Financial Results for the Fiscal Year Ended June 30, 2013

August 9, 2013

Company name: ZERO CO., LTD.
Code No: 9028 Tokyo Stock Exchange (Second Section)
(URL http://www.zero-group.co.jp/)
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Date of Annual Shareholders' Meeting: September 26, 2013
Date to begin payment of dividend: September 27, 2013
Date of financial report submission September 26, 2013
Additional materials for the financial results for FY2012 None
Briefing session for the financial results for FY2012 None

1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2013 (From July 1, 2012 to June 30, 2013)

(1) Consolidated Results (Figures less than one million yen are rounded down.)

Percentages shown below are the rates of increase or decrease compared with the same period of the previous year.

	Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2012	60,073	4.7	1,600	-31.3	1,660	-29.2	716	-23.8
FY2011	57,385	8.9	2,329	87.0	2,346	81.6	940	103.8

(Note) Comprehensive income: FY2012 760 million yen (-30.8%)
FY2011 1,098 million yen (145.6%)

	Earnings per share-basic	Earnings per share -diluted	Net income to shareholder's equity ratio	Ordinary income to total assets ratio	Operating income on sales
	Yen	Yen	%	%	%
FY2012	41.92	-	5.5	5.4	2.7
FY2011	55.03	-	7.7	7.7	4.1

(Ref.) Equity in net income of affiliates: FY2012 : 26 million yen FY2011: 18 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2012	31,096	13,333	42.9	780.07
FY2011	30,203	12,761	42.3	746.59

(Ref.) Shareholders' equity : As of June 30, 2013 : 13,333million yen As of June 30, 2012 : 12,761 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2012	2,236	-594	-1,540	4,785
FY2011	2,786	61	-2,893	4,683

2. Dividends

(Record date)	Dividend per share: At end of 1Q	At end of 2Q	At end of 3Q	At end of 4Q	Annual total	Annual total amount of dividend	Dividend payout ratio (Consolidated)	Dividend ratio of net assets (Consolidated)
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2011	-	4.00	-	7.00	11.00	188	20.0	1.5
FY2012	-	4.00	-	4.40	8.40	143	20.0	1.1
Forecast for FY2012	-	4.00	-	6.50	10.50		19.9	

3. Consolidated Forecasts for FY2013 (July 1, 2013 through June 30, 2014)

Percentages shown below for whole FY2013 are the rates of increase or decrease compared with the previous year.

	Sales		Operating income		Ordinary income		Net income		Net income per share -basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Whole FY2013	62,000	3.2	2,200	37.5	2,250	35.5	900	25.6	52.65

*Remarks

(1) Changes in important subsidiaries during period (Transfer of particular subsidiary which involves the change of scope of consolidation): N/A

(2) Changes in accounting policies, procedure or notation method for documenting consolidated financial statements

①Changes in accordance with the revision of accounting standards and others: Yes

②Changes other than above: N/A

③Changes in accounting estimates: Yes

④Restatement of corrections: N/A

(3) Number of issued shares (common shares)

①Number of issued shares (including treasury stock) at the end of each period:

FY2012: 17,560,242 FY2011: 17,560,242

②Number of repurchased shares at the end of each period:

FY2012: 467,711 FY2011: 467,656

③Average number of shares issued during the fiscal year

FY2012: 17,092,553 FY2011: 17,092,620

(Ref.) Unconsolidated Financial Results for the Fiscal Year Ended June 30, 2013

1. Unconsolidated Financial Results for the Fiscal Year Ended June 30, 2013 (From July 1, 2012 to June 30, 2013)

(1) Unconsolidated Results

Percentages shown below are the rates of increase or decrease compared with the same period of the previous year.

	Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2012	46,655	3.4	889	-41.2	1,085	-34.3	554	-32.5
FY2011	45,121	10.2	1,514	82.8	1,652	83.3	821	125.8

	Earnings per share –basic	Earnings per share -diluted
FY2012	32.44 yen	-
FY2011	48.05 yen	-

(2) Unconsolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	yen
FY2012	26,434	11,952	45.2	669.27
FY2011	25,491	11,568	45.4	676.82

(Ref.) Shareholders' equity:
As of June 30, 2013 : 11,952 million yen As of June 30, 2012 : 11,568 million yen

※Implementation status review procedure

This financial report is exempt from the review procedure based upon the Financial Instruments and Exchange Act. The financial statements are under the review procedure at the time of disclosure of this report.

