

2003
ANNUAL REPORT

FUJI LOGISTICS CO., LTD.

PROFILE

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Fuji Logistics Co., Ltd. aims to contribute to society by creating leading-edge comprehensive logistics services, and strengthening our relationships of trust with local communities, customers and partners.

We are grateful for the support of our customers and shareholders which have allowed us to build up our solid business foundation and grow to where we are today.

We established “Being the pioneer of logistics service with heart” as our corporate vision to build a foundation for proactively tackling major environmental changes such as the accelerating progress in IT implementation and globalization. We are aiming to become a competitive logistics firm with superior solutions capabilities based on our corporate mission “Comprehensively managing the logistics innovation of our customers.”

FINANCIAL HIGHLIGHTS

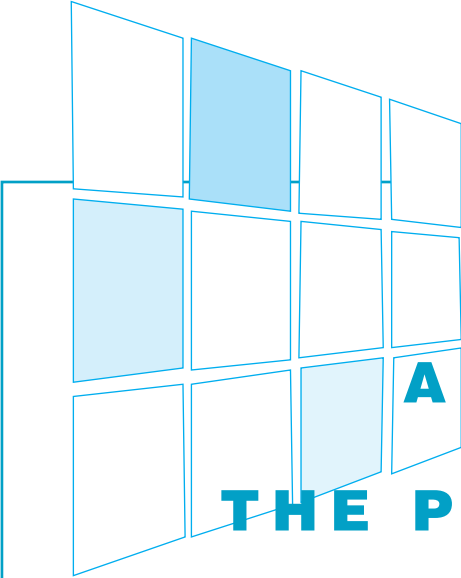
Three-Year Summary

FUJI LOGISTICS CO., LTD. and consolidated subsidiaries

Years ended March 31

	Thousands of yen			Thousands of U.S. dollars (Note)
	2001	2002	2003	2003
For the year:				
Service revenues	¥ 36,195,140	¥ 33,359,810	¥ 34,087,692	\$ 284,064
Operating income	909,250	299,251	545,902	4,549
Ordinary income	964,044	353,443	571,398	4,762
Net income (loss)	(1,832,666)	124,687	662,493	5,521
At the year-end:				
Total assets	¥ 26,930,155	¥ 24,489,008	¥ 23,593,133	\$ 196,609
Shareholders' equity	10,040,459	9,953,170	10,348,451	86,237
		yen		U.S. dollars (Note)
	2001	2002	2003	2003
Per share:				
Net income (loss)	¥ (73.39)	¥ 5.00	¥ 25.77	\$ 0.21
Shareholders' equity	402.11	401.39	422.20	3.52
Cash dividends	7.00	7.00	7.00	0.06
Other data:				
Number of employees	905	871	803	

Note: Yen amounts have been translated into U.S. dollars, solely for convenience, at the exchange rate of ¥120 = U.S.\$1.00.



A MESSAGE FROM THE PRESIDENT



During this fiscal year, the Japanese economy remained very opaque and exhibited an increasingly severe business environment. Various factors contributed to the creation of such an environment and included the slowing in growth of exports due to the deceleration of overseas economies, the impact of the accelerated disposal of non-performing debts resulting from the general anti-deflationary measures, the slump in stock prices and the fears regarding the effects of the Iraq situation and Severe Acute Respiratory Syndrome (SARS).

In the same way, due to the slowdown in plant and equipment investment,

the logistics industry is expected to post total transport volume results below the previous year, mainly affected by production and construction related transport.

Under these conditions, we continued to promote our business plan for fiscal years 2000-2002. This plan was constructed based on our vision of "Being the pioneer of logistics service with heart" and our corporate philosophy that establishes our duty of "Comprehensively managing the logistics innovation of our customers." Fuji Logistics has implemented organizational and corporate culture reforms based upon this plan. During this year, the critical year of the plan, we have further clarified our business areas and their respective expansion strategies, and proactively tackled the expansion of business.

Specifically, our logistics solution business achieved results through expansion of orders from an industrial sewing machine maker, a major elevator maker and various others. Furthermore, we successfully gained logistics outsourcing contracts from a foreign affiliated information systems equipment maker, a broadcast audio-visual equipment trading company and an optical equipment maker. In addition, we added a call center function to the conventional 24 hour 7day logistics service for maintenance parts. In this manner, Fuji Logistics has enhanced its broad, high quality logistics services to realize increases in orders.

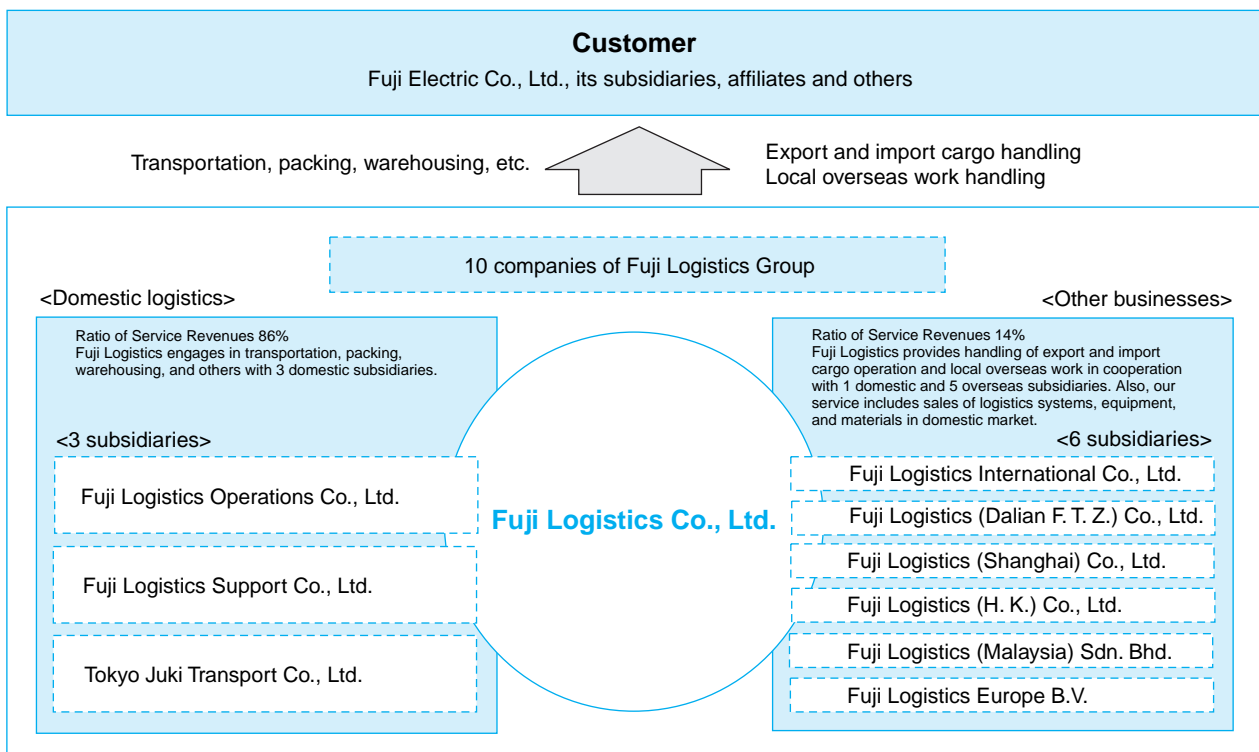
Moreover, we established an Ethics Panel on October 1, 2002 for promotion of compliance and established an internal ethics code "Fuji Logistics Code of Conduct." We are dedicated in our continuing efforts to enhance our corporate governance.

