Company Profile (As of March 31, 2010)

Headquarters and Branches

Headquarters:
Chuo-ku, Tokyo

Branches:
Tokyo, Yokohama, Nagoya, Osaka, Kobe and Fukuoka

Date of Establishment
April 15, 1887

Capital
¥22,393,986,570

Number of Shares Issued
175,921,478

Authorized Shares
440,000,000

Number of Employees
853 persons (parent only; not including 161 employees temporarily on loan to other companies. There are also 51 temporary employees, as well as 569 persons temporarily loaned or dispatched within the Group and those from outside the Group companies and accepted by the Company)

3,303 persons (on a consolidated basis; not including 57 employees temporarily on loan to companies outside the Group. There are also 704 temporary employees, as well as 741 persons temporarily loaned or dispatched from outside the Group companies and accepted by the Company)

Stock Exchange Listing
First Section of the Tokyo Stock Exchange
First Section of the Osaka Securities Exchange

Securities Code
9301

Major Shareholders

<table>
<thead>
<tr>
<th>Shareholder’s Name</th>
<th>Number of Shares Held (Thousands)</th>
<th>Shareholding Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meiji Yasuda Life Insurance Company</td>
<td>9,937</td>
<td>5.7</td>
</tr>
<tr>
<td>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</td>
<td>9,394</td>
<td>5.4</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>9,060</td>
<td>5.2</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account)</td>
<td>7,856</td>
<td>4.5</td>
</tr>
<tr>
<td>Kirin Holdings Company, Limited</td>
<td>7,415</td>
<td>4.2</td>
</tr>
<tr>
<td>MITSUBISHI ESTATE CO., LTD.</td>
<td>7,331</td>
<td>4.2</td>
</tr>
<tr>
<td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td>
<td>5,724</td>
<td>3.3</td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust and Banking Corporation</td>
<td>3,790</td>
<td>2.2</td>
</tr>
<tr>
<td>ASAHI GLASS CO., LTD.</td>
<td>3,315</td>
<td>1.9</td>
</tr>
<tr>
<td>JPMorgan Securities Japan Co., Ltd.</td>
<td>3,237</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Notes:
1. The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Mitsubishi UFJ Trust and Banking Corporation have set 1,500,000 and 2,829,000 Mitsubishi Logistics’ shares, respectively, as trust funds for retirement benefits for which voting rights are reserved, in addition to the shares stated in the table above.
2. The “Shareholding ratio” is calculated after excluding treasury stock (530,456 shares).

Notes:
1. Directors with an asterisk (*) are representative directors.
2. Minoru Makihara, Jiro Nemoto and Shigemitsu Miki are Outside Directors as stipulated in the Companies Act Article 2, Item 15. The Company designated them as independent directors as required by the rules of the Tokyo Stock Exchange and the Osaka Securities Exchange, and reported it to both the Exchanges.
3. Hiroshi Mino, Yohnosuke Yamada and Saburo Horiuchi are Outside Company Auditors as stipulated in the Companies Act Article 2, Item 16. The Company designated them as independent corporate auditors as required by the rules of the Tokyo Stock Exchange and the Osaka Securities Exchange, and reported it to both the Exchanges.

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To Our Shareholders

I am pleased to hereby report the business overview of the Mitsubishi Logistics Group for the 207th fiscal term, the year ended March 31, 2010.

During the year under review, despite the lingering impact of the worldwide financial crisis on the global economy, several national economies turned toward a recovery in Asia, including China. Some improvement was seen in the U.S. economy in the second half, however, the lackluster economy persisted in Europe. The Japanese economy remained sluggish, affected by a decline in capital investment and a deteriorated employment situation although some positive signs were seen in exports and production, as well as consumer spending.

In these economic conditions, the business environment surrounding the Group remained difficult in the mainstay business segments of “Logistics” and “Real Estate.” For Logistics, the export/import freight volumes handled by the warehousing and port and harbor operations business decreased due to the economic setback in Japan and overseas. For Real Estate, the vacancy rate increased and the rent level decreased for rental office buildings and commercial facilities due to the weak demand-supply relationship.

Under these circumstances, the Mitsubishi Logistics Group promoted aggressive marketing activities. In Logistics, we mainly strove to extend distribution center operations for pharmaceuticals and expand and reinforce operational bases overseas. In Real Estate, we focused our efforts on securing good tenants, maintaining and improving rent levels and advancing construction of the Yokohama Dia Building, a skyscraper office tower in the Yokohama Port Side Area. The construction of the Yokohama Dia Building was completed in the second half, and the building started leasing floor space immediately. Meanwhile, we endeavored to further improve business performance via thorough cost management and efficiency improvement of diverse business operations.

As a result, revenue for the Logistics segment decreased and revenue for the Real Estate segment also slightly declined from the previous fiscal year, amounting to a combined ¥1,483,347 million, a decrease of ¥12,629 million, or 7.8%, from the previous fiscal year. In Logistics, revenue decreased principally due to the reduced handling of export/import freight volume reflecting the overall decline in cargo movement because of the economic setback in Japan and overseas despite the increased handling of pharmaceuticals due to the contribution of the Misato Distribution Center (Saitama), which started operation in the second half of the previous fiscal year. In Real Estate, revenue slightly decreased from the previous fiscal year primarily due to a decline in demand for existing office buildings despite the operational start of the newly completed Yokohama Dia Building in the second half.

Cost of services on the whole decreased ¥12,082 million, or 8.4%, year over year to ¥131,768 million, principally due to a considerable decrease of operational and transportation costs in Logistics, reflecting a decline in freight volume, and the posting of temporary expenses such as the real estate acquisition tax in association with the operational start of the Yokohama Dia Building in Real Estate. Selling, general and administrative expenses increased ¥494 million, or 8.5%, year over year to ¥6,297 million, reflecting an increase in the number of consolidated subsidiaries.

As a consequence, operating income decreased ¥1,040 million, or 9.2%, year over year to ¥10,281 million, reflecting the decline in revenue for both the Logistics and Real Estate segments, and ordinary income declined ¥1,071 million, or 8.5%, to ¥11,512 million. Consolidated net income dropped ¥358 million, or 5.6%, to ¥6,105 million, from the previous fiscal year because extraordinary losses such as a loss on revaluation of investments in securities reduced compared with the previous fiscal year.

In the coming year, the global economy will likely follow a gradual recovery in the United States and Europe whereas more favorable growth trends are anticipated in the Asian economies including China. The Japanese economy is expected to take more time for a full-fledged recovery given concerns about lingering deflation and an uncertain employment situation despite anticipated increases in exports and production supported primarily by Asian economic growth.

In this economic climate, the business conditions of the Group are expected to remain harsh in view of the effects of the stagnant freight volume and the logistics rationalization in the warehousing and port and harbor operations business, as well as the weak supply-demand relationship and intensifying competition in the real estate industry.

Under these circumstances, the Mitsubishi Logistics Group will strive for sustainable growth by expanding both the domestic and overseas logistics businesses in tandem and the real estate business with an emphasis on building leases, in line with the new Midterm Business Plan (2010–2012) that covers the coming three years, the first of which is the fiscal year ending March 2011.

As for the distribution of profits of Mitsubishi Logistics for the year ended March 31, 2010, we intend to distribute a year-end dividend of ¥6 per share, taking into account operating results for the year. As a result, the annual dividend per share, including the interim dividend of ¥6 per share, totals ¥12, the same as that for the previous fiscal year.

As for dividends for the fiscal year ending March 31, 2011, based on the basic dividend policy of stably distributing dividends with due regard to the profitability level, the interim dividend and the year-end dividend will be ¥6 per share, respectively, and the annual dividend per share therefore will be ¥12, unless any exceptional circumstances take place.

We look forward to your continued support and encouragement.

June 2010

Tetsuro Okamoto, President
Mitsubishi Logistics Corporation has revised its current medium-term management plan for the five-year period from fiscal years 2006 to 2010 based upon the rapid economic changes and business environment in which we find ourselves. The newly formulated medium-term management plan is a three-year plan that begins from April 2010. In this time of renewed globalization, defined by an increasing tendency toward decentralization, this plan is designed to realize sustainable growth for our business group as we move into the future by expanding both the domestic and overseas logistics businesses in tandem and expanding our real estate business with efforts focused on the building leasing business.

1. Basic policy
   (1) Respond to globalization by expanding domestic and overseas logistics businesses in tandem
   (2) Expand real estate business activities with an eye to increasing the business stability
   (3) Strive to improve the quality of group services
   (4) Thoroughly implement compliance initiatives, global environmental measures and disaster-prevention countermeasures

2. Basic Strategy
   (1) Strengthen logistics business base
       Strive to further fortify our domestic business base while expanding our highly efficient container terminal business and distribution center services based upon the high-quality inventory and warehouse control for which we have won the trust of our customers
   (2) Expand domestic and international logistics services in tandem
       Create and enhance links among our global business bases to enhance in tandem our domestic and international logistics services system while accelerating expansion of our overseas logistics business with an emphasis on areas in Asia, such as China, where rapid growth is expected
   (3) Expand real estate business with an emphasis on building leases
       To expand the real estate business with a focus on building leasing, maintain and improve feature of each property, enhance property management activities, redeveloping properties in our portfolio in a planned manner and considering new strategies including new asset acquisitions
   (4) Strengthen global environmental measures
       View global environmental measures as not just a matter of corporate social responsibility, but also a business opportunity in the areas of both logistics and real estate; initiate global environmental measures to create and offer superior services that strengthen our competitiveness
   (5) Strengthen management base
       • Strive for complete compliance and strengthen crisis management system
       • Promote personnel development fostering expertise and global perspectives
       • Improve the quality of services by harnessing the power of IT
       • Heighten the capabilities of each group company while enhancing the comprehensive strength of the group

3. Plan Period and Corporate Performance Goals
   (1) Period
       FY2010 to FY2012 (three years)
   (2) Performance goals (FY2012 consolidated basis)
       Operating revenue: ¥193 billion
       Operating income: ¥13.5 billion
       Ordinary income: ¥14.3 billion
       Net income for the year: ¥7.9 billion

4. Investment Plan
   During this period, investments totaling ¥53 billion are planned: ¥25 billion allocated for logistics business, ¥25 billion for real estate business and ¥3 billion for global environmental measures.

Stock Purchase of a Singaporean Logistics Company
On December 28, 2009, Mitsubishi Logistics Singapore Pte. Ltd., locally incorporated and fully owned by Mitsubishi Logistics Corporation, purchased all stocks and finalized the acquisition of Pioneer Express International Pte Ltd (“PEI”) as a wholly owned subsidiary.

Founded in 1993 as a logistics company, PEI has expertise in air cargo transportation of pharmaceutical products and precision instruments. The acquisition of PEI has enabled us to quickly enter the Singaporean air cargo market and reinforced business foundations in Singapore, the logistics hub in Southeast Asia.

This acquisition is a part of Mitsubishi Logistics’ initiative to expand logistics business in Japan and overseas. We intend to further strengthen the air cargo network in the Asian region in the future through an appropriate combination of various service menus available within the Group via the cooperation of Group
companies such as PEI and a China-based subsidiary that has acquired the CATA License (Class A).* Mitsubishi Logistics will continue to actively improve operational bases and expand businesses in the Asian region.

* A license to approve international air freight forwarder’s qualification issued by the China Air Transport Association (CATA)

Yokohama Dia Building Completed and Started Leasing of Floor Space
The Company completed construction of the Yokohama Dia Building, a skyscraper office tower on the Company’s land near the JR Yokohama Station’s East Exit, on December 16, 2009. The building immediately started the leasing of building floor space.

The Company started the development project in 2004 and constructed the Yokohama Bay Quarter, a commercial complex (completed in 2006), and the Nabeaure Yokohama Tower Residence, a residential condominium building (completed in 2007), in the first phase of the project. The construction of the Yokohama Dia Building was completed, thus ending the second and final phase of the Yokohama Port Side Area Development.

The Yokohama Dia Building is a high-rise office building (31 floors above ground and 2 basement floors) with a total floor area of approximately 70,000 m² and 155 meters in height. It boasts the latest building specifications and facilities in the pursuit of maximum safety, comfort and functionality. The 7th–30th floors are rental offices and the 3rd–6th floors are occupied by the Yokohama Bay Quarter ANNEX, which opened on March 19, 2010, as the second phase commercial complex of the adjacent Yokohama Bay Quarter. The ANNEX has become more attractive than ever before by adding new and trendy stores for fashion, groceries, baby goods and so forth. The ANNEX building immediately started the leasing of building floor space.