※Explanation regarding appropriate use of forecasts

Statements in this report relating to future matters such as earnings forecasts are based on the information presently available. Actual results may differ from those forecasts depending on various factors.

1. Business Performance

(1) Analysis Regarding Business Performance

1. Outline of Operations in FY2012

During current consolidated accounting period of the Company (hereinafter referred to as “the current term”), Japanese economy has gradually recovered supported by demand associated with reconstruction after the Great East Japan Earthquake, and has entered to the phase of weaker yen and higher stock price reflecting government’s policy change in economics and finances, resulting in the upward trend in business sentiment with the improvement of company revenue mainly in exporting related business. However, the production activities are still in the severe economical circumstances due to persistent severe employment and income situation, in addition to the negative impacts from overseas such as debt problems in Europe, slowdowns in economic growth in emerging countries including China.

In the automobile industry, the demand of domestic new car remained largely unchanged, 98.0% compared to the corresponding term in the previous year (data from the Japan Automobile Manufacturers Association), consisting of 93.4% from October through June reversing upward trend of 114.2% from July through September. In regard to exports, new car exports substantially decreased, 90.1% compared to the corresponding term in the previous year, owing to the accelerated shift of production bases to overseas in response to the protracted strong yen, sluggish overseas economy and the impact of worsening ties with China, in spite of the correction of yen appreciation since January. In the used car market, the total sales of used cars increased, owing to the activated used car market by the trade-in cars increase reflecting to new car sales increase from July through September, resulted in 102.7 % compared to the corresponding term in the previous year.

【Trends in automobile domestic sales】

Domestic sales volume (in units)	From July 2011 to Jun.2012	From July 2012 to Jun. 2013	Year-on-year
New vehicles			
Domestic automakers *1	5,238,330	5,134,012	98.0%
(Nissan Motor)*1	(678,369)	(640,883)	(94.5%)
Foreign automakers*2	259,032	336,053	113.9%
Used vehicles			
Passenger vehicles *3	3,914,599	3,954,993	101.0%
Mini vehicles*4	2,785,810	2,929,342	105.2%
Total of used vehicles	6,700,409	6,884,335	102.7%
De-registered vehicle*3	340,854	313,473	92.0%
Export volume (in units)	From July 2011 to Jun.2012	From July 2012 to Jun. 2013	Year-on-year
New vehicles of domestic automakers *1	5,112,224	4,608,500	90.1%
(Nissan Motor)*1	(770,499)	(572,434)	(74.3%)
Used passenger vehicles*5	989,548	1,157,912	117.0%

*1: Figures calculated from the statistical data of the Japan Automobile Manufacturers Association

*2: Figures calculated from the statistical data of the Japan Automobile Importers' Association

*3: Figures calculated from the statistical data of the Japan Automobile Dealers Association

*4: Figures calculated from the statistical data of the Japan Mini Vehicles Association

*5: Figures calculated from the statistical data of de-registration units for exportation of the Japan Automobile Dealers Association

【Fuel retail price】

	From July 2011 to Jun.2012	From July 2012 to Jun. 2013	Year-on-year
Light oil (yen per liter) *6	128	129	100.8%
Regular gasoline (yen per liter) *6	147	149	101.4%

*6: Figures calculated from the statistical data of The Oil Information Center. (Mainly light oil is used for the Company’s operations.)

Under these circumstances, our group sales of vehicle-transportation-related business, the Company’s major business segment, increased owing to the used-car transportation sales increase, pursuing the precisely customized transportation-related services in addition to the continuing regional sales promotion activities, despite negative influence by reduction of new car production of Nissan Motor Co., Ltd on our new car transportation sales. In regarding to general cargo transportation business, severity of circumstances surrounding home electronic stores, our major customer, contributed to worsen our sales compared to the corresponding term in the previous year. In the human resources business where the market situation is uncertain, sales increased year on year thanks to the business expansion through strong sales activities and strengthening sales operations, in addition to new business implementation, such as the dispatching business to light-duty works, to newly developed areas.