Yasuhiro Nakao

Yasuhiro Nakao
President and Representative Director



Fuji Logistics was established in 1975, assuming logistics divisions of Fuji Electric Co., Ltd. and its subsidiary Fuji Electric Construction Co., Ltd. Since that time, the firm has handled the transportation, packing and warehousing for Fuji Electric, its subsidiaries and affiliates. Today, we are providing services to a broader range of customers through the application of the various skills and know-how acquired over the years.



OPERATING RESULTS

orders for third party logistics in the international logistics area including a contract for an industrial sewing machine maker secured by our European subsidiary (Holland). In addition, the expansion of export and import related logistics in Japan led to an increase of 235 million yen, totaling 16,356 million yen in non-Fuji Electric Group related service revenues. This marked an increase of 1.5% and resulted in non-Fuji Electric Group customers accounting for 48.0% of the total service revenues.

Operating income increased 247 million yen to 546 million yen (82.4% increase). Although the increase in earnings led to an increase in gross profit, there was intense pressure of lower prices. In response, we tackled business reformation, reduced personnel costs through early retirement, lowered rents by relocating our warehouse and reduced transport and other costs through heightened business efficiency.

As for non-operating income and expenses, the 18 million yen in expenses for issuing corporate bonds totaling 1,000 million yen to secure immediate plant and equipment investment funds were recorded as non-operating expenses. Therefore, the Company posted a year-on-year decrease in non-operating income of 28 million yen.

Ordinary income increased 218 million yen to reach 571 million yen (61.7% increase).

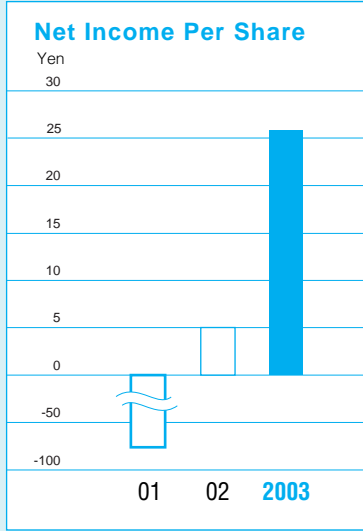
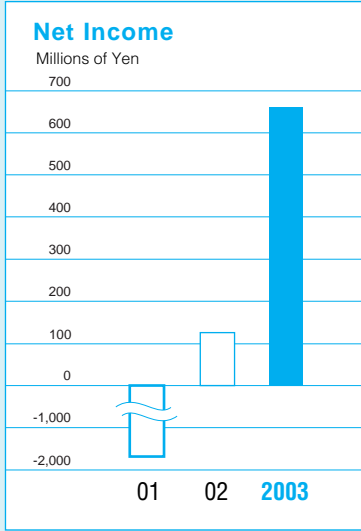
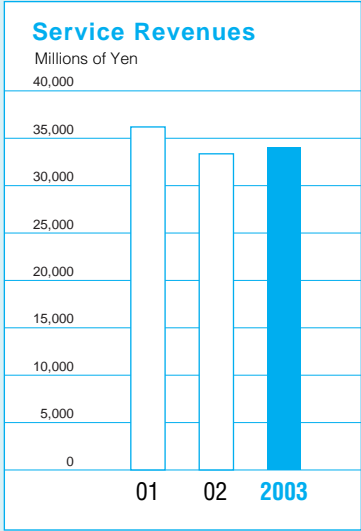
Extraordinary income were recorded including 1,497 million yen in earnings from return of substitutional portion of the

Fuji Logistics posted a year-on-year increase of 728 million yen (all following comparisons are based on the same) to 34,088 million yen (2.2% increase) in service revenues.

million yen to 17,732 million yen (2.9% increase) in Fuji Electric Group related service revenues. Thus, Fuji Electric Group related business comprised 52.0% of the total service revenues.

In regards to the volume handled for the Fuji Electric Group, electronics equipment related logistics did poorly while there was an expansion in operations related to vending machines. Consequently, the Company posted an increase of 493

In regards to customers outside of the Fuji Electric Group, the Company expanded orders from a major elevator maker and gained advances in developing new customers and expanding orders for our new third party logistics operations. Moreover, we were able to gain new



governmental pension plan and 7 million yen in gain on sales of investment securities. Extraordinary losses were also recorded including 623 million yen in losses from the disposal of fixed assets to promote business reforms, 31 million yen in losses from the sale of investment securities, 38 million yen in losses from devaluation of investment securities and 71 million yen in additional severance payments for early retirement, etc.

As a result of the above, our net income for the year increased 538 million yen to 662 million yen (431.3% increase).

[Domestic logistics]

(Transportation, packing and warehousing businesses in Japan)

There was an increase in the volume handled for vending machines for the Fuji Electric Group due to the takeover of Sanyo Electric Jihanki K.K. by Fuji Electric Co. (presently, Fuji Electric Retail Systems Co., Ltd.). In addition, there was an increase in service revenues from non-Fuji Electric Group customers due to the expansion of orders from major customers and the development of new customers and expansion of their orders.

	Millions of Yen			
	FY2002	FY2003	Variation Amount	Variation (%)
Service revenues	28,904	29,188	283	1.0
Operating income	259	519	260	100.4

[Other businesses]

(Export and import handling in Japan, overseas local logistics, sales of logistics systems, equipment and materials, and the leasing of office buildings)

We posted an increase in the volume of exports and imports handled for an industrial sewing machine maker and for general customers.

	Millions of Yen			
	FY2002	FY2003	Variation Amount	Variation (%)
Service revenues	4,454	4,900	445	10.0
Operating income	40	28	(12)	(30.0)

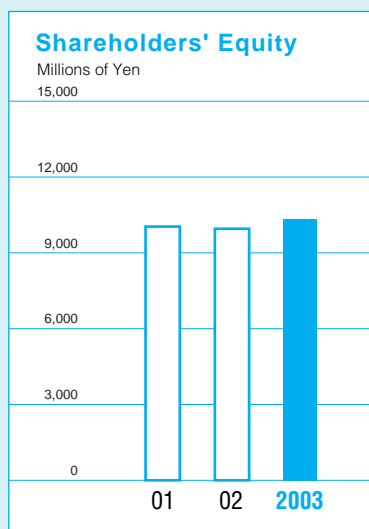
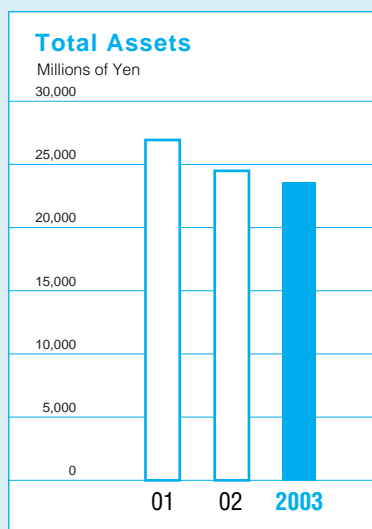
Cash Flows

The cash and cash equivalents at the end of the fiscal year increased 879 million yen over the end of the previous fiscal year to reach 3,028 million yen. The conditions of the respective cash flow categories and the factors for those conditions are as follows.