The Yokohama Dia Building is a high-rise office building (31 floors above ground and 2 basement floors) with a total floor area of approximately 70,000 m² and 155 meters in height. It boasts the latest building specifications and facilities in the pursuit of maximum safety, comfort and functionality. The 7th–30th floors are rental offices and the 3rd–6th floors are occupied by the Yokohama Bay Quarter ANNEX, which opened on March 19, 2010, as the second phase commercial complex of the adjacent Yokohama Bay Quarter. The ANNEX has become more attractive than ever before by adding new and trendy stores for fashion, groceries, baby goods and so forth. The ANNEX building immediately started the leasing of building floor space.

Yokohama Port Side Area Development Project completed

Using integrated building materials for its exterior surfaces. As a result, energy use has been reduced approximately 28% compared to the use of conventional building materials. The building has obtained the highest “Rank S” certification in the Comprehensive Assessment System for Built Environment Efficiency (CASBEE), a comprehensive certification system for assessing the environmental performance of buildings.

Redevelopment of the Edobashi Soko Building in Tokyo Decided
The Company has decided to redevelop the Edobashi Soko Building, which is currently used as the Company’s head office and trunk room for storage.

The building site has been a historical place since the Company’s foundation. Yataro Iwasaki, the founder of the Mitsubishi Group, started the warehousing business in 1876, and brickwork warehouses were designed by a French architect, Jules Lescasse, and constructed here in 1880 (called “Mitsubishi’s Seven Warehouses”). Destroyed by fire in the Great Kanto Earthquake in 1923, the warehouses were consolidated and a new building was constructed in 1930 as the current Edobashi Soko Building, which is a modern, urban warehouse building of reinforced concrete structure with excellent earthquake protection and fire resistance. (At that time, Japan’s first trunk room was established jointly with the head office and rental offices.) In 2007, the building was designated as a Selected Historical Building of Tokyo Metropolitan Government in view of its historical value and distinctive appearance.

According to the redevelopment plan, the newly constructed building aims to preserve the current appearance as much as possible. Plans are for 18 floors above ground and 1 basement floor with a total floor area of approximately 30,200 m² and approximately 90 meters in height. The 6th–17th floors are dedicated rental office floors that pursue maximum safety, security and comfort, and the 2nd–5th floors will be used as the head office of the Company and a trunk room. Construction will start in October 2011, and completion is scheduled for August 2014. The appearance of the high-rise portion is designed to be harmonious with the lower historical portion. The overall design will be suitable for an outstanding landmark in the area. The 1st floor entrance hall and the waterfront space to be established on the bank of the Nihonbashi River will be open to the public, thereby contributing to the local community. Furthermore, in proceeding with the building’s redevelopment, we are proactively reducing the environmental load with a targeted energy reduction ratio of 40% and the acquisition of a Rank S certification in CASBEE.
Overview of the Mitsubishi Logistics Group (As of March 31, 2010)

Mitsubishi Logistics Corporation

Consolidated Subsidiaries (36 companies)

- Tohoku Ryoso Transportation Co., Ltd.
- Sairyo Service Co., Ltd.*
- Tokyo Dia Service Co., Ltd.
- Dia Systems Corporation
- Ryoso Transportation Co., Ltd.
- Unitrans Ltd.
- Keihin Naigai Forwarding Co., Ltd.
- Touryo Kigyo Co., Ltd.*
- Kinko Service Co., Ltd.*
- Chubu Trade Warehousing Co., Ltd.
- Meiryu Kigyo Co., Ltd.*
- Ryuyo Transportation Co., Ltd.*
- Kyokuryo Warehouse Co., Ltd.
- Hanny Kigyo Co., Ltd.*
- Nagato Lines Co., Ltd.*
- Shinryo Koun Co., Ltd.
- Naigai Forwarding Co., Ltd.
- Kyushu Ryoso Transportation Co., Ltd.
- Monryo Transport Corporation
- Hakuryo Koun Co., Ltd.*
- Seiho Kaun Kaisha., Ltd.*
- Saryo Service Co., Ltd.*
- Mitsubishi Logistics America Corporation
- Mitsubishi Warehouse California Corporation
- Mitsubishi Logistics Europe B.V.*
- Shanghai Linghua Logistics Co., Ltd.
- Mitsubishi Logistics Hong Kong Ltd.
- Mitsubishi Logistics Thailand Co., Ltd.
- P.T. Mitsubishi Logistics Indonesia

Subsidiaries and Affiliates Accounted for by the Equity Method (2 companies)

- Dia Buil-Tech Co., Ltd.
- Yokohama Dia Building Management Corporation
- Chubo Kaihatsu Co., Ltd.
- Nagoya Dia Buil-Tech Co., Ltd.
- Osaka Dia Buil-Tech Co., Ltd.
- Kobe Dia Service Co., Ltd.
- Kobe Dia Maintenance Co., Ltd.

Note: Effective from the 207th fiscal term, the year ended March 31, 2010, those companies marked with an asterisk (*) have been included as consolidated subsidiaries (Sairyo Service Co., Ltd., Touryo Kigyo Co., Ltd., Kinko Service Co., Ltd., Meiryu Kigyo Co., Ltd., Ryuyo Transportation Co., Ltd., Hanny Kigyo Co., Ltd. and Hakuryo Koun Co., Ltd. were affiliates accounted for by the equity method until the previous fiscal year).

Major Businesses

Logistics:
- Warehousing and Distribution: Storage of outsourced cargo in warehouses and bringing in/delivery thereof to/from warehouses by cargo handling
- Trucking: Transportation using trucks
- Port and harbor operations: Coastal and in-vessel cargo handling at ports and harbors
- International transportation: Handling of international freight deliveries (including marine freight transportation in Japan)

Real Estate:
- Buying, selling, leasing, and management of real estate, as well as contracting of construction work, and design and supervision thereof
Independent Auditors’ Report

To the Board of Directors of
Mitsubishi Logistics Corporation:

We have audited the accompanying consolidated balance sheets of Mitsubishi Logistics Corporation (a Japanese corporation) and its consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, changes in net assets and cash flows for each of the three years in the period ended March 31, 2010, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mitsubishi Logistics Corporation and its consolidated subsidiaries as of March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2010, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements, effective from April 1, 2008, Mitsubishi Logistics Corporation and its consolidated domestic subsidiaries changed their accounting policy for the depreciation method of warehouse facilities (buildings).

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 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 1 to the consolidated financial statements.

KPMG AZSA & Co.

Tokyo, Japan
June 29, 2010
## Consolidated Balance Sheets

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2010 (Millions of yen)</th>
<th>2009 (Millions of yen)</th>
<th>2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and deposits (Notes 2 and 3)</td>
<td>¥ 26,289</td>
<td>¥ 21,198</td>
<td>$ 282,556</td>
</tr>
<tr>
<td>Marketable securities (Notes 2, 3 and 4)</td>
<td>3,000</td>
<td>19,039</td>
<td>32,244</td>
</tr>
<tr>
<td>Notes and accounts receivable (Notes 3 and 5)</td>
<td>22,104</td>
<td>20,924</td>
<td>237,575</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(99)</td>
<td>(52)</td>
<td>(1,064)</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>22,005</td>
<td>20,872</td>
<td>236,511</td>
</tr>
<tr>
<td><strong>PROPERTY AND EQUIPMENT (Notes 7, 8 and 14):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>57,062</td>
<td>56,878</td>
<td>613,306</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>313,433</td>
<td>290,539</td>
<td>3,368,798</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>27,208</td>
<td>26,119</td>
<td>292,433</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td>7,305</td>
<td>5,799</td>
<td>78,515</td>
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<tr>
<td>Construction in progress</td>
<td>223</td>
<td>3,264</td>
<td>2,397</td>
</tr>
<tr>
<td><strong>NET PROPERTY AND EQUIPMENT</strong></td>
<td>405,231</td>
<td>382,599</td>
<td>4,355,449</td>
</tr>
<tr>
<td><strong>INVESTMENTS AND OTHER ASSETS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in unconsolidated subsidiaries and affiliates</td>
<td>4,419</td>
<td>5,380</td>
<td>47,496</td>
</tr>
<tr>
<td>Investments in securities (Notes 3, 4 and 8)</td>
<td>85,131</td>
<td>63,492</td>
<td>914,994</td>
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<tr>
<td>Long-term loans receivable</td>
<td>872</td>
<td>768</td>
<td>9,372</td>
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<tr>
<td>Intangible assets</td>
<td>8,943</td>
<td>9,157</td>
<td>96,120</td>
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<tr>
<td>Deferred income taxes (Note 6)</td>
<td>1,789</td>
<td>1,924</td>
<td>19,228</td>
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<tr>
<td>Other</td>
<td>5,745</td>
<td>5,352</td>
<td>61,748</td>
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<tr>
<td>Allowance for doubtful accounts</td>
<td>(125)</td>
<td>(127)</td>
<td>(1,344)</td>
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<tr>
<td><strong>TOTAL OTHER ASSETS</strong></td>
<td>106,774</td>
<td>85,946</td>
<td>1,147,614</td>
</tr>
<tr>
<td></td>
<td>¥ 341,723</td>
<td>¥ 316,382</td>
<td>$ 3,672,861</td>
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</tbody>
</table>

The accompanying notes are an integral part of these statements.
The accompanying notes are an integral part of these statements.
Consolidated Statements Of Income

<table>
<thead>
<tr>
<th>Year ended March 31,</th>
<th>2010 (Millions of yen)</th>
<th>2009 (Millions of yen)</th>
<th>2008 (Millions of yen)</th>
<th>Year ended March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td>¥148,347</td>
<td>¥160,977</td>
<td>¥169,484</td>
<td>$1,594,443</td>
</tr>
<tr>
<td>COST OF SERVICES</td>
<td>131,768</td>
<td>143,851</td>
<td>151,514</td>
<td>1,416,251</td>
</tr>
<tr>
<td>Gross profit</td>
<td>16,579</td>
<td>17,126</td>
<td>17,970</td>
<td>178,192</td>
</tr>
<tr>
<td>SELLING, GENERAL AND</td>
<td>6,298</td>
<td>5,804</td>
<td>5,679</td>
<td>67,691</td>
</tr>
<tr>
<td>ADMINISTRATIVE EXPENSES</td>
<td>10,281</td>
<td>11,322</td>
<td>12,291</td>
<td>110,501</td>
</tr>
<tr>
<td>OTHER INCOME (EXPENSES):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>1,477</td>
<td>2,216</td>
<td>2,004</td>
<td>15,875</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(840)</td>
<td>(1,259)</td>
<td>(1,053)</td>
<td>(9,028)</td>
</tr>
<tr>
<td>Gain on sale of marketable securities and investments in securities</td>
<td>120</td>
<td>26</td>
<td>2,420</td>
<td>1,289</td>
</tr>
<tr>
<td>Loss on revaluation of marketable securities and investments in securities</td>
<td>(746)</td>
<td>(1,506)</td>
<td>(780)</td>
<td>(8,018)</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment, net</td>
<td>(320)</td>
<td>(651)</td>
<td>(679)</td>
<td>(3,440)</td>
</tr>
<tr>
<td>Non-recurring depreciation</td>
<td>–</td>
<td>(530)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Impairment loss (Note 12)</td>
<td>(321)</td>
<td>(393)</td>
<td>–</td>
<td>(3,450)</td>
</tr>
<tr>
<td>Equity in earnings of unconsolidated subsidiaries and affiliates</td>
<td>140</td>
<td>134</td>
<td>279</td>
<td>1,505</td>
</tr>
<tr>
<td>Indemnity income of exiting facilities for lease (Note 11)</td>
<td>40</td>
<td>1,058</td>
<td>761</td>
<td>430</td>
</tr>
<tr>
<td>Loss on dissolution of employees’ pension funds of certain subsidiaries (Note 10)</td>
<td>–</td>
<td>–</td>
<td>(448)</td>
<td>–</td>
</tr>
<tr>
<td>One-time amortization of past service liabilities (Note 10)</td>
<td>–</td>
<td>–</td>
<td>(244)</td>
<td>–</td>
</tr>
<tr>
<td>Other, net</td>
<td>440</td>
<td>248</td>
<td>499</td>
<td>4,729</td>
</tr>
<tr>
<td>Income before income taxes and minority interests</td>
<td>10,271</td>
<td>10,665</td>
<td>15,050</td>
<td>110,393</td>
</tr>
<tr>
<td>INCOME TAXES (Note 6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>4,746</td>
<td>5,155</td>
<td>6,035</td>
<td>51,010</td>
</tr>
<tr>
<td>Deferred</td>
<td>(552)</td>
<td>(990)</td>
<td>93</td>
<td>(5,933)</td>
</tr>
<tr>
<td>Income before minority interests</td>
<td>4,194</td>
<td>4,165</td>
<td>6,128</td>
<td>45,077</td>
</tr>
<tr>
<td>MINORITY INTERESTS IN (EARNINGS) LOSS OF CONSOLIDATED SUBSIDIARIES</td>
<td>29</td>
<td>(35)</td>
<td>(50)</td>
<td>312</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>¥ 6,106</td>
<td>¥ 6,465</td>
<td>¥ 8,872</td>
<td>$ 65,628</td>
</tr>
<tr>
<td>AMOUNTS PER SHARE:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>¥ 34.82</td>
<td>¥ 36.87</td>
<td>¥ 50.58</td>
<td>$ 0.37</td>
</tr>
<tr>
<td>Diluted net income</td>
<td>¥ –</td>
<td>¥ –</td>
<td>¥ –</td>
<td>$ –</td>
</tr>
<tr>
<td>Cash dividends applicable to the year</td>
<td>¥ 12.00</td>
<td>¥ 12.00</td>
<td>¥ 12.00</td>
<td>$ 0.13</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
### Consolidated Statements Of Changes In Net Assets