As a result, sales in the current term were 60,073 million yen (104.7% compared to the corresponding term in the previous year). Operating income was 1,600 million yen (68.7% compared to the corresponding term in the previous year), owing to the structural change of transportation model-mix, an increase of short-distance transportation and the cost increase for the enhancement of car-carriers and drivers. Non-operating profit was 60 million yen (353.3% compared to the corresponding term in the previous year) reducing interest expense by early repayment of long-term debts. As a result, ordinary income was 1,660 million yen (70.8% compared to the corresponding term in the previous year). Net income totaled 716 million yen (76.2% compared to the corresponding term in the previous year), by restructuring costs for unprofitable businesses and loss on revaluation of investments in securities.

< Vehicle Related Business>

Domestic new car sales of Nissan Motor Co., Ltd., our major customer, was slow from October through December showing the recovery from January, resulting in total sales of 640,883 units, (94.5% compared to the corresponding term in the previous year). Exporting new car sales of Nissan Motor Co., Ltd. decreased substantially owing to negative impacts from overseas' economic deceleration, resulting in total sales of 572,434 units (74.3% compared to the corresponding term in the previous year). (Data from the Japan Automotive Manufacturers Association)

As a result, sales of the Company from Nissan new car transportation business decreased. However, non- Nissan new car and used car transportation business increased thanks to the severe status management at sales branches and the enhanced sales and marketing promotion activities such as online ordering system and fulfilling of other transportation-related services pursuing customer satisfactions. The maintenance business sales also increased owing to the capacity strengthening of heavy- truck maintenance centers.

As a result, the sales totaled 44,787 million yen, 104.7% compared to the corresponding term in the previous year. However, due to the structural change of transportation model-mix, the short- distance transportation increase and the cost increase for the enhancement of car-carriers and drivers, segment profit resulted in 2,417 million yen, 82.5% compared to the corresponding term in the previous year. The vehicle transportation business is under the severe circumstances due to downward trend of vehicle sales. However, the Company will strengthen its business structure which can promote stable profit less influenced by the market demand by "transportation quality improvement by reducing transportation relay points, shorter delivery period and transportation cost decrease" and "outsourcing-cost decrease by improving operating ratio of in-house trailers".

<General Cargo Transportation Business>

In this business segment, severity of circumstances surrounding home electronics stores, our major customer, remains unchanged and the coal-cargo handling business was also affected by the decrease of demand owing to the operation adjustment of the customer's facility. As a result, sales in this segment totaled 6,236 million yen (92.1% compared with the corresponding term in the previous year) and segment profit totaled 337million yen (55.6% compared to the corresponding term in the previous year). The Company thoroughly reviewed the business structure in this term and modified its business structure to achieve higher revenue by the closure of unprofitable business and eliminations and consolidations of business facilities.

<Human Resources Business>

Despite the severe business environment surrounding of this segment that resulted in contract price discount requests, reduction of working hours request and the cancellation of contract renewals from customers who were in the face of stagnation of business activities, sales increased compared to the corresponding term of the previous year, 9,387 million yen (117.0% compared to the corresponding term in the previous year) thanks to the business expansion through strong sales activities and strengthening sales operations, in addition to new business implementation, such as the dispatching business to light-duty works, to newly developed areas. The segment profit totaled 434 million yen (121.0% compared to the corresponding term in the previous year), achieved by pursuing profitable services.

As for unclassifiable operating expenses (company-wide expenses of administrative departments) and the amortization of goodwill, which are not included in the profit and loss by segment stated above, these were recorded as “elimination”, which totaled 1,588 million yen.

2. Prospect for the Next Fiscal Year

In the automobile industry, although used car export business is showing improvement owing to a weaker yen reflecting government’s policy change in economics and finances, the domestic car sales is continuously lower than the corresponding term in the previous year. However, the business sentiment is improving in the expectation of effect of economic policy change. In addition, by the rush of demand before the consumption-tax hike planned in FY2014, it is expected to give positive effect on car sales as well as on other business activities.

The Company will pursue several activities to become tolerant to changes on the assumption of continual severe economic circumstances for mid-term. Specifically, the Company will expand sales and improve the gross profit ratio by continuous regional sales promotion activities, the business expansion of vehicle-related business such as maintenance business and by pursuing transportation efficiency such as the decrease of transportation cost and the shorter delivery period by reducing transportation relay points. The Company will strengthen its structure which is less influenced by the market demand by reducing the fixed-cost for the better business efficiency focusing mainly on indirect business operation improvement.

Although the future of the economy is still uncertain, the Company has posted the earnings forecast of FY2013 as follows as a result of severe pursuance of above-mentioned activities for the revenue improvement.

