



Financial Results for the Fiscal Year Ended March 31, 2010

May 11, 2010

Company Name: Kintetsu World Express, Inc.(KWE)
 Stock exchange listed on: Tokyo Stock Exchange (First Section)
 Company code: 9375 URL: <http://www.kwe.co.jp>
 Representative: President and Chief Executive Officer Satoshi Ishizaki
 Inquiries: Director, General Manager of Accounting Dept. Kazuya Mori TEL: +81-3-3201-2627
 The date of the ordinary general shareholder meeting: June 22, 2010
 The date of the dividend payment start (planned): June 23, 2010
 The date of filing the securities report: June 23, 2010

(Figures are rounded down to the nearest million yen.)

1. Fiscal year ended March 2010 consolidated results (April 1, 2009 – March 31, 2010)

(1) Consolidated business results

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal year ended March 31, 2010	211,836	△18.6	7,451	△17.4	8,032	△12.7	4,570	31.4
March 31, 2009	260,330	△10.9	9,025	△35.0	9,203	△38.4	3,478	△62.0

	Net income per share	Diluted net income per share	Return on shareholders' equity	Ordinary income to total assets	Operating margin
	(Yen)	(Yen)	(%)	(%)	(%)
Fiscal year ended March 31, 2010	126.97	—	7.3	7.1	3.5
March 31, 2009	96.62	—	5.5	7.7	3.5

(Reference) Equity in earnings of affiliates: Fiscal year ended March 31, 2010: △93 million yen
 Fiscal year ended March 31, 2009: △255 million yen

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of March 31, 2010	116,640	68,038	56.3	1,822.95
As of March 31, 2009	109,153	61,873	55.1	1,670.18

(Reference) Shareholders' equity As of March 31, 2010: 65,625 million yen As of March 31, 2009: 60,125 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal year ended March 31, 2010	6,259	△3,834	△3,995	25,045
March 31, 2009	9,687	△6,481	△1,663	25,904

2. Dividends

(Base date)	Dividends per share					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	Q1	Q2	Q3	Q4	Full fiscal year			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Fiscal year ended March 31, 2009	—	13.00	—	14.00	27.00	971	27.9	1.5
Fiscal year ended March 31, 2010	—	7.00	—	17.00	24.00	863	18.9	1.4
Fiscal year ending March 31, 2011 (Forecasts)	—	12.00	—	13.00	25.00		15.5	

3. Consolidated earnings forecasts for the fiscal year ending March 2011 (April 1, 2010 – March 31, 2011)

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
First half	112,000	18.2	4,000	44.2	4,000	36.6	2,300	55.8	63.89
Full fiscal year	235,000	10.9	10,000	34.2	10,000	24.5	5,800	26.9	161.11

4. Other

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting from changes in scope of consolidation): None

(2) Changes in accounting principles and procedures or format of consolidated financial statements (those listed in changes to important items forming the basis for preparation of consolidated financial statements)

(a) Changes accompanying revisions to items such as accounting standards: Yes

(b) Other changes: Yes

(3) Number of issued shares (common shares)

(a) Number of issued shares at the end of the period (including treasury stock)

As of March 31, 2010: 36,000,000 shares

As of March 31, 2009: 36,000,000 shares

(b) Number of treasury stock at the end of the period

As of March 31, 2010: 555 shares

As of March 31, 2009: 473 shares

(Reference) Fiscal year ended March 2010 non-consolidated results (April 1, 2009 – March 31, 2010)

(1) Non-consolidated business results

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal year ended								
March 31, 2010	76,078	△15.3	1,480	1,292.2	4,179	48.4	3,124	940.5
March 31, 2009	89,827	△12.1	106	△96.7	2,816	△44.7	300	△90.5

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
Fiscal year ended		
March 31, 2010	86.79	—
March 31, 2009	8.34	—

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of March 31, 2010	63,762	40,103	62.9	1,114.00
As of March 31, 2009	61,804	37,149	60.1	1,031.96

(Reference) Shareholders' equity

As of March 31, 2010: 40,103 million yen

As of March 31, 2009: 37,149 million yen

3. Non-consolidated earnings forecasts for the fiscal year ending March 2011 (April 1, 2010 – March 31, 2011)

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
First half	42,000	23.0	750	11.4	990	△42.8	740	△38.8	20.56
Full fiscal year	86,000	13.0	2,400	62.2	4,500	7.7	3,500	12.0	97.22

* Explanation of the proper use of earnings forecasts and other notes

The forecasts shown above have been made based on the information available as of the date this report was announced and the assumptions related to uncertainties which may affect the Company's business results. Actual results may differ greatly from the above forecasts for various reasons. For the matters regarding the earnings forecasts, please refer to the pages 3 to 7.

1. Business Results

(1) Analysis of Business Results

During the fiscal year ended March 31, 2010, the global economy has benefited from economic measures implemented by individual governments in response to a worsening of conditions after the financial crisis and growth in emerging nations; accordingly, it would seem that the worst is now over, and signs of a recovery are starting to become apparent. Nevertheless, no full-fledged recovery has taken hold in the U.S. and Europe in particular and the outlook has remained unclear.

