

31 March 2013 and 2014

**Consolidated Financial Statements 2013**  
**(April 1, 2013 - March 31, 2014)**



**SENKON LOGISTICS CO.,LTD.**  
**CONSOLIDATED BALANCE SHEET**  
**31 March 2013 and 2014**

<b>ASSETS</b>	<b>Year ended March 2013</b>	<b>Year ended March 2014</b>
	<b>(As of March 31,2013)</b>	<b>(As of March 31,2014)</b>
	thousands of yen	thousands of yen
<b>Current assets</b>		
Cash and time deposits	1,760,338	1,512,210
Notes and accounts receivable-trade	1,552,551	1,636,437
Operating Loans	222,964	208,836
Merchandise	708,067	874,320
Supplies	12,902	40,450
Deferred tax assets	35,161	75,018
Other	251,841	857,798
Allowance for doubtful accounts	(47,032)	(39,437)
<b>Total current assets</b>	<b>4,496,795</b>	<b>5,165,635</b>
<b>Fixed assets</b>		
(Tangible fixed assets)		
Buildings and Structures	8,728,016	9,790,943
Accumulated depreciation	(5,537,562)	(5,738,860)
Buildings and Structures,net	3,190,454	4,052,083
Machinery equipment and delivery equipment	1,939,011	3,160,200
Accumulated depreciation	(1,561,772)	(1,706,403)
Machinery equipment and delivery equipment(Net)	377,238	1,453,797
Land	4,473,008	4,690,355
Construction in progress	529,849	212,966
Other	351,910	563,094
Accumulated depreciation	(232,168)	(260,220)
Other(Net)	119,741	302,874
Total tangible fixed assets	8,690,293	10,712,076
(Intangible fixed assets)	29,345	70,383
(Investments and other assets)		
Investment securities	610,264	369,115
Long-term loans receivable	211,410	191,272
Differed tax assets	387,878	332,268
Other	411,856	604,253
Allowance for doubtful accounts	(47,562)	(47,394)
Total Investments and other assets	1,573,847	1,449,514
<b>Total fixed assets</b>	<b>10,293,486</b>	<b>12,231,975</b>
<b>Total assets</b>	<b>14,790,282</b>	<b>17,397,611</b>

**SENKON LOGISTICS CO.,LTD.**  
**CONSOLIDATED BALANCE SHEET**  
**31 March 2013 and 2014**

	Year ended March 2013 (As of March 31,2013)	Year ended March 2014 (As of March 31,2014)
	thousands of yen	thousands of yen
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Notes and operating accounts payable-trade	1,772,297	1,786,272
Short-term loans payable	552,700	1,659,700
Current portion of Long-term loans payable	1,757,299	1,699,074
Lease obligations	17,968	39,185
Income tax payable	60,950	64,997
Consumption tax payable	49,512	15,634
Provision for bonuses	27,450	51,450
Provision for directors' bonuses	30,000	30,000
Provision for loss on disaster	30,401	21,681
Deferred tax liabilities	3,188	2,996
Other	686,756	756,107
<b>Total current liabilities</b>	<b>4,988,524</b>	<b>6,127,098</b>
<b>Fixed liabilities</b>		
Long-term loans	4,530,390	5,866,840
Lease obligations	84,964	173,416
Provision for retirement benefits	348,965	—
Provision for directors' and corporate auditors' retirement benefits	124,429	122,742
Net defined benefit liability	—	389,422
Long-term accounts payables	107,854	94,822
Asset retirement obligations	46,131	53,622
Deferred tax liabilities	8,546	11,882
Other	20,773	20,773
<b>Total Non-current liabilities</b>	<b>5,271,584</b>	<b>6,733,523</b>
<b>Total liabilities</b>	<b>10,260,108</b>	<b>12,860,622</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
Capital stock	1,262,736	1,262,736
Capital surplus	1,189,881	1,189,881
Retained earnings	2,549,710	2,530,966
Treasury stock	(603,217)	(603,693)
<b>NET ASSETS</b>	<b>4,399,110</b>	<b>4,379,890</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available -for-sale securities	(15,084)	10,582
Deferred gains or losses on hedges	481	—
Foreign currency translation adjustments	(2,791)	(2,500)
Remeasurements of defined benefit plans	—	(17,085)
<b>Total accumulated other comprehensive income</b>	<b>(17,393)</b>	<b>(9,002)</b>
<b>Subscription rights to shares</b>	<b>37,962</b>	<b>38,369</b>
<b>Operating income</b>	<b>110,494</b>	<b>127,730</b>
<b>thousands of yen</b>	<b>4,530,173</b>	<b>4,536,988</b>
<b>Total liabilities and net assets</b>	<b>14,790,282</b>	<b>17,397,611</b>

