

**9061 FUJI LOGISTICS CO., LTD.**

**Summary of Consolidated Quarterly Financial Results (from April to June 2006)**

(Unit: Million yen)

	First Quarter			First Half		Annual	
	FY2005	FY2006	Change	FY2005	FY2006	FY2005	FY2006
	(4-6/2005)	(4-6/2006)		(4-9/2005)	(4-9/2006)	(4/2005-3/2006)	(4/2006-3/2007)
	Actual	Actual		Actual	Forecast	Actual	Forecast
<b>Service revenues</b> (¥ Million)	<b>9,409</b>	<b>10,112</b>	<b>702</b>	<b>19,269</b>	<b>19,600</b>	<b>39,555</b>	<b>41,500</b>
<b>General customers</b> (¥ Million)	<b>4,727</b>	<b>4,942</b>	<b>214</b>	<b>9,728</b>	<b>10,000</b>	<b>19,746</b>	<b>21,300</b>
(% to total service revenues) (%)	<b>50.2</b>	<b>48.9</b>	<b>(1.3)</b>	<b>50.5</b>	<b>51.0</b>	<b>49.9</b>	<b>51.3</b>
<b>Fuji Electric Group</b> (¥ Million)	<b>4,682</b>	<b>5,170</b>	<b>488</b>	<b>9,541</b>	<b>9,600</b>	<b>19,808</b>	<b>20,200</b>
(% to total service revenues) (%)	<b>49.8</b>	<b>51.1</b>	<b>1.3</b>	<b>49.5</b>	<b>49.0</b>	<b>50.1</b>	<b>48.7</b>
<b>Operating income</b> (¥ Million)	<b>79</b>	<b>146</b>	<b>67</b>	<b>238</b>	<b>250</b>	<b>620</b>	<b>860</b>
<b>Ordinary income</b> (¥ Million)	<b>77</b>	<b>144</b>	<b>67</b>	<b>233</b>	<b>240</b>	<b>597</b>	<b>830</b>
<b>Net income</b> (¥ Million)	<b>2</b>	<b>68</b>	<b>65</b>	<b>64</b>	<b>70</b>	<b>220</b>	<b>350</b>
<b>Net income per share</b> (Yen)	<b>0.11</b>	<b>2.80</b>	<b>2.70</b>	<b>2.63</b>	<b>2.87</b>	<b>7.38</b>	<b>14.33</b>
<b>Dividends per share</b> (Yen)	—	—	—	<b>3.00</b>	<b>3.00</b>	<b>7.00</b>	<b>7.00</b>
<b>Total assets</b> (¥ Million)	<b>26,226</b>	<b>28,484</b>	<b>2,257</b>	<b>27,081</b>		<b>28,949</b>	
<b>Net assets</b> (¥ Million)	<b>10,425</b>	<b>10,658</b>	—	<b>10,512</b>		<b>10,582</b>	
<b>Equity ratio</b> (%)	<b>39.8</b>	<b>36.9</b>	—	<b>38.8</b>		<b>36.6</b>	
<b>Net assets per share</b> (Yen)	<b>426.80</b>	<b>430.38</b>	—	<b>430.43</b>		<b>431.72</b>	
<b>Retained earnings</b> (¥ Million)	<b>4,939</b>	<b>5,014</b>	<b>75</b>	<b>5,000</b>		<b>5,083</b>	
<b>Interest-bearing debt</b> (¥ Million)	<b>4,521</b>	<b>7,161</b>	<b>2,639</b>	<b>4,996</b>		<b>6,541</b>	
<b>CF from operating activities</b> (¥ Million)	<b>(150)</b>	<b>15</b>		<b>465</b>		<b>454</b>	
<b>CF from investing activities</b> (¥ Million)	<b>(583)</b>	<b>(806)</b>		<b>(957)</b>		<b>(2,338)</b>	
<b>CF from financing activities</b> (¥ Million)	<b>384</b>	<b>517</b>		<b>833</b>		<b>2,300</b>	
<b>Cash and cash equivalents</b> (¥ Million)	<b>2,036</b>	<b>2,549</b>		<b>2,730</b>		<b>2,821</b>	
<b>Capital expenditure</b> (¥ Million)	<b>219</b>	<b>104</b>	<b>(115)</b>	<b>1,472</b>		<b>2,428</b>	
<b>Depreciation and amortization</b> (¥ Million)	<b>187</b>	<b>211</b>	<b>23</b>	<b>378</b>		<b>816</b>	