In Japan, meanwhile, despite the fact that exports and manufacturing have bottomed out, concerns regarding the employment uncertainty, production overcapacity, and the effect of deflation persist, and the economy remains in a modest recovery phase lacking any indication of becoming self-sustaining.

Looking at the international forwarding markets in which the KWE Group is mainly involved, freight movement has intensified, particularly in Asia, but as a result of a reduction in the space available for cargo pursuant to streamlining by airlines and a shift in the supply-demand balance brought about by the recovery in freight volumes, air freight costs have increased markedly since the beginning of the second half.

The Group's airfreight forwarding business improved month by month in each region, but it was unable to recover completely from a major decline at the start of the year. As a result, our overall airfreight export volumes declined 12.8%^{*1}, and the airfreight import shipments declined 11.2%^{*2} year on year. In the ocean freight forwarding business, exports declined 10.5%^{*3} and imports declined 8.6%^{*2}.

1) Japan

As a result of measures to boost domestic demand and an improvement in business confidence in China, the airfreight exports of LCD-related materials and electronic components for flat-screen TVs, PCs, and mobile phones, and also of semiconductor production machinery particularly to China and Taiwan have intensified. Nevertheless, there has been a slowdown in exports to the Americas and Europe, and as a result, the volumes has declined 0.6%^{*1} year on year. Turning to the airfreight imports, stagnation in Japanese domestic consumption and a drop in telecommunication-equipment orders in the second half have conspired to bring about a 9.8%^{*2} decline. With regard to ocean freight forwarding, export volumes have increased 5.8%^{*3} due to steady performance in the fields of chemicals, facilities and machinery; however, import orders slipped by 0.1%^{*2}, with a drop in automotive products and the like overshadowing increases in apparel and general merchandise.

As a result, net sales for Japan, including net sales generated by domestic subsidiaries, declined 16.6% year on year to 95,295 million yen.

It should be noted that the Narita Terminal Phase 3 Expansion Project aimed at further boosting logistics sales was completed in November 2009, and we have begun operations in the extension.

2) The Americas

The airfreight exports have been markedly weak due to the downturn in the economy. Although export volumes for electronic components such as LCD-related materials began to increase gradually from the second half, the volumes declined 25.6%^{*1} year on year. The airfreight imports also demonstrated a recovery trend from the second half, but this was not enough to offset the preceding sluggishness through the year, and volumes dropped by 12.3%^{*2}. In the ocean freight forwarding, exports recovered to a 6.5%^{*3} increase thanks in part to the contribution of new customers; however, imports

declined 7.9%*2.

As a result, overall net sales for the Americas declined 25.6% year on year to 27,903 million yen.

3) Europe & Africa

The airfreight exports benefited from orders for transportation of semiconductor production machinery, etc. to research organizations in the Middle East and also from strong shipments of Beaujolais, yet no substantial recovery in overall export demand materialized, and the volumes dropped 21.2%*1 year on year. In terms of the airfreight imports, meanwhile, orders from Japan – the main import destination – were sluggish, leading to a 14.9%*2 decline. In the ocean freight forwarding, exports and imports declined 12.2%*3 and 13.4%*2 year on year, respectively.

As a result, overall net sales for the Europe & Africa declined 19.5% year on year to 19,584 million yen.

4) East Asia & Oceania

The airfreight exports grew significantly since October, particularly in the field of electronics-related items, but not enough to cancel out the major slump from the beginning of the year, and volumes declined by 20.2%*1 year on year. Turning to the airfreight imports, freight movements have been strong on the back of factors such as expansion of consumption and manufacturing in China, but volumes declined by 10.9%*2. In the ocean freight forwarding, the exports declined 16.9%*3 and the imports declined 17.9%*2.

As a result, total net sales for East Asia & Oceania declined 20.4% year on year to 56,649 million yen.

5) Southeast Asia & Middle East

The airfreight exports grew 2.1%*1 year on year thanks to a second-half recovery in demand for the transportation of semiconductor components and other electronic-related products and also to the winning of orders from new customers. In terms of the airfreight imports, we saw an increase in volumes of semiconductor production machinery, but due to the major decline at the start of the year, volumes declined by 11.6%*2. In the ocean freight forwarding, the exports declined 16.9%*3 and the imports declined 6.6%*2.

As a result, total net sales for Southeast Asia & Middle East declined 9.6% year on year to 17,886 million yen.

*1 based on weight *2 based on number of shipments *3 based on TEUs (Twenty-foot Equivalent Units)

Thus, despite the Group-wide efforts to boost net sales, the global economic slowdown since the previous year brought about an overall decline in the volumes handled, and consolidated net sales declined by 18.6% year on year to 211,836 million yen. However, through further intensification of rationalization measures started in the previous year, such as organizational merger and consolidation, and major reductions in fixed and variable costs, we have worked hard to achieve a lean management structure capable of generating a profit even if volumes continue to decrease. As a result, consolidated operating income for the fiscal year was 7,451 million yen (down 17.4%) and consolidated ordinary income was 8,032 million yen (down 12.7%), and consolidated net income was 4,570 million yen, up 31.4% year on year.