**SENKON LOGISTICS CO.,LTD.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**31 March 2013 and 2014**

	Year ended March 2013 (From April 1,2012 to March 31,2013)	Year ended March 2014 (From April 1,2013 to March 31,2014)
	thousands of yen	thousands of yen
<b>Operating revenues</b>	13,292,508	14,300,890
<b>Operating cost</b>	11,534,666	12,450,797
<b>Gross profit</b>	<b>1,757,841</b>	<b>1,850,092</b>
<b>Selling,general and administrative expenses</b>	1,516,847	1,603,253
<b>Operating income</b>	<b>240,994</b>	<b>246,839</b>
<b>Non-operating income</b>		
Interest income	5,710	12,326
Dividends income	4,991	6,513
Commitment fee	3,958	19,446
Insurance income	7,256	11,779
Subsidy income	—	29,843
Earthquake disaster reconstruction subsidy	29,518	—
Other	21,814	34,319
Total non-operating income	73,248	114,228
<b>Non-operating expenses</b>		
Interest expenses	95,180	96,993
Commission paid	4,428	857
Equity in losses of affiliates	—	5,884
Other	7,715	12,531
Total non-operating expenses	107,324	116,266
<b>Ordinary income</b>	206,919	244,801
<b>Extraordinary income</b>		
Gain on sales of fixed assets	13,952	10,385
Gain on sales of investment securities	4,492	18,382
Gain on reversal of provision for loss on disaster	—	8,681
State subsidy	—	1,942
Other	263	1,294
Total extraordinary income	18,708	40,686
<b>Extraordinary loss</b>		
Loss on sales of fixed assets	4	—
Loss on retirement of fixed assets	4,367	18,913
Loss on reduction of noncurrent assets	—	1,942
Total extraordinary loss	4,372	20,855
<b>Income before income taxes and others</b>	<b>221,255</b>	<b>264,632</b>
<b>Income taxes-current</b>	89,381	104,820
<b>Income taxes-deferred</b>	47,522	24,286
<b>Total income taxes</b>	<b>136,904</b>	<b>129,106</b>
<b>Income before minority interests</b>	<b>84,350</b>	<b>135,526</b>
<b>Minority interests in income</b>	<b>15,552</b>	<b>18,610</b>
<b>Net income</b>	<b>68,798</b>	<b>116,915</b>

**SENKON LOGISTICS CO.,LTD.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**31 March 2013 and 2014**

	<b>Year ended March 2013</b> <b>(From April 1,2012</b> <b>to March 31,2013)</b>	<b>Year ended March 2014</b> <b>(From April 1,2013</b> <b>to March 31,2014)</b>
	thousands of yen	thousands of yen
<b>Income before minority interests</b>	<b>84,350</b>	<b>135,526</b>
<b>Other comprehensive income</b>		
Valuation difference on available for sale securities	20,611	25,667
Deferred gains or losses on hedges	721	(481)
Foreign currency translation adjustment	1,866	290
Total other comprehensive income	23,200	25,476
<b>Comprehensive income</b>	<b>107,550</b>	<b>161,002</b>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	91,998	142,391
Comprehensive income attributable to minority interests	15,552	18,610

Consolidated Financial Statements 2013  
(April 1, 2013 - March 31, 2014)

SENKON LOGISTICS CO.,LTD.  
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
31 March 2013 and 2014

FY2012 Ended March 31,2013

Thousands of Yen

	Shareholders' equity					Accumulated other comprehensive income
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities
Balance at the beginning of current period	1,262,736	1,189,881	2,540,295	(593,588)	4,399,324	(35,696)
Changes of items during the period						
Dividends from surplus			(59,384)		(59,384)	
Net income			68,798		68,798	
Purchase of treasury stock				(9,629)	(9,629)	
Change of scope of equity method			—		—	
Net changes of items other than shareholders' equity						20,611
Total changes of items during the period	—	—	9,414	(9,629)	(214)	20,611
Balance at the end of current period	1,262,736	1,189,881	2,549,710	(603,217)	4,399,110	(15,084)

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(240)	(4,657)	—	(40,594)	25,859	94,942	4,479,532
Changes of items during the period							
Dividends from surplus							(59,384)
Net income							68,798
Purchase of treasury stock							(9,629)
Change of scope of equity method							—
Net changes of items other than shareholders' equity	721	1,866	—	23,200	12,102	15,552	50,855
Total changes of items during the period	721	1,866	—	23,200	12,102	15,552	50,640
Balance at the end of current period	481	(2,791)	—	(17,393)	37,962	110,494	4,530,173

FY2013 Ended March 31,2014

Thousands of Yen

	Shareholders' equity					Accumulated other comprehensive income
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities
Balance at the beginning of current period	1,262,736	1,189,881	2,549,710	(603,217)	4,399,110	(15,084)
Changes of items during the period						
Dividends from surplus			(59,216)		(59,216)	
Net income			116,915		116,915	
Purchase of treasury stock				(475)	(475)	
Change of scope of equity method			(76,442)		(76,442)	
Net changes of items other than shareholders' equity						25,667
Total changes of items during the period	—	—	(18,743)	(475)	(19,219)	25,667
Balance at the end of current period	1,262,736	1,189,881	2,530,966	(603,693)	4,379,890	10,582