(Reference)

	Sales	Operating income	Ordinary income	Profit of the term
	Million yen	Million yen	Million yen	Million yen
FY2012 Actual	60,073	1,600	1,660	716
FY2013 Forecast	62,000	2,200	2,250	900
Variance	103.2%	137.5%	135.5%	125.6%

(2) Basic Policy for Profit-sharing and Dividend for This Term and the Following Term

Considering earning retention, expanding the Company’s business domain and strengthening its business structure, in order to return its profit to the shareholders and for the openness of profit appropriation, the following profit-sharing policy will be taken into account as a basic policy in the scope of divisible profit.

Consolidated Earnings per Share(EPS)-diluted	Up to 40 yen	More than 40 yen and up to 80 yen	More than 80 yen
Annual dividend	8 yen	EPS x 20 %	EPS x 25 %

(Note) Particular profit or loss which is provided by irregular operating activities is subject to be calculated with the exception of above policy.

Based on the above basic policy, the dividend will be as follows...

	Consolidated Earnings per share(EPS)-diluted	Dividend per share		
		Annual total	Second quarter end	Fiscal year end
FY2012	41.92 yen	8.40 yen	4 yen	4.40 yen
FY2013	52.65 yen	10.50 yen	4 yen	6.50/ yen

(3)Risks for Businesses

Significant items which may cause risks relating to the Group's businesses are as follows. Items which contain future matters are judged by the Company based as of submission date of the financial results of fiscal 2012 and it is not assured that the following statements cover all risks to the Company's businesses and investment to its shares.

1. Degree of Dependence of Sales on Major Customer

Sales results from Nissan Motor Co., Ltd. (hereinafter called as Nissan Motor), the Company's major customer, are as follows. As the degree of dependence of sales on them is quite high, in case there are any changes to trade conditions between the Company and them, its business climate can be negatively affected at a certain level.

	FY2010		FY2011		FY2012	
	Million yen	Percentage in gross sales	Million yen	Percentage in gross sales	Million yen	Percentage in gross sales
Nissan Motor	14,529	27.6%	16,654	29.0%	14,751	24.6%
Nissan Motor Group *1	18,534	35.2%	21,267	37.1%	20,105	33.5%

(Note) The above sales results from Nissan Motor Group include results from Nissan Motor, Autech Japan Inc. and all of Nissan Auto Sales Co., Ltd. in Japan.

The Company has entered into a contract of "Memorandum of Understanding Regarding Strategic Partnership Contract" with Nissan Motor in addition to those contracts such as "Vehicle Transportation Trust Agreement" and "Basic Service Agreement", which were concluded by respective operations such as vehicle transportation operation and new car inspection operation. Those contracts stipulate that Nissan Motor entrust vehicle logistics related operations to the Company continuously during the contract period on condition that the Company reaches the target by each evaluation item set by them.

The current Memorandum of Understanding has been agreed in principle that it is to be validated continuingly until the end of March in 2014. The Company had successfully reached the target set by Nissan Motor since the contract was concluded in 2003 till the end of March, 2013. It is prospected to continue to renew the contract after April, 2014 by making effort to improve the quality of operation.

However, in case that the Company is not able to continue to deal with Nissan Motor due to circumstances beyond its control, the Group's business climate can be negatively affected at a certain level.

2. Concentration of Profit in the Second Half of Fiscal Year

In the vehicle related business, new car transportation is affected by the tendency of which auto makers' shipment volume are to increase in March compared with the rest of the months. As for profitable private car transportation, the demand is inclined to increase in March, a moving season. Since it is predictable to have same concentration of business performance for the future, it is required to pay attention upon judging the Group's business performance.

	Sales (million yen)			Gross profit (million yen)			Operating income (million yen)		
	First half	Second half	Total	First half	Second half	Total	First half	Second half	Total
FY2011	27,496	29,888	57,385	3,649	3,901	7,551	1,088	1,240	2,329
	47.9%	52.1%	100.0%	48.3%	51.7%	100.0%	46.7%	53.3%	100.0%
FY2012	28,799	31,273	60,073	3,319	4,078	7,397	591	1,009	1,600
	47.9%	52.1%	100.0%	44.9%	55.1%	100.0%	36.9%	63.1%	100.0 b%

2. Outline of Business Group

The Group consists of the Company, 14 subsidiary companies and 2 affiliated companies, specializing in vehicle related business, general cargo business and human resources business.