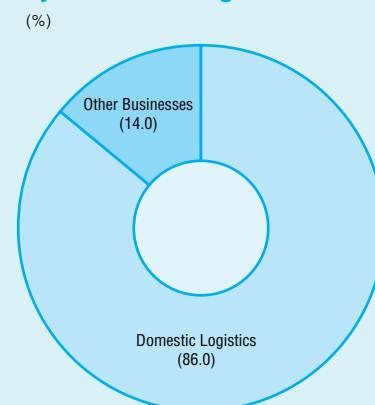
(Cash flows from operating activities)
The net cash flow increased 984 million yen. This was primarily due to the increase in service revenues (2.2% increase), and the improvement in gross profit rate achieved via the reduction of personnel costs accompanying early retirement and streamlined operation measures. Consequently, operating income rose year-on-year by 82.4% and positively affected the net cash flow.

(Cash flows from investing activities)
The net cash flow decreased 425 million yen as a result of investment activities. This decrease was primarily due to plant and equipment investment.

(Cash flows from financing activities)
The net cash flow increased by 332 million yen. This is due to the 981 million yen net increase obtained from the corporate bonds issued to gain immediate plant and equipment investment funds, the 412 million yen decrease in borrowings and the payments including 174 million yen in dividends paid to shareholders.



Service Revenues Composition Ratio by Business Segment (%)



CONSOLIDATED BALANCE SHEETS

As of March 31, 2003 and 2002	Thousands of yen		Thousands of U.S. dollars (Note 3)
	2003	2002	2003
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	¥ 3,028,150	¥ 2,148,268	\$ 25,235
Trade receivables	9,282,932	9,213,173	77,358
Allowance for doubtful accounts	(9,865)	(7,606)	(82)
Deferred income taxes (Note 9)	426,338	205,627	3,553
Other current assets	726,300	833,522	6,051
TOTAL CURRENT ASSETS	13,453,855	12,392,984	112,115
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 5):			
Land	2,512,994	3,039,255	20,942
Buildings and structures	9,095,104	9,563,957	75,793
Machinery and equipment	1,934,367	2,228,405	16,120
Other	1,341,230	1,383,496	11,176
	14,883,695	16,215,113	124,031
Less accumulated depreciation	(7,994,948)	(8,175,532)	(66,625)
PROPERTY, PLANT AND EQUIPMENT, NET	6,888,747	8,039,581	57,406
INTANGIBLE ASSETS	589,206	548,567	4,910
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 2 and 4)	124,413	198,608	1,037
Deferred income taxes (Note 9)	1,255,082	1,982,189	10,459
Deposits and guarantees	1,145,643	1,163,666	9,547
Other investments and other assets	140,687	167,622	1,173
Allowance for doubtful accounts	(4,500)	(4,209)	(38)
TOTAL INVESTMENTS AND OTHER ASSETS	2,661,325	3,507,876	22,178
	¥ 23,593,133	¥ 24,489,008	\$ 196,609

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.



	Thousands of yen		Thousands of U.S. dollars (Note 3)
	2003	2002	2003
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Short-term borrowings (Note 5)	¥ 1,279,500	¥ 1,525,000	\$ 10,663
Current portion of long-term debt (Note 5)	238,000	148,824	1,983
Trade payables	5,720,141	6,030,495	47,668
Accrued income taxes (Note 9)	149,105	38,867	1,243
Other current liabilities	1,357,325	1,327,035	11,310
TOTAL CURRENT LIABILITIES	8,744,071	9,070,221	72,867
LONG-TERM DEBT (Note 5)	1,162,500	418,500	9,688
RESERVE FOR EMPLOYEES' RETIREMENT BENEFITS (Notes 2 and 6)	3,011,463	4,668,762	25,096
RESERVE FOR OFFICERS' RETIREMENT BENEFITS (Note 2)	111,380	139,580	928
DEFERRED INCOME TAXES (Note 9)	63,234	63,225	527
OTHER LONG-TERM LIABILITIES (Note 2)	57,522	84,200	478
TOTAL LIABILITIES	13,150,170	14,444,488	109,584
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES	94,512	91,350	788
CONTINGENT LIABILITIES (Note 10):			
SHAREHOLDERS' EQUITY:			
Common stock, without par value:			
Authorized - 60,000,000 shares			
Issued - 24,970,000 shares in 2003 and 2002	2,979,675	2,979,675	24,831
Capital surplus	2,595,155	2,595,155	21,626
Retained earnings (Note 7)	4,874,747	4,410,822	40,623
Unrealized loss on other securities, net of taxes	(6,528)	(12,697)	(54)
Foreign currency translation adjustment	2,583	14,442	21
	10,445,632	9,987,397	87,047
Less shares of treasury stock held by the Company			
518,580 shares in 2003 and 173,770 shares in 2002	(97,181)	(34,227)	(810)
TOTAL SHAREHOLDERS' EQUITY	10,348,451	9,953,170	86,237
	¥ 23,593,133	¥ 24,489,008	\$ 196,609

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Thousands Number of shares of common stock	Thousands of yen					
		Common stock	Capital surplus	Retained earnings	Unrealized gain (loss) on other securities, net of taxes	Foreign currency translation adjustment	Treasury stock
BALANCE AT MARCH 31, 2001	24,970	¥ 2,979,675	¥ 2,595,155	¥ 4,490,919	¥ (10,133)	¥ (14,975)	¥ (182)
Net income for the year	—	—	—	124,687	—	—	—
Dividends	—	—	—	(174,784)	—	—	—
Bonuses to directors	—	—	—	(30,000)	—	—	—
Change in unrealized gain (loss) on other securities, net of taxes	—	—	—	—	(2,564)	—	—
Change in foreign currency translation adjustment	—	—	—	—	—	29,417	—
Increase in treasury stock	—	—	—	—	—	—	(34,045)
BALANCE AT MARCH 31, 2002		¥ 2,979,675	¥ 2,595,155	¥ 4,410,822	¥ (12,697)	¥ 14,442	¥ (34,227)
Net income for the year	—	—	—	662,493	—	—	—
Dividends	—	—	—	(173,568)	—	—	—
Bonuses to directors	—	—	—	(25,000)	—	—	—
Change in unrealized gain (loss) on other securities, net of taxes	—	—	—	—	6,169	—	—
Change in foreign currency translation adjustment	—	—	—	—	—	(11,859)	—
Increase in treasury stock	—	—	—	—	—	—	(62,954)
BALANCE AT MARCH 31, 2003		¥ 2,979,675	¥ 2,595,155	¥ 4,874,747	¥ (6,528)	¥ 2,583	¥ (97,181)