In terms of the outlook for the next year, there are signs of volume recovery in the international forwarding market,

particularly in Asia, but we also foresee a tight market for cargo space and an increase in operating costs as a result of reorganization of airlines and reduction of flight numbers. As set forth in our new medium-term management plan as described below, the Group intends to respond to this situation by accelerating development into overseas markets with a particular focus on the Asia, where growth is foreseen going forward, and also by aggressively expanding not only the traditional mainstay of the airfreight forwarding, but also our ocean freight forwarding and logistics services. Furthermore, we will continue to drive forward the various rationalization measures that proved so beneficial in the year ended March 2010.

While Group earnings going forward are likely to be affected by the behavior of the global economy, exchange rates, the crude prices, etc., we are currently looking for net sales of 235,000 million yen (up 10.9% year on year), operating income of 10,000 million yen (up 34.2%), and ordinary income of 10,000 million yen (up 24.5%) in the fiscal year ending March 2011.

(2) Analysis of Financial Position

1) Assets, liabilities, and net assets

Total assets as of March 2010 were 116,640 million yen, up 7,487 million yen year on year.

As a result of increases in trade notes and accounts receivable, current assets were 70,043 million yen, up 4,935 million yen year on year.

Fixed assets were 46,597 million yen, up 2,552 million yen year on year and buoyed by increases in property and equipment due to capital investment.

Total liabilities were 48,602 million yen, up 1,322 million yen year on year, due to an increase in trade notes and accounts payable.

Meanwhile, net assets were up 6,164 million yen year on year to 68,038 million yen due to increases in retained earnings and also in valuation and translation adjustments. Consequently, the equity ratio increased 1.2 points year on year to 56.3%.

2) Cash flows

(Millions of yen)

	FY3/09	FY3/10	Change
Cash flows from operating activities	9,687	6,259	△3,427
Cash flows from investing activities	△6,481	△3,834	2,646
Cash flows from financing activities	△1,663	△3,995	△2,332
Effect of exchange rate changes on cash and cash equivalents	△4,137	710	4,848
Net increase (decrease△) in cash and cash equivalents	△2,595	△859	1,736
Cash and cash equivalents at end of period	25,904	25,045	△859

Cash flows from operating activities

Net cash provided by operating activities was 6,259 million yen in the fiscal year ended March 2010, down 3,427 million yen year on year. Income before income taxes was down 395 million yen to 7,596 million yen; furthermore, payments pursuant to an increase in notes and accounts receivable were 4,322 million yen, up 12,370 million yen. Meanwhile, income pursuant to an increase in notes and accounts payable was 2,869 million yen, up 6,731 million yen, and income taxes paid

were down 1,755 million to 3,419 million yen. It should be noted that payments for loss on violation of antitrust laws were 1,494 million yen in the fiscal year ended March 2010.

Cash flows from investing activities

Net cash used in investment activities was 3,834 million yen in the fiscal year ended March 2010, down by 2,646 million yen year on year. Payments for purchase of investment securities were 31 million yen, down 3,602 million yen. Meanwhile, proceeds from sale of investment securities were down 1,029 million yen to 33 million yen.

Cash flows from financing activities

Net cash used in financing activities was 3,995 million yen in the fiscal year ended March 2010, up 2,332 million yen year on year. The net decrease in short-term debt was 2,007 million yen, a decrease of 3,488 million yen year on year; furthermore, payments of long-term debt decreased by 3,392 million yen year on year to 1,054 million yen.

As a result of the above, cash and cash equivalents at the end of the year were 25,045 million yen, down 859 million yen from the end of the previous year.

(Reference) The trend in the KWE Group's cash flow indicators

	FY3/07	FY3/08	FY3/09	FY3/10
Equity ratio (%)	47.4	50.6	55.1	56.3
Market-value-based equity ratio (%)	124.3	64.5	59.9	74.5
Interest-bearing debt to operating cash flow (years)	1.3	1.7	1.8	2.4
Interest coverage ratio (times)	31.8	27.0	27.5	19.1

Equity ratio = (Net assets - Minority interests) / Total assets

Market-value-based equity ratio = Total value of shares / Total assets

Interest-bearing debt to operating flow ratio = Interest-bearing debt / Operating cash flows

Interest coverage ratio = Operating cash flows / Interest payment

* Each indicator was calculated using consolidated financial figures.

* The total value of shares was calculated using the closing stock price at the end of fiscal year x the number of shares issued after deducting treasury stock.

* The "Cash flows from operating activities" on the consolidated statements of cash flows were used as operating cash flows. The interest-bearing debt covered all liabilities which accrued interest payment on the consolidated balance sheets. The "Interest paid" on the consolidated statements of cash flows were used as interest payment.