## Notes:

- Expected net income per share calculation is based on the number of outstanding shares as of March 31, 2006.
- The Company has adopted "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (The Accounting Standards Board of Japan Statement No. 5) beginning in FY2006. Accordingly, the names and calculation methods of some financial indicators have been changed.


**Pack'n Solution**

Cardboard-box robot "Fuji Pack'n" is our mascot

## Consolidated Quarterly Financial Results For the Three Months Ended June 30, 2006

July 27, 2006

Name of the listed company: Fuji Logistics Co., Ltd.  
 Listed stock exchange: TSE Second Section  
 Code Number: 9061  
 Address of principal executive office: Tokyo, Japan  
 (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

### 1. Notes Related to the Preparation of the Consolidated Quarterly Financial Information

- (1) Adoption of simplified accounting method: This report has been prepared mostly with the same method as the semi-annual financial report.
- (2) Change in accounting method from the most recent fiscal year: No
- (3) Change in number of consolidated subsidiaries and affiliated companies accounted for under the equity method: No

### 2. Financial Status and Operating Results for the Three Months Ended June 30, 2006 (April 1, 2006 - June 30, 2006)

Amounts are rounded off to nearest million yen throughout this report.

#### (1) Consolidated Results of Operations

	Service revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2006	10,112	7.5	146	85.1	144	86.1
Three months ended June 30, 2005	9,409	5.1	79	(71.6)	77	(72.9)
Year ended March 31, 2006	39,555	7.9	620	(23.1)	597	(27.6)

	Net income		Net income per share: Basic	Net income per share: Fully diluted
	Millions of yen	%	yen	yen
Three months ended June 30, 2006	68	-	2.80	-
Three months ended June 30, 2005	2	(98.3)	0.11	-
Year ended March 31, 2006	220	(10.4)	7.38	-

Notes:

1. Average number of outstanding shares during term (consolidated):  
     For the three months ended June 2006: 24,418,021 shares  
     For the three months ended June 2005: 24,428,227 shares
2. Percentages shown next to service revenues, operating income, ordinary income and net income represent year-on-year changes.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
June 30, 2006	28,484	10,658	36.9	430.38
June 30, 2005	26,226	10,425	39.8	426.80
March 31, 2006	28,949	10,582	36.6	431.72

Note: Number of outstanding shares at end of period (consolidated):

June 30, 2006:	24,417,921 shares
June 30, 2005:	24,427,961 shares

## (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash & cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Three months ended June 30, 2006	15	(806)	517	2,549
Three months ended June 30, 2005	(150)	(583)	384	2,036
Year ended March 31, 2006	454	(2,338)	2,300	2,821

## 3. Consolidated Financial Results Forecasts for the Year Ending March 31, 2007 (April 1, 2006 - March 31, 2007)

The consolidated financial forecasts for the fiscal year ending March 31, 2007 have not been changed from those announced on April 27, 2006.

	Service revenues	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	yen
First half	19,600	240	70	2.87
Annual	41,500	830	350	14.33

Notes:

1. The non-consolidated financial forecasts for the fiscal year ending March 31, 2007 have not been changed from those announced on April 27, 2006.
2. The above forecasts are based on information available as of the date on which these materials were released. Actual results are subject to change due to various future events and may differ from these figures.

## Overview of the First Quarter Ended June 30, 2006

On the back of improved corporate earnings, the Japanese economy is likely to continue recovering moderately supported by strong private-sector demand amid rising capital investments and consumer spending. Meanwhile, there are concerns that higher oil prices, combined with the trend of an appreciating yen, will have an adverse impact on the economy.

