

31 March 2014 and 2015

Consolidated Financial Statements 2014
(April 1, 2014 - March 31, 2015)



SENKON LOGISTICS CO.,LTD.
CONSOLIDATED BALANCE SHEET
31 March 2014 and 2015

ASSETS	Year ended March 2014	Year ended March 2015
	(As of March 31,2014)	(As of March 31,2015)
	thousands of yen	thousands of yen
Current assets		
Cash and time deposits	1,512,210	1,554,132
Notes and accounts receivable-trade	1,636,437	1,427,257
Operating Loans	208,836	195,172
Merchandise	874,320	954,342
Supplies	40,450	57,459
Deferred tax assets	75,018	55,725
Other	857,798	753,889
Allowance for doubtful accounts	(39,437)	(46,165)
Total current assets	5,165,635	4,951,814
Fixed assets		
(Tangible fixed assets)		
Buildings and Structures	9,790,943	9,572,889
Accumulated depreciation	(5,738,860)	(6,016,114)
Buildings and Structures,net	4,052,083	3,556,774
Machinery equipment and delivery equipment	3,160,200	3,397,968
Accumulated depreciation	(1,706,403)	(1,763,005)
Machinery equipment and delivery equipment(Net)	1,453,797	1,634,963
Land	4,690,355	4,831,882
Construction in progress	212,966	598,985
Other	563,094	603,966
Accumulated depreciation	(260,220)	(297,839)
Other(Net)	302,874	306,127
Total tangible fixed assets	10,712,076	10,928,733
(Intangible fixed assets)	70,383	64,434
(Investments and other assets)		
Investment securities	369,115	394,693
Long-term loans receivable	191,272	548,179
Differed tax assets	332,268	232,012
Other	604,253	634,242
Allowance for doubtful accounts	(47,394)	(16,758)
Total Investments and other assets	1,449,514	1,792,368
Total fixed assets	12,231,975	12,785,536
Total assets	17,397,611	17,737,351

SENKON LOGISTICS CO.,LTD.
CONSOLIDATED BALANCE SHEET
31 March 2014 and 2015

	Year ended March 2014 (As of March 31,2014)	Year ended March 2015 (As of March 31,2015)
	thousands of yen	thousands of yen
LIABILITIES		
Current liabilities		
Notes and operating accounts payable-trade	1,786,272	1,728,384
Short-term loans payable	1,659,700	1,507,720
Current portion of Long-term loans payable	1,699,074	1,840,166
Lease obligations	39,185	63,776
Income tax payable	64,997	57,930
Consumption tax payable	15,634	199,851
Provision for bonuses	51,450	84,150
Provision for directors' bonuses	30,000	30,000
Provision for loss on disaster	21,681	21,681
Deferred tax liabilities	2,996	2,843
Other	756,107	702,562
Total current liabilities	6,127,098	6,239,065
Fixed liabilities		
Long-term loans	5,866,840	5,886,457
Lease obligations	173,416	272,614
Provision for directors' and corporate auditors' retirement benefits	122,742	131,677
Net defined benefit liability	389,422	371,597
Long-term accounts payables	94,822	64,235
Asset retirement obligations	53,622	58,279
Deferred tax liabilities	11,882	8,546
Other	20,773	22,924
Total Non-current liabilities	6,733,523	6,816,331
Total liabilities	12,860,622	13,055,396
NET ASSETS		
Shareholders' equity		
Capital stock	1,262,736	1,262,736
Capital surplus	1,189,881	1,189,881
Retained earnings	2,530,966	2,625,385
Treasury stock	(603,693)	(603,693)
Total shareholders' equity	4,379,890	4,474,310
Accumulated other comprehensive income		
Valuation difference on available -for-sale securities	10,582	64,567
Foreign currency translation adjustments	(2,500)	(9,048)
Remeasurements of defined benefit plans	(17,085)	(14,759)
Total accumulated other comprehensive income	(9,002)	40,759
Subscription rights to shares	38,369	27,403
Minority interests	127,730	139,481
Total net assets	4,536,988	4,681,954
Total liabilities and net assets	17,397,611	17,737,351