	Thousands of U.S.dollars (Note 3)						
BALANCE AT MARCH 31, 2002	\$ 24,831	\$ 21,626	\$ 36,757	\$ (106)	\$ 120	\$ (285)	
Net income for the year	—	—	5,521	—	—	—	—
Dividends	—	—	(1,447)	—	—	—	—
Bonuses to directors	—	—	(208)	—	—	—	—
Change in unrealized gain (loss) on other securities, net of taxes	—	—	—	52	—	—	—
Change in foreign currency translation adjustment	—	—	—	—	(99)	—	—
Increase in treasury stock	—	—	—	—	—	—	(525)
BALANCE AT MARCH 31, 2003	\$ 24,831	\$ 21,626	\$ 40,623	\$ (54)	\$ 21	\$ (810)	

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2003 and 2002	Thousands of yen		Thousands of U.S. dollars (Note 3)
	2003	2002	2003
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before income taxes and minority interests	¥ 1,312,137	¥ 264,900	\$ 10,934
Depreciation and amortization	720,572	829,222	6,005
Decrease in reserve for employees' retirement benefits	(1,657,299)	(649,923)	(13,811)
Interest and dividend income	(6,888)	(9,681)	(57)
Interest expense	21,857	21,332	182
Changes in operating assets and liabilities:			
Trade receivables	(75,051)	2,187,288	(625)
Trade payables	(326,053)	(1,010,954)	(2,717)
Other, net	1,044,981	780	8,708
Cash generated from operations	1,034,256	1,632,964	8,619
Interest and dividends received	6,983	10,813	58
Interest paid	(22,141)	(22,561)	(185)
Income taxes paid	(34,735)	(950,287)	(289)
Net cash provided by operating activities	984,363	670,929	8,203
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of securities	(80,391)	(64,111)	(670)
Proceeds from sales of securities	86,594	86,720	722
Acquisition of property, plant and equipment	(200,226)	(430,837)	(1,669)
Acquisition of intangible fixed assets	(259,806)	(284,735)	(2,165)
Proceeds from sales of property, plant and equipment	28,738	2,214	240
Other, net	—	52,376	—
Net cash used in investing activities	(425,091)	(638,373)	(3,542)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in short-term borrowings	(245,500)	390,000	(2,046)
Proceeds from long-term borrowings	117,000	—	975
Repayment of long-term borrowings	(283,824)	(185,676)	(2,365)
Dividends paid to shareholders	(173,871)	(174,564)	(1,449)
Proceeds from bond issuance	1,000,000	—	8,333
Other, net	(81,459)	(41,533)	(678)
Net cash used in financing activities	332,346	(11,773)	2,770
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
.....	(11,736)	22,985	(98)
NET INCREASE IN CASH AND CASH EQUIVALENTS	879,882	43,768	7,333
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,148,268	2,104,500	17,902
CASH AND CASH EQUIVALENTS AT END OF YEAR	¥ 3,028,150	¥ 2,148,268	\$ 25,235

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1

BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of FUJI LOGISTICS CO., LTD. ("the Company") and subsidiaries have been prepared in accordance with the provisions of Securities and Exchange Law of Japan and in conformity with accounting principles and practices generally accepted and applied in Japan, which may differ in certain material respects from accounting principles and practices generally accepted and applied in countries and jurisdictions other than Japan.

In preparing these statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued in Japan in order to present these statements in a format that is more familiar to readers outside Japan.

In addition, the notes to the consolidated financial statements include additional information which is not required under accounting principles generally accepted in Japan.

Note 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Principles of Consolidation

1) Scope of Consolidation

The Company had 9 subsidiaries at March 31, 2003 and 2002.

The consolidated financial statements for the years ended March 31, 2003 and 2002 include the accounts of the Company and all subsidiaries.

The Company and its consolidated subsidiaries are referred to herein as "the Companies".

The Company had no affiliates for the years ended March 31, 2003 and 2002.

A list of subsidiaries is presented in the section entitled "BUSINESS OVERVIEW".

The fiscal year-end of the Company and domestic subsidiaries is March 31. However, all overseas subsidiaries have a fiscal year-end of December 31.

2) Balance Sheets of Subsidiaries

In this connection, consolidation is performed using those subsidiaries' financial statements at December 31, and adjusted to reflect any significant transactions occurring during the period from January 1 to March 31.

3) Valuation of Subsidiaries' Assets and Liabilities

Assets and liabilities of the consolidated subsidiaries are valued at fair value as of the date of acquisition of the controlling interest in such subsidiaries.

4) Difference between the Cost of an Investment and Equity in Net Assets of a Subsidiary

Any difference between the cost of an investment in a subsidiary and the amount of underlying equity in its net assets at fair value is amortized principally over a five-year period on a straight-line basis. The balances of the difference were included in other long-term liabilities in the amount of ¥55,866 thousand (\$466 thousand) and ¥83,799 thousand as of March 31, 2003 and 2002, respectively.

5) Elimination of Unrealized Intercompany Profits and Losses

All significant unrealized intercompany profits and losses included in assets have been eliminated in consolidation and the portion attributable to minority interests is charged to minority interests in the consolidated subsidiaries.

In connection with the elimination of unrealized intercompany profits and losses, depreciation is also adjusted to account for the effect of the profit eliminated from the cost of any assets purchased in intercompany transactions.

b. Cash Equivalents

For the purpose of the statements of cash flows, the Companies consider all short-term, highly liquid instruments with a maturity of three months or less to be cash equivalents.

c. Securities

A new accounting standard for financial instruments which became effective April 1, 2001 requires that securities be classified into three categories as follows:

- Securities that a company has the positive intent and ability to hold to maturity are classified as held-to-maturity securities.
- Securities that are bought and held principally to be sold in the near term are classified as trading securities.
- Securities not classified as either held-to-maturity securities or trading securities are classified as other securities.

Under the new standard, the Companies classified all their securities as other securities.

Other securities with a fair value are carried at fair value with any unrealized holding gain and loss excluded from earnings and are reported at the net amount as a separate component of shareholders' equity until realized.

Other securities without a fair value are carried at cost. In computing the realized gain or loss, the cost of securities is determined by the moving-average method.

d. Depreciation

Depreciation is computed by the declining-balance method at rates based on the estimated useful lives of the respective assets, whereas the straight-line method is applied to buildings of the Company and domestic subsidiaries acquired after April 1, 1998. The range of the useful lives is from 7 to 38 years for buildings and structures and from 4 to 12 years for machinery and equipment.

e. Allowance for Doubtful Accounts

The allowance for doubtful accounts is provided at an amount considered appropriate based on the Companies' historical experience and an evaluation of specific potential losses among the outstanding receivables.

f. Retirement Benefits

The Company and its domestic subsidiaries have contributory funded pension plans, and unfunded retirement benefit plans which qualify as defined benefit plans.

Effective April 1, 2000, the Company and its domestic subsidiaries adopted a new accounting standard for employees' retirement benefits and accounted for the liability for retirement benefits for employees based on the projected benefit obligation and the pension plan assets at the balance sheet date.

The transition obligation, determined as of April 1, 2000, was fully amortized in a lump sum for the year ended March 31, 2001.

Prior service cost is amortized by the straight-line method over the expected remaining years of service of the then-active employees participating in the plan.

