

9061 FUJI LOGISTICS CO., LTD. Summary of Consolidated Annual Financial Results (4/2006-3/2007)

(Unit: Million yen)

	1st Quarter		1st Half		3rd Quarter (Cumulative)		Annual			FY2007 Forecast			
	FY2005 (4-6/05)	FY2006 (4-6/06)	FY2005 (4-9/05)	FY2006 (4-9/06)	FY2005 (4-12/05)	FY2006 (4-12/06)	FY2005 (4/05-3/06)	FY2006 (4/06-3/07)	YoY Change	1st Half (4-9/07)	YoY Change	Annual (4/07-3/08)	YoY Change
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual		Forecast		Forecast	
Service revenues (¥ Million)	9,409	10,112	19,269	20,202	29,148	30,848	39,555	41,488	1,933	20,500	297	43,000	1,511
General Customers (¥ Million)	4,727	4,942	9,728	10,065	14,671	15,582	19,746	20,910	1,163	10,700	634	22,700	1,789
(% to total service revenues)	50.2	48.9	50.5	49.8	50.3	50.5	49.9	50.4	0.5	52.2	2.4	52.8	2.4
Fuji Electric Group (¥ Million)	4,682	5,170	9,541	10,137	14,477	15,265	19,808	20,578	769	9,800	(337)	20,300	(278)
(% to total service revenues)	49.8	51.1	49.5	50.2	49.7	49.5	50.1	49.6	(0.5)	47.8	(2.4)	47.2	(2.4)
Operating income (¥ Million)	79	146	238	284	421	609	620	973	353	330	45	1,150	176
Ordinary income (¥ Million)	77	144	233	279	405	587	597	938	341	310	30	1,100	161
Net income (¥ Million)	2	68	64	111	126	267	220	438	218	120	8	480	41
Net income per share (¥)	0.11	2.80	2.63	4.57	5.17	10.96	7.38	17.97	10.58	4.91	0.35	19.66	1.70
Dividends per share (¥)	-	-	3.00	3.00	-	-	7.00	8.00	1.00	4.00	-	8.00	-
Total assets (¥ Million)	26,226	28,484	27,081	28,280	28,495	28,343	28,949	28,891	(57)				
Net assets (¥ Million)	10,425	10,658	10,512	10,696	10,526	10,791	10,582	10,972	-				
Net assets ratio (%)	39.8	36.9	38.8	37.3	37.0	37.5	36.6	37.4	0.8				
Net assets per share (¥)	426.80	430.38	430.43	431.94	431.06	435.72	431.72	443.05	11.33				
Retained earnings (¥ Million)	4,939	5,014	5,000	5,057	4,989	5,140	5,083	5,311	227				
Interest-bearing debt (¥ Million)	4,521	7,161	4,996	6,624	5,494	6,542	6,541	6,239	(302)				
CF from operating activities (¥ Million)	(150)	15	465	568	(309)	573	454	1,334	880				
CF from investing activities (¥ Million)	(583)	(806)	(957)	(852)	(1,786)	(938)	(2,338)	(1,111)	1,226				
CF from financing activities (¥ Million)	384	517	833	(20)	1,905	(177)	2,300	(482)	(2,783)				
Cash and cash equivalents (¥ Million)	2,036	2,549	2,730	2,516	2,206	2,290	2,821	2,579	(241)				
Capital expenditure (¥ Million)	219	104	1,472	257	2,155	326	2,428	540	(1,887)				
Depreciation and amortization (¥ Million)	187	211	378	414	579	628	816	860	43				
Number of employees	-	-	891	966	-	-	915	1,014	99				

Note 1. As the above FY2007 forecast is calculated based on given assumption that we assess to be reasonable, the actual results may differ from these figures.

Note 2. Expected net income per share is calculated based on the number of outstanding shares as of March 31, 2007.

Annual Financial Results for the Year Ended March 31, 2007

April 26, 2007

English translation from the original Japanese-language document
(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Name of the listed company: Fuji Logistics Co., Ltd.
Listed stock exchange: TSE
Code Number: 9061
(Web site: <http://www.fujibuturyu.co.jp/>)
Representative: Michio Kobayashi, President and Representative Director
Contact: Yujiro Higuchi, Manager of Corporate Planning Department
Tel: +81-3-5476-8672
Scheduled date of the Company's General Shareholders' Meeting: June 22, 2007
Scheduled date for dividend payment: June 25, 2007
Scheduled date for Securities Report filing: June 22, 2007

1. Consolidated Financial Results for the Year Ended March 31, 2007 (April 1, 2006 – March 31, 2007)

(1) Consolidated Results of Operations (In millions of yen, with fractional amounts discarded)
(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2007	41,488	4.9	973	57.0	938	57.1
Year ended March 31, 2006	39,555	7.9	620	(23.1)	597	(27.6)