SENKON LOGISTICS CO.,LTD.
CONSOLIDATED STATEMENTS OF INCOME
31 March 2014 and 2015

	Year ended March 2014 (From April 1,2013 to March 31,2014)	Year ended March 2015 (From April 1,2014 to March 31,2015)
	thousands of yen	thousands of yen
Operating revenues	14,300,890	14,015,885
Operating cost	12,450,797	12,045,642
Gross profit	1,850,092	1,970,243
Selling,general and administrative expenses	1,603,253	1,667,051
Operating income	246,839	303,192
Non-operating income		
Interest income	12,326	30,535
Dividends income	6,513	8,454
Commition fee	19,446	3,328
Insurance income	11,779	2,136
Gains on sales of investment securities	—	26,536
Subsidy income	29,843	60,344
Foreign exchange gains	—	19,438
Other	34,319	18,704
Total non-operating income	114,228	169,477
Non-operating expenses		
Interest expenses	96,993	106,375
Equity in losses of affiliates	5,884	45,347
Provision of allowance for doubtful accounts	—	13,500
Other	13,388	9,127
Total non-operating expenses	116,266	174,350
Ordinary income	244,801	298,319
Extraordinary income		
Gain on sales of fixed assets	10,385	16,817
Gain on sales of investment securities	18,382	8,019
Gain on reversal of provision for loss on disaster	8,681	—
Subsidy income	1,942	420,900
Gains on change in equity	—	4,861
Other	1,294	10,966
Total extraordinary income	40,686	461,564
Extraordinary loss		
Loss on sales of fixed assets	—	772
Loss on retirement of fixed assets	18,913	3,239
Loss on valuation of investment securities	—	797
Bad debts loss	—	5,000
Loss on reduction of noncurrent assets	1,942	391,127
Total extraordinary loss	20,855	400,936
Income before income taxes	264,632	358,948
Income taxes-current	104,820	95,983
Income taxes-deferred	24,286	96,212
Total income taxes	129,106	192,196
Income before minority interests	135,526	166,752
Minority interests in income	18,610	13,125
Net income	116,915	153,626

SENKON LOGISTICS CO.,LTD.
CONSOLIDATED STATEMENTS OF INCOME
31 March 2014 and 2015

	Year ended March 2014 (From April 1,2013 to March 31,2014)	Year ended March 2015 (From April 1,2014 to March 31,2015)
	thousands of yen	thousands of yen
Income before minority interests	135,526	166,752
Other comprehensive income		
Valuation difference on available for sale securities	25,667	53,984
Deferred gains or losses on hedges	(481)	—
Foreign currency translation adjustment	290	(6,548)
Remeasurements of defined benefit plans	—	2,325
Total other comprehensive income	25,476	49,761
Comprehensive income	161,002	216,514
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	142,391	203,388
Comprehensive income attributable to minority interests	18,610	13,125

Consolidated Financial Statements 2014
(April 1, 2014 - March 31, 2015)

SENKON LOGISTICS CO.,LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
31 March 2014 and 2015

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

FY2014 Ended March 31,2015

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	2,530,966	(603,693)	4,379,890	10,582
Changes of items during the period						
Dividends from surplus			(59,207)		(59,207)	
Net income			153,626		153,626	
Purchase of treasury stock					—	
Change of scope of equity method					—	
Net changes of items other than shareholders' equity						53,984
Total changes of items during the period	—	—	94,419	—	94,419	53,984
Balance at the end of current period	1,262,736	1,189,881	2,625,385	(603,693)	4,474,310	64,567

	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	—	(2,500)	(17,085)	(9,002)	38,369	127,730	4,536,988
Changes of items during the period							
Dividends from surplus							(59,207)
Net income							153,626
Purchase of treasury stock							—
Change of scope of equity method							—
Net changes of items other than shareholders' equity	—	(6,548)	2,325	49,761	(10,966)	11,750	50,546
Total changes of items during the period	—	(6,548)	2,325	49,761	(10,966)	11,750	144,965
Balance at the end of current period	—	(9,048)	(14,759)	40,759	27,403	139,481	4,681,954