<table>
<thead>
<tr>
<th>Shares (Thousands of shares)</th>
<th>Common stock</th>
<th>Amount</th>
<th>Capital surplus</th>
<th>Retained earnings</th>
<th>Treasury stock</th>
<th>Net unrealized holding gains on securities</th>
<th>Deferred losses on hedges</th>
<th>Foreign currency translation adjustments</th>
<th>Minority interests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at March 31, 2007</td>
<td>175,921</td>
<td>22,394</td>
<td>19,620</td>
<td>118,510</td>
<td>(512)</td>
<td>58,849</td>
<td>(146)</td>
<td>(1,095)</td>
<td>942</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>8,872</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(2,281)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
<td>–</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>(89)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Sale of treasury stock</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>6</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Adjustment from revaluation of available-for-sale securities</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(13,888)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Adjustment from revaluation of derivatives</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>65</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Adjustment from translation of foreign currency financial statements</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(24)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Increase in minority interests</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Balance at March 31, 2008</td>
<td>175,921</td>
<td>¥22,394</td>
<td>¥19,623</td>
<td>¥125,101</td>
<td>¥(595)</td>
<td>¥44,961</td>
<td>¥(81)</td>
<td>¥(1,119)</td>
<td>¥ 982</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>6,465</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(2,105)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Increase due to change in the number of consolidated subsidiaries</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>256</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(54)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Sale of treasury stock</td>
<td>–</td>
<td>–</td>
<td>3</td>
<td>–</td>
<td>23</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Adjustment from revaluation of available-for-sale securities</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(28,356)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Adjustment from revaluation of derivatives</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>65</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Adjustment from translation of foreign currency financial statements</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(551)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Decrease in minority interests</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(71)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Balance at March 31, 2009</td>
<td>175,921</td>
<td>¥22,394</td>
<td>¥19,618</td>
<td>¥129,717</td>
<td>¥(626)</td>
<td>¥16,005</td>
<td>¥(16)</td>
<td>¥(1,670)</td>
<td>¥ 911</td>
</tr>
<tr>
<td>Net income for the year</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>65,628</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Cash dividends</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(312)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Increase due to change in the number of consolidated subsidiaries</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>703</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of treasury stock</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(29)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Sale of treasury stock</td>
<td>–</td>
<td>–</td>
<td>0</td>
<td>–</td>
<td>1</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Adjustment from revaluation of available-for-sale securities</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>13,853</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Adjustment from revaluation of derivatives</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>16</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Adjustment from translation of foreign currency financial statements</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>49</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Increase in minority interests</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>384</td>
</tr>
<tr>
<td>Balance at March 31, 2010</td>
<td>175,921</td>
<td>¥22,394</td>
<td>¥19,618</td>
<td>¥134,421</td>
<td>¥(654)</td>
<td>¥30,458</td>
<td>¥ (8)</td>
<td>¥(1,621)</td>
<td>¥1,295</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these statements.
## Consolidated Statements Of Cash Flows

The accompanying notes are an integral part of these statements.

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2010 ( Millions of yen)</th>
<th>Year ended March 31, 2009 ( Millions of yen)</th>
<th>Year ended March 31, 2007 ( Millions of yen)</th>
<th>Year ended March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
<td>2007</td>
<td>2010</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before income taxes and minority interests</td>
<td>¥ 10,271</td>
<td>¥ 10,665</td>
<td>¥ 15,050</td>
<td>$ 110,393</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>12,091</td>
<td>11,219</td>
<td>11,534</td>
<td>129,955</td>
</tr>
<tr>
<td>Non-recurring depreciation</td>
<td>–</td>
<td>530</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>321</td>
<td>393</td>
<td>–</td>
<td>3,450</td>
</tr>
<tr>
<td>Increase (decrease) in retirement benefits</td>
<td>(29)</td>
<td>(402)</td>
<td>389</td>
<td>(311)</td>
</tr>
<tr>
<td>Loss on revaluation of marketable securities and investments in securities</td>
<td>746</td>
<td>1,506</td>
<td>780</td>
<td>8,018</td>
</tr>
<tr>
<td>Gain on sales of marketable securities and investments in securities</td>
<td>(106)</td>
<td>(26)</td>
<td>(2,420)</td>
<td>(1,139)</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>135</td>
<td>252</td>
<td>332</td>
<td>1,451</td>
</tr>
<tr>
<td>Equity in earnings of unconsolidated subsidiaries and affiliates</td>
<td>(140)</td>
<td>(134)</td>
<td>(279)</td>
<td>(1,505)</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>(1,477)</td>
<td>(2,216)</td>
<td>(2,004)</td>
<td>(15,875)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>840</td>
<td>1,259</td>
<td>1,053</td>
<td>9,028</td>
</tr>
<tr>
<td>Decrease (increase) in notes and accounts receivable</td>
<td>(836)</td>
<td>4,404</td>
<td>16,698</td>
<td>(8,985)</td>
</tr>
<tr>
<td>Decrease (increase) in real estate held for sale</td>
<td>(2,915)</td>
<td>9</td>
<td>634</td>
<td>(31,331)</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>1,253</td>
<td>(3,872)</td>
<td>(6,128)</td>
<td>13,467</td>
</tr>
<tr>
<td>Decrease in deposits payable</td>
<td>(287)</td>
<td>(2,036)</td>
<td>(606)</td>
<td>(3,084)</td>
</tr>
<tr>
<td>Other, net</td>
<td>(35)</td>
<td>(205)</td>
<td>(159)</td>
<td>(376)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>19,832</td>
<td>21,346</td>
<td>34,874</td>
<td>213,156</td>
</tr>
<tr>
<td>Interest and dividend income received in cash</td>
<td>1,503</td>
<td>2,273</td>
<td>2,072</td>
<td>16,154</td>
</tr>
<tr>
<td>Interest expense paid in cash</td>
<td>(958)</td>
<td>(1,133)</td>
<td>(1,057)</td>
<td>(10,297)</td>
</tr>
<tr>
<td>Income taxes paid in cash</td>
<td>(4,492)</td>
<td>(5,549)</td>
<td>(10,557)</td>
<td>(48,280)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY OPERATING ACTIVITIES</strong></td>
<td>15,885</td>
<td>16,937</td>
<td>25,332</td>
<td>170,733</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2010 ( Thousands of yen)</th>
<th>Year ended March 31, 2009 ( Thousands of yen)</th>
<th>Year ended March 31, 2007 ( Thousands of yen)</th>
<th>Year ended March 31, 2010 (Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
<td>2007</td>
<td>2010</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash investment to time deposits</td>
<td>(521)</td>
<td>(489)</td>
<td>(302)</td>
<td>(5,600)</td>
</tr>
<tr>
<td>Cash return from time deposits</td>
<td>289</td>
<td>1,029</td>
<td>1,023</td>
<td>3,106</td>
</tr>
<tr>
<td>Acquisition of property and equipment</td>
<td>(23,065)</td>
<td>(24,689)</td>
<td>(14,719)</td>
<td>(247,904)</td>
</tr>
<tr>
<td>Proceeds from sales of property and equipment</td>
<td>58</td>
<td>59</td>
<td>49</td>
<td>623</td>
</tr>
<tr>
<td>Acquisition of marketable securities and investments in securities</td>
<td>(404)</td>
<td>(672)</td>
<td>(2,916)</td>
<td>(4,342)</td>
</tr>
<tr>
<td>Proceeds from sales of marketable securities and investments in securities</td>
<td>1,227</td>
<td>1,622</td>
<td>5,157</td>
<td>13,188</td>
</tr>
<tr>
<td>Other, net</td>
<td>45</td>
<td>(17)</td>
<td>33</td>
<td>484</td>
</tr>
<tr>
<td><strong>NET CASH USED IN INVESTING ACTIVITIES</strong></td>
<td>(22,371)</td>
<td>(23,157)</td>
<td>(11,675)</td>
<td>(240,445)</td>
</tr>
</tbody>
</table>
The accompanying notes are an integral part of these statements.
BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Mitsubishi Logistics Corporation (the “Company”) have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Law and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

The accounts of overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Japanese Financial Instruments and Exchange Law. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2010, which was ¥93.04 to U.S. $1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

CONSOLIDATION

In consolidation, all significant inter-company transactions, account balances and unrealized profits are eliminated. Differences between the acquisition costs and underlying net equities of investments in consolidated subsidiaries are recorded as goodwill in the consolidated balance sheets and amortized over five years on a straight-line basis. If the amounts is immaterial, it is fully recognized as expenses or income as incurred. The effect on retained earnings and net income of unconsolidated subsidiaries and affiliates not accounted for on the equity method is immaterial to the consolidated financial statements and those investments are carried at cost, adjusted for any substantial and non-recoverable decline in value.

The number of consolidated subsidiaries and affiliates accounted for on the equity method at March 31, 2010, 2009 and 2008 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated subsidiaries</td>
<td>36</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>Unconsolidated subsidiaries and affiliates under the equity method</td>
<td>2</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

In this period, the eleven subsidiaries which were not consolidated in the previous period are added to consolidation because the importance of them has risen.

CONSOLIDATED STATEMENTS OF CASH FLOWS

In preparing the consolidated statements of cash flows, cash on hand, readily-available deposits and short-term highly liquid investments with negligible risk of changes in value and maturities not exceeding six months at the time of purchase are considered to be cash and cash equivalents.

CONVERSION OF ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the year-end rates. Gains or losses resulting from conversion are credited or charged to income as incurred.

DERIVATIVES AND HEDGE ACCOUNTING

Accounting standard for financial instruments requires companies to state derivative financial instruments at fair value and to recognize changes in the fair value as gains and losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company and its consolidated subsidiaries defer recognition of gains and losses resulting from changes in fair value of derivative financial instruments until the related losses and gains on the hedged items are recognized.

TRANSLATION OF FOREIGN CURRENCY STATEMENTS

The balance sheets of overseas subsidiaries are translated into Japanese yen at the rate of exchange at the balance sheet date of the subsidiaries, which is December 31, 2009, except for shareholders’ equity accounts, which are translated based on historical rates. The year-end rate of the subsidiaries is also used for translation of income, expenses and net income for the year.
The resulting translation adjustments are presented as “Foreign currency translation adjustments” in the accompanying consolidated financial statements.

ALLOWANCE FOR DOUBTFUL ACCOUNTS
Notes and accounts receivable, including loans and other receivables, are valued by providing a reserve by applying a percentage based on the actual rate of bad debts incurred in the past plus an amount based on individually estimated uncollectible receivables.

SECURITIES
Available-for-sale securities (see explanation (d) below) with available fair market values are stated at fair market value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on sale of such securities are computed using moving-average cost. Available-for-sale securities with no available fair value are stated at moving-average cost. Equity securities issued by unconsolidated subsidiaries and affiliates which are not consolidated or accounted for using the equity method are stated at moving-average cost.

Upon the accounting standard for financial instruments, all companies are required to examine the intent of holding each security and classify those securities as (a) securities held for trading purposes (hereafter, “trading securities”), (b) debt securities intended to be held to maturity (hereafter, “held-to-maturity debt securities”), (c) equity securities issued by subsidiaries and affiliates, and (d) for all other securities that are not classified in any of the above categories (“available-for-sale securities”).

The Company and its consolidated subsidiaries only hold those securities classified as equity securities issued by subsidiaries and affiliates, and available-for-sale securities.