Business segment for each company is as follows.

Segment	Name of company
Vehicle related	ZERO, ZERO-TRANS, ZERO KYUSYU, TBM, Auto Carry, Nissan Shizuoka Worknet, ZERO SCM LOGISTICS(BEIJING), Utsunomiya Terminal Unyu, NPF Service, Eight Zero, Guangzhou Eight Zero Auto Service
General cargo related	ZERO, KANDAKO KAIRIKU UNSO, KYUSO, Toyo Bussan
Human Resources	DRIVER STAFF, JAPAN RELIEF, ASSIST WORK

3. Management Policy

1) Basic Policy of the Company's Management

The Group's business philosophy is "Quality", which is to provide safe and high quality transportation services to the customers and to contribute to the development for an affluent society by creating services more than expected by the customers. The base of its activities is to improve the quality of various services corresponding to the customer's needs. In addition, in order to secure the position in the logistics industry, the Company commits to become a business group with continuous trust of the public, customers and shareholders by expanding existing businesses, promoting entering into a new business domain by M&A, adding corporate value through continuous growth and development.

2) Business Perspective

The vehicle transportation industry, the Group's main business, is under severe circumstances interlocking with vehicle sales market trend which is actually experiencing sales decrease. However, the Group commits to enhance its presence in the industry and expand the market share by strengthening its sales power to provide higher quality service to the customers. Moreover, it is committed to transform to the solid corporate structure with stable profitability and continuous growth by reducing transportation costs for enhancing transportation efficiency and minimizing indirect cost and fixed cost by rationalization. The Group has its immediate management vision as to establish profit structure and business lines which can be ranked in the top group in the Japanese logistics industry. And the Group's long-term objective is to be among top companies in Japan with its business line and profitable structure and to be a vigorous group with full of creativity where each employee addresses their job with hope.

3) Management Benchmark

It is committed to make its every best to achieve the target of consolidated sales of 100 billion yen and operating income ratio of 5 % as the mid-and-long term benchmark by promoting the following managerial tasks proactively.

4) Activities

The Company will achieve the managerial objectives by pursuing the following challenges proactively.

1. Value-added transportation service

In order to strengthen its operation base, the Group is committed to provide, in addition to the existing transportation service from makers' plants to dealers, transportation of new cars among dealers, transportation of trade-in cars, ownership change, registration, maintenance, auto body repair, painting, auction and export, packaging those services in response to customers' needs. Through these "high-value-added services" which can exceed customers' expectations, the Company will strengthen the capability of special transportations other than existing transportations to increase sales accordingly.

2. Operation improvement of vehicle transportation

One of the Company's top priorities of tasks is to improve transportation operations from order entry through carrier allocation. The carrier allocation which was individually operated by each logistics center is going to be concentrated in "The allocation center" in 5 areas in Japan. The transportation efficiency will be improved by introducing "Logistics Management Operation System". The concentration of logistics center and the new system were installed to the designated areas other than East and Northern areas and will be installed completely to the remaining areas as soon as possible. By streamlining transportation works by pursuing efficient and systematic carrier allocation and by improving transportation quality, the Company will achieve higher customer satisfaction and cost deduction and profit increases.

3. Challenges to new business

The human resources business (providing for sure human resources to the society focusing on drivers and their education) has steadily expanded through strengthening new customer development and new business implementation. The company will enhance their education and will expand business to which required special licenses.

In the general cargo transportation business, the Company modified its business structure in this term to achieve higher revenue by the closure of unprofitable business as well as eliminations and consolidations of business facilities. The business in this segment will be expanded maintaining the higher profit ratio.

4. Enhancement of export business and entering into ASEAN market and other Asian market

The Company has established Export Sales Department and will expand reuse business such as used car export and parts export in cooperation with the Company's auto-action business named as "Car Selection".