	Net income		Net income per share	Net income per share: Fully diluted	Return on equity	Ordinary income to total assets ratio	Ordinary income to net sales ratio
	Millions of yen	%	Yen	Yen	%	%	%
Year ended March 31, 2007	438	99.1	17.97	-	4.1	3.2	2.3
Year ended March 31, 2006	220	(10.4)	7.38	-	2.1	2.2	1.5

Reference: Gains or losses on investments through equity method accounting:

For the year ended March 2007: - million yen
For the year ended March 2006: (22) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2007	28,891	10,972	37.4	443.05
March 31, 2006	28,949	10,582	36.6	431.72

Reference: Equity:

March 31, 2007: 10,814 million yen
March 31, 2006: 10,582 million yen

Reference: Overview of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Year Ended March 31, 2007 (April 1, 2006 – March 31, 2007)

(1) Non-Consolidated Results of Operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2007	35,708	2.5	796	53.8	821	49.5
Year ended March 31, 2006	34,824	4.9	517	(27.5)	549	(35.7)

	Net income		Net income per share		Net income per share: Fully diluted	
	Millions of yen	%	Yen		Yen	
Year ended March 31, 2007	411	68.9	16.86		-	
Year ended March 31, 2006	243	13.0	8.34		-	

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2007	26,990	10,587	39.2	433.75
March 31, 2006	27,239	10,405	38.2	424.47

Reference: Equity:

March 31, 2007:

10,587 million yen

March 31, 2006:

10,405 million yen

2. Non-Consolidated Financial Results Forecasts for the Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2007	17,500	0.6	270	41.8	280	29.0
Year ending March 31, 2008	37,000	3.6	1,020	28.1	1,010	23.0

	Net income		Net income per share	
	Millions of yen	%	Yen	
Six months ending September 30, 2007	120	34.9	4.92	
Year ending March 31, 2008	460	11.7	18.85	

* As the financial results forecasts are based on information that we assess to be reasonable, actual results may differ from these figures. Please refer to pages 7 to 8 for assumption that the above forecasts were based on and related matters.

Operating Results

(1) Analysis on operating results

Operating results for the fiscal year under review

The Japanese economy is expected to grow moderately, despite a slight slowdown in momentum, supported by domestic private demand such as increased capital investment and consumer spending on the back of improved corporate earnings. On the other hand, crude oil prices still remain high, and there are concerns over effects of these prices on the Japanese economy.

In the logistics industry, international cargo services for destinations such as Asia are expected to remain steady. The total domestic transport volume is expected to decrease continuously because the movement of production-related cargo and consumption-related cargo will likely be stable, and construction-related cargo is expected to remain sluggish due to a cut in public investment.

Under these market conditions, our Group announced the 3-year medium-term management plan (FY2006 – FY2008) in June 2006. Our Group aims to realize a long-term vision of **“becoming a leading 3PL company”** under this plan, and the core strategy will be to strengthen out-in-the-field capability (= personnel training). We will also strive to become **an irreplaceable company for all stakeholders**, provide logistics services that truly satisfy our customers based on our behavioral guidelines represented by **“Challenge, Change, Action,”** and actively expand our business.

Service revenues increased to 41,488 million yen, up 1,933 million yen or 4.9% from the previous year.

Service revenues from general customers outside the Fuji Electric Group increased 1,163 million yen or 5.9% from a year earlier to 20,910 million yen (accounting for 50.4% of total service revenues). This rise is because of increases in revenues from a pickup in orders for transportation services for customers including elevator manufacturers, an increased transport volume of tractors to North America, and new orders for the logistics center operations for a major mail-order company and precision electronic parts maker that we received in the second half of the previous period. These increases exceeded the effect of withdrawal from less profitable businesses. Earnings of SII Logistics Inc., which became a consolidated subsidiary in the previous fiscal year, remained strong.

Service revenues from the Fuji Electronic Group increased 769 million yen or 3.9% from the preceding year to 20,578 million yen (accounting for 49.6% of total service revenues). Although movement of vending machine-related cargo was sluggish, the overseas transport volume of power generator and transformer plants and the transport volume of control devices such as inverters remained steady. The transport volume of magnetic recording media and other products increased as well.

Operating income was 973 million yen, up 353 million yen or 57.0% from a year earlier. This growth reflected the rise in service revenues and the contribution of rationalization under the Toyota Production System (TPS), while the warehouse rent for the metropolitan logistics center that started operations in November 2005, depreciation expenses and labor costs for new order receipt operations increased.

Ordinary income increased 341 million yen or 57.1% from the preceding year to 938 million yen along with a rise in operating income.