Actuarial gain and loss are amortized by the straight-line method over the expected remaining years of service of the then-active employees participating in the plan. Amortization commences in the year following the year in which the gains or losses arise or are incurred.

Reserve for officers' retirement benefits has been provided to cover the vested benefits to which they would be entitled if they were to retire or terminate their services as of the balance sheet date.

g. Leases

Finance leases other than those which transfer the ownership of the leased assets to the lessee are accounted for as operating leases.

h. Income Taxes

The Companies have adopted the liability method for tax-effect accounting, which takes all temporary differences into consideration in the recognition of assets and liabilities for tax and financial purposes.

i. Foreign Currency Translation

All monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect at the balance sheet date. The foreign exchange gains and losses arising from translation are credited or charged to income in the statements of operations.

j. Foreign Currency Financial Statements

Assets, liabilities, and revenue and expense accounts of the foreign subsidiaries are translated into Japanese yen at the current exchange rates prevailing at the balance sheet date except for the components of shareholders' equity which are translated at their historical rates.

k. Accounting for treasury stock and reduction of legal reserves

Effective April 1, 2002 the Companies adopted a new accounting standard for treasury stock and reduction of legal reserves. The effect of the adoption of this new accounting standard on operating results is immaterial for the year ended March 31, 2003.

l. Net Income per Share

In accordance with a new accounting standard for earnings per share which became effective April 1, 2002, basic net income per share was computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during the year, and diluted net income per share was computed based on the net income available for distribution to the shareholders and the weighted average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of shares of common stock.

Basic net income per share for the years ended March 31, 2003 is computed in accordance with the new standard. Diluted net income per share is not disclosed because it is anti-dilutive.

Note 3

U.S. DOLLAR AMOUNTS

The U.S. dollar amounts included in the accompanying consolidated financial statements and the notes thereto represent the arithmetic results of translating yen into U.S. dollars at ¥120 = U.S.\$1.00, the approximate exchange rate prevailing at March 31, 2003. The U.S. dollar amounts are presented solely for the convenience of readers outside Japan.



Note 4

SECURITIES

Other securities with a fair value at March 31, 2003 and 2002 were as follows:

	Thousands of yen			
	2003			
	Cost	Carrying amounts	Unrealized Gains	Unrealized Losses
March 31, 2003				
Other securities with a fair value				
Equity securities	¥ 92,891	¥ 82,233	¥ 2,459	¥ (13,117)
	¥ 92,891	¥ 82,233	¥ 2,459	¥ (13,117)

	Thousands of yen			
	2002			
	Cost	Carrying amounts	Unrealized Gains	Unrealized Losses
March 31, 2002				
Other securities with a fair value				
Equity securities	¥ 181,400	¥ 159,678	¥ 3,265	¥ (24,987)
	¥ 181,400	¥ 159,678	¥ 3,265	¥ (24,987)

	Thousands of U.S. dollars			
	2003			
	Cost	Carrying amounts	Unrealized Gains	Unrealized Losses
March 31, 2003				
Other securities with a fair value				
Equity securities	\$ 774	\$ 685	\$ 20	\$ (109)
	\$ 774	\$ 685	\$ 20	\$ (109)

Securities without a fair value as of March 31, 2003 and 2002 were as follows:

	Carrying amounts		
	Thousands of yen		Thousands of U.S. dollars
	2003	2002	2003
	Unquoted securities	¥ 42,180	¥ 38,930
	¥ 42,180	¥ 38,930	\$ 352

Note 5

SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings at March 31, 2003 and 2002 consisted of the following:

	Thousands of yen		Thousands of U.S. dollars
	2003	2002	2003
Loans from banks	¥ 1,279,500	¥ 1,525,000	\$ 10,663
	¥ 1,279,500	¥ 1,525,000	\$ 10,663

The weighed average interest rates on short-term borrowings at March 31, 2003 and 2002 was 0.6%.

Long-term debt at March 31, 2003 and 2002 consisted of the following:

	Thousands of yen		Thousands of U.S. dollars
	2003	2002	2003
Loans from banks	¥ 400,500	¥ 567,324	\$ 3,337
Bonds issued by the Company:			
0.48 % ¥ bonds due 2008	500,000	—	4,167
0.89 % ¥ bonds due 2008	500,000	—	4,167
	1,400,500	567,324	11,671
Less: Portion due within one year	238,000	148,824	1,983
	¥ 1,162,500	¥ 418,500	\$ 9,688

The weighed average interest rate on loans from banks at March 31, 2003 and 2002 was 1.7%.

Assets pledged as collateral for short-term borrowings and long-term debt at March 31, 2003 and 2002 were as follows:

	Thousands of yen		Thousands of U.S. dollars
	2003	2002	2003
Land	¥ 635,538	¥ 635,538	\$ 5,296
Buildings and structures	74,460	83,150	621
	¥ 709,998	¥ 718,688	\$ 5,917

The aggregate annual maturities of long-term debt subsequent to March 31, 2003 are as follows:

Year ending March 31	Thousands of yen		Thousands of U.S. dollars
	2003	2003	2003
2005	¥ 238,000		\$ 1,983
2006		224,500	1,871
2007		100,000	833
2008		100,000	833
2009 and thereafter		500,000	4,168
	¥ 1,162,500		\$ 9,688



Note 6

RESERVE FOR EMPLOYEES' RETIREMENT BENEFITS

The Company and its domestic subsidiaries have contributory funded pension plans and unfunded retirement benefit plans which qualify as defined benefit plans.

The contributory funded defined benefit pension plan, which is established under the Japanese Welfare Pension Insurance Law, covers a substitutional portion of the governmental pension plan managed by the Company on behalf of the government and a corporate portion established at the discretion of the company. According to the enactment of the Defined Benefit Pension Plan Law in April 2002, the Company applied for an exemption from obligation to pay benefits for future employee services related to the substitutional portion which would result in the transfer of the pension obligations and related assets to the government by another subsequent application. The Company obtained an approval of exemption from future obligation by the Ministry of Health, Labor and Welfare on January 17, 2003.

As a result of this exemption, the Company recognized a gain on exemption from future pension obligation of the governmental program in the amount of ¥1,496,607 thousand (\$12,471 thousand) in accordance with a transitional measurement of the accounting standard for employees' retirement benefits for the year ended March 31, 2003.

The related assets as of March 31, 2003, which will be transferred to the government, were reasonably calculated at ¥3,013,188 thousand (\$25,110 thousand).

In certain cases, the Companies may pay additional retirement benefits in addition to those paid under the plans.

The net liability for employees' retirement benefits at March 31, 2003 and 2002 is summarized as follows.