If the market value of available-for-sale securities declines significantly, such securities are stated at fair market value and the difference between fair market value and the book value is recognized as loss in the period of the decline. For equity securities with no available fair market value, if the net asset value of the investee declines significantly, such securities are required to be written down to the net asset value with the corresponding losses in the period of decline. In these cases, such fair market value or the net asset value will be the book value of the securities at the beginning of the next year.

REAL ESTATE HELD FOR SALE
Real estate held for sale is stated at cost determined using the specific identification cost method. In case that the net selling value falls below the acquisition cost at the end of the period, real estate held for sale is carried at the net selling value on the balance sheet.

INCOME TAXES
Income taxes consist of corporation, enterprise and inhabitants taxes. The provision for income taxes is computed based on the pretax income of the Company and each of its consolidated subsidiaries with certain adjustments required for consolidated and tax purposes. The asset and liability approach is used to recognize deferred tax assets and liabilities for loss carryforwards and the expected future tax consequences of temporary differences between the book value and the tax bases of assets and liabilities. Valuation allowances are recorded to reduce deferred tax assets based on the assessment of the realizability of the tax benefits.

PROPERTY AND EQUIPMENT, DEPRECIATION
Property and equipment are stated at cost. Depreciation of depreciable assets, except for warehouse facilities (buildings) and leased commercial facilities (buildings), is computed on a declining-balance method over the estimated useful lives based on the Corporate Income Tax Law in Japan. Depreciation of warehouse facilities (buildings) is computed on a straight-line method over the estimated useful lives based on the Corporate Income Tax Law in Japan. Depreciation of leased commercial facilities (buildings) is computed on a straight-line method over the economic useful lives of the assets (20-year period is considered to be a standard economic useful life, however it varies depending on the contract terms etc.).

The cost and accumulated depreciation applicable to assets retired or otherwise disposed of are eliminated from the related accounts and the gains or losses on disposal is credited or charged to income. Expenditures for new facilities and those which substantially increase the useful lives of existing property and equipment are capitalized. Maintenance, repair and minor renewals are charged to expense as incurred.

Effective April 1, 2008 the Company and its consolidated domestic subsidiaries have depreciated warehouse facilities (buildings) by a straight-line method over the estimated useful lives based on the Corporate Income Tax Law in Japan.

The Company and its consolidated domestic subsidiaries had applied a declining-balance method over the estimated useful lives based on the Corporate Income Tax Law in Japan for depreciation of warehouse facilities (buildings). However, there is very little relation between the profit performance and the increase of elapsed years in warehouse facilities (buildings). Thus, the Company and its consolidated domestic subsidiaries changed, on the occasion of starting up four new large-size logistics facilities, its depreciation method of warehouse facilities (buildings) to the straight-line method over the
estimated useful lives based on the Corporate Income Tax Law in Japan. This change was made for the purpose of improving the matching of revenue and costs by evening out the depreciation expenses.

In addition, the Company and its consolidated domestic subsidiaries depreciate the book value of warehouse facilities (buildings) that passed over the useful lives as of April 1, 2008 to nil, as non-recurring depreciation presented in the statements of income.

Because of the change, depreciation expenses included in COST OF SERVICES decreased by ¥491 million and recorded ¥530 million as non-recurring depreciation. As a result, operating income is increased by ¥491 million and income before income taxes and minority interests is decreased by ¥39 million for the year ended March 31, 2009 as compared with the previous method. The effect on this change to segment information is mentioned in Note 17.

In accordance with the amendment to the Corporate Income Tax Law in Japan, for the tangible fixed assets acquired on or before March 31, 2007 and for which accumulated depreciation has reached the allowable depreciation limits (95% of acquisition cost), the Company and its consolidated domestic subsidiaries depreciate the 5% residual value on a straight-line method over 5 years, commencing from the year immediately after the year in which the allowable depreciation limits have been reached. Because of this change in the depreciation method, the depreciation expense is increased by ¥359 million and operating income and income before income taxes and minority interests is decreased by ¥359 million for the year ended March 31, 2009. The effect on this change to segment information is mentioned in Note 17.

INTANGIBLE ASSETS
Intangible assets are amortized on a straight-line method.

The capitalized computer software costs for internal use are amortized on the straight-line method over the estimated useful lives (five years).

FINANCE LEASES
Property and equipment capitalized under finance lease, except for the finance leases which do not transfer ownership of the leased property to the lessee, are arrangements depreciated over the estimated useful lives or the lease term of the respective assets.

As permitted, finance leases which commenced prior to April 1, 2008 and have been accounted for as operating leases, continue to be accounted for as operating leases with disclosure of certain “as if capitalized” information.

Prior to April 1, 2008, the Company and its consolidated domestic subsidiaries accounted for finance leases which do not transfer ownership of the leased property to the lessee as operating leases with disclosure of certain “as if capitalized” information in the notes to the consolidated financial statements.


Effective April 1, 2008, the Company and its consolidated domestic subsidiaries adopted the new accounting standards for finance leases commencing after March 31, 2008 and capitalized the assets used under such leases, except for certain immaterial or short-term finance leases, which are accounted for as operating leases. There was no effect on this change to operating income and income before income taxes and minority interests for the year ended March 31, 2009.

ALLOWANCE FOR BONUSES FOR DIRECTORS
The Company provides allowance for bonuses for directors based on the estimated amounts of payment.

RETIREMENT BENEFITS AND PENSION PLAN
(1) Employees’ severance and retirement benefits
The Company and its consolidated domestic subsidiaries provide two types of post-employment benefit plans, unfunded lump-sum payment plans and funded contributory defined benefit pension plans, under which employees severing their connection with the Company and its consolidated subsidiaries on retirement are entitled to lump-sum retirement benefit payments or pension payments based on pay rates, length of service and certain other factors. And the Company provide defined contribution pension plan.

The Company and its consolidated subsidiaries provided allowance for employees’ severance and retirement benefits based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at year-end.

Actuarial gains and losses are recognized in statement of income using the straight-line method over five years, beginning the following fiscal year of recognition. Prior services costs are recognized in statement of income using the straight-line method over five years.

Previously, certain consolidated domestic subsidiaries charged a portion of the pension costs at payment period to pension funds. Effective from the year ended March 31, 2008, the subsidiaries changed the accounting method for the pension cost to provide allowance for employees’ severance and retirement benefits incurred at year-end. This is because the
importance of pension obligations on the pension plan has increased. As a result, the subsidiaries charged the past service liabilities amounted to ¥244 million to income as one-time amortization of past service liabilities in the year ended March 31, 2008.

Effective from the fiscal year ended March 31, 2010, the Company and its consolidated domestic subsidiaries adopted the “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)” (Accounting Standards Board of Japan (“ASBJ”) Statement No.19 issued on July 31, 2008). The new accounting standard requires domestic companies to use the rate of return on long-term government or gilt-edged bonds as of the end of the fiscal year for calculating the projected benefit obligation of a defined-benefit plan. Previously, domestic companies were allowed to use a discount rate determined by taking into consideration fluctuations in the yield of long-term government or gilt-edged bonds over a certain period. This change had no impact on the consolidated financial statements for the year ended March 31, 2010.

The Company changed the tax-qualified pension plans and a part of lump-sum payment plans to defined benefit pension plans and defined contribution pension plans at October 1, 2009. The Company adopts “Accounting for Transfer between Retirement Benefit Plans” (Financial Accounting Standards Implementation Guidance No.1 issued on January 31, 2002).

Because of the change, for the year ended March 31, 2010, labor cost included in COST OF SERVICES decreased by ¥70 million ($753 thousand) and SELLING, GENERAL AND ADMINISTRATIVE EXPENSES decreased by ¥19 million ($204 thousand). As a result, operating income and the income before income taxes and minority interests increased by ¥89 million ($957 thousand).

The effect on this change to segment information is mentioned in Note 17.

(2) Officers’ severance and retirement benefits
Officers’ (directors and corporate statutory auditors) severing their connection with certain consolidated domestic subsidiaries on retirement are entitled to lump-sum retirement benefit payments based on pay rates, length of services and certain other factors.

Retirement benefits to officers of certain consolidated domestic subsidiaries are provided based on the Company’s rules which have been approved by the Board of Directors. Such obligations are not funded.

NET ASSETS
The Japanese Corporate Law (“the Law”) became effective on May 1, 2006, replacing the Japanese Commercial Code (“the Code”). The Law is generally applicable to events and transactions occurring after April 30, 2006 and for fiscal years ending after that date.

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus in the accompanying consolidated balance sheets.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Code, companies were required to set aside an amount equal to at least 10% of the aggregate amount of cash dividends and other cash appropriations as legal earnings reserve until the total of legal earnings reserve and additional paid-in capital equaled 25% of common stock.

Under the Code, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit by a resolution of the shareholders’ meeting or could be capitalized by a resolution of the Board of Directors. Under the Law, both of these appropriations generally require a resolution of the shareholders’ meeting.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Code, however, on condition that the total amount of legal earnings reserve and additional paid-in capital remained equal to or exceeded 25% of common stock, they were available for distribution by resolution of the shareholders’ meeting. Under the Law, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

The appropriations are not accrued in the consolidated financial statements for the corresponding period, but are recorded in the subsequent accounting period after shareholders’ approval has been obtained.

Retained earnings at March 31, 2010 include amounts representing year-end cash dividends of ¥1,052 million ($11,307 thousand), ¥6.0 ($0.06) per share, which were approved at the shareholders’ meeting held on June 29, 2010.
PER SHARE INFORMATION
Net income per share is computed based upon the weighted average number of shares outstanding during each fiscal year. Diluted net income per share assumes that outstanding convertible bonds were converted into common stock at beginning of the period at the current conversion price.
Cash dividends per share have been presented on an accrual basis and include dividends to be approved after the balance sheet date, but applicable to the year then ended.
Information on diluted net income per share for the years ended March 31, 2010, 2009 and 2008 are not disclosed as no shares which dilute net income per share are outstanding for the years ended March 31, 2010, 2009 and 2008.

CHANGE IN THE ACCOUNTING POLICY FOR ADVANCE EXPENSES
Previously, certain consolidated subsidiaries included advance expenses for customers such as customs and collectible freights in REVENUE and COST OF SERVICES of the same amounts.
Because the importance of the advance expenses has increased, effective April 1, 2007, the subsidiaries accounted the advance expenses as notes and accounts receivable on the consolidated balance sheets.
As a result, in the year ended March 31, 2008, REVENUE and COST OF SERVICES decreased by ¥3,208 million. The effect on this change to segment information is mentioned in Note 17.

RECLASSIFICATION
Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on previously reported results of operations or retained earnings.

NOTE 2 – CASH AND CASH EQUIVALENTS
Reconciliation of cash and deposits in the consolidated balance sheets and cash and cash equivalents in the consolidated statements of cash flows as of March 31, 2010 and 2009 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010 (Millions of yen)</th>
<th>March 31, 2009 (Millions of yen)</th>
<th>March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits</td>
<td>¥26,289</td>
<td>¥21,198</td>
<td>$282,556</td>
</tr>
<tr>
<td>Add money funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of deposits</td>
<td>3,000</td>
<td>19,039</td>
<td></td>
</tr>
<tr>
<td>Less time deposits</td>
<td>(1,129)</td>
<td>(595)</td>
<td>(12,134)</td>
</tr>
<tr>
<td>with maturities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>exceeding six</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>months</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash</td>
<td>¥28,160</td>
<td>¥39,642</td>
<td>$302,666</td>
</tr>
<tr>
<td>equivalents</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE 3 – FINANCIAL INSTRUMENTS
1. CONDITIONS OF FINANCIAL INSTRUMENTS
(1) Policy for using financial instruments
The Company and its consolidated subsidiaries raises the necessary funds in accordance with the performance plans and the capital investment plans mainly by bank loans or issuance of bonds. Temporary cash surplus, if any, are invested in highly-secured deposits, public bonds and corporate bonds. Derivatives are used, not for speculative purposes, but for actual demand.

(2) Details of financial instruments used, risks, and risk management
Notes and accounts receivable are exposed to credit risk of customers. Against the credit risk, the Company and its consolidated subsidiaries performs due date and balance controls for each customer in accordance with internal customer credit management rules and regularly screens customers’ credit status.
Stocks as Investments in securities are subject to risk of changes in market price. They are mainly stocks issued by companies to have business relations. The Company and its consolidated subsidiaries grasp the fair values of the stocks at regular intervals, and the fair values are reported to each Board of Directors meeting.
The account derived from operating expenses, Accounts payable, is all settled within a year, and subject to risk of liquidity. The Company and its consolidated subsidiaries hedge that risk by timely reconsideration of monthly financial plans.