(3) Basic Policy Regarding Profit Distributions and Dividends for the Fiscal Year Ended March 2010 and Those Ending March 2011

Taking a comprehensive perspective on how to best to benefit shareholder interests, to facilitate future expansion of business both at home and overseas, and to strengthen our operating framework, the Group is committed to the continuation of stable dividend payments, and furthermore, strives to boost dividends each fiscal year based on factors such as consolidated performance and payout ratio. As we strive to achieve a truly sound business infrastructure, retained earnings are put to use in the form of capital investment that aims to both strengthen our financial condition and improve the quality of services to our customers.

In line with this approach, we have decided to pay the following per-share dividends for the fiscal year ended March 2010 and those ending March 2011.

	Dividends per share (yen)			Payout ratio (%)	
	Q2	Year-end	Full fiscal year	Consolidated	Non-consolidated
Fiscal year ended March 31, 2010	7.00 (Result)	17.00 (Forecast)	24.00 (Forecast)	18.9	27.7
Fiscal year ending March 31, 2011	12.00 (Forecast)	13.00 (Forecast)	25.00 (Forecast)	15.5	25.7

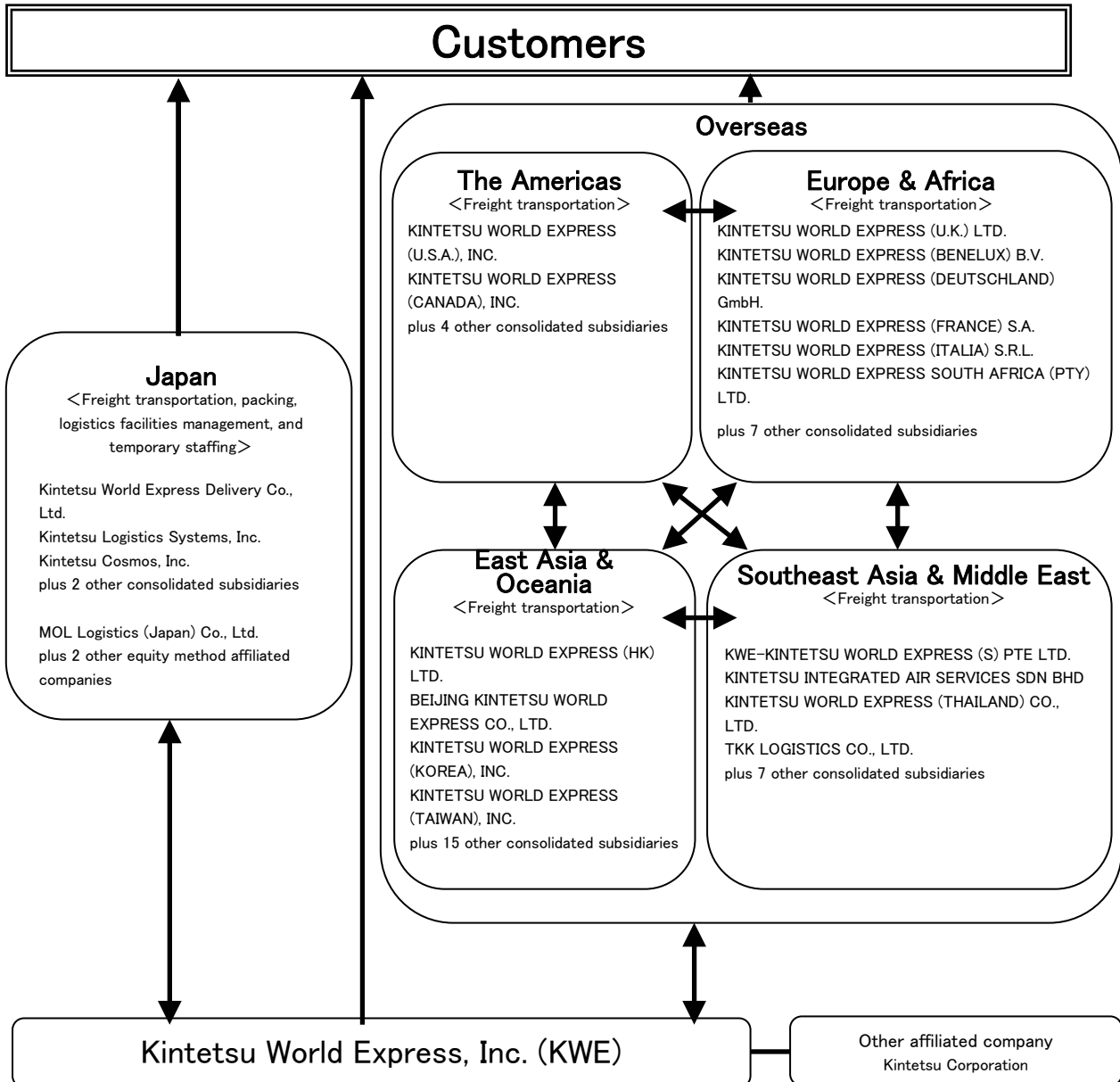
Payout ratio (Consolidated) = Dividends per share / Consolidated net income per share

Payout ratio (Non-consolidated) = Dividends per share / Net income per share

2. The KWE Group

The KWE Group (the Company and its subsidiaries and affiliates) consists of Kintetsu World Express, Inc., 54 consolidated subsidiaries and three affiliates (nine domestic companies and 49 overseas companies). The Group's principal businesses are international and domestic freight contracting (the airfreight forwarding, import freight consolidation, and international ocean freight forwarding) using transport provided by airlines and shipping companies, and representation on behalf of airlines. We also offer customs clearance, trucking, temporary staffing, insurance agency, property management and packing services.