In the logistics industry, international cargo services to Asia and other places are expected to continue enjoying strong performance. Total domestic transport volume, however, is forecast to continue to decrease due to a lack of growth in production-related cargo and consumption-related cargo as well as a sluggishness in construction-related cargo affected by curtailed public investment.

Under such circumstances, the Group announced a three-year medium-term business plan (for fiscal 2006 to fiscal 2008) in June 2006. Aiming to realize its long-term vision to “*become a leading company in the 3PL business*,” we prioritize the strengthening of on-site capability (or personnel training) in the plan. We also strive to “*become an indispensable company for all stakeholders*,” and to this end we will provide logistics services that satisfy customers and aggressively expand our business, with “challenge, reform and action” as guidelines for our activities.

In the fiscal year under review, service revenues increased by 702 million yen to 10,112 million yen (up 7.5% year-on-year).

Service revenues from general customers outside the Fuji Electric Group rose by 214 million yen to 4,942 million yen (up 4.5% year-on-year, accounting for 48.9% of total service revenues). We received orders for the operation of logistics centers from major mail order companies (in October 2005) and precision electronics parts manufacturers (in July 2005), which offset the effect of the withdrawal from unprofitable businesses. As a result, service revenues increased from the previous year. In addition, the performance of SII Logistics Inc., which became a consolidated subsidiary last fiscal year, continued to be strong.

Service revenues from the Fuji Electric Group improved by 488 million yen to 5,170 million yen (up 10.4% from a year earlier and representing 51.1% of total service revenues). Cargo movement of vending machine-related products was slower. In contrast, transport volumes of power generation and transformer plants for overseas markets continued to grow, as did the volumes of magnetic recording media, photoconductive drums and other products, both at home and abroad. In addition, transport volumes of inverters and other controllers remained steady.

Operating income increased by 67 million yen to 146 million yen (up 85.1% year-on-year) thanks to a rise in service revenues and effects of reorganization based on the Toyota Production System (TPS), despite increases in warehouse rent and depreciation costs in relation to a logistics center in the Tokyo metropolitan area, which started operations in November 2005.

Ordinary income rose by 67 million yen to 144 million yen (up 86.1% from the previous year) owing to an increase in service revenues.

Net income was up 65 million yen at 68 million yen as a result of increased service revenues and because the Company did not post any extraordinary loss, unlike the preceding year.

The outlook for business results for the fiscal year ending March 2007 has not changed since the previous announcement (April 27, 2006).



**<Consolidated Service Revenues by Customer Group>**

(Unit: millions of yen)

	Three months ended June 30, 2005		Three months ended June 30, 2006		Change	
	Amount	%	Amount	%	Amount	%
General customers	4,727	50.2	4,942	48.9	214	4.5
Fuji Electric Group	4,682	49.8	5,170	51.1	488	10.4

**<Consolidated Service Revenues by Segment >**

(Unit: millions of yen)

	Three months ended June 30, 2005	Three months ended June 30, 2006	Change	Change (%)
Domestic Logistics	7,876	8,029	152	1.9
Other Businesses	1,533	2,083	549	35.9

**Changes in Financial Condition (Consolidated)**

As of the end of the first quarter, total assets stood at 28,484 million yen, a decrease of 465 million yen compared with the end of the previous fiscal year. This decline was attributable mainly to expenditures incurred in constructing a logistics center.

**Consolidated Cash Flows**

As of the end of the first quarter, cash and cash equivalents came to 2,549 million yen, 271 million yen less than at the end of the previous fiscal year. The conditions and factors affecting the different types of cash flow are described below.

**<Cash Flows from Operating Activities>**

Net cash provided by operating activities was 15 million yen, reflecting an increase derived from net income before taxes of 144 million yen and depreciation costs of 211 million yen, which, however, was partly offset by a rise in sales activity costs to increase service revenues.

**<Cash Flows from Investing Activities>**

Net cash used in investing activities amounted to 806 million yen, due chiefly to the construction of a logistics center.

**<Cash Flows from Financing Activities>**

Net cash provided by financing activities was 517 million yen, mainly because of a rise in borrowings.



## **Business Outlook for the Fiscal Year**

The outlook for consolidated business results for the fiscal year ending March 2007 have not changed since the previous announcement (April 27, 2006).