	Thousands of yen		Thousands of U.S. dollars
	2003	2002	2003
Projected benefit obligation	¥ (6,463,883)	¥ (11,062,897)	\$ (53,866)
Fair value of plan assets	1,204,129	5,234,965	\$ 10,035
Excess of projected benefit obligation over plan assets	(5,259,754)	(5,827,932)	(43,831)
Unrecognized actuarial loss	2,248,291	1,405,563	18,735
Unrecognized prior service cost	—	(246,393)	—
Carrying amount	(3,011,463)	(4,668,762)	(25,096)
Prepaid pension expenses	—	—	—
Net liability	¥ (3,011,463)	¥ (4,668,762)	\$ (25,096)

The components of net periodic benefit cost are summarized as follows:

	Thousands of yen		Thousands of U.S. dollars
	2003	2002	2003
Service cost	¥ 299,386	¥ 334,002	\$ 2,495
Interest cost	366,709	387,471	3,056
Expected return on pension plan assets	(188,343)	(214,624)	(1,570)
Amortization of transition obligation	—	—	—
Amortization of actuarial loss	86,262	52,619	719
Amortization of prior service cost	(14,665)	(17,599)	(122)
Net periodic retirement benefit cost	¥ 549,349	¥ 541,869	\$ 4,578

In addition to the above amounts, the Companies paid special retirement benefits of ¥21,719 thousand (\$181 thousand) and ¥197,784 thousand for the years ended March 31, 2003 and 2002, respectively.

The assumptions used for the years ended March 31, 2003 and 2002 are set forth as follows:

	2003	2002
Discount rate	2.5%	3.5%
Expected rate of return on pension plan assets	4.0%	4.0%

The transition obligation determined as of April 1, 2000 was fully amortized in a lump sum for the year ended March 31, 2001.

Prior service cost is amortized by the straight-line method over the expected remaining years of service of the then-active employees participating in the plan.

Actuarial gain and loss are amortized by the straight-line method over the expected remaining years of service of the then-active employees participating in the plan. Amortization commences in the year following the year in which the gains or losses arise or are incurred.

Note 7

RETAINED EARNINGS AND DIVIDENDS

Annual appropriations of retained earnings are recorded in the financial year in which they are approved at the annual meeting of the shareholders.

In accordance with the Commercial Code of Japan (the "Code"), the Company has provided a legal reserve, which was included in retained earnings. The Code provides that an amount equal to at least 10% of the amount to be disbursed as distributions of earnings be appropriated to the legal reserve until the total of such reserve and the capital surplus account equals 25% of the common stock account. The legal reserve amounted to ¥282,984 thousand (\$2,358 thousand) as of both March 31, 2003 and 2002.

The Code provides that neither capital surplus nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. On October 1, 2001, an amendment (the "Amendment") to the Code became effective. The Amendment provides that if the total amount of capital surplus and the legal reserve exceeds 25% of the amount of common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders.



Note 8

EXTRAORDINARY INCOME (LOSS), NET

Extraordinary loss, net for the years ended March 31, 2003 and 2002 comprised the following:

	Thousands of yen		Thousands of U.S. dollars
	2003	2002	2003
Extraordinary income			
Compensation from a customer for termination of a contract	¥ —	¥ 150,292	\$ —
Gain on sales of investment securities	7,172	24,062	60
Reversal of allowance for doubtful accounts	—	25,460	—
Gain on return of the substitutional portion of the governmental pension plan	1,496,607	—	12,472
Extraordinary loss			
Loss on disposal of fixed assets	(622,837)	—	(5,190)
Loss on devaluation of investment securities	(37,591)	(50,539)	(313)
Loss on sales of investment securities	(31,135)	(27,176)	(259)
Additional severance payments for early retirement	(18,817)	(191,026)	(157)
Other	(52,660)	(19,616)	(441)
Extraordinary income (loss), net	¥ 740,739	¥ (88,543)	\$ 6,172

Note 9

INCOME TAXES

The components of income taxes for the years ended March 31, 2003 and 2002 were as follows:

	Thousands of yen		Thousands of U.S. dollars
	2003	2002	2003
Current	¥ (145,335)	¥ (27,984)	\$ (1,211)
Deferred	(501,289)	(113,338)	(4,178)
	¥ (646,624)	¥ (141,322)	\$ (5,389)

Japanese Local Tax Law was amended and the new taxation will be effective from April 1, 2004. The statutory tax rate used for the calculation of current deferred tax assets and liabilities, which is based on temporary difference reversing within March 31, 2004, was the rate before the amendment (41.7%). Long-term deferred tax assets and liabilities reversing after April 1, 2004 was based on the rate after the amendment (40.4%).

Due to the change in tax rate, deferred tax assets (net of deferred tax liabilities) decreased ¥35,709 thousand (\$298 thousand), deferred income tax increased ¥35,539 thousand (\$297 thousand) and unrealized loss on other securities, net of taxes increased ¥170 thousand (\$1 thousand).

The Company and its domestic subsidiaries are subject to corporation tax, prefectural and municipal inhabitants' taxes and enterprise tax based on income.

The significant components of deferred tax assets and liabilities at March 31, 2003 and 2002 were as follows:

	Thousands of yen		Thousands of U.S. dollars
	2003	2002	2003
Deferred tax assets			
Investment securities	¥ 26,276	¥ 32,811	\$ 219
Accrued employees' bonuses	177,250	109,543	1,477
Accrued enterprise tax	9,181	2,001	77
Reserve for employees' retirement benefits	1,167,009	1,866,021	9,725
Reserve for officers' retirement benefits	44,997	58,204	375
Other	301,824	166,059	2,515
Gross deferred tax assets	¥ 1,726,537	¥ 2,234,639	\$ 14,388
Deferred tax liabilities			
Retained earnings appropriated for tax deductible reserves	¥ (12,992)	¥ (14,689)	\$ (108)
Differences in net equity of subsidiaries acquired at cost and fair value ...	(95,359)	(95,359)	(795)
Gross deferred tax liabilities	(108,351)	(110,048)	(903)
Net deferred tax assets	¥ 1,618,186	¥ 2,124,591	\$ 13,485

A reconciliation of the differences between the statutory tax rate and the effective tax rates is as follows:

	2003	2002
Statutory tax rate	41.7%	41.7%
Expenses not deductible for income tax purposes	1.8	7.9
Inhabitants' per capita taxes	3.3	18.0
Dividends not deductible for income tax purposes	(0.5)	(9.4)
Effect of change in statutory tax rate	2.7	—
Other	0.3	(4.9)
Effective income tax rates	49.3%	53.3%

Note 10

CONTINGENT LIABILITIES

Contingent liabilities at March 31, 2003 and 2002 were as follows:

	Thousands of yen		Thousands of U.S. dollars
	2003	2002	2003
Guarantees	¥ 45,883	¥ 52,487	\$ 382



Note 11

LEASES

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased furniture as of March 31, 2002 and 2003, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Thousands of yen		Thousands of
	2003	2002	U.S. dollars
Acquisition costs	¥ 75,848	¥ 107,545	\$ 632
Accumulated depreciation	49,337	63,854	411
Net book value of leased furniture	¥ 26,511	¥ 43,691	\$ 221

Obligations under finance leases:

	Thousands of yen		Thousands of
	2003	2002	U.S. dollars
Due within one year	¥ 12,388	¥ 17,180	\$ 103
Due after one year	14,123	26,511	118
Total	¥ 26,511	¥ 43,691	\$ 221

Lease and depreciation expenses under finance leases:

	Thousands of yen		Thousands of
	2003	2002	U.S. dollars
Lease expense	¥ 17,180	¥ 26,580	\$ 143
Depreciation expense	17,180	26,580	143

Note 12

DERIVATIVES

The Companies do not utilize derivative financial instruments.