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	481	(2,791)	—	(17,393)	37,962	110,494	4,530,173
Changes of items during the period							
Dividends from surplus							(59,216)
Net income							116,915
Purchase of treasury stock							(475)
Change of scope of equity method							(76,442)
Net changes of items other than shareholders' equity	(481)	290	(17,085)	8,391	407	17,235	26,034
Total changes of items during the period	(481)	290	(17,085)	8,391	407	17,235	6,815
Balance at the end of current period	—	(2,500)	(17,085)	(9,002)	38,369	127,370	4,536,988

**SENKON LOGISTICS CO.,LTD.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**31 March 2013 and 2014**

	Year ended March 2013 (From April 1,2012 to March 31,2013)	Year ended March 2014 (From April 1,2013 to March 31,2014)
	thousands of yen	thousands of yen
<b>Net cash provided by operating activities:</b>		
Income before income taxes and minority interests	221,255	264,632
Depreciation and amortization	475,290	528,619
Increase or decrease (－) in provision for retirement benefits	335	—
Increase or decrease (－) in net defined benefit liability	—	14,273
Increase or decrease (－) in provision for directors' and corporate auditors' retirement benefits	9,143	(1,686)
Increase or decrease (－) in provision for bonuses	(19,230)	24,000
Increase or decrease (－) in provision for doubtful accounts	(3,103)	(7,762)
Increase or decrease (－) in provision for loss on disaster	(8,980)	(8,720)
Interest and dividend income	(10,701)	(18,840)
Interest expenses	95,180	96,993
Insurance income	(7,256)	(11,779)
Loss or gain (－) on sales of investment securities	(4,492)	(18,382)
Loss or gain (－) on sales of property, plant and equipment	(9,579)	8,527
Loss on reduction of noncurrent assets	—	1,942
State subsidy	—	(1,942)
Loss or gain (－) on sales of Equity in losses of affiliates	—	5,884
Decrease or increase (－) in notes and accounts receivable-trade	123,651	(83,886)
Decrease or increase (－) in operating loans receivable	(16,830)	14,128
Decrease or increase (－) in inventories	(125,361)	(117,178)
Decrease or increase (－) in advance payment	—	(62,187)
Increase or Decrease (－) in notes and accounts payable-trade	(212,889)	13,974
Increase or Decrease (－) in accrued consumption taxes	(22,804)	37,576
Other	135,388	29,183
<b>Subtotal</b>	<b>619,014</b>	<b>707,370</b>
Interest and dividends income received	10,655	17,576
Interest expenses paid	(95,985)	(100,536)
Proceeds from insurance income	7,256	11,779
Income taxes paid	(96,010)	(100,773)
<b>Net cash provided by operating activities</b>	<b>444,930</b>	<b>535,417</b>
<b>Net cash provided by investing activities:</b>		
Payment into time deposits	(11,000)	(124,294)
Proceeds from withdrawal of time deposits	141,600	134,294
Purchase of property,plant and equipment	(1,213,575)	(2,526,646)
Proceeds from sales of property,plant and equipment	13,726	52,262
Purchases of intangible assets	(3,342)	(45,294)
Income of state subsidy	—	1,942
Purchase of investment securities	(172,151)	(76,045)
Proceeds from sales of investment securities	35,882	140,491
Payments of loans receivable	(140,544)	(643,101)
Collection of loans receivable	87,568	85,436
Purchase of stocks of subsidiaries and affiliates	(14,700)	—
Other	—	(6,307)
<b>Net cash provided by investing activities</b>	<b>(1,276,535)</b>	<b>(3,007,261)</b>
<b>Net cash provided by financing activities:</b>		
Increase in short-term loans payable	1,192,305	2,950,000
Decrease in short-term loans payable	(1,003,606)	(1,843,000)
Proceeds from long-term loans payable	2,595,000	3,185,000
Repayments of long-term loans payable	(1,818,905)	(1,906,775)
Payment for installment payable-property and equipment	(57,565)	(90,768)
Purchase of treasury stock	(9,629)	(475)
Cash dividends paid	(59,315)	(59,179)
Cash dividends paid for minority interests	—	(1,375)
<b>Net cash provided by financing activities</b>	<b>838,283</b>	<b>2,233,426</b>
<b>Effect of exchange rate change on cash and cash</b>	<b>1,866</b>	<b>290</b>
<b>Net increase(decrease)in cash and cash equivalents</b>	<b>8,545</b>	<b>(238,127)</b>
<b>Cash and cash equivalents,beginning of period</b>	<b>1,670,792</b>	<b>1,679,338</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,679,338</b>	<b>1,441,210</b>