### **<Consolidated Financial Results Forecast for First Half>**

(Unit: millions of yen)

	Year ended March 31, 2006	Year ending March 31, 2007 (Forecast)	Change	Change (%)
Service revenues	19,269	19,600	330	1.7
Operating income	238	250	11	4.9
Ordinary income	233	240	6	2.8
Net income	64	70	5	9.0

### **<Consolidated Financial Results Forecast>**

(Unit: millions of yen)

	Year ended March 31, 2006	Year ending March 31, 2007 (Forecast)	Change	Change (%)
Service revenues	39,555	41,500	1,944	4.9
Operating income	620	860	239	38.6
Ordinary income	597	830	232	38.9
Net income	220	350	129	58.9

## **Consolidated Financial Results by Year**

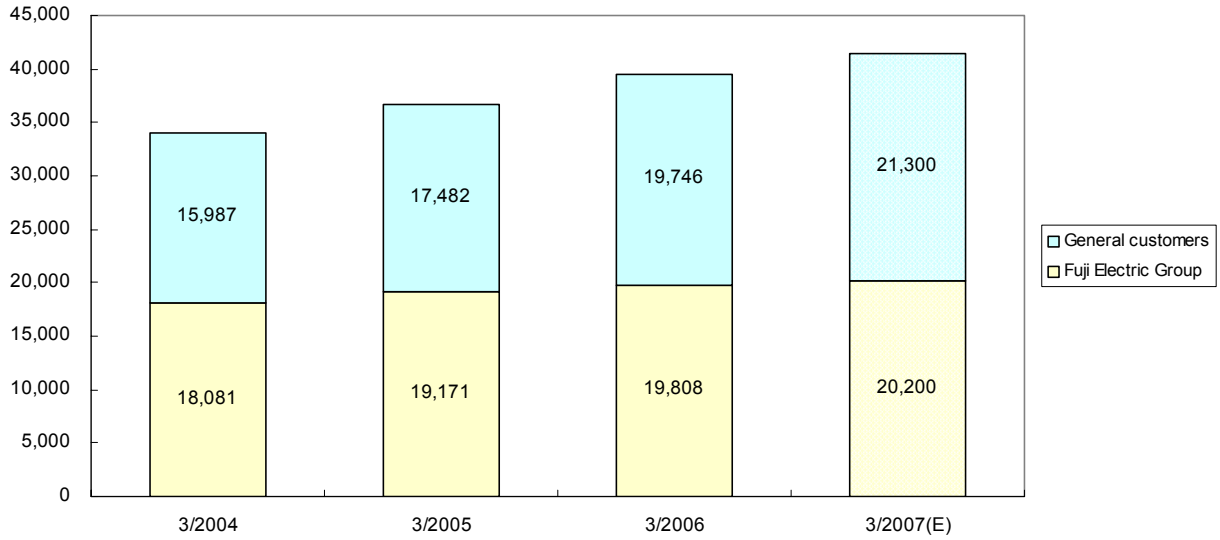
### **<Consolidated financial results for the past three fiscal years and forecast for the current year>**

(Unit: millions of yen)

	Year ended March 31, 2004	Year ended March 31, 2005	Year ended March 31, 2006	Year ending March 31, 2007 (Forecast)
Service revenues	34,069	36,654	39,555	41,500
Operating income	795	807	620	860
Ordinary income	805	825	597	830
Net income	358	245	220	350

