	352,800	—	352,800
(2) Service revenues from intersegment transactions and transfers	—	—	6,427	6,427	(6,427)	—
Total	243,646	90,885	24,696	359,227	(6,427)	352,800
Cost of service	224,254	89,872	22,984	337,110	1,519	338,629
Operating income	19,392	1,013	1,712	22,117	(7,946)	14,171
Assets, depreciation and amortization and capital outlay						
Assets	153,879	31,259	25,490	210,628	15,876	226,504
Depreciation and amortization	6,282	1,473	1,152	8,907	288	9,195
Capital outlay	15,402	1,978	1,321	18,701	134	18,835

Notes:

(1) Business segment is based on the aggregation of service revenues.

(2) The major businesses in each segment are as follows:

Business segment	Businesses
Domestic Logistics	- Third Party Logistics (3PL) [Domestic] (Comprehensive Logistics Services, including the Establishment of a Logistics System, Information Control, Inventory Control, Order Control, Value Added Services, Distribution Center Operation, Factory Logistics, Transportation and Delivery) - Transportation, Installation and Setting Up of General Cargo, Heavy Machinery and Artworks - Factory and Office Moving - Warehousing and Trunk Room Services - Collection and Transportation of Industrial Waste
Global Logistics	- Third Party Logistics (3PL) [International] (Comprehensive Logistics Services, including Customs Clearance, International Intermodal Transportation by Land, Sea and Air) - Overseas Logistics - Air cargo sales agent business
Other Services	- Logistics Consulting - Logistics System Design and Development - Information System business - Computer sales - Travel Agency business - Automobile Inspection Service, Car Sales and Rental - Real Estate Agent business - Driving School

(3) In the cost of services, the amount of cost included in the intersegment elimination, which is impossible to be allocate, is as follows:
Year ended March 2009: 7,942 million yen, Year ended March 2008: 7,561 million yen.
The main factor is the cost related to the management department in the headquarters of the parent company.

(4) In the assets, the amount of assets included in the intersegment elimination is as follows:
Year ended March 2009: 61,448 million yen, Year ended March 2008: 59,703 million yen
The main factor is the assets related to the funds used at the parent company (Cash, Securities and Deposits) and to the management department.

2. Geographic Segment Information

For the year ended March 2008 (From April 1, 2007 to March 31, 2008)

Geographic segment information is not shown as service revenues in Japan comprises more than 90% of the total service revenues in each segment.

For the year ended March 2009 (From April 1, 2008 to March 31, 2009)

(Millions of yen)

	Japan	Other Regions	Subtotal	Intersegment elimination	Total
Service revenues and operating income & loss					
Service revenues					
(1) Service revenues from unaffiliated customers	306,855	45,945	352,800	—	352,800
(2) Service revenues from intersegment transactions and transfers	4,396	4,250	8,646	(8,646)	—
Total	311,251	50,195	361,446	(8,646)	352,800
Operating income	21,932	185	22,117	(7,946)	14,171
Assets	192,939	17,689	210,628	15,876	226,504

(Note) 1. The service revenues of each of the countries and regions included in Other Regions are not shown separately, as they account for less than 10% of consolidated service revenues.

2. Main countries incuded in Other Regions
Other Regions・・・United States, Netherlands, Czech Republic, Slovakia, China, Singapore, Thailand, etc.

3. Overseas Service Revenues

For the year ended March 2008 (From April 1, 2007 to March 31, 2008)
Overseas service revenues are not shown as they comprises less than 10% of the consolidated service revenues.

For the year ended March 2009 (From April 1, 2008 to March 31, 2009)

(Millions of yen)

	Europe	North America	Other Regions	Total
Overseas service revenues	26,000	11,191	9,577	46,768
Consolidated service revenues	—	—	—	352,800
Ratio of overseas service revenues to consolidated service revenues (%)	7.4	3.2	2.7	13.3

(Note) 1. Country and regional segments are based on geographic proximity.

2. Main countries and regions included in each segment
(1) Europe・・・Netherlands, Germany, France, Czech Republic, Slovakia, etc.
(2) North America・・・United States, Mexico
(3) Other Regions・・・China, Singapore, Thailand, Malaysia, etc.

3. Overseas service revenues are the service revenues of the Company and its consolidated subsidiaries in countries or regions outside Japan.