Net income was 438 million yen, up 218 million yen or 99.1% from a year earlier, due to an increase in operating income and a decrease in extraordinary losses posted in the previous year.

Consolidated operating results

(Unit: millions of yen)

	Year ended March 2006	Year ended March 2007	Difference	Difference (%)
Service revenues	39,555	41,488	1,933	4.9
Operating income	620	973	353	57.0
Ordinary income	597	938	341	57.1
Net income	220	438	218	99.1

Consolidated operating results for the fiscal year by segment are as follows:

Domestic logistics

(Transportation, packing and storage in Japan)

(Unit: millions of yen)

	Year ended March 2006	Year ended March 2007	Difference	Difference (%)
Service revenues	32,485	32,496	11	0.0
Operating income	554	846	292	52.8

Service revenues from general customers increased because of increases in revenues from a pickup in orders for transportation services for customers including elevator manufacturer and new orders for the logistics center operations for a major mail-order company and precision electronic parts maker that we received in the second half of the previous period. These revenue increases exceeded the effect of withdrawal from less profitable businesses. Earnings of SII Logistics Inc., which became a consolidated subsidiary in the previous fiscal year, remained strong.

With respect to businesses for the Fuji Electronic Group, transport volume of control devices such as inverters remained steady although movement of vending machine-related cargo was sluggish.

As a result, service revenues from Domestic Logistics Business increased slightly.

Other businesses

(Export and import handling in Japan, overseas local logistics and sales of logistics system, equipment and materials)

(Unit: millions of yen)

	Year ended March 2006	Year ended March 2007	Difference	Difference (%)
Service revenues	7,070	8,992	1,921	27.2
Operating income	66	128	62	93.7

With respect to other businesses for general customers, transportation volumes of products including tractors to North America increased.

Regarding businesses for the Fuji Electronic Group, transport volumes increased because customers transferred production bases overseas. In addition, we saw higher overseas transport volume of power generator and transformer plants and transport volumes of magnetic recording media and other products also came higher.

Non-consolidated operating results

(Unit: millions of yen)

	Year ended March 2006	Year ended March 2007	Difference	Difference (%)
Service revenues	34,824	35,708	883	2.5
Operating income	517	796	278	53.8
Ordinary income	549	821	271	49.5
Net income	243	411	167	68.9

Breakdown of service revenues

(Unit: millions of yen)

	Year ended March 2006	Year ended March 2007	Difference	Difference (%)
Transportation business	15,373	14,963	(410)	(2.7)
Packing business	5,526	5,250	(276)	(5.0)
Storage business	8,919	9,637	718	8.1
Other businesses	5,005	5,857	851	17.0

Details of differences in service revenues, etc. are almost the same as consolidated operating results.

Business Outlook for the Fiscal Year Ending March 31, 2008

The outlook for the Japanese economy appears to be uncertain despite a sign of pickup in corporate earnings, due to rising crude oil prices, a tendency for interest rates to increase and other factors.

In the logistics industry, international cargo services are expected to be steady, while total domestic transport volume is projected to continue declining due to sluggish public investment etc. In the corporate logistics sector, we believe that shippers will continue to strive for qualitative improvement and efficiency of logistics, while reviewing their logistics systems that respond to globalization.

The Group has striven to steadily improve service quality and win more orders in the solutions business, the core for expanding its business. We will make utmost efforts to provide services that satisfy global needs by further concentrating management resources and marketing activities on the solution business.

In our marketing activities to increase orders at TF Logistics Co., Ltd., which was established and started in April 2004 as a result of business and capital alliance with Toyota Industries Corporation on comprehensive logistics services, we have entered into business negotiations with many companies. We will continue to strive to acquire more orders by utilizing our high value-added logistics services that operate 24 hours a day, 365 days a year, and Toyota Industries' activities of "kaizen," or continuous improvements.

Earnings outlook for the fiscal year ending March 31, 2008 are as follows:

Consolidated earnings forecast

For the year ending March 31, 2008, service revenues, operating income, ordinary income and net income are all expected to increase from the previous year.

As for businesses with companies outside the Group, we expect that orders from new customers will increase, centering on third-party logistics (3PL) services, and that orders from existing customers will also increase. In the meantime, we will proceed with withdrawal from less profitable businesses.

Service revenues from the Fuji Electric Group are predicted to remain flat, mainly because we are factoring in a rise in transport volumes of magnetic recording media and other products and an expansion in orders received from the new plants established by the Fuji Electric Group being offset by a decrease in transport volumes of vending machine and other products.

Operating income is forecast to increase along with a rise in revenues. We expect to rationalize our operations by improving operational efficiency based on the Toyota Production System (TPS), which is likely to contribute to operating income.

Ordinary income is also forecast to increase along with a rise in operating income.

Net income is likely to increase thanks to a rise in ordinary income.