### Service revenues by year

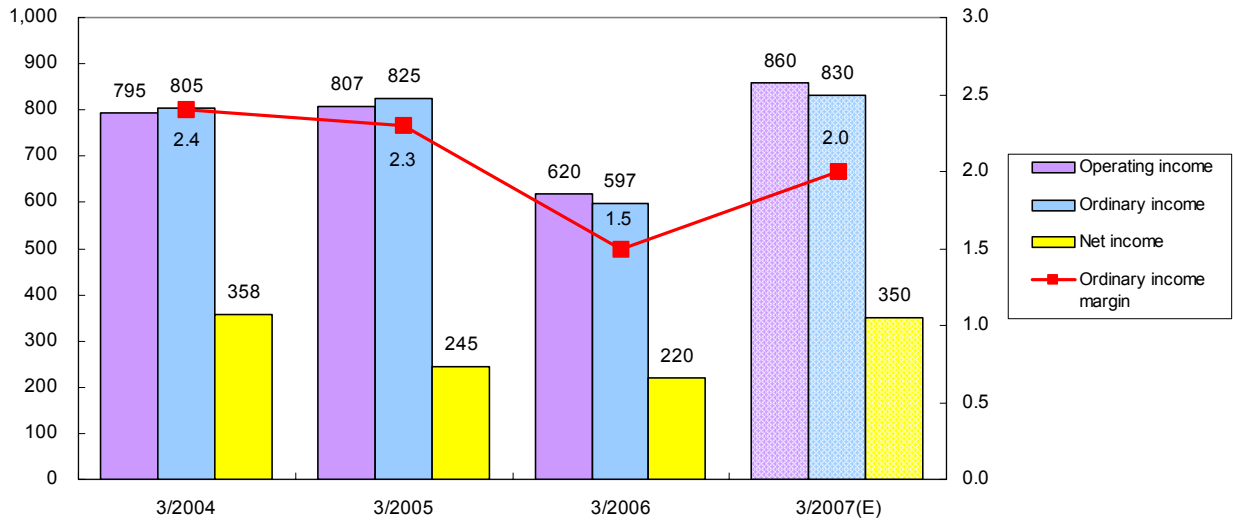
(Millions of yen)



### Operating income, ordinary income and net income by year

(Millions of yen)

(%)



## Consolidated Quarterly Balance Sheet

(Unit: millions of yen)

Item	Period		March 31, 2006		June 30, 2006		Change	June 30, 2005	
	Amount	%	Amount	%	Amount	Amount	%		
<b>Assets</b>									
Current assets	15,113	52.2	14,772	51.9	(341)	14,051	53.6		
Cash and cash equivalents	1,285		1,086		(198)	662			
Trade receivables	11,015		10,910		(105)	10,324			
Money deposited	1,536		1,463		(72)	1,373			
Others	1,276		1,311		35	1,690			
Fixed assets	13,836	47.8	13,712	48.1	(123)	12,175	46.4		
Property, plant and equipment	10,520	36.4	10,418	36.6	(102)	8,944	34.1		
Intangible assets	960	3.3	941	3.3	(18)	996	3.8		
Investments and other assets	2,355	8.1	2,352	8.2	(3)	2,234	8.5		
<b>Total assets</b>	<b>28,949</b>	<b>100.0</b>	<b>28,484</b>	<b>100.0</b>	<b>(465)</b>	<b>26,226</b>	<b>100.0</b>		
<b>Liabilities</b>									
Current liabilities	12,357	42.7	11,727	41.2	(630)	11,601	44.2		
Trade payables	6,858		6,708		(150)	7,128			
Short-term borrowings	3,144		3,433		289	2,957			
Others	2,354		1,585		(769)	1,515			
Long-term liabilities	5,860	20.2	6,098	21.4	238	4,055	15.5		
Long-term debt	2,697		3,027		330	764			
Reserve for employees' retirement benefits	2,302		2,287		(15)	2,364			
Others	860		783		(76)	927			
<b>Total liabilities</b>	<b>18,217</b>	<b>62.9</b>	<b>17,825</b>	<b>62.6</b>	<b>(391)</b>	<b>15,656</b>	<b>59.7</b>		
<b>Minority interests</b>									
Minority interests in consolidated subsidiaries	149	0.5	-	-	(149)	144	0.5		
<b>Shareholders' equity</b>									
Common stock	2,979	10.3	-	-	(2,979)	2,979	11.4		
Capital surplus	2,595	9.0	-	-	(2,595)	2,595	9.9		
Retained earnings	5,083	17.6	-	-	(5,083)	4,939	18.8		
Difference in evaluation of other securities	8	0.0	-	-	(8)	22	0.1		
Foreign currency translation adjustment	23	0.1	-	-	(23)	(5)	(0.0)		
Treasury stocks	(109)	(0.4)	-	-	(109)	(104)	(0.4)		
<b>Total shareholders' equity</b>	<b>10,582</b>	<b>36.6</b>	<b>-</b>	<b>-</b>	<b>(10,582)</b>	<b>10,425</b>	<b>39.8</b>		
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>28,949</b>	<b>100.0</b>	<b>-</b>	<b>-</b>	<b>(28,949)</b>	<b>26,226</b>	<b>100.0</b>		