SENKON LOGISTICS CO.,LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
31 March 2014 and 2015

	Year ended March 2014 (From April 1,2013 to March 31,2014)	Year ended March 2015 (From April 1,2014 to March 31,2015)
	thousands of yen	thousands of yen
Net cash provided by operating activities:		
Income before income taxes and minority interests	264,632	358,948
Depreciation and amortization	528,619	624,090
Increase or decrease (–) in net defined benefit liability	14,273	(12,539)
Increase or decrease (–) in provision for directors' and corporate auditors' retirement benefits	(1,686)	8,934
Increase or decrease (–) in provision for bonuses	24,000	32,700
Increase or decrease (–) in provision for doubtful accounts	(7,762)	(23,907)
Increase or decrease (–) in provision for loss on disaster	(8,720)	—
Interest and dividend income	(18,840)	(38,989)
Interest expenses	96,993	106,375
Insurance income	(11,779)	(2,136)
Loss or gain (–) on valuation of investment securities	—	797
Loss or gain (–) on sales of investment securities	(18,382)	(34,556)
Loss or gain (–) on change in equity	—	(4,861)
Loss or gain (–) on sales of property, plant and equipment	8,527	(12,805)
Loss on reduction of noncurrent assets	1,942	391,127
Subsidy income	(1,942)	(481,244)
Loss or gain (–) on sales of Equity in losses of affiliates	5,884	45,347
Decrease or increase (–) in notes and accounts receivable-trade	(83,886)	209,179
Decrease or increase (–) in operating loans receivable	14,128	13,664
Decrease or increase (–) in inventories	(117,178)	(64,896)
Decrease or increase (–) in advance payment	(62,187)	26,980
Increase or Decrease (–) in notes and accounts payable-trade	13,974	(57,887)
Increase or Decrease (–) in accrued consumption taxes	37,576	236,382
Other	29,183	16,249
Subtotal	707,370	1,336,950
Interest and dividends income received	17,576	33,170
Interest expenses paid	(100,536)	(106,293)
Proceeds from insurance income	11,779	2,136
Income taxes paid	(100,773)	(103,265)
Net cash provided by operating activities	535,417	1,162,698
Net cash provided by investing activities:		
Payment into time deposits	(124,294)	—
Proceeds from withdrawal of time deposits	134,294	—
Purchase of property, plant and equipment	(2,526,646)	(1,172,678)
Proceeds from sales of property, plant and equipment	52,262	36,833
Purchases of intangible assets	(45,294)	(449)
Income of state subsidy	1,942	—
Income of subsidy	—	481,244
Purchase of investment securities	(76,045)	(79,243)
Proceeds from sales of investment securities	140,491	156,792
Purchase of securities of subsidiaries and affiliates	—	(50,000)
Payments of loans receivable	(643,101)	(450,839)
Collection of loans receivable	85,436	125,739
Purchase of stocks of subsidiaries and affiliates	—	(25,300)
Other	(6,307)	2
Net cash provided by investing activities	(3,007,261)	(977,898)
Net cash provided by financing activities:		
Increase in short-term loans payable	2,950,000	1,710,000
Decrease in short-term loans payable	(1,843,000)	(1,869,000)
Proceeds from long-term loans payable	3,185,000	2,036,999
Repayments of long-term loans payable	(1,906,775)	(1,876,290)
Income of sales and leaseback	—	33,166
Payment for installment payable-property and equipment	(90,768)	(110,692)
Purchase of treasury stock	(475)	—
Cash dividends paid	(59,179)	(59,137)
Cash dividends paid for minority interests	(1,375)	(1,375)
Net cash provided by financing activities	2,233,426	(136,329)
Effect of exchange rate change on cash and cash	290	(6,548)
Net increase(decrease)in cash and cash equivalents	(238,127)	41,921
Cash and cash equivalents,beginning of period	1,679,338	1,441,210
Cash and cash equivalents at end of period	1,441,210	1,483,132