(Unit: millions of yen)

	Year ended March 2007	Forecast for year ending March 2008	Difference	Difference (%)
Service revenues	41,488	43,000	1,511	3.6
Operating income	973	1,150	176	18.1
Ordinary income	938	1,100	161	17.1
Net income	438	480	41	9.4

Non-consolidated earnings forecast

This forecast is approximate to the consolidated earnings forecast.

(Unit: millions of yen)

	Year ended March 2007	Forecast for year ending March 2008	Difference	Difference (%)
Service revenues	35,708	37,000	1,291	3.6
Operating income	796	1,020	223	28.1
Ordinary income	821	1,010	188	23.0
Net income	411	460	48	11.7

(2) Analysis on Financial Position

Analysis on status of assets, liabilities, net assets and cash flows

Cash and cash equivalents at the end of the fiscal year under review decreased 241 million yen year-on-year to 2,579 million yen. Status of cash flows and their factors are described below.

<Cash Flows from Operating Activities>

Net cash provided by operating activities amounted to 1,334 million yen (compared with 454 million yen provided in the previous year), mainly reflecting a net income before taxes of 903 million yen and depreciation costs of 860 million yen, offset partially by a rise in trade notes and accounts receivable of 624 million yen.

<Cash Flows from Investing Activities>

Net cash used in investing activities totaled 1,111 million yen (compared with 2,338 million yen used in the preceding year), mainly because of expenditure for construction of a logistics center that was completed in the previous year.

<Cash Flows from Financing Activities>

Net cash used in financing activities was 482 million yen (compared with 2,300 million yen provided in the previous year), due primarily to new borrowing of 400 million yen (to pay for construction cost of the logistics center that was completed in the preceding year), repayment of borrowings of 605 million yen, redemption of corporate bonds amounting to 100 million yen and payment of dividends of 170 million yen.

Changes in the indicators related to cash flows

	Year ended March 2005	Year ended March 2006	Year ended March 2007
Equity ratio (%)	41.0	36.6	37.4
Equity ratio based on market prices (%)	41.2	37.1	27.1
Years needed to repay debt	19.0	14.4	4.7
Interest coverage ratio (times)	10.2	16.6	30.5

Note: Method of computation:

Equity ratio:	shareholders' equity/Total assets
Equity ratio based on market prices:	Total market capitalization/Total assets
Years needed to repay debt:	Interest-bearing debt/Operating cash flows
Interest coverage ratio:	Operating cash flows/Interest payment

- 1) All indicators are calculated using financial figures on a consolidated basis.
- 2) Total market capitalization is calculated using the following formula: Closing stock price at the end of period x number of outstanding shares at the end of period (after deducting treasury stock).
- 3) Operating cash flows used are cash flows from operating activities on the consolidated statements of cash flows. Interest-bearing debt represents all liabilities on the consolidated balance sheet on which interest is paid. The amount of interest payment is interest paid and disclosed on the consolidated statement of cash flows.

(3) Basic Policy on Profit Distribution and Dividend for the Fiscal Year Under Review and the Next Year

Based on the stance of placing emphasis on shareholders, we have adhered from a long-term perspective to the basic policy of increasing retained earnings for making necessary investment to keep stable dividends and expand business. While maintaining this policy firmly, we will reinforce the management base of the Company to secure continuous profits and enhance corporate value, with the aim of actively returning profits to shareholders.

We will not change the frequency of dividend for the time being and pay dividend twice through interim dividend and year-end dividend as before.

With regard to the dividend for the year under review, we will bring up the topic of increasing the year-end dividend by 1 yen to 5 yen effective from the previous year for deliberation at the general meeting of shareholders at the end of June in view of earnings growth of the Company. As a result, the dividend for the fiscal year under review will be 8 yen per share including the interim dividend of 3 yen.

Concerning the dividend for the fiscal year ending March 31, 2008, we plan to pay a dividend of 8 yen annually (interim dividend: 4 yen; year-end dividend: 4 yen).

Consolidated Balance Sheet

(Unit: millions of yen)