The following diagram shows operations of the KWE Group.



Arrows show flow of service provision.

3. Management Policy

(1) Basic Management Policy of the KWE Group

The corporate philosophy of the KWE Group is to create new values and optimal environments through our provision of cargo logistics services in order to contribute to the development of a global community together with our clients, shareholders and employees. In honor of this creed, we strive to become a true Global Logistics Partner, augmenting our core airfreight forwarding business with ocean freight forwarding and logistics services in order to efficiently respond to customer logistics needs that, hand in hand with globalization, grow ever more diverse.

To this end, KWE has established its New Medium-Term Management Plan — “Ready for the Next!”— for the period from the fiscal year ending March 2011 through the fiscal year ending March 2013.

We want to continue to be a corporate group that provides reliable service and customer satisfaction to customers all over the world and aims for a truly abundant future.

(2) Management Indicator Targets

The Group’s new medium-term management plan “Ready for the Next!” assigns considerable importance to consolidated net sales and consolidated operating income as business indicators. This management plan calls for consolidated net sales of 300,000 million yen and consolidated operating income of 15,000 million yen by the fiscal year ending March 2013.

(3) Medium to Long-Term Management Strategies

The “Ready for the Next!” management plan involves “Create a Strong Asia” and “Sell a Strong Asia.”

The first step, “Create a Strong Asia,” entails focused investment of management resources in improving the functions of our Asian distribution bases and further strengthening of our network. To do this, we will implement five major policies – (1) Secure a position of absolute advantage in bonded logistics business in China; (2) Construct a distribution network that covers all of Asia; (3) Get a head start on competitors to enter into emerging countries; (4) Improve logistics functions in the American consumer market; (5) Make ocean freight forwarding a core business.

Next, “Sell a Strong Asia” involves creating a structure for the entire Group to sell our “Strong Asia” on the global market to meet customers’ needs as they move ahead with globalization.

When pursuing these management strategies, we consider human resources, quality, and IT to be its core competencies. We will continuously work to improve them to establish a competitive edge.

In addition, a Group-wide effort will be made to ensure thorough compliance and to strengthen management systems for the environment.

In the “Ready for the Next!” plan, which outlines an Asia-based global strategy, we make Group-wide efforts to achieve our targets comprised of ‘Increase corporate and shareholder values by establishing partnerships with customers’ and ‘Provide reliable services and customer satisfaction all over the world as a Global Logistics Partner,’ which we set in the KWE Grand Design for the 21st Century, the long term management strategy established in 2002.

(4) Challenges Going Forward

In the international forwarding market, there are signs of volume recovery particularly in Asia. But the freight volume level before the financial crisis will be difficult to be attained again, because the economic recovery in America and Europe is slow to materialize. And we also foresee a tight market for cargo space and an increase in operating costs as a result of reduction of flight numbers.

The Group intends to respond to this situation by aggressively expanding not only the traditional mainstay of the airfreight forwarding, but also our ocean freight forwarding and logistics services. Furthermore, we will continue to drive forward the various rationalization measures that proved so beneficial in the year ended March 2010 and transform into a management structure to ensure profit generation even in adverse circumstances.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY3/09 (As of March 31, 2009)	FY3/10 (As of March 31, 2010)
Assets		
Current assets		
Cash and time deposits	26,294	25,933
Notes and accounts receivable – trade	35,235	41,133
Inventories	–	–
Deferred tax assets	1,002	678
Other	2,800	2,557
Allowance for doubtful accounts	△225	△260
Total current assets	65,107	70,043
Fixed assets		
Property and equipment		
Buildings and structures	27,678	31,404
Accumulated depreciation	△10,497	△11,925
Buildings and structures, net	17,180	19,478
Machinery and equipment	2,608	2,823
Accumulated depreciation	△1,615	△1,924
Machinery and equipment, net	993	898
Land	9,455	10,799
Lease assets	705	1,155
Accumulated depreciation	△226	△311
Lease assets, net	479	844
Other	10,015	10,096
Accumulated depreciation	△6,917	△7,485
Other, net	3,098	2,611
Total property and equipment	31,207	34,631
Intangible fixed assets		
Goodwill	271	126
Other	2,273	1,944
Total intangible fixed assets	2,544	2,071
Investments and other assets		
Investment securities	5,171	5,439
Long-term loans receivable	678	249
Deferred tax assets	786	701
Other	3,984	3,920
Allowance for doubtful accounts	△328	△416
Total investments and other assets	10,293	9,894
Total fixed assets	44,045	46,597
Total assets	109,153	116,640