The Company has established ZERO SCM LOGISTICS (BEIJING) CO,.LTD. in August 2004 as the joint venture with CITIC Logistics Co., Ltd., a group of top company in China, Sumitomo Corporation and Mitsui O.S.K. Lines, Ltd. to apply the know-how of vehicle transportation and maintenance which has been accumulated in the domestic market. ZERO SCM LOGISTICS (BEIJING) CO., LTD., with new car transportation business and pre-delivery inspection business, marked sales of 5,597 million yen and the current net profit of 107 million yen at the end of December, 2012. The Company has also established Guangzhou Eight Zero Auto Service Co. Ltd., in January 2010, as the Joint venture with Tan Chong International Group, listed company in Hong Kong, to start several vehicle−related businesses such as used car sales, maintenance, inspection and auction. However, as the used car sales volume has decreased owing to the implementation of car total volume control initiatives in Guangzhou since July, 2012, they are focusing on the vehicle beauty business to strengthen the vehicle-related business.

Moreover, the Company has planned to enter into Asian countries especially into remarkably growing ASEAN countries with vehicle transportation and vehicle-related business.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of June 30, 2012	As of June 30, 2013
Assets		
Current assets		
Cash and deposits	4,772	4,872
Notes and accounts receivable	6,575	6,868
Inventories	73	86
Goods	—	53
Deferred tax assets	341	271
Others	966	985
Allowance for doubtful accounts	(39)	(41)
Total current assets	12,689	13,096
Fixed assets		
Tangible fixed assets		
Buildings and structures	6,027	6,049
Accumulated depreciation	(2,512)	(2,746)
Buildings and structures, net	3,514	3,302
Machinery, equipment and vehicles	1,221	1,173
Accumulated depreciation	(1,037)	(984)
Machinery, equipment and vehicles, net	183	188
Tools, furniture and fixtures	401	417
Accumulated depreciation	(345)	(350)
Tools, furniture and fixtures, net	56	66
Land	8,389	8,373
Lease assets	1,221	2,073
Accumulated depreciation	(422)	(663)
Lease assets, net	798	1,409
Total tangible fixed assets	12,943	13,341
Intangible fixed assets		
Goodwill	2,137	1,808
Lease assets	17	20
Others	268	407
Total intangible fixed assets	2,423	2,236
Investments and other assets		
Investment securities	563	763
Long-term loans receivable	104	105
Deferred tax assets	742	777
Others	874	912

Allowance for doubtful accounts	(137)	(136)
Total investments and other assets	2,147	2,422
Total fixed assets	17,514	18,000
Total assets	30,203	31,096
	As of June 30, 2012	As of June 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable	3,221	3,430
Short-term loans payable	700	750
Long-term loans payable within one year	1,357	1,607
Lease obligations	216	294
Accrued expenses	1,344	1,604
Income taxes payable	380	574
Accrued consumption taxes	281	272
Deposits received	248	256
Allowance for bonus	409	406
Others	495	548
Total current liabilities	8,654	9,745
Fixed liabilities		
Long-term loans payable	3,424	2,041
Lease obligations	683	1,205
Deferred tax liabilities	76	76
Deferred tax liabilities for revaluation	1,088	1,088
Allowance for retirement benefits	2,992	3,029
Allowance for retirement benefits for directors	379	427
Asset retirement obligation	41	41
Others	100	106
Total fixed liabilities	8,787	8,016
Total liabilities	17,442	17,762
Net assets		
Shareholders' equity		
Capital stock	3,390	3,390
Capital surplus	3,204	3,204
Retained earnings	7,043	7,571
Treasury stock	(152)	(152)
Total shareholders' equity	13,485	14,014
Accumulated other comprehensive income		
Net unrealized loss on securities	(5)	15
Revaluation reserve for land	(705)	(705)

Foreign currency translation adjustment	(13)	8
Total accumulated other comprehensive income	(724)	(681)
Total net assets	12,761	13,333
Total liabilities and net assets	30,203	31,096

(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement

(Consolidated Income Statement)

(Unit: million yen)

	FY11 ended June 30, 2012	FY12 ended June 30, 2013
Sales	57,385	60,073
Cost of sales	49,833	52,675
Gross profit	7,551	7,397
Selling, general and administrative expenses	5,222	5,797
Operating income	2,329	1,600
Non-operating income		
Interest income	4	3
Dividend income	5	5
Fix asset rental income	18	19
Receivable commission	58	71
Equity in earnings of affiliates	18	26
Others	35	44
Total non-operating income	139	169
Non-operating expenses		
Interest expenses	107	86
Disposal loss of inventory goods	2	-
Others	13	23
Total non-operating expenses	122	109
Ordinary income	2,346	1,660
Extraordinary income		
Gain on sale of fixed assets	5	21
Total extraordinary income	5	21
Extraordinary loss		
Loss on disposal of fixed assets	104	0
Loss on retirement of fixed assets	9	18
Impairment loss	27	16
loss on revaluation of investments in securities	—	46
Retirement benefit expenses	54	—
Loss from Restructuring	—	85