Item	Period	March 31, 2006		March 31, 2007		Increase/decrease
		Amount	%	Amount	%	
Assets						
Current assets						
1. Cash and cash equivalents		1,285		1,239		(45)
2. Trade receivables		11,015		11,662		646
3. Inventories		333		322		(11)
4. Deferred tax assets		263		299		36
5. Money deposited		1,536		1,340		(195)
6. Others		694		674		(19)
7. Allowance for doubtful accounts		(15)		(10)		4
Total current assets		15,113	52.2	15,528	53.7	415
Fixed assets						
1. Property, Plant and Equipment						
(1) Buildings and structures		4,528		4,308		(220)
(2) Machinery and equipment		395		322		(72)
(3) Land		5,150		5,150		-
(4) Other property, plant and equipment		446		407		(39)
Total property, plant and equipment		10,520	36.4	10,188	35.3	(332)
2. Intangible Assets						
(1) Software		634		560		(73)
(2) Consolidation adjustment account		253		-		(253)
(3) Goodwill		-		225		225
(4) Other intangible assets		72		70		(2)
Total intangible assets		960	3.3	855	3.0	(104)
3. Investments and other assets						
(1) Investment securities		218		189		(28)
(2) Deferred tax assets		974		971		(3)
(3) Deposits and guarantees		1,112		1,119		6
(4) Other investments and other assets		61		41		(20)
(5) Allowance for doubtful accounts		(11)		(2)		8
Total investments and other assets		2,355	8.1	2,318	8.0	(36)
Total fixed assets		13,836	47.8	13,363	46.3	(473)
Total assets		28,949	100.0	28,891	100.0	(57)

(Unit: millions of yen)

Item	Period	March 31, 2006		March 31, 2007		Increase/decrease
		Amount	%	Amount	%	
Liabilities						
Current liabilities						
1. Trade payables		6,858		6,888		29
2. Short-term borrowings		3,144		2,767		(376)
3. Current portion of corporate bonds		100		600		500
4. Accrued income taxes		141		434		293
5. Reserve for officers' bonuses		-		7		7
6. Other current liabilities		2,113		1,820		(293)
Total current liabilities		12,357	42.7	12,519	43.3	161
Long-term liabilities						
1. Corporate bonds		600		-		(600)
2. Long-term debt		2,697		2,871		174
3. Deferred income taxes		60		58		(1)
4. Reserve for employees' retirement benefits		2,302		2,307		4
5. Reserve for officers' retirement benefits		189		151		(37)
6. Other long-term liabilities		9		10		0
Total long-term liabilities		5,860	20.2	5,400	18.7	(459)
Total liabilities		18,217	62.9	17,919	62.0	(298)
Minority interests						
Minority interests in consolidated subsidiaries		149	0.5	-	-	(149)
Shareholders' equity						
Common stock		2,979	10.3	-	-	(2,979)
Capital surplus		2,595	9.0	-	-	(2,595)
Retained earnings		5,083	17.6	-	-	(5,083)
Difference in evaluation of other securities		8	0.0	-	-	(8)
Foreign currency translation adjustment		23	0.1	-	-	(23)
Treasury stocks		(109)	(0.4)	-	-	109
Total shareholders' equity		10,582	36.6	-	-	(10,582)
Total liabilities, minority interests and shareholders' equity		28,949	100.0	-	-	(28,949)

(Unit: millions of yen)

Item	Period	March 31, 2006		March 31, 2007		Increase/decrease
		Amount	%	Amount	%	
Net Assets						
Shareholders' equity						
1. Common stock		-	-	2,979	10.3	2,979
2. Capital surplus		-	-	2,595	9.0	2,595
3. Retained earnings		-	-	5,311	18.4	5,311
4. Treasury stocks		-	-	(112)	(0.4)	(112)
Total shareholders' equity		-	-	10,774	37.3	10,774
Valuation and translation adjustments						
1. Difference in evaluation of other securities		-	-	(6)	(0.0)	(6)
2. Foreign currency translation adjustment		-	-	46	0.1	46
Total Valuation and translation adjustments		-	-	40	0.1	40
Minority interests in consolidated subsidiaries		-	-	157	0.6	157
Total net asset		-	-	10,972	38.0	10,972
Total liabilities and net assets		-	-	28,891	100.0	28,891

Consolidated Income Statement

(Unit: millions of yen)

Item	Period	Year ended March 31, 2006		Year ended March 31, 2007		Increase/ decrease	Year-on-year change (%)
		Amount	%	Amount	%		
Service revenues		39,555	100.0	41,488	100.0	1,933	4.9
Cost of services		36,327	91.8	37,737	91.0	1,409	3.9
Gross profit		3,228	8.2	3,751	9.0	523	16.2
Selling, general and administrative expenses		2,607	6.6	2,777	6.7	169	6.5
Operating income		620	1.6	973	2.3	353	57.0
Non-operating income		45	0.1	43	0.1	(1)	(4.1)
1. Interest and dividend income		6		8		1	
2. Other non-operating income		38		35		(3)	
Non-operating expenses		68	0.2	78	0.1	10	14.8
1. Interest expense		30		47		17	
2. Other non-operating expenses		38		31		(7)	
Ordinary income		597	1.5	938	2.3	341	57.1
Other income		85	0.2	-	-	(85)	(100.0)
Gain on sales of investment securities		85		-		(85)	
Other loss		150	0.4	35	0.1	(115)	(76.6)
1. Loss on disposal of fixed assets		-		28		28	
2. Loss on cancellation of warehouse leasehold contract		-		7		7	
3. Loss on revaluation of investment securities		67		-		(67)	
4. Loss on relocation of warehouse		54		-		(54)	
5. Additional severance payments for transferred employees		16		-		(16)	
6. Additional severance payments for early retirement		11		-		(11)	
Net income before taxes		532	1.3	903	2.2	370	69.6
Corporate income tax, resident tax and business tax		155	0.4	477	1.2	322	-
Deferred income taxes		145	0.3	(24)	(0.1)	(169)	-
Minority interests in net income of consolidated subsidiaries		12	0.0	11	0.0	(0)	(4.8)
Net income		220	0.6	438	1.1	218	99.1