Note 13

SEGMENT INFORMATION

(1) Industry segment information

2003	Thousands of yen				
	Domestic logistics	Other businesses	Total	Eliminations and Corporate	Consolidated total
Service revenues					
External customers	¥ 29,187,933	¥ 4,899,759	¥ 34,087,692	¥ —	¥ 34,087,692
Intersegment	7,065	20,475	27,540	(27,540)	—
Total sales	29,194,998	4,920,234	34,115,232	(27,540)	34,087,692
Cost of services	28,675,776	4,892,057	33,567,833	(26,043)	33,541,790
Operating income	¥ 519,222	¥ 28,177	¥ 547,399	¥ (1,497)	¥ 545,902
Total assets	¥ 17,528,731	¥ 1,893,257	¥ 19,421,988	¥ 4,171,145	¥ 23,593,133
Depreciation and amortization	¥ 699,964	¥ 20,698	¥ 720,662	¥ (90)	¥ 720,572
Capital expenditures	¥ 432,377	¥ 30,384	¥ 462,761	¥ —	¥ 462,761

1. Business segment description.

Each segment involves the following:

(a) Domestic logistics : Transportation, packing and warehousing.

(b) Other businesses : Export and import handling with overseas, local overseas logistics, sales of logistics systems, equipment and materials and the leasing of office buildings.

2. Corporate

Corporate assets consist principally of surplus funds (cash and cash equivalents) and deferred tax assets which, at March 31, 2003, amounted to ¥4,187,680 thousand.



2002	Thousands of yen				
	Domestic logistics	Other businesses	Total	Eliminations and Corporate	Consolidated total
Service revenues					
External customers	¥ 28,904,840	¥ 4,454,970	¥ 33,359,810	¥ —	¥ 33,359,810
Intersegment	4,657	47,484	52,141	(52,141)	—
Total sales	28,909,497	4,502,454	33,411,951	(52,141)	33,359,810
Cost of services	28,650,417	4,462,239	33,112,656	(52,097)	33,060,559
Operating income (loss)	¥ 259,080	¥ 40,215	¥ 299,295	¥ (44)	¥ 299,251
Total assets	¥ 18,694,908	¥ 1,875,677	¥ 20,570,585	¥ 3,918,423	¥ 24,489,008
Depreciation and amortization	¥ 795,342	¥ 34,022	¥ 829,364	¥ (142)	¥ 829,222
Capital expenditures	¥ 399,391	¥ 24,291	¥ 423,682	¥ (10,825)	¥ 412,857

Corporate assets consist principally of surplus funds (deposits) and deferred tax assets which, at March 31, 2002, amounted to ¥3,954,091 thousand.

2003	Thousands of U.S. dollars				
	Domestic logistics	Other businesses	Total	Eliminations and Corporate	Consolidated total
Service revenues					
External customers	\$ 243,233	\$ 40,831	\$ 284,064	\$ —	\$ 284,064
Intersegment	59	171	230	(230)	—
Total sales	243,292	41,002	284,294	(230)	284,064
Cost of services	238,965	40,767	279,732	(217)	279,515
Operating income	\$ 4,327	\$ 235	\$ 4,562	\$ (13)	\$ 4,549
Total assets	\$ 146,073	\$ 15,777	\$ 161,850	\$ 34,759	\$ 196,609
Depreciation and amortization	\$ 5,833	\$ 173	\$ 6,006	\$ (1)	\$ 6,005
Capital expenditures	\$ 3,603	\$ 253	\$ 3,856	\$ —	\$ 3,856

Corporate assets consist principally of surplus funds (cash and cash equivalents) and deferred tax assets which, at March 31, 2003, amounted to \$34,897 thousand.

(2) Geographic segment information

Geographic segment information is omitted because the amounts of service revenues and total assets in Japan exceeded 90% of the service revenues and total assets of all segments.

(3) Overseas sales

Sales to overseas customers have not been prepared or disclosed, since sales to overseas customers were not significant (less than 10 percent) in relation to total consolidated sales.



Certified Public Accountants
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C.P.O. Box 1196, Tokyo 100-8641

Phone: 03 3503-1100
Fax: 03 3503-1197

Independent Auditors' Report

The Board of Directors
FUJI LOGISTICS CO., LTD

We have audited the accompanying consolidated balance sheets of FUJI LOGISTICS CO., LTD and consolidated subsidiaries as of March 31, 2003 and 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of FUJI LOGISTICS CO., LTD and consolidated subsidiaries at March 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2003 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

Shin Nihon & Co.

June 26, 2003

See Note 1 to the consolidated financial statements which explains the basis of preparation of the consolidated financial statements of FUJI LOGISTICS CO., LTD and consolidated subsidiaries under Japanese accounting principles and practices.

SUPPLEMENTARY INFORMATION

NON-CONSOLIDATED BALANCE SHEETS

As of March 31, 2003 and 2002	Thousands of yen		Thousands of U.S. dollars (Note)
	2003	2002	2003
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	¥ 2,563,088	¥ 1,707,124	\$ 21,359
Trade receivables	8,341,019	8,459,762	69,508
Allowance for doubtful accounts	(4,400)	(4,400)	(37)
Inventories	39,903	44,620	333
Advance payments to suppliers	209,396	208,523	1,745
Deferred income taxes	377,628	157,564	3,147
Other accounts receivable	362,512	416,698	3,021
Other current assets	9,761	49,370	82
TOTAL CURRENT ASSETS	11,898,907	11,039,261	99,158
PROPERTY, PLANT AND EQUIPMENT			
Land	1,764,289	2,290,550	14,702
Buildings and structures	8,642,339	9,120,027	72,019
Machinery and vehicles	1,702,378	1,995,671	14,186
Other	1,267,885	1,317,177	10,567
	13,376,891	14,723,425	111,474
Less accumulated depreciation	(7,434,444)	(7,629,635)	(61,954)
PROPERTY, PLANT AND EQUIPMENT, NET	5,942,447	7,093,790	49,520
INTANGIBLE ASSETS	562,604	521,022	4,688
INVESTMENTS AND OTHER ASSETS:			
Investment securities:			
Subsidiaries	887,565	830,589	7,396
Other	113,693	184,729	947
Deferred income taxes	1,314,059	2,055,274	10,950
Deposits and guarantees	1,112,933	1,128,272	9,274
Other investments and other assets	49,722	78,471	417
Allowance for doubtful accounts	(4,500)	(4,000)	(38)
TOTAL INVESTMENTS AND OTHER ASSETS	3,473,472	4,273,335	28,946
	¥ 21,877,430	¥ 22,927,408	\$ 182,312

Note: Yen amounts have been translated into U.S. dollars, solely for convenience, at the exchange rate of ¥120 = U.S.\$1.00.