Others	29	8
Total extraordinary losses	224	175
Net income before tax adjustments	2,127	1,507
Income taxes	480	767
Income taxes adjustment	705	23
Total income taxes	1,186	790
Net income before adjustment minority interests	940	716
Net income	940	716

(Consolidated Comprehensive Income Statement)

(Unit: million yen)

	FY11 ended June 30, 2012	FY12 ended June 30, 2013
Net income before adjustment minority interests	940	716
Other comprehensive income		
Net unrealized gains(loss) on securities	3	21
Land revaluation difference	158	—
Equity of equity-method affiliate	(3)	22
Total other comprehensive income(loss)	157	43
Comprehensive income	1,098	760
(Breakdown)		
Parent company portion of comprehensive income	1,098	760

(3) Consolidated Statements of Changes in Net Assets

(Unit: million yen)

	FY11 ended June 30, 2012	FY12 ended June 30, 2013
Shareholder's equity		
Capital stock		
Balance at the end of previous period	3,390	3,390
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	3,390	3,390
Capital surplus		
Balance at the end of previous period	3,204	3,204
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	3,204	3,204

Retained earnings		
Balance at the end of previous period	6,280	7,043
Changes of items during the period		
Dividends from surplus	(136)	(188)
Net income	940	716
Change of scope of equity method	—	—
Land revaluation difference	(40)	—
Total changes of items during the period	763	528
Balance at the end of current period	7,043	7,571
Treasury stock		
Balance at the end of previous period	(152)	(152)
Changes of items during the period		
Purchase of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	(152)	(152)
Total shareholder’s equity		
Balance at the end of previous period	12,722	13,485
Changes of items during the period		
Dividends from surplus	(136)	(188)
Net income	940	716
Land revaluation differences	(40)	—
Purchase of treasury stock	(0)	(0)
Total changes of items during the period	763	528
Balance at the end of current period	13,485	14,014
Accumulated other comprehensive income		
Net unrealized gains(loss) on securities		
Balance at the end of previous period	(9)	(5)
Changes of items during the period		
Net changes of items other than shareholder’s Equity	3	21
Total changes of items during the period	3	21
Balance at the end of current period	(5)	15
Revaluation reserve for land		
Balance at the end of previous period	(904)	(705)
Changes of items during the period		
Net changes of items other than shareholder’s Equity	199	—
Total changes of items during the period	199	—
Balance at the end of current period	(705)	(705)
Foreign currency translation adjustment		
Balance at the end of previous period	(9)	(13)

Changes of items during the period		
Net changes of items other than shareholder's Equity	(3)	22
Total changes of items during the period	(3)	22
Balance at the end of current period	(13)	8
Total accumulated other comprehensive income		
Balance at the end of previous period	(923)	(724)
Changes of items during the period		
Net changes of items other than shareholder's Equity	198	43
Total changes of items during the period	198	43
Balance at the end of current period	(724)	(681)
Total net assets		
Balance at the end of previous period	11,799	12,761
Changes of items during the period		
Dividends from surplus	(136)	(188)
Net income(loss)	940	716
Land revaluation differences	(40)	―
Purchase of treasury stock	(0)	(0)
Net changes of items other than shareholder's equity	198	43
Total changes of items during the period	961	572
Balance at the end of current period	12,761	13,333

(4) Consolidated Cash Flow Statement

(Unit: million yen)

	FY11 ended June 30, 2012	FY12 ended June 30, 2013
Net cash provided by operating activities		
Net income before tax adjustments	2,127	1,507
Depreciation	607	742
Depreciation of goodwill	328	328
Increase in allowance for doubtful accounts	13	0
Increase (decrease) in allowance for bonus	17	(2)
Decrease in allowance for retirement benefits	(51)	37
Increase in allowance for director's retirement benefits	32	47
Increase (decrease) in disaster loss	(28)	―
Interest and dividends income	(10)	(8)
Interest expenses	107	86
Loss on revaluation of golf membership	―	46
Loss (gain) on sale and retirement of fixed assets	108	(3)
Impairment loss	27	16