Consolidated Statement of Capital Surplus

(Unit: millions of yen)

	Period	Year ended March 31, 2006
Item	Amount	
Capital surplus		
Capital surplus, beginning of period		2,595
Increase in capital surplus		
Earnings from disposal of treasury stock		-
Capital Surplus, end of period		2,595
Retained earnings		
Retained earnings, beginning of period		5,074
Increase in retained earnings		
Net income		220
Decrease in retained earnings		
1. Dividends		170
2. Bonuses to directors		40
Retained earnings, end of period		5,083

Consolidated Statement of Changes in Net Assets

(Year ended March 31, 2007)

(Unit: millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stocks	Total shareholders' equity
Balance as of March 31, 2006	2,979	2,595	5,083	(109)	10,549
Changes during the period					
Dividends *	-	-	(97)	-	(97)
Dividends	-	-	(73)	-	(73)
Directors' Bonuses *	-	-	(40)	-	(40)
Net income	-	-	438	-	438
Acquisition of treasury stock	-	-	-	(3)	(3)
Net changes in items other than stockholders' equity	-	-	-	-	-
Total changes during the period	-	-	227	(3)	224
Balance as of March 31, 2007	2,979	2,595	5,311	(112)	10,774

	Valuation and translation adjustments			Minority interests in consolidated subsidiaries	Total net assets
	Difference in evaluation of other securities	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance of March 31, 2006	8	23	32	149	10,732
Changes during the period					
Dividends *	-	-	-	-	(97)
Dividends	-	-	-	-	(73)
Directors' Bonuses *	-	-	-	-	(40)
Net income	-	-	-	-	438
Acquisition of treasury stock	-	-	-	-	(3)
Net changes in items other than stockholders' equity	(15)	23	7	7	15
Total changes during the period	(15)	23	7	7	240
Balance as of March 31, 2007	(6)	46	40	157	10,972

* Earnings appropriated by the resolution at the Company's General Shareholders' Meeting held in June 2006.

Consolidated Statement of Cash Flows

(Unit: millions of yen)

Item	Period	Year ended March 31, 2006	Year ended March 31, 2007
		Amount	Amount
Cash flows from operating activities			
Income before income taxes and minority interests		532	903
Depreciation and amortization		816	860
Increase (decrease) in reserve for employees' retirement benefits		(62)	4
Interest and dividend income		(6)	(8)
Interest expense		30	47
Additional severance payments for transferred employees		16	-
Increase (decrease) in trade receivables		(500)	(624)
Increase (decrease) in trade payables		85	(10)
Other, net		(340)	406
Cash generated from operations		570	1,579
Interest and dividends received			
Interest and dividends received		6	8
Interest paid		(27)	(43)
Income taxes paid		(166)	(222)
Refund of income taxes		88	13
Additional severance payments for transferred employees		(16)	-
Net cash provided by operating activities		454	1,334
Cash flows from investing activities			
Acquisition of securities		(140)	-
Proceeds from sales of securities		138	3
Proceeds from collection of loans		425	-
Acquisition of securities of newly consolidated subsidiaries		(342)	-
Acquisition of property, plant and equipment		(2,062)	(1,034)
Proceeds from sales of property, plant and equipment		2	51
Acquisition of intangible fixed assets		(212)	(137)
Other, net		(145)	5
Net cash used in investing activities		(2,338)	(1,111)
Cash flows from financing activities			
Increase (decrease) in short-term borrowings		550	(417)
Proceeds from long-term borrowings		2,100	400
Repayment of long-term debt		(70)	(187)
Payment by redemption of corporate bonds		(100)	(100)
Dividends paid to shareholders		(170)	(170)
Other, net		(8)	(6)
Net cash provided by (used in) financing activities		2,300	(482)
Effect of exchange rate changes on cash and cash equivalents		23	17
Net increase (decrease) in cash and cash equivalents		440	(241)
Cash and cash equivalents at beginning of period		2,381	2,821
Cash and cash equivalents at end of period		2,821	2,579