Short-term bank loans are mainly funds raising related to trade, otherwise long-term debts are mainly funds raising related to investments, in property and equipment. Because long-term debts with floating interest rates are subject to risk of fluctuation of these rates, it is probable that the Company utilizes interest rate swap contracts as hedging instruments about each loan contract to attempt to fix interest rates. (The Company does not utilize interest rate swap contracts now because the importance of amount of loans with floating interest rates is minor.)

It is prescribed that approval by the manager of the Company’s Finance Section is necessary for execution and management of such a derivative transaction in accordance with the Company’s policy about transaction authority, limit on the amount and the others.

(3) Supplemental information on fair values

Fair values of financial instruments comprise values determined based on market prices and values determined reasonably when there is no market price. Since variable factors are incorporated in computing the relevant fair values, such fair values may vary depending on the different assumptions.

2. FAIR VALUES OF FINANCIAL INSTRUMENTS

Book value on the consolidated balance sheets, fair values, and differences as of March 31, 2010, were as follows. Moreover, items for which it is extremely difficult to determine fair values are not in the following table (see (Note 2)).

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010</th>
<th>March 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book value</td>
<td>Fair value</td>
</tr>
<tr>
<td>(1) Cash and deposits</td>
<td>¥ 26,289</td>
<td>¥ 26,289</td>
</tr>
<tr>
<td>(2) Notes and accounts receivable</td>
<td>20,245</td>
<td>20,245</td>
</tr>
<tr>
<td>(3) Marketable securities</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>(4) Investment in securities (available-for-sale securities)</td>
<td>82,484</td>
<td>82,484</td>
</tr>
<tr>
<td></td>
<td>¥ 132,018</td>
<td>¥ 132,018</td>
</tr>
</tbody>
</table>

|                        | Book value     | Fair value     | Difference |
| (1) Accounts payable   | ¥ 14,112       | ¥ 14,112       | ¥ –        |
| (2) Short-term bank loans | 14,016        | 14,016         | –          |
| (3) Bonds              | 24,000         | 24,827         | 827        |
| (4) Long-term debts    | 11,376         | 11,403         | 27         |
| (5) Deposits on long-term leases | 6,450       | 6,166          | (284)      |
|                        | ¥ 69,954       | ¥ 70,524       | ¥570       |

(Note 1) Calculation method of fair values of financial instruments and the matter concerning securities

Assets:

(1) Cash and deposits  (2) Notes and accounts receivable  (3) Marketable securities

The relevant book values are used because the settlement term of the above item are short and their fair values are almost the same as their book values.

(4) Investment in securities (available-for-sale securities)

The fair values of stocks are determined using the quoted price at the stock exchange and the fair values of bonds are determined using the market price. The information of securities categorized by holding purposes is described at NOTE 4 “SECURITIES”.

(Note 2) Calculation of fair values of financial instruments

Fair values of financial instruments comprise values determined based on market prices and values determined reasonably when there is no market price. Since variable factors are incorporated in computing the relevant fair values, such fair values may vary depending on the different assumptions.
Notes To Consolidated Financial Statements

Liabilities:
(1) Accounts payable     (2) Short-term bank loans
The relevant book values are used because the settlement term of the above item are short and their fair values are almost the same as their book values.

(3) Bonds
The fair values of bonds issued by the Company are calculated by the market price.

(4) Long-term debts
Long-term debts with floating interest rate has condition that the interest rate is reformed every certain period. So the relevant book values are used because the fair values are almost the same as the book values. And long-term debts with fixed interest rate are calculated by the present value of the amount of principal and interest money discounted using the current borrowing rate for similar debt of a comparable maturity.

(5) Deposits on long-term leases
Deposits on long-term leases are calculated by the present values of future cash flows discounted using risk free rate.

(Note 2) Non-listed stocks and others (book value is ¥2,743 million ($29,482 thousand)) are not included in “Assets (4) Investment in securities (available-for-sale securities)”, because they have no market price, they cannot estimate future cash flow, and it is extremely difficult to measure the fair values. Moreover, the Deposits on long-term leases admitted that it is extremely difficult to measure the fair values because it cannot estimate the future cash flow (book value is ¥24,237 million ($260,501 thousand)) are not included in “Liabilities (5) Deposits on long-term leases”. Investments in unconsolidated subsidiaries and affiliates (book value is ¥4,284 million ($46,045 thousand)) are not included in above list.

(Note 3) The redemption schedule for money claim and securities with contractual maturities.

<table>
<thead>
<tr>
<th></th>
<th>One year or less</th>
<th>One to five years</th>
<th>Five to ten years</th>
<th>Over ten years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits</td>
<td>¥26,289</td>
<td>¥ -</td>
<td>¥ -</td>
<td>¥ -</td>
</tr>
<tr>
<td>Notes and accounts receivable</td>
<td>20,245</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Marketable securities (Certificate of deposits)</td>
<td>3,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment in securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for sale securities with maturities (public bonds)</td>
<td>4</td>
<td>586</td>
<td>18</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>¥49,538</td>
<td>¥586</td>
<td>¥18</td>
<td>¥-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>One year or less</th>
<th>One to five years</th>
<th>Five to ten years</th>
<th>Over ten years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits</td>
<td>$282,556</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Notes and accounts receivable</td>
<td>217,595</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Marketable securities (Certificate of deposits)</td>
<td>32,244</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment in securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for sale securities with maturities (public bonds)</td>
<td>43</td>
<td>6,298</td>
<td>194</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>$532,438</td>
<td>$6,298</td>
<td>$194</td>
<td>$-</td>
</tr>
</tbody>
</table>
At March 31, 2010, acquisition costs, book values stated at fair values and net unrealized holding gains (losses) of available-for-sale securities were as follows:

<table>
<thead>
<tr>
<th>Securities</th>
<th>March 31, 2010</th>
<th>March 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Book value</td>
<td>Acquisition cost</td>
</tr>
<tr>
<td></td>
<td>(Millions of yen)</td>
<td>(Thousands of U.S. dollars)</td>
</tr>
<tr>
<td>Stocks</td>
<td>¥77,963</td>
<td>¥25,972</td>
</tr>
<tr>
<td>Bonds</td>
<td>608</td>
<td>593</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>¥78,571</td>
<td>26,565</td>
</tr>
<tr>
<td>Other securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>3,913</td>
<td>4,522</td>
</tr>
<tr>
<td>Bonds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>¥82,484</td>
<td>¥31,087</td>
</tr>
</tbody>
</table>

(Note 4) Repayment schedule of bonds, long-term debts, and deposits on long-term leases.

<table>
<thead>
<tr>
<th>Securities</th>
<th>One year or less</th>
<th>One to two years</th>
<th>Two to three years</th>
<th>Three to four years</th>
<th>Four to five years</th>
<th>Over five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>¥14,000</td>
<td>¥5,000</td>
<td>¥3,636</td>
<td>4,234</td>
<td>891</td>
<td>2,061</td>
</tr>
<tr>
<td>Long-term debts</td>
<td>5,123</td>
<td>554</td>
<td>3,636</td>
<td>4,234</td>
<td>891</td>
<td>2,061</td>
</tr>
<tr>
<td>Deposits on long-term leases</td>
<td>5,123</td>
<td>554</td>
<td>3,636</td>
<td>4,234</td>
<td>891</td>
<td>2,061</td>
</tr>
</tbody>
</table>

(Additional information)
Non-listed stocks and others (book value is ¥2,743 million ($29,482 thousand)) were not included in the above list. Because they are admitted that it is extremely difficult to estimate for fair values (there are no market price and cannot estimate the future cash flow).

In the year ended March 31, 2010, the amount of sale, related gains and related losses of available-for-sale securities were as follows:

<table>
<thead>
<tr>
<th>March 31, 2010</th>
<th>March 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The amount</td>
</tr>
<tr>
<td></td>
<td>of sale</td>
</tr>
<tr>
<td>(Millions of yen)</td>
<td>(Thousands of U.S. dollars)</td>
</tr>
<tr>
<td>Stocks</td>
<td>¥ 148</td>
</tr>
<tr>
<td>Bonds</td>
<td>1,007</td>
</tr>
<tr>
<td>Other</td>
<td>73</td>
</tr>
<tr>
<td></td>
<td>¥1,228</td>
</tr>
</tbody>
</table>

Total write-down of available-for-sale securities with available fair values amounted to ¥760 million ($8,169 thousand) in the year ended March 31, 2010.

If the fair values of available-for-sale securities declines over 30% compared with its acquisition costs, the decline is recognized as significant. In this case, the Company and its consolidated subsidiaries write-down the book value of the securities considering possibilities for recovery of the fair value.

At March 31, 2009, acquisition costs, book values stated at fair values and net unrealized holding gains (losses) of available-for-sale securities with available fair value were as follows:

<table>
<thead>
<tr>
<th>March 31, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition cost</td>
</tr>
<tr>
<td>(Millions of yen)</td>
</tr>
<tr>
<td>Securities with book values exceeding acquisition costs:</td>
</tr>
<tr>
<td>Stocks</td>
</tr>
<tr>
<td>Bonds</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Other securities:</td>
</tr>
<tr>
<td>Stocks</td>
</tr>
<tr>
<td>Bonds</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Total sales of available-for-sale securities sold in the year ended March 31, 2009 amounted to ¥1,622 million and related gains amounted to ¥26 million.
Book values of available-for-sale securities with no available fair values as of March 31, 2009 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2009 (Millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-listed stocks</td>
<td>¥ 2,602</td>
</tr>
<tr>
<td>Domestic certificates of deposits</td>
<td>19,000</td>
</tr>
<tr>
<td>Other</td>
<td>119</td>
</tr>
<tr>
<td></td>
<td>¥21,721</td>
</tr>
</tbody>
</table>

Maturity information of available-for-sale securities with maturities as of March 31, 2009 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Within one year</th>
<th>Over one year but within five years</th>
<th>Over five years but within ten years</th>
<th>Over ten years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>¥ 7</td>
<td>¥575</td>
<td>¥1,026</td>
<td>¥–</td>
</tr>
<tr>
<td>Domestic certificates of deposits</td>
<td>19,000</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>¥19,007</td>
<td>¥575</td>
<td>¥1,026</td>
<td>¥–</td>
</tr>
</tbody>
</table>

**NOTE 5 – RECEIVABLES FROM AND PAYABLES TO UNCONSOLIDATED SUBSIDIARIES AND AFFILIATES**

Significant receivables from and payables to unconsolidated subsidiaries and affiliates at March 31, 2010 and 2009 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010 (Millions of yen)</th>
<th>March 31, 2009 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes and accounts receivable</td>
<td>¥ 205</td>
<td>¥ 233</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>¥1,016</td>
<td>¥1,922</td>
</tr>
<tr>
<td>Deposits on long-term leases</td>
<td>¥1,618</td>
<td>¥2,112</td>
</tr>
</tbody>
</table>
**NOTE 6 – INCOME TAXES**

The Company and its domestic consolidated subsidiaries are subject to a number of different income taxes which, in the aggregate, reflect a statutory tax rate of approximately 41% for the years ended March 31, 2010, 2009 and 2008, respectively.

Information on reconciliation of the tax rates for the years ended March 31, 2010, 2009 and 2008 is not disclosed as difference between the statutory tax rate and the effective tax rate was less than 5% of the statutory tax rate for the years ended March 31, 2010, 2009 and 2008.