Loss on investment of equity method	(18)	(26)
Decrease in notes and accounts receivable	(756)	(293)
Increase in inventories	6	(65)
Decrease in other current assets	(73)	(54)
Increase in notes and accounts payable	321	209
Increase (decrease) in other current liabilities	288	310
Increase (decrease) in accrued consumption taxes	55	(8)
Others	(1)	22
Subtotal	3,101	2,891
Interest and dividends received	9	8
Interest paid	(105)	(86)
Income taxes paid	(218)	(576)
Net cash used in operating activities	2,786	2,236
Net cash used in investment activities		
Payments into time deposits	(10)	(1)
Proceeds from withdrawal of time deposits	149	2
Payments for purchase of tangible fixed assets	(234)	(219)
Proceeds from sale of tangible fixed assets	262	40
Payments for purchase of intangible fixed assets	(146)	(228)
Payments for purchase of investment securities	—	(165)
Proceeds from sales and redemption of investment securities	13	—
Payments for loans implementation	(102)	(52)
Proceeds from collection of loans receivable	162	101
Others	(32)	(72)
Net cash used in investing activities	61	(594)
Net cash used in financing activities		
Payments of short-term loans payable	—	50
Proceeds from long-term loans payable	650	450
Payments of long-term loans repayments	(3,258)	(1,582)
Payments for purchase of treasury stock	(0)	(0)
Payment of lease obligation repayments	(149)	(269)
Cash dividends paid	(136)	(187)
Net cash used in financing activities	(2,893)	(1,540)
Net decrease in cash and cash equivalents	(45)	101
Cash and cash equivalents at beginning of period	4,729	4,683
Cash and cash equivalents at end of period	4,683	4,785

1. Sales and profit for each reportable segment for the first nine months of FY2011 (from July 1, 2011 to June 30, 2012)

(Unit: million yen)

	Vehicle transportation-related	General cargo transportation	Human resources	Total	Elimination and Corporate (Note*1)	Consolidated (Note*2)
Sales						
Sales of external customers	42,736	6,748	7,900	57,385	-	57,385
Internal sales between business segments or transfer	46	23	2121	191	(191)	-
Total	42,783	6,771	8,021	57,577	(191)	57,385
Operating income	2,929	606	358	3,895	(1,566)	2,329
Assets	14,359	6,642	2,203	23,205	6,997	30,203
Other items						
Depreciation	315	228	18	562	45	607
Increase of tangible/intangible fixed assets	716	44	15	775	59	835

(Notes)

*1. The elimination is as follows.

(1) Elimination of -1,566 million yen of Operating income includes corporate expense of -1,239 million yen, goodwill amortization of -328 million yen and elimination among the segments of 2 million yen. The corporate expense is the expense of the administrative departments which do not belong to any reported segment.

(2)Elimination of segment assets is the company's assets which are not allocated to any reported segment.

(3)Elimination of other items is the company's assets which are not allocated to any reported segment.

*2. Segment profit is eliminated with the operating profit of consolidated financial statements.

2. Sales and profit for each reportable segment for the first nine months of FY2012 (from July 1, 2012 to June 30, 2013)

(Unit: million yen)

	Vehicle transportation-related	General cargo transportation	Human resources	Total	Elimination and Corporate (Note *1)	Consolidated (Note *2)
Sales						
Sales for external customers	44,759	6,196	9,117	60,073	-	60,073
Internal sales between business segments or transfer	27	40	269	338	(338)	-
Total	44,787	6,236	9,387	60,411	(338)	60,073
Operating income	2,417	337	434	3,188	(1,588)	1,600
Assets	15,245	6,452	2,339	24,038	7,057	31,096
Other items						
Depreciation	478	217	17	712	29	742
Increase of tangible/intangible fixed assets	1058	190	53	1,303	86	1,390

(Notes)

*1. The elimination is as follows.

(1) Elimination of -1,588 million yen of Operating income includes corporate expense of -1,260 million yen, goodwill amortization of -328 million yen and elimination among the segments of 1 million yen. The corporate expense is the expense of the administrative departments which do not belong to any reported segment.

(2)Elimination of segment assets is the company’s assets which are not allocated to any reported segment.

(3)Elimination of other items is the company’s assets which are not allocated to any reported segment.

*2. Segment profit is eliminated with the operating profit of consolidated financial statements.

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