Non-consolidated Balance Sheet

(Unit: millions of yen)

Item	Period	March 31, 2006		March 31, 2007		Increase/decrease
		Amount	%	Amount	%	
Assets						
Current Assets						
1. Cash and cash equivalents		742		455		(287)
2. Trade receivables		595		722		127
3. Accrued revenue		9,078		9,633		554
4. Inventories		322		304		(17)
5. Prepaid expenses		290		229		(61)
6. Deferred tax assets		191		212		20
7. Money deposited		1,536		1,340		(195)
8. Other accounts receivable		336		404		67
9. Others		218		230		11
10. Allowance for doubtful accounts		(9)		(4)		5
Total current assets		13,303	48.8	13,527	50.1	224
Fixed Assets						
1. Property, plant and equipment						
(1) Buildings and structures		4,397		4,164		(233)
(2) Machinery and equipment		201		170		(30)
(3) Vehicles and delivery equipment		120		70		(49)
(4) Tools, instruments and fixtures		409		363		(45)
(5) Land		4,401		4,401		-
Total property, plant and equipment		9,529	35.0	9,170	34.0	(359)
2. Intangible Assets						
(1) Leasehold rights		22		22		-
(2) Facility use rights		39		38		(1)
(3) Trademark rights		8		7		(1)
(4) Software		622		539		(83)
Total intangible assets		692	2.6	607	2.2	(85)
3. Investments and other assets						
(1) Investment securities		217		188		(28)
(2) Affiliated company shares		1,386		1,397		10
(3) Long-term prepaid expenses		2		2		0
(4) Deferred tax assets		972		970		(2)
(5) Guaranty money deposited		1,091		1,094		2
(6) Other investments and other assets		54		35		(19)
(7) Allowance for doubtful accounts		(11)		(2)		8
Total investments and other assets		3,714	13.6	3,685	13.7	(29)
Total fixed assets		13,936	51.2	13,463	49.9	(473)
Total assets		27,239	100.0	26,990	100.0	(249)



(Unit: millions of yen)

	March 31, 2006		March 31, 2007		Increase/decrease
	Amount	%	Amount	%	
Liabilities					
Current liabilities					
1. Trade notes payable	357		371		14
2. Trade accounts payable	5,844		5,821		(22)
3. Short-term borrowings	2,960		2,600		(360)
4. Current portion of corporate bonds	100		600		500
5. Other accounts payable	658		548		(110)
6. Corporate tax payable, etc.	114		362		247
7. Consumption tax payable, etc.	-		139		139
8. Accrued expenses	452		489		36
9. Reserve for officers' retirement benefits	-		7		7
10. Equipment notes payable	474		-		(474)
11. Other current liabilities	200		246		45
Total current liabilities	11,163	41.0	11,186	41.5	23
Long-term liabilities					
1. Corporate bonds	600		-		(600)
2. Long-term debt	2,680		2,860		180
3. Reserve for employees' retirement benefits	2,202		2,204		2
4. Reserve for officers' retirement benefits	189		151		(37)
Total long-term liabilities	5,671	20.8	5,216	19.3	(455)
Total liabilities	16,834	61.8	16,403	60.8	(431)
Shareholders' equity					
Common stock	2,979	11.0	-	-	(2,979)
Capital surplus					
1. Capital reserve	2,595		-		(2,595)
2. Gains on disposal of treasury stocks	0		-		(0)
Total capital surplus	2,595	9.5	-	-	(2,595)
Retained earnings					
1. Earned reserve	282		-		(282)
2. Voluntary reserve					
Reserve for deduction entries	15		-		(15)
Special reserve	3,314		-		(3,314)
3. Unappropriated retained earnings	1,317		-		(1,317)
Total retained earnings	4,930	18.1	-	-	(4,930)
Evaluation difference of investment securities	8	0.0	-	-	(8)
Treasury stocks	(109)	(0.4)	-	-	109
Total shareholders' equity	10,405	38.2	-	-	(10,405)
Total liabilities, minority interests and shareholders' equity	27,239	100.0	-	-	(27,239)

(Unit: millions of yen)

Item	Period	March 31, 2006		March 31, 2007		Increase/decrease
		Amount	%	Amount	%	
Net Assets						
Shareholders' equity						
1. Common stock		-	-	2,979	11.1	2,979
2. Capital surplus						
Capital reserve		-	-	2,595		2,595
Other capital surplus				0		0
Total capital surplus				2,595	9.6	2,595
Retained earnings						
1. Earned reserve		-	-	282		282
2. Other retained earnings						
3. Reserve for deduction entries		-	-	13		13
4. Special reserve		-	-	3,314		3,314
5. Unappropriated retained earnings		-	-	1,520		1,520
Total retained earning		-	-	5,131	19.0	5,131
Treasury stocks		-	-	(112)	(0.4)	(112)
Total shareholders' equity		-	-	10,594	39.3	10,594
Valuation and translation adjustment						
Difference in evaluation of other securities		-	-	(6)	(0.1)	(6)
Total valuation and translation adjustment		-	-	(6)	(0.1)	(6)
Total net assets		-	-	10,587	39.2	10,587
Total liabilities and net assets		-	-	26,990	100.0	26,990