Significant components of the Company and its consolidated subsidiaries’ deferred income tax assets and liabilities as of March 31, 2010 and 2009 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010</th>
<th>March 31, 2009</th>
<th>(Millions of yen)</th>
<th>(Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred income tax assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued enterprise tax</td>
<td>¥ 207</td>
<td>¥ 197</td>
<td>$ 2,225</td>
<td></td>
</tr>
<tr>
<td>Loss on investments in securities</td>
<td>9</td>
<td>70</td>
<td>97</td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>66</td>
<td>61</td>
<td>709</td>
<td></td>
</tr>
<tr>
<td>Accrued employees’ bonuses</td>
<td>895</td>
<td>824</td>
<td>9,620</td>
<td></td>
</tr>
<tr>
<td>Retirement benefits</td>
<td>5,312</td>
<td>4,931</td>
<td>57,094</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>5,412</td>
<td>5,015</td>
<td>58,169</td>
<td></td>
</tr>
<tr>
<td>Impairment loss</td>
<td>3,533</td>
<td>3,517</td>
<td>37,973</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3,559</td>
<td>2,990</td>
<td>38,251</td>
<td></td>
</tr>
<tr>
<td></td>
<td>18,993</td>
<td>17,605</td>
<td>204,138</td>
<td></td>
</tr>
<tr>
<td>Valuation allowance</td>
<td>(1,425)</td>
<td>(741)</td>
<td>(15,316)</td>
<td></td>
</tr>
<tr>
<td>Total deferred income tax assets</td>
<td>17,568</td>
<td>16,864</td>
<td>188,822</td>
<td></td>
</tr>
<tr>
<td>Deferred income tax liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net unrealized holding gains on securities</td>
<td>(20,900)</td>
<td>(11,399)</td>
<td>(224,635)</td>
<td></td>
</tr>
<tr>
<td>Reserves deductible for Japanese tax purposes</td>
<td>(10,021)</td>
<td>(10,097)</td>
<td>(107,706)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(180)</td>
<td>(95)</td>
<td>(1,935)</td>
<td></td>
</tr>
<tr>
<td>Total deferred income tax liabilities</td>
<td>(31,101)</td>
<td>(21,591)</td>
<td>(334,276)</td>
<td></td>
</tr>
<tr>
<td>Net deferred income tax liabilities</td>
<td>(¥13,533)</td>
<td>¥ (4,727)</td>
<td>$ (145,454)</td>
<td></td>
</tr>
</tbody>
</table>

**NOTE 7 – INVESTMENT AND RENTAL PROPERTY**

For the year ended March 31, 2010

The company and a part of its consolidated subsidiaries have some investment and rental property like an office buildings for rent (including lands) in Tokyo and other regions. For the year ended March 31, 2010, the profit and loss concerning investment and rental property is composed of lease profit ¥10,718 million ($115,198 thousand), indemnity income of existing facilities for rent ¥40 million ($430 thousand), loss on disposal of property and equipment ¥202 million ($2,171 thousand), and impairment loss ¥321 million ($3,450 thousand).

Information about fair value of investment and rental property included in the consolidated financial statement at March 31, 2010, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2009</th>
<th>March 31, 2010</th>
<th>March 31, 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book value</td>
<td>$74,433</td>
<td>$88,860</td>
<td>$273,801</td>
</tr>
<tr>
<td>Increase/(Decrease)</td>
<td>$14,427</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The net book value of pledged assets at March 31, 2010 and 2009 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2009 (Millions of yen)</th>
<th>March 31, 2010 (Millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>¥1,104</td>
<td>¥1,121</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>719</td>
<td>794</td>
</tr>
<tr>
<td>Investments in securities</td>
<td>93</td>
<td>91</td>
</tr>
<tr>
<td></td>
<td>¥1,916</td>
<td>¥2,006</td>
</tr>
</tbody>
</table>

Liabilities secured by the pledged assets mentioned above at March 31, 2010 and 2009 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010 (Millions of yen)</th>
<th>March 31, 2009 (Millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term bank loans</td>
<td>¥861</td>
<td>¥5,564</td>
</tr>
<tr>
<td>Other in current liabilities</td>
<td>640</td>
<td>672</td>
</tr>
<tr>
<td>Long-term debts</td>
<td>6,941</td>
<td>2,333</td>
</tr>
<tr>
<td>Deposits on long-term leases</td>
<td>1,957</td>
<td>2,116</td>
</tr>
<tr>
<td></td>
<td>¥10,399</td>
<td>¥10,685</td>
</tr>
</tbody>
</table>

Book value

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2009 (Thousands of U.S. dollars)</th>
<th>March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$11,866</td>
<td>$11,866</td>
</tr>
<tr>
<td>Buildings and structures</td>
<td>7,728</td>
<td>7,728</td>
</tr>
<tr>
<td>Investments in securities</td>
<td>999</td>
<td>999</td>
</tr>
<tr>
<td></td>
<td>$20,593</td>
<td>$20,593</td>
</tr>
</tbody>
</table>

Fair value

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term bank loans</td>
<td>$9,254</td>
</tr>
<tr>
<td>Other in current liabilities</td>
<td>6,879</td>
</tr>
<tr>
<td>Long-term debts</td>
<td>74,602</td>
</tr>
<tr>
<td>Deposits on long-term leases</td>
<td>21,034</td>
</tr>
<tr>
<td></td>
<td>$111,769</td>
</tr>
</tbody>
</table>
NOTE 9 – SHORT-TERM BANK LOANS AND LONG-TERM DEBT

Short-term bank loans outstanding at March 31, 2010 and 2009 were ¥8,893 million ($95,583 thousand) and ¥8,890 million, respectively, and generally represented by short-term bank loans with interest at annual rates of 0.8447% to 4.7% and 1.076% to 2.6%, respectively.

Long-term debts at March 31, 2010 and 2009 consisted of the following:

<table>
<thead>
<tr>
<th>March 31, 2010 (Millions of yen)</th>
<th>March 31, 2009 (Millions of yen)</th>
<th>March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans from banks, insurance companies and other in generally secured, 0.9623%-2.55% and 1.2006%-2.55% per annum</td>
<td>¥ 16,499</td>
<td>¥ 11,141</td>
</tr>
<tr>
<td>Balance in lease obligations</td>
<td>213</td>
<td>186</td>
</tr>
<tr>
<td>3.15% yen bonds due 2009, unsecured</td>
<td>–</td>
<td>10,000</td>
</tr>
<tr>
<td>1.17% yen bonds due 2011, unsecured</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>1.67% yen bonds due 2014, unsecured</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>1.75% yen bonds due 2015, unsecured</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td>2.08% yen bonds due 2018, unsecured</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Total Long-term Debt</td>
<td>40,712</td>
<td>45,327</td>
</tr>
<tr>
<td>Less current portion</td>
<td>(5,185)</td>
<td>(13,089)</td>
</tr>
<tr>
<td>Total Long-term Debt</td>
<td>¥ 35,527</td>
<td>¥ 32,238</td>
</tr>
</tbody>
</table>

The aggregate annual maturities of long-term debts at March 31, 2010 were as follows:

<table>
<thead>
<tr>
<th>Year ending March 31,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Millions of yen)</td>
<td>(Thousands of U.S. dollars)</td>
</tr>
<tr>
<td>2011</td>
<td>¥ 5,123</td>
</tr>
<tr>
<td>2012</td>
<td>554</td>
</tr>
<tr>
<td>2013</td>
<td>3,636</td>
</tr>
<tr>
<td>2014</td>
<td>4,234</td>
</tr>
<tr>
<td>2015</td>
<td>891</td>
</tr>
<tr>
<td>2016 and thereafter</td>
<td>2,061</td>
</tr>
<tr>
<td>Total</td>
<td>¥16,499</td>
</tr>
</tbody>
</table>

The aggregate annual maturities of lease obligation at March 31, 2010 were as follows:

<table>
<thead>
<tr>
<th>Year ending March 31,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Millions of yen)</td>
<td>(Thousands of U.S. dollars)</td>
</tr>
<tr>
<td>2011</td>
<td>¥ 62</td>
</tr>
<tr>
<td>2012</td>
<td>54</td>
</tr>
<tr>
<td>2013</td>
<td>54</td>
</tr>
<tr>
<td>2014</td>
<td>32</td>
</tr>
<tr>
<td>2015</td>
<td>5</td>
</tr>
<tr>
<td>2016 and thereafter</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>¥213</td>
</tr>
</tbody>
</table>
NOTE 10 – RETIREMENT BENEFITS AND PENSION PLAN

The liabilities for retirement benefits included in the liability section of the consolidated balance sheets as of March 31, 2010 and 2009 consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010 (Millions of yen)</th>
<th>March 31, 2009 (Millions of yen)</th>
<th>March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected benefit obligation</td>
<td>¥22,730</td>
<td>¥22,693</td>
<td>$244,303</td>
</tr>
<tr>
<td>Less fair value of pension assets</td>
<td>(9,641)</td>
<td>(8,826)</td>
<td>(103,622)</td>
</tr>
<tr>
<td>Unfunded projected benefit obligation</td>
<td>13,089</td>
<td>13,867</td>
<td>140,681</td>
</tr>
<tr>
<td>Unrecognized net actuarial loss</td>
<td>(265)</td>
<td>(1,317)</td>
<td>(2,848)</td>
</tr>
<tr>
<td>Unrecognized prior service costs</td>
<td>734</td>
<td>–</td>
<td>7,889</td>
</tr>
<tr>
<td>Employees’ retirement benefits</td>
<td>13,558</td>
<td>12,550</td>
<td>145,722</td>
</tr>
<tr>
<td>Retirement benefits to directors and corporate statutory auditors</td>
<td>174</td>
<td>131</td>
<td>1,870</td>
</tr>
<tr>
<td>Liability for retirement benefits</td>
<td>¥13,732</td>
<td>¥12,681</td>
<td>$147,592</td>
</tr>
</tbody>
</table>

Included in the consolidated statements of income for the years ended March 31, 2010, 2009 and 2008 are severance and retirement benefit expenses for employees comprising of the following:

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2010 (Millions of yen)</th>
<th>Year ended March 31, 2009 (Millions of yen)</th>
<th>Year ended March 31, 2008 (Millions of yen)</th>
<th>Year ended March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service costs-benefits earned during the year</td>
<td>¥984</td>
<td>¥1,177</td>
<td>¥1,149</td>
<td>$10,576</td>
</tr>
<tr>
<td>Interest cost on projected benefit obligation</td>
<td>420</td>
<td>437</td>
<td>432</td>
<td>4,514</td>
</tr>
<tr>
<td>Expected return on pension assets</td>
<td>(149)</td>
<td>(176)</td>
<td>(194)</td>
<td>(1,602)</td>
</tr>
<tr>
<td>Amortization of actuarial gains and losses</td>
<td>106</td>
<td>(262)</td>
<td>(80)</td>
<td>1,139</td>
</tr>
<tr>
<td>Amortization of prior service costs</td>
<td>(82)</td>
<td>–</td>
<td>–</td>
<td>(881)</td>
</tr>
<tr>
<td>Loss on dissolution of employees’ pension funds of certain subsidiaries</td>
<td>–</td>
<td>–</td>
<td>448</td>
<td>–</td>
</tr>
<tr>
<td>One-time amortization of past service liabilities</td>
<td>–</td>
<td>–</td>
<td>244</td>
<td>–</td>
</tr>
<tr>
<td>Contributions to defined contribution plans</td>
<td>73</td>
<td>–</td>
<td>–</td>
<td>785</td>
</tr>
<tr>
<td>Reversal of retirement benefit</td>
<td>–</td>
<td>(77)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Severance and retirement benefit expenses for employees</td>
<td>¥1,352</td>
<td>¥1,099</td>
<td>¥1,999</td>
<td>$14,531</td>
</tr>
</tbody>
</table>

The discount rate and the rate of expected return on pension assets used by the Company are 2.5% and 2.0% for 2010, 2009 and 2008, respectively. The estimated amount of all retirement benefits to be paid at the future retirement date is allocated equally to each service year using the estimated number of total service years and point basis.

NOTE 11 – INDEMNITY INCOME OF EXITING FACILITIES FOR LEASE

Indemnity income of existing facilities for lease represents mainly income from cancellation of leased real estate facilities and commercial facilities by tenants for the year ended March 31, 2010. For the year ended March 31, 2009, that represents mainly income from cancellation of leased warehouse facilities and equipments of commercial facilities by tenants. For the year ended March 31, 2008, that represents mainly income from cancellation of leased warehouse facilities by tenants.
### NOTE 12 – IMPAIRMENT LOSS

The impairment loss for the year ended March 31, 2010 and 2009 consists of the following:

<table>
<thead>
<tr>
<th>Asset group</th>
<th>Location</th>
<th>Asset type</th>
<th>Millions of yen</th>
<th>Thousands of U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial facilities for rent</td>
<td>Takasago City, Hyogo Prefecture</td>
<td>Land, building and others</td>
<td>¥321</td>
<td>$3,450</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset group</th>
<th>Location</th>
<th>Asset type</th>
<th>Millions of yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warehouse facilities</td>
<td>Higashi nada, Kobe City</td>
<td>Buildings and Structures</td>
<td>¥ 87</td>
</tr>
<tr>
<td>Unused land</td>
<td>Ichikawa City, Chiba Prefecture</td>
<td>Land</td>
<td>306</td>
</tr>
</tbody>
</table>

**March 31, 2009**

<table>
<thead>
<tr>
<th>Asset group</th>
<th>Location</th>
<th>Asset type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unused land</td>
<td>Ichikawa City, Chiba Prefecture</td>
<td>Land</td>
</tr>
</tbody>
</table>

As of March 31, 2010 and 2009, the Company and its consolidated domestic subsidiaries classified fixed assets by cash generating units which were considered to be independent from cash flows of other groups and recognized impairment loss on certain groups of assets.