(Millions of yen)

	FY3/09 (As of March 31, 2009)	FY3/10 (As of March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	15,871	19,528
Short-term debt	12,602	11,955
Lease liabilities	128	187
Income taxes payable	1,711	990
Deferred tax liabilities	66	64
Accrued bonuses	1,419	1,589
Accrued directors' bonuses	191	168
Other	8,639	7,548
Total current liabilities	40,632	42,032
Long-term liabilities		
Long-term debt	4,762	3,349
Lease liabilities	484	761
Deferred tax liabilities	39	88
Accrued retirement benefits to employees	1,120	2,200
Other	238	170
Total long-term liabilities	6,646	6,569
Total liabilities	47,279	48,602
Net assets		
Shareholders' equity		
Common stock	7,216	7,216
Capital surplus	4,867	4,867
Retained earnings	53,681	57,496
Treasury stock	△1	△1
Total shareholders' equity	65,763	69,578
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	△415	173
Foreign currency translation adjustment	△5,223	△4,127
Total valuation and translation adjustments	△5,638	△3,953
Minority interests	1,748	2,413
Total net assets	61,873	68,038
Total liabilities and net assets	109,153	116,640

(2) Consolidated Statements of Income

(Millions of yen)

	FY3/09 (April 1, 2008 – March 31, 2009)	FY3/10 (April 1, 2009 – March 31, 2010)
Net sales	260,330	211,836
Cost of sales	220,207	175,720
Gross profit	40,123	36,116
Selling, general, and administrative expenses	31,097	28,665
Operating income	9,025	7,451
Non-operating income		
Interest income	389	169
Dividend income	47	48
Amortization of negative goodwill	34	35
Foreign exchange gains	—	529
Tax refunded	158	—
Miscellaneous income	243	362
Total non-operating income	872	1,145
Non-operating expenses		
Interest expenses	368	301
Equity in losses of affiliates	255	93
Foreign exchange losses	26	—
Miscellaneous expenses	43	169
Total non-operating expenses	694	564
Ordinary income	9,203	8,032
Extraordinary income		
Gain on prior period adjustment	21	—
Gain on sales of investment securities	641	—
Gain on sales of fixed assets	6	10
Reversal of allowance for doubtful accounts	24	—
Other	2	—
Total extraordinary income	696	10
Extraordinary losses		
Loss on disposal of fixed assets	12	50
Loss on valuation of golf club membership	40	7
Loss on valuation of investment securities	225	86
Restructuring loss	—	34
Loss on offices closing	45	204
Loss on violation of the antitrust laws	1,494	—
Compensation for damage	44	—
Bad debt expenses	—	61
Other	46	—
Total extraordinary losses	1,909	446
Income before income taxes	7,991	7,596
Income taxes, etc.	4,106	2,503
Income taxes – deferred	△111	108
Total income taxes	3,994	2,612
Minority interests	518	412
Net income	3,478	4,570

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	FY3/09 (April 1, 2008 – March 31, 2009)	FY3/10 (April 1, 2009 – March 31, 2010)
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	7,216	7,216
Change of items during the term		
Total change of items during the term	—	—
Balance at end of current fiscal year	7,216	7,216
Capital surplus		
Balance at end of previous fiscal year	4,867	4,867
Change of items during the term		
Total change of items during the term	—	—
Balance at end of current fiscal year	4,867	4,867
Retained earnings		
Balance at end of previous fiscal year	51,150	53,681
Effect of changes in accounting policies applied to foreign subsidiaries	△11	—
Change of items during the term		
Cash dividends paid	△935	△755
Net income	3,478	4,570
Total change of items during the term	2,542	3,814
Balance at end of current fiscal year	53,681	57,496
Treasury stock		
Balance at end of previous fiscal year	△0	△1
Change of items during the term		
Acquisition of treasury stock	△0	△0
Total change of items during the term	△0	△0
Balance at end of current fiscal year	△1	△1
Total shareholders' equity		
Balance at end of previous fiscal year	63,233	65,763
Effect of changes in accounting policies applied to foreign subsidiaries	△11	—
Change of items during the term		
Cash dividends paid	△935	△755
Net income	3,478	4,570
Acquisition of treasury stock	△0	△0
Total change of items during the term	2,542	3,814
Balance at end of current fiscal year	65,763	69,578

(Millions of yen)