Item	Period		March 31, 2006		June 30, 2006		Change	June 30, 2005	
	Amount	%	Amount	%	Amount	Amount	%		
<b>Net assets</b>									
Shareholders' equity	-	-	10,479	36.8	10,479	-	-	-	
Common stock	-	-	2,979	10.5	2,979	-	-		
Capital surplus	-	-	2,595	9.1	2,595	-	-		
Retained earnings	-	-	5,014	17.6	5,014	-	-		
Treasury stocks	-	-	(109)	(0.4)	(109)	-	-		
Valuation and translation adjustments	-	-	29	0.1	29	-	-		
Difference in evaluation of other securities	-	-	1	0.0	1	-	-		
Foreign currency translation adjustment	-	-	27	0.1	27	-	-		
Minority interests in consolidated subsidiaries	-	-	149	0.5	149	-	-		
Total net assets	-	-	10,658	37.4	10,658	-	-		
Total liabilities and net assets	-	-	28,484	100.0	28,484	-	-		



## Consolidated Quarterly Income Statement

(Unit: millions of yen)

Item	Three months ended June 30, 2005		Three months ended June 30, 2006		Change	Year ended March 31, 2006	
	Amount	%	Amount	%	Amount	Amount	%
Service revenues	9,409	100.0	10,112	100.0	702	39,555	100.0
Cost of services	8,649	91.9	9,292	91.9	643	36,327	91.8
Gross profit	760	8.1	819	8.1	59	3,228	8.2
Selling, general and administrative expenses	680	7.3	673	6.6	(7)	2,607	6.6
Operating income	79	0.8	146	1.5	67	620	1.6
Non-operating income	12	0.1	12	0.1	0	45	0.1
Non-operating expenses	13	0.1	14	0.2	0	68	0.2
Ordinary income	77	0.8	144	1.4	67	597	1.5
Other income	-	-	-	-	-	85	0.2
Other loss	20	0.2	-	-	(20)	150	0.4
Net income before taxes	57	0.6	144	1.4	87	532	1.3
Income taxes	48	0.5	73	0.7	24	300	0.7
Minority interests in net income of consolidated subsidiaries	6	0.1	3	0.0	(2)	12	0.0
Net income	2	0.0	68	0.7	65	220	0.6



## Consolidated Quarterly Statement of Cash Flows

(Unit: millions of yen)

Period	Three months ended June 30, 2005	Three months ended June 30, 2006	Year ended March 31, 2006
	Amount	Amount	Amount
<b>I Cash flows from operating activities</b>	(150)	15	454
Net income before taxes	57	144	532
Depreciation and amortization	187	211	816
Other, net	(395)	(341)	(895)
<b>II Cash flows from investing activities</b>	(583)	(806)	(2,338)
Acquisition of property, plant and equipment, intangible assets, and securities	(592)	(807)	(2,759)
Proceeds from sales of property, plant and equipment, and securities	0	2	141
Other, net	8	(2)	279
<b>III Cash flows from financing activities</b>	384	517	2,300
Increase (decrease) in short-term borrowings	464	248	550
Proceeds from long-term debt	-	400	2,100
Repayment of long-term debt	(4)	(30)	(70)
Payment by redemption of corporate bonds	-	-	(100)
Dividends paid to shareholders	(97)	(97)	(170)
Other, net	22	(4)	(8)
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>	4	3	23
<b>V Net increase (decrease) in cash and cash equivalents</b>	(344)	(271)	440
<b>VI Cash and cash equivalents at beginning of period</b>	2,381	2,821	2,381
<b>VII Cash and cash equivalents at end of period</b>	2,036	2,549	2,821