For the year ended March 31, 2010, the Company and its consolidated subsidiaries recognized the impairment loss amounting to ¥321 million ($3,450 thousand) as other expense in the consolidated statements of income by devaluing the book value of each fixed asset to its recoverable amount.

The recoverable amount of commercial facilities for lease is its net realizable value based on an amount determined by valuations made in accordance with real estate appraisal standards.

For the year ended March 31, 2009, the Company and its consolidated subsidiaries recognized the impairment loss amounting to ¥393 million as other expense in the consolidated statements of income by devaluing the book value of each fixed asset to its recoverable amount.

The recoverable amounts of warehouse facilities are value in use.

The recoverable amount of unused land is its net realizable value based on an amount determined by valuations made in accordance with real estate appraisal standards.

### NOTE 13 – CONTINGENT LIABILITIES

At March 31, 2010, the balance of guarantee for loans amounted to ¥2,748 million ($29,536 thousand).
**NOTE 14 – LEASE TRANSACTIONS**

Prior to April 1, 2008, the Company and its consolidated domestic subsidiaries accounted for finance leases which do not transfer ownership of the leased property to the lessee as operating leases.

**FINANCE LEASES**

**(LESSEE LEASES)**

Finance lease transactions without ownership transfer to lessee

(a) Purchase price equivalents, Accumulated depreciation equivalents, and Book value equivalents

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010</th>
<th>March 31, 2009</th>
<th>March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery and equipment and other</td>
<td>¥1,650</td>
<td>¥1,849</td>
<td>$17,734</td>
</tr>
<tr>
<td>Purchase price equivalents</td>
<td>1,094</td>
<td>956</td>
<td>11,758</td>
</tr>
<tr>
<td>Book value equivalents</td>
<td>¥ 556</td>
<td>¥ 893</td>
<td>$ 5,976</td>
</tr>
</tbody>
</table>

Purchase price equivalents were calculated using the inclusive-of-interest method.

(b) Lease commitments

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010 (Millions of yen)</th>
<th>March 31, 2009 (Millions of yen)</th>
<th>March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within one year</td>
<td>¥299</td>
<td>¥355</td>
<td>$3,214</td>
</tr>
<tr>
<td>Due after one year</td>
<td>257</td>
<td>538</td>
<td>2,762</td>
</tr>
<tr>
<td></td>
<td>¥556</td>
<td>¥893</td>
<td>$5,976</td>
</tr>
</tbody>
</table>

Lease commitments as lessee were calculated using the inclusive-of-interest method.

(c) Lease payments and Depreciation equivalents

<table>
<thead>
<tr>
<th></th>
<th>Year ended March 31, 2010 (Millions of yen)</th>
<th>Year ended March 31, 2009 (Millions of yen)</th>
<th>Year ended March 31, 2008 (Millions of yen)</th>
<th>Year ended March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease payments</td>
<td>¥367</td>
<td>¥396</td>
<td>¥322</td>
<td>$3,945</td>
</tr>
<tr>
<td>Depreciation equivalents</td>
<td>¥367</td>
<td>¥396</td>
<td>¥322</td>
<td>$3,945</td>
</tr>
</tbody>
</table>

(d) Calculation method of depreciation equivalents

Depreciation equivalents are computed on a straight-line method over the lease period without residual value.

**(LESSOR LEASES)**

Finance lease transactions without ownership transfer to lessee

(a) Purchase price, Accumulated depreciation and Book value

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2010 (Millions of yen)</th>
<th>March 31, 2009 (Millions of yen)</th>
<th>March 31, 2010 (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and structures</td>
<td>¥3,322</td>
<td>¥3,322</td>
<td>$35,705</td>
</tr>
<tr>
<td>Purchase price</td>
<td>1,711</td>
<td>1,575</td>
<td>18,390</td>
</tr>
<tr>
<td>Book value</td>
<td>¥1,611</td>
<td>¥1,747</td>
<td>$17,315</td>
</tr>
</tbody>
</table>
Machinery and equipment and other

<table>
<thead>
<tr>
<th>Purchase price</th>
<th>2010</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Millions of yen)</td>
<td>¥60</td>
<td>¥190</td>
<td>$645</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>47</td>
<td>149</td>
<td>505</td>
</tr>
<tr>
<td>Book value</td>
<td>¥13</td>
<td>¥ 41</td>
<td>$140</td>
</tr>
</tbody>
</table>

(b) Lease commitments

<table>
<thead>
<tr>
<th>Due within one year</th>
<th>2010</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Millions of yen)</td>
<td>¥131</td>
<td>¥148</td>
<td>$1,408</td>
</tr>
<tr>
<td>Due after one year</td>
<td>2,194</td>
<td>2,332</td>
<td>23,581</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>¥2,325</strong></td>
<td><strong>¥2,480</strong></td>
<td><strong>$24,989</strong></td>
</tr>
</tbody>
</table>

Lease commitments as lessor as of March 31, 2008 were calculated using the inclusive-of-interest method.

(c) Rental income, Depreciation and Interest income equipment

<table>
<thead>
<tr>
<th>Year ended March 31,</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Millions of yen)</td>
<td>Rental income</td>
<td>¥294</td>
<td>¥304</td>
</tr>
<tr>
<td></td>
<td>Depreciation</td>
<td>¥148</td>
<td>¥165</td>
</tr>
<tr>
<td></td>
<td>Interest income equipment</td>
<td>¥151</td>
<td>¥160</td>
</tr>
</tbody>
</table>

(d) Calculation of interest income equivalent
The excess of total rental income and estimated residual value over acquisition costs is regarded as amounts representing interest income equivalents and is allocated to each period using the interest method.

**OPERATING LEASES**
(LESSEE LEASES)

Future minimum lease payments under non-cancelable operating lease as of March 31, 2010 were as follows:

<table>
<thead>
<tr>
<th>March 31, 2010</th>
<th>(Millions of yen)</th>
<th>(Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within one year</td>
<td>¥2,338</td>
<td>$25,129</td>
</tr>
<tr>
<td>Due after one year</td>
<td>8,908</td>
<td>95,744</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>¥11,246</strong></td>
<td><strong>$120,873</strong></td>
</tr>
</tbody>
</table>

(LESSOR LEASES)

Future minimum lease receipts under non-cancelable operating lease as of March 31, 2010 were as follows:

<table>
<thead>
<tr>
<th>March 31, 2010</th>
<th>(Millions of yen)</th>
<th>(Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within one year</td>
<td>¥14,365</td>
<td>$154,396</td>
</tr>
<tr>
<td>Due after one year</td>
<td>27,600</td>
<td>296,647</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>¥41,965</strong></td>
<td><strong>$451,043</strong></td>
</tr>
</tbody>
</table>
NOTE 15 – DERIVATIVE TRANSACTIONS

For the year ended March 31, 2010

None

For the year ended March 31, 2009

Derivative financial instruments utilized by the Company are interest rate swap contracts for the year ended March 31, 2009, which are for hedging purposes only.

The Company utilized the interest rate swap contracts to offset exposure to market risks arising from changes in interest rates with respect to bond payables.

Interest rate swap contracts are subject to risk of interest rate changes.

The Company’s financial instrument counterparties are all prime banks, and the Company does not expect non-performance by any counterparties.

The derivative transactions are executed and managed by the Company’s Finance Section in accordance with the established policies and within the specified limits on the amounts of derivative transactions allowed. Such transactions are approved by the manager of Accounting Department.

The fair value of the derivative contracts utilized by the Company outstanding at March 31, 2009 was as follows:

Classification: Non-market transactions
Type of transaction: Interest rate swap, receive fixed, pay floating

<table>
<thead>
<tr>
<th>Year ended March 31, 2009</th>
<th>( Millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notional amount</td>
<td>¥10,000</td>
</tr>
<tr>
<td>Portion due after one year included herein</td>
<td>¥ –</td>
</tr>
<tr>
<td>Fair value</td>
<td>¥ (99)</td>
</tr>
<tr>
<td>Unrealized loss</td>
<td>¥ (99)</td>
</tr>
</tbody>
</table>

(1) Fair value of swap is based on the prices obtained from the financial institutions.
(2) The notional amount of derivative shown in the above does not measure market risks exposure of the Company.
Type and number of shares outstanding and treasury stock for the years ended March 31, 2010 and 2009 were as follows:

<table>
<thead>
<tr>
<th>Type of shares</th>
<th>Number of shares: (Shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>175,921,478</td>
</tr>
<tr>
<td>Common stock</td>
<td>545,751</td>
</tr>
</tbody>
</table>

Increase in the number of shares was due to purchases of less-than-one-unit shares. Decrease in the number of shares was due to sales of less-than-one-unit shares.

Matters related to dividends were as follows:

(a) Dividends payment during the year ended March 31, 2010 was as follows:

<table>
<thead>
<tr>
<th>Approvals by</th>
<th>Ordinary general shareholders meeting</th>
<th>The Board of Directors meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval date</td>
<td>June 26, 2009</td>
<td>October 30, 2009</td>
</tr>
<tr>
<td>Type of shares</td>
<td>Common stock</td>
<td>Common stock</td>
</tr>
<tr>
<td>Total amount of dividends</td>
<td>¥1,052 million ($11,307 thousand)</td>
<td>¥1,052 million ($11,307 thousand)</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>¥6.0 ($0.06)</td>
<td>¥6.0 ($0.06)</td>
</tr>
<tr>
<td>Record date</td>
<td>March 31, 2009</td>
<td>September 30, 2009</td>
</tr>
<tr>
<td>Effective date</td>
<td>June 29, 2009</td>
<td>December 2, 2009</td>
</tr>
</tbody>
</table>

(b) Dividends whose record date is attributable to the accounting period ended March 31, 2010 but to be effective after the said accounting period were as follows:

<table>
<thead>
<tr>
<th>Approvals by</th>
<th>Ordinary general shareholders meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval date</td>
<td>June 29, 2010</td>
</tr>
<tr>
<td>Type of shares</td>
<td>Common stock</td>
</tr>
<tr>
<td>Funds for dividends</td>
<td>Retained earnings</td>
</tr>
<tr>
<td>Total amount of dividends</td>
<td>¥1,052 million ($11,307 thousand)</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>¥6.0 ($0.06)</td>
</tr>
<tr>
<td>Record date</td>
<td>March 31, 2010</td>
</tr>
<tr>
<td>Effective date</td>
<td>June 30, 2010</td>
</tr>
</tbody>
</table>
The Company and its consolidated subsidiaries are primarily in operation with the following two businesses.

1) Logistics business:
   Warehousing, transportation, port-terminal operation and international freight forwarding
2) Real estate business:
   Rental for office buildings and sales for real estate

Business segment information for the years ended March 31, 2010, 2009 and 2008 was as follows:

### March 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>Logistics</th>
<th>Real estate</th>
<th>Total</th>
<th>Elimination or corporate assets or expenses</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-affiliated customer</td>
<td>¥111,902</td>
<td>¥ 36,445</td>
<td>¥148,347</td>
<td>¥ –</td>
<td>¥148,347</td>
</tr>
<tr>
<td>Intersegment</td>
<td>378</td>
<td>1,103</td>
<td>1,481</td>
<td>(1,481)</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>112,280</td>
<td>37,548</td>
<td>149,828</td>
<td>(1,481)</td>
<td>148,347</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>108,917</td>
<td>26,592</td>
<td>135,509</td>
<td>2,557</td>
<td>138,066</td>
</tr>
<tr>
<td>Operating income</td>
<td>¥ 3,363</td>
<td>¥10,956</td>
<td>¥14,319</td>
<td>(4,038)</td>
<td>¥ 10,281</td>
</tr>
<tr>
<td>Identifiable assets</td>
<td>¥131,893</td>
<td>¥104,287</td>
<td>¥236,180</td>
<td>¥105,543</td>
<td>¥341,723</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>¥ 5,346</td>
<td>¥ 6,544</td>
<td>¥11,890</td>
<td>¥ 201</td>
<td>¥12,091</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>¥ –</td>
<td>¥ 321</td>
<td>¥ 321</td>
<td>¥ –</td>
<td>¥ 321</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>¥ 1,704</td>
<td>¥21,507</td>
<td>¥23,211</td>
<td>¥ 34</td>
<td>¥23,245</td>
</tr>
</tbody>
</table>