	FY3/09 (April 1, 2008 –March 31, 2009)	FY3/10 (April 1, 2009 –March 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at end of previous fiscal year	764	△415
Change of items during the term		
Net changes of items other than shareholders' equity	△1,179	589
Total change of items during the term	△1,179	589
Balance at end of current fiscal year	△415	173
Foreign currency translation adjustment		
Balance at end of previous fiscal year	1,491	△5,223
Change of items during the term		
Net changes of items other than shareholders' equity	△6,714	1,095
Total change of items during the term	△6,714	1,095
Balance at end of current fiscal year	△5,223	△4,127
Total valuation difference on available-for-sale securities		
Balance at end of previous fiscal year	2,256	△5,638
Change of items during the term		
Net changes of items other than shareholders' equity	△7,894	1,685
Total change of items during the term	△7,894	1,685
Balance at end of current fiscal year	△5,638	△3,953
Minority interests		
Balance at end of previous fiscal year	2,056	1,748
Change of items during the term		
Net changes of items other than shareholders' equity	△307	664
Total change of items during the term	△307	664
Balance at end of current fiscal year	1,748	2,413
Total net assets		
Balance at end of previous fiscal year	67,546	61,873
Effect of changes in accounting policies applied to foreign subsidiaries	△11	—
Change of items during the term		
Cash dividends paid	△935	△755
Net income	3,478	4,570
Acquisition of treasury stock	△0	△0
Net changes of items other than shareholders' equity	△8,202	2,350
Total change of items during the term	△5,660	6,164
Balance at end of current fiscal year	61,873	68,038

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY3/09 (April 1, 2008 – March 31, 2009)	FY3/10 (April 1, 2009 – March 31, 2010)
Cash flows from operating activities		
Income before income taxes	7,991	7,596
Depreciation and amortization	3,142	3,100
Amortization of goodwill	48	48
Amortization of negative goodwill	△34	△35
Increase (decrease △) in accrued bonuses	△35	154
Increase (decrease △) in directors' accrued bonuses	△28	△27
Increase (decrease △) in accrued retirement benefits to employees	312	1,071
Increase (decrease △) in allowance for doubtful accounts	71	105
Interest and dividend income	△436	△218
Interest expenses	368	301
Equity in (earnings △) losses of affiliates	255	93
(Gain △) loss from sales of fixed assets	△6	△10
Loss on disposal of fixed assets	12	50
(Gain △) loss on sales of investment securities	△641	—
(Gain △) loss on valuation of investment securities	225	86
Loss on valuation of golf club membership	40	7
Loss on violation of the antitrust laws	1,494	—
Loss on compensation for damage	44	—
Decrease (increase △) in notes and accounts receivable	8,047	△4,322
Increase (decrease △) in notes and accounts payable	△3,862	2,869
Other, net	△2,169	368
Subtotal	14,840	11,240
Interest and dividends received	419	260
Interest paid	△352	△326
Proceeds from insurance income	11	—
Compensation for damage paid	△55	—
Payments for loss on violation of the antitrust laws	—	△1,494
Income taxes paid	△5,175	△3,419
Net cash provided by operating activities	9,687	6,259

(Millions of yen)

	FY3/09 (April 1, 2008 – March 31, 2009)	FY3/10 (April 1, 2009 – March 31, 2010)
Cash flows from investing activities		
Payments for time deposits	△284	△587
Proceeds from withdrawal of time deposits	58	127
Payments for purchase of property and equipment	△2,794	△3,322
Proceeds from sale of property and equipment	44	103
Payments for purchase of investment securities	△3,634	△31
Proceeds from sale and redemption of investment securities	1,063	33
Payment for purchase of subsidiary shares	△195	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	△114
Payments for loans receivable	△622	△24
Collection of loans receivable	62	43
Payments for lease and guarantee deposits	△528	△424
Proceeds from collection of lease and guarantee deposits	403	561
Other, net	△52	△197
Net cash used in investing activities	△6,481	△3,834
Cash flows from financing activities		
Net increase (decrease △) in short-term debt	1,480	△2,007
Payments of finance lease obligations	△140	△190
Proceeds from long-term debt	2,609	357
Payments of long-term debt	△4,446	△1,054
Payments for acquisition of treasury stock	△0	△0
Payment of cash dividends	△935	△755
Payment of cash dividend to minority shareholders	△229	△344
Net cash used in financing activities	△1,663	△3,995
Effect of exchange rate changes on cash and cash equivalents	△4,137	710
Net increase (decrease △) in cash and cash equivalents	△2,595	△859
Cash and cash equivalents at beginning of period	28,500	25,904
Cash and cash equivalents at end of period	25,904	25,045

[Segment Information]

a. Segment information by business

Fiscal year ended March 2009 (April 1, 2008 – March 31, 2009)

Since the freight forwarding business constitutes over 90% of the total net sales, operating income, and total assets, we have not included segment information by business type in this report.