	Thousands of yen		Thousands of U.S. dollars (Note)
	2003	2002	2003
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Short-term borrowings	¥ 880,000	¥ 1,080,000	\$ 7,333
Current portion of long-term debt	220,000	120,000	1,833
Trade payables	5,375,611	5,825,119	44,797
Accounts payable	399,457	431,744	3,329
Accrued income taxes	97,032	35,774	809
Accrued expenses	414,499	389,749	3,454
Other current liabilities	238,861	240,428	1,991
TOTAL CURRENT LIABILITIES	7,625,460	8,122,814	63,546
LONG-TERM DEBT	1,020,000	240,000	8,500
RESERVE FOR EMPLOYEES' RETIREMENT BENEFITS	2,892,994	4,544,284	24,108
RESERVE FOR OFFICERS' RETIREMENT BENEFITS	111,380	139,580	928
TOTAL LIABILITIES	11,649,834	13,046,678	97,082
SHAREHOLDERS' EQUITY:			
Common stock, without par value:			
Authorized - 60,000,000 shares			
Issued - 24,970,000 shares in 2002 and 2001	2,979,675	2,979,675	24,831
Capital surplus	2,595,155	2,595,155	21,626
Legal reserve	282,984	282,984	2,358
Retained earnings	4,474,781	4,070,139	37,290
Unrealized loss on other securities, net of taxes	(7,818)	(12,996)	(65)
Treasury stock	(97,181)	(34,227)	(810)
TOTAL SHAREHOLDERS' EQUITY	10,227,596	9,880,730	85,230
	¥ 21,877,430	¥ 22,927,408	\$ 182,312

NON-CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended March 31, 2003 and 2002	Thousands of yen		Thousands of U.S. dollars (Note)
	2003	2002	2003
SERVICE REVENUES	¥ 30,168,748	¥ 29,573,448	\$ 251,406
COST OF SERVICES	28,167,991	27,831,976	234,733
GROSS PROFIT	2,000,757	1,741,472	16,673
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	1,529,198	1,469,667	12,743
OPERATING INCOME	471,559	271,805	3,930
NON-OPERATING INCOME (EXPENSES):			
Interest and dividend income	29,704	81,158	248
Interest expense	(14,003)	(14,894)	(117)
Other, net	(216)	29,829	(2)
	15,485	96,093	129
ORDINARY INCOME	487,044	367,898	4,059
EXTRAORDINARY INCOME	1,503,779	199,815	12,531
EXTRAORDINARY LOSS	(775,458)	(262,755)	(6,462)
INCOME BEFORE INCOME TAXES	1,215,365	304,958	10,128
INCOME TAXES	(612,156)	(162,821)	(5,101)
NET INCOME	¥ 603,209	¥ 142,137	\$ 5,027

	Yen		U.S. dollars (Note)
	2003	2002	2003
PER SHARE AMOUNTS:			
Net income	¥ 23.37	¥ 5.70	\$ 0.19
Cash dividends	7.00	7.00	0.06

BOARD OF DIRECTORS AND AUDITORS

(as of June 26, 2003)

Yasuhiro Nakao
President and Representative Director

Michio Kobayashi
Senior Managing Director

Katsuyoshi Hirai
Managing Director

Masanori Iike
Director

Shinichi Yamamoto
Director

Kazuki Ito
Director

Tadashi Sato
Director

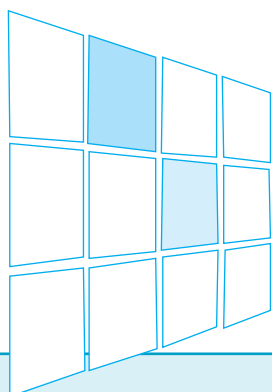
Tadahiko Chizawa
Standing Auditor

Keiji Sato
Auditor

Junichi Matsumoto
Auditor

CORPORATE DATA

(as of March 31, 2003)



FUJI LOGISTICS CO., LTD.

Head office: 9-11, Mita 3 chome, Minato-ku, Tokyo 108-0073, Japan

Web site: <http://www.fujibuturyu.co.jp/english>

Established: February 15, 1975

Paid-in capital: ¥ 2,979,675,000

Number of employees: Consolidated: 803

Non-consolidated: 445

Business description: Comprehensive logistics business

Logistics operations (transportation, packing, warehousing and other businesses)

Logistics management (third party logistics management, plant export management)

Logistics system design (system development, facility design, packing design and information system design)

Delivery and installation operations (installation of machinery and tools, and electric work)

Logistics streamlining consulting

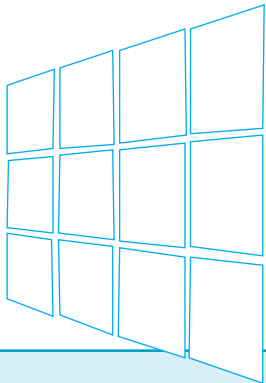
Selling of packing materials and packing products

Selling of system equipment for logistics streamlining

Real-estate leasing

Gathering and transporting industrial waste

GROUP



Primary offices

Head office, Sapporo Sales Office, Tohoku Sales Office, Kita Kanto Branch, Tokyo Branch, Keihin Branch, Moving Techno Center, Omori Sales Office, Omiya Sales Office, Minami Kanto Branch, Matsumoto Branch, Chubu Branch, Mie Branch, Kansai Branch, Kobe Branch and Kyushu Branch

Subsidiaries

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Suit D, 17F East Building, Shanghai,
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Tel 86-21-6466-2602 Fax 86-21-6466-7212

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N.T., Hong Kong
Tel 852-2636-1611 Fax 852-2636-1767

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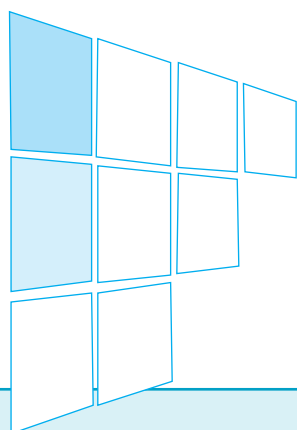
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FUJI LOGISTICS EUROPE B.V.

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SHAREHOLDER INFORMATION

(as of March 31, 2003)



Authorized: 60,000,000
Issued and outstanding: 24,970,000
Number of shareholders: 2,738

Major shareholders

Name of Shareholder	Number of Shares Held	Percent of Shares Held (%)
Fuji Electric Co., Ltd.	12,984,800	52.00
Fujitsu Ltd.	1,265,000	5.07
Fuji Logistics Employees' Shareholding Association	1,142,613	4.58
Mizuho Bank Ltd.	392,150	1.57
The Bank of Yokohama, Ltd.	374,550	1.50
Hiroyuki Izuyama	211,000	0.85
Fuji Denki Reiki Co., Ltd.	189,750	0.76
Sompo Japan Insurance Inc.	189,000	0.76
Asahi Mutual Life Insurance Company	154,000	0.62
Takeyuki Yoshida	67,000	0.27

- (Note) 1. Treasury stock of 518,580 shares (2.08%) are not included in the above table.
2. Fuji Denki Reiki Co., Ltd. took over the Retail Support Equipment & System Company of Fuji Electric Co., Ltd. on April 1, 2003 and proceeded to merge with Fukiage Fuji Vending Machines Co., Ltd. on the same day. The company name was then changed to Fuji Electric Retail Systems Co., Ltd.

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