### March 31, 2009

<table>
<thead>
<tr>
<th></th>
<th>Logistics</th>
<th>Real estate</th>
<th>Total</th>
<th>Elimination or corporate assets or expenses</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-affiliated customer</td>
<td>¥124,417</td>
<td>¥36,560</td>
<td>¥160,977</td>
<td>¥ –</td>
<td>¥160,977</td>
</tr>
<tr>
<td>Intersegment</td>
<td>333</td>
<td>1,089</td>
<td>1,422</td>
<td>(1,422)</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>124,750</td>
<td>37,649</td>
<td>162,399</td>
<td>(1,422)</td>
<td>160,977</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>120,886</td>
<td>26,207</td>
<td>147,093</td>
<td>2,562</td>
<td>149,655</td>
</tr>
<tr>
<td>Operating income</td>
<td>¥ 3,864</td>
<td>¥11,442</td>
<td>¥15,306</td>
<td>(3,984)</td>
<td>¥ 11,322</td>
</tr>
<tr>
<td>Identifiable assets</td>
<td>¥131,464</td>
<td>¥87,115</td>
<td>¥218,579</td>
<td>¥97,803</td>
<td>¥316,382</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>¥ 4,820</td>
<td>¥ 6,208</td>
<td>¥11,028</td>
<td>¥ 191</td>
<td>¥11,219</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>¥ 87</td>
<td>¥ 306</td>
<td>¥ 393</td>
<td>¥ –</td>
<td>¥ 393</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>¥ 19,601</td>
<td>¥3,475</td>
<td>¥23,076</td>
<td>¥ 345</td>
<td>¥23,421</td>
</tr>
</tbody>
</table>

### March 31, 2008

<table>
<thead>
<tr>
<th></th>
<th>Logistics</th>
<th>Real estate</th>
<th>Total</th>
<th>Elimination or corporate assets or expenses</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-affiliated customer</td>
<td>¥129,663</td>
<td>¥39,821</td>
<td>¥169,484</td>
<td>¥ –</td>
<td>¥169,484</td>
</tr>
<tr>
<td>Intersegment</td>
<td>229</td>
<td>907</td>
<td>1,136</td>
<td>(1,136)</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>129,892</td>
<td>40,728</td>
<td>170,620</td>
<td>(1,136)</td>
<td>169,484</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>125,365</td>
<td>29,168</td>
<td>154,533</td>
<td>2,660</td>
<td>157,193</td>
</tr>
<tr>
<td>Operating income</td>
<td>¥ 4,527</td>
<td>¥11,560</td>
<td>¥16,087</td>
<td>(3,796)</td>
<td>¥12,291</td>
</tr>
<tr>
<td>Identifiable assets</td>
<td>¥121,114</td>
<td>¥91,792</td>
<td>¥212,906</td>
<td>¥145,771</td>
<td>¥358,677</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>¥ 4,689</td>
<td>¥ 6,687</td>
<td>¥11,376</td>
<td>¥ 158</td>
<td>¥11,534</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>¥ 12,380</td>
<td>¥3,353</td>
<td>¥15,733</td>
<td>¥ 269</td>
<td>¥16,002</td>
</tr>
</tbody>
</table>
Notes To Consolidated Financial Statements

March 31, 2010

<table>
<thead>
<tr>
<th></th>
<th>Logistics (Thousands of U.S. dollars)</th>
<th>Real estate (Thousands of U.S. dollars)</th>
<th>Total (Thousands of U.S. dollars)</th>
<th>Elimination or corporate assets or expenses (Thousands of U.S. dollars)</th>
<th>Consolidated (Thousands of U.S. dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-affiliated customer</td>
<td>$1,202,730</td>
<td>$ 391,713</td>
<td>$1,594,443</td>
<td>$ –</td>
<td>$1,594,443</td>
</tr>
<tr>
<td>Intersegment</td>
<td>4,063</td>
<td>11,855</td>
<td>15,918</td>
<td>(15,918)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,206,793</td>
<td>403,568</td>
<td>1,610,361</td>
<td>(15,918)</td>
<td>1,594,443</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>1,170,647</td>
<td>285,812</td>
<td>1,456,459</td>
<td>27,483</td>
<td>1,483,942</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>$ 36,146</td>
<td>$ 117,756</td>
<td>$ 153,902</td>
<td>(43,401)</td>
<td>$ 110,501</td>
</tr>
<tr>
<td><strong>Identifiable assets</strong></td>
<td>$1,417,595</td>
<td>$1,120,883</td>
<td>$2,538,478</td>
<td>$1,134,383</td>
<td>$3,672,861</td>
</tr>
<tr>
<td><strong>Depreciation and amortization</strong></td>
<td>$ 57,459</td>
<td>$ 70,335</td>
<td>$127,794</td>
<td>$ 2,161</td>
<td>$129,955</td>
</tr>
<tr>
<td><strong>Impairment loss</strong></td>
<td>–</td>
<td>$ 3,450</td>
<td>$ 3,450</td>
<td>–</td>
<td>$ 3,450</td>
</tr>
<tr>
<td><strong>Capital expenditures</strong></td>
<td>$ 18,315</td>
<td>$ 231,159</td>
<td>$249,474</td>
<td>$ 365</td>
<td>$249,839</td>
</tr>
</tbody>
</table>

The effect for the year ended March 31, 2010 of the change of past-employment plans, as mentioned in RETIREMENT BENEFITS AND PENSION PLAN in Note 1, is to decrease operating expenses by ¥55 million ($591 thousand) in the logistics business by ¥15 million ($162 thousand) in the real estate business and by ¥19 million ($204 thousand) in elimination or corporate assets or expenses and to increase operating income by the same amount, respectively.

The effect for the year ended March 31, 2009 of the change of accounting policy for depreciation method of warehouse facilities (buildings), as mentioned in PROPERTY AND EQUIPMENT, DEPRECIATION in Note 1, is to decrease operating expenses and depreciation and amortization by ¥491 million in the logistics business and to increase operating income by the same amount. And the Company and its consolidated domestic subsidiaries account for the non-recurring depreciation by ¥530 million. As a result, identifiable assets in the logistics business decreased by ¥39 million.

The effect for the year ended March 31, 2008 of the change of accounting policy for depreciation method applied to tangible fixed assets acquired on or after April 1, 2007, as mentioned in PROPERTY AND EQUIPMENT, DEPRECIATION in Note 1, is to increase operating expenses and depreciation and amortization by ¥47 million in the logistics business, by ¥34 million in the real estate business and by ¥5 million in elimination or corporate assets or expenses, and to decrease operating income and identifiable assets by the same amount, respectively.

The effect for the year ended March 31, 2008 of the change of accounting policy for estimation of residual value, as mentioned in PROPERTY AND EQUIPMENT, DEPRECIATION in Note 1, is to increase operating expenses and depreciation and amortization by ¥196 million in the logistics business, by ¥151 million in the real estate business and by ¥12 million in elimination or corporate assets or expenses, and to decrease operating income and identifiable assets by the same amount, respectively.

The effect for the year ended March 31, 2008 of the change of accounting policy for advance expenses, as mentioned in CHANGE IN THE ACCOUNTING POLICY FOR ADVANCE EXPENSES in Note 1, is to decrease revenues from non-affiliated customer and operating expenses by ¥3,208 million in the logistics business, respectively.

Geographical information and overseas revenue were omitted as they were immaterial to the consolidated financial statements.
Company Profile (As of March 31, 2010)

Headquarters and Branches

Headquarters: Chuo-ku, Tokyo
Branches: Tokyo, Yokohama, Nagoya, Osaka, Kobe and Fukuoka

Date of Establishment: April 15, 1887
Capital: ¥22,393,986,570
Number of Shares Issued: 175,921,478
Authorized Shares: 440,000,000
Number of Employees: 853 persons (parent only; not including 161 employees temporarily on loan to other companies. There are also 51 temporary employees, as well as 569 persons temporarily loaned or dispatched within the Group and those from outside the Group companies and accepted by the Company)

3,303 persons (on a consolidated basis; not including 57 employees temporarily on loan to companies outside the Group. There are also 704 temporary employees, as well as 741 persons temporarily loaned or dispatched from outside the Group companies and accepted by the Company)

Stock Exchange Listing
First Section of the Tokyo Stock Exchange
First Section of the Osaka Securities Exchange

Securities Code: 9301

Major Shareholders

<table>
<thead>
<tr>
<th>Shareholder’s Name</th>
<th>Number of Shares Held (Thousands)</th>
<th>Shareholding Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meiji Yasuda Life Insurance Company</td>
<td>9,937</td>
<td>5.7</td>
</tr>
<tr>
<td>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</td>
<td>9,394</td>
<td>5.4</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>9,060</td>
<td>5.2</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account)</td>
<td>7,856</td>
<td>4.5</td>
</tr>
<tr>
<td>Kirin Holdings Company, Limited</td>
<td>7,415</td>
<td>4.2</td>
</tr>
<tr>
<td>MITSUBISHI ESTATE CO., LTD.</td>
<td>7,331</td>
<td>4.2</td>
</tr>
<tr>
<td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td>
<td>5,724</td>
<td>3.3</td>
</tr>
<tr>
<td>Mitsubishi UFJ Trust and Banking Corporation</td>
<td>3,790</td>
<td>2.2</td>
</tr>
<tr>
<td>ASAHI GLASS CO., LTD.</td>
<td>3,315</td>
<td>1.9</td>
</tr>
<tr>
<td>JP Morgan Securities Japan Co., Ltd.</td>
<td>3,237</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Notes:
1. The Bank of Tokyo-Mitsubishi UFJ, Ltd., and Mitsubishi UFJ Trust and Banking Corporation have set 1,500,000 and 2,829,000 Mitsubishi Logistics’ shares, respectively, as trust funds for retirement benefits for which voting rights are reserved, in addition to the shares stated in the table above.
2. The “Shareholding ratio” is calculated after excluding treasury stock (530,456 shares).

Directors and Corporate Auditors (As of June 29, 2010)

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Responsibilities and/or Primary Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman of the Board</td>
<td>Naoshi Ban</td>
<td></td>
</tr>
<tr>
<td>President*</td>
<td>Tetsuro Okamoto</td>
<td></td>
</tr>
<tr>
<td>Senior Managing Director*</td>
<td>Tohru Watanabe</td>
<td>Responsible for Accounting &amp; financing and Planning</td>
</tr>
<tr>
<td>Managing Director*</td>
<td>Fumio Takeda</td>
<td>Responsible for General Affairs, Corporate Communications, Personnel, Information System and Internal Audit</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Atsuki Hashimoto</td>
<td>Responsible for Technical and Real Estate Business</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Makoto SakaiZawa</td>
<td>Responsible for Warehousing &amp; Distribution and Harbor Transportation Business</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Koji Yoneyama</td>
<td>Responsible for International Transportation Business</td>
</tr>
<tr>
<td>Director</td>
<td>Minoru Makihara</td>
<td>Special Advisor, Mitsubishi Corporation</td>
</tr>
<tr>
<td>Director</td>
<td>Jiro Nemoto</td>
<td>Advisor, Nippon Yusen Kabushiki Kaisha</td>
</tr>
<tr>
<td>Director</td>
<td>Shigemitsu Miki</td>
<td>Special Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td>
</tr>
<tr>
<td>Director</td>
<td>Yuichi Hashimoto</td>
<td>General Manager, Accounting &amp; financing Division</td>
</tr>
<tr>
<td>Director</td>
<td>Kenji Irie</td>
<td>General Manager, Technical Division</td>
</tr>
<tr>
<td>Director</td>
<td>Yoshinori Watabe</td>
<td>General Manager, Warehousing &amp; Distribution Division</td>
</tr>
<tr>
<td>Standing Corporate Auditor</td>
<td>Hiroshi Mino</td>
<td></td>
</tr>
<tr>
<td>Corporate Auditor</td>
<td>Yohnosuke Yamada</td>
<td>Lawyer</td>
</tr>
<tr>
<td>Corporate Auditor</td>
<td>Shunyko Harada</td>
<td>Managing Director, Kyodo Soko Corporation</td>
</tr>
<tr>
<td>Corporate Auditor</td>
<td>Saburo Horihuchi</td>
<td>Certified Public Accountant</td>
</tr>
</tbody>
</table>

Notes:
1. Directors with an asterisk (*) are representative directors.
2. Minoru Makihara, Jiro Nemoto and Shigemitsu Miki are Outside Directors as stipulated in the Companies Act Article 2, Item 15. The Company designated them as independent directors as required by the rules of the Tokyo Stock Exchange and the Osaka Securities Exchange, and reported it to both the Exchanges.
3. Hiroshi Mino, Yohnosuke Yamada and Saburo Horihuchi are Outside Company Auditors as stipulated in the Companies Act Article 2, Item 16. The Company designated them as independent corporate auditors as required by the rules of the Tokyo Stock Exchange and the Osaka Securities Exchange, and reported it to both the Exchanges.