Fiscal year ended March 2010 (April 1, 2009 – March 31, 2010)

Since the freight forwarding business constitutes over 90% of the total net sales, operating income, and total assets, we have not included segment information by business type in this report.

b. Segment information by geographic areas

Fiscal year ended March 2009 (April 1, 2008 – March 31, 2009)

(Millions of yen)

	Japan	The Americas	Europe & Africa	East Asia & Oceania	Southeast Asia & Middle East	Total	Elimination or unallocated	Consolidated
Net sales								
(1) Net sales to outside customers	113,155	33,912	23,517	70,341	19,403	260,330	—	260,330
(2) Inter-segment sales/transfers	1,095	3,591	801	849	382	6,720	△6,720	—
Total sales	114,251	37,504	24,318	71,190	19,786	267,050	△6,720	260,330
Operating expenses	113,059	34,966	23,849	67,517	18,607	258,000	△6,695	251,305
Total net sales	1,191	2,537	469	3,673	1,178	9,049	△24	9,025
Operating income	57,526	11,697	10,660	24,658	8,011	112,554	△3,401	109,153

Fiscal year ended March 2010 (April 1, 2009– March 31, 2010)

(Millions of yen)

	Japan	The Americas	Europe & Africa	East Asia & Oceania	Southeast Asia & Middle East	Total	Elimination or unallocated	Consolidated
Net sales								
(1) Net sales to outside customers	94,388	25,129	18,978	55,787	17,552	211,836	—	211,836
(2) Inter-segment sales/transfers	906	2,774	606	862	333	5,482	△5,482	—
Total sales	95,295	27,903	19,584	56,649	17,886	217,319	△5,482	211,836
Operating expenses	93,666	26,505	19,602	53,214	16,820	209,810	△5,424	204,385
Total net sales	1,628	1,397	△18	3,435	1,066	7,509	△58	7,451
Operating income (loss △)	60,953	12,842	10,910	28,419	10,874	123,999	△7,359	116,640

Notes: 1. The geographic segmentation is classified based on the relationship of business activities and geographic proximity.

2. Major countries or regions except Japan in each category are as follows:

- (1) The Americas: United States, Canada, and South American countries
- (2) Europe & Africa: United Kingdom, Germany, France, Italy, Netherlands, Belgium, Switzerland, Ireland, Russia, South Africa, and other European and African countries
- (3) East Asia & Oceania: Hong Kong, China, South Korea, Taiwan, Philippines, and Australia
- (4) Southeast Asia & Middle East: Singapore, Malaysia, Thailand, India, Indonesia, Vietnam, and Middle Eastern countries

3. Company-wide assets included in the "Elimination or unallocated" line items were 6,511 million yen as of the previous fiscal

year end, and 4,612 million yen as of the year end, consisting mainly of financial assets of the Company (cash and time deposits).

4. Income and costs of overseas subsidiaries will, starting with the year, be converted in line with the average exchange rate during the period in question.

As a result of this policy change, net sales for The Americas and also for East Asia & Oceania have increased by 438 million yen and 183 million yen, respectively, with respect to the corresponding values as calculated using the old approach; similarly, net sales for Europe & Africa and for Southeast Asia & Middle East have decreased by 514 million yen and 192 million yen, respectively. Meanwhile, operating income is up 21 million yen and 23 million yen for The Americas and East Asia & Oceania, respectively, but down 2 million yen for Europe & Africa and 13 million yen for Southeast Asia & Middle East.

c. Net sales in overseas countries

Fiscal year ended March 2009 (April 1, 2008– March 31, 2009)

(Millions of yen)

	The Americas	Europe & Africa	East Asia & Oceania	Southeast Asia & Middle East	Total
Net sales in overseas countries	33,917	23,526	70,343	19,405	147,192
Consolidated net sales	—	—	—	—	260,330
Percentage of such sales against consolidated net sales (%)	13.0	9.0	27.0	7.5	56.5

Fiscal year ended March 2010 (April 1, 2009– March 31, 2010)

(Millions of yen)

	The Americas	Europe & Africa	East Asia & Oceania	Southeast Asia & Middle East	Total
Net sales in overseas countries	25,133	18,984	55,790	17,554	117,462
Consolidated net sales	—	—	—	—	211,836
Percentage of such sales against consolidated net sales (%)	11.9	9.0	26.3	8.3	55.4

Notes: 1. The geographic segmentation is classified based on the relationship of business activities and geographic proximity.

2. Major countries or regions except Japan in each category are as follows:

- (1) The Americas: United States, Canada, and South American countries
(2) Europe & Africa: United Kingdom, Germany, France, Italy, Netherlands, Belgium, Switzerland, Ireland, Russia, South Africa, and other European and African countries
(3) East Asia & Oceania: Hong Kong, China, South Korea, Taiwan, Philippines, and Australia
(4) Southeast Asia & Middle East: Singapore, Malaysia, Thailand, India, Indonesia, Vietnam, and Middle Eastern countries

3. Overseas' sales include net sales of the Company and its consolidated subsidiaries in countries and regions other than Japan.
4. Income and costs of overseas subsidiaries will, starting with the year, be converted in line with the average exchange rate during the period in question.

As a result of this policy change, net sales for The Americas and also for East Asia & Oceania have increased by 394 million yen and 187 million yen, respectively, with respect to the corresponding values as calculated using the old approach; similarly, net sales for Europe & Africa and for Southeast Asia & Middle East have decreased by 507 million yen and 188 million yen, respectively.

(Related party information)

Fiscal year ended March 2009 (April 1, 2008– March 31, 2009)

There are no applicable matters to be reported.

Fiscal year ended March 2010 (April 1, 2009– March 31, 2010)

There are no applicable matters to be reported.