Non-Consolidated Income Statement

(Unit: millions of yen)

Item	Period	Year ended March 31, 2006		Year ended March 31, 2007		Increase/ decrease	Year-on-year change (%)
		Amount	%	Amount	%		
Service revenues		34,824	100.0	35,708	100.0	883	2.5
Cost of services		32,069	92.1	32,593	91.3	524	1.6
Gross profit		2,755	7.9	3,114	8.7	358	13.0
Selling, general and administrative expenses		2,237	6.4	2,318	6.5	80	3.6
Operating income		517	1.5	796	2.2	278	53.8
Non-operating income		65	0.2	91	0.3	25	38.6
1. Interest and dividend income		31		52		20	
2. Other non-operating income		34		38		4	
Non-operating expenses		33	0.1	66	0.2	32	94.8
1. Interest expense		18		38		19	
2. Other non-operating expenses		15		27		12	
Ordinary income		549	1.6	821	2.3	271	(49.5)
Other income		85	0.2	-	-	(85)	(100.0)
Gain on sales of investment securities		85		-		(85)	
Other loss		150	0.4	35	0.1	(115)	(76.6)
1. Loss on disposal of fixed assets		-		28		28	
2. Loss on cancellation of warehouse leasehold contract		-		7		7	
3. Loss on evaluation of investment securities		67		-		(67)	
4. Loss on relocation of warehouse		54		-		(54)	
5. Additional severance payments for transferred employees		16		-		(16)	
6. Additional severance payments for early retirement		11		-		(11)	
Net income before taxes		484	1.4	786	2.2	301	62.2
Corporate income tax, resident tax and business tax		100	0.3	382	1.0	282	
Corporate income taxes and other adjustment		140	0.4	(7)	(0.0)	(148)	
Net income		243	0.7	411	1.2	167	68.9
Profit brought forward from the previous year		1,147		-		(1,147)	
Interim dividend		73		-		(73)	
Unappropriated retained earnings		1,317				(1,317)	

(3) Non-Consolidated statement of changes in net assets

Interim accounting period (From April 1, 2006 to March 31, 2007)

(Unit: millions of yen)

	Shareholders' equity										
	Common stock	Capital surplus			Retained earnings					Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Capital surplus	Earned reserve	Other retained earnings			Total retained earnings		
						Reserve for deduction entries	Special reserve	Unappropriated retained earnings			
Balance as of March 31, 2006	2,979	2,595	0	2,595	282	15	3,314	1,317	4,930	(109)	10,396
Changes during the period											
Reversal for reserve for deduction entries (*)	-	-	-	-	-	(1)	-	1	-	-	-
Reversal for reserve for deduction entries	-	-	-	-	-	(1)	-	1	-	-	-
Dividends (*)	-	-	-	-	-	-	-	(97)	(97)	-	(97)
Dividends	-	-	-	-	-	-	-	(73)	(73)	-	(73)
Directors' Bonuses (*)	-	-	-	-	-	-	-	(40)	(40)	-	(40)
Net income	-	-	-	-	-	-	-	411	411	-	411
Acquisition of treasury stock	-	-	-	-	-	-	-	-	-	(3)	(3)
Net changes in items other than stockholders' equity	-	-	-	-	-	-	-	-	-	-	-
Total changes during the period	-	-	-	-	-	(2)	-	203	200	(3)	197
Balance as of March 31, 2007	2,979	2,595	0	2,595	282	13	3,314	1,520	5,131	(112)	10,594

	Valuation and translation adjustment		Total net assets
	Difference in evaluation of other securities	Total valuation and translation adjustment	
Balance as of March 31, 2006	8	8	10,405
Changes during the period			
Reversal for reserve for deduction entries (*)	-	-	-
Reversal for reserve for deduction entries	-	-	-
Dividends (*)	-	-	(97)
Dividends	-	-	(73)
Directors' Bonuses (*)	-	-	(40)
Net income (loss)	-	-	411
Acquisition of treasury stock	-	-	(3)
Other changes in non-shareholders' equity items during the period (net)	(15)	(15)	(15)
Total changes during the period	(15)	(15)	182
Balance as of March 31, 2007	(6)	(6)	10,587

* Earnings appropriated by the resolution at the Company's General Shareholders' Meeting held in June 2006.