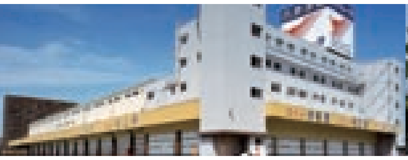
Annual Report 2011

Year Ended March 31, 2011




Seino Holdings Co., Ltd.

Profile

Seino Holdings Co., Ltd. ("the Company") began business as a trucking company in 1930 and was incorporated in 1946. Based in the city of Ogaki, Gifu Prefecture, we are a leading trucking company, expanding in step with the growth of the Japanese economy and the development of the nation's extensive expressway network. On October 1, 2005, the Company transferred its transportation business and other operations to a new company—which has taken the original name Seino Transportation Co., Ltd.—and was renamed Seino Holdings Co., Ltd. a pure holding company structure.

The Seino Group currently consists of the pure holding company Seino Holdings, 58 consolidated subsidiaries and 14 affiliates engaged in transportation services, vehicle sales, merchandise sales, leasing for real estate services and other services.

In its mainstay Transportation Services business, the Company has taken steps to build even more convenient logistics systems, all the while adhering to its "customer-first" principle. As of March 31, 2011, Seino offers efficient transportation services throughout Japan via its 634 domestic terminals, a fleet of 24,321 trucks and a trucking network that averages 5,000 routes daily. Overseas, Seino has transferred its international forwarding operations to Schenker-Seino Co., Ltd., a joint venture established with Schenker AG in Germany. Through this alliance, the Company aims to bolster its competitiveness by optimizing the synergies of Seino's domestic transportation network and Schenker's global network and cutting-edge IT systems.

The Seino Group is committed to providing rapid services that deliver total customer satisfaction and will proceed down the "Road to Success" to become a highly profitable company through initiatives to develop a progressive business model that will become the standard for next-generation transportation business.

Forward-looking Statements:
In this annual report, statements other than historical facts are forward-looking statements that reflect the plans and expectations of the Company. These forward-looking statements involve risks, uncertainties and other factors that may cause the Company's actual results and achievements to differ materially from those anticipated in these statements.

Contents

Board of Directors

(As of June 28, 2011)

Chairman and
Chief Executive Officer
Yoshikazu Taguchi

President and
Chief Operating Officer
Yoshitaka Taguchi

Directors
Takao Taguchi
Yoshitaka Nasuno
Mitsuo Mekada
Shizutoshi Otsuka
Hidemi Maruta
Shinpei Ando

Outside Directors
Yuji Tanahashi
Kenjiro Ueno

Standing Statutory Auditors
Yoshio Matsuoka
Takahiko Kumamoto

Outside Statutory Auditors
Fumio Kato
Eiji Kasamatsu

SEINO HOLDINGS CO., LTD.

Financial Highlights

For the Years Ended March 31, 2011, 2010 and 2009

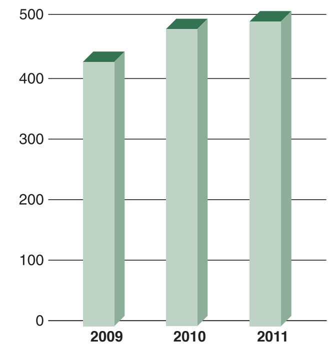
	Millions of Yen			Thousands of U.S. Dollars (Note)
	2011	2010	2009	2011
CONSOLIDATED BASIS:				
Operating revenue	**¥ 497,612**	¥ 485,808	¥ 433,766	**$ 5,995,325**
Operating income	**12,326**	6,621	3,333	**148,506**
Income before income taxes and minority interests	**13,136**	12,940	6,941	**158,265**
Net income	**8,449**	9,477	3,391	**101,795**
Net income per share (in yen and U.S. dollars)	**42.44**	47.60	17.03	**0.51**

	Millions of Yen			Thousands of U.S. Dollars (Note)
	2011	2010	2009	2011
CONSOLIDATED BASIS:				
Cash and cash equivalents, and short-term investments	**¥ 55,889**	¥ 51,302	¥ 42,197	**$ 673,361**
Property and equipment, net of accumulated depreciation	**276,545**	273,710	246,790	**3,331,867**
Total assets	**487,701**	484,674	439,372	**5,875,916**
Long-term debt and other long-term liabilities	**82,281**	86,449	64,812	**991,338**
Net assets	**307,806**	301,792	291,564	**3,708,506**
Net assets per share (in yen and U.S. dollars)	**1,508.40**	1,478.77	1,433.40	**18.17**

(Note) U.S. dollar amounts are translated at ¥83 = U.S. $1, only for the convenience of readers.

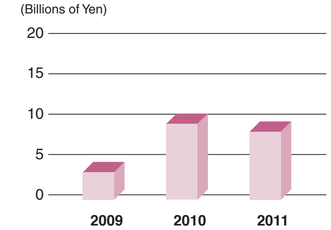
Operating revenue

(Billions of Yen)



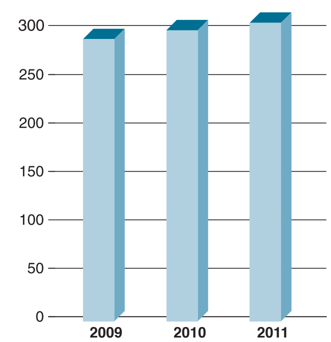
Net income

(Billions of Yen)



Net assets

(Billions of Yen)



Corporate Data

(As of March 31, 2011)

Company Name:	Seino Holdings Co., Ltd.
Head Office:	1, Taguchi-cho, Ogaki, Gifu 503-8501, Japan Tel: 81-584-82-3881 Fax: 81-584-82-5040
Date of Establishment:	November 1, 1946
Paid-in Capital:	¥42,482 million
Number of Shares Issued:	207,679,783
Stock Listings:	The First Section of Tokyo Stock Exchange (code 9076) The First Section of Nagoya Stock Exchange (code 9076)
Transfer Agent:	Mitsubishi UFJ Trust and Banking Corporation
Independent Auditors:	KPMG AZSA LLC

To Our Shareholders, Customers and Friends

We would like to take this opportunity to express our appreciation to our stakeholders, including shareholders and other investors, for the consistent support you have shown us over the years. The results of the fiscal year ended March 31, 2011 (April 1, 2010 to March 31, 2011) are presented herein.

Business Environment

In the fiscal year under review, Japanese economic conditions remained uncertain. Despite signs of moderate recovery due mainly to improvement in corporate earnings and capital investment, employment and income conditions remained tough and the yen continued to appreciate. Coupled with this, the effects of governmental policies dissipated, leading to further stagnation since the third quarter while raw material prices rose sharply.

In the transportation industry, the tough business environment persisted in spite of upward momentum in consumer-related bulk shipments as customer demands to reduce distribution costs drove fierce competition within the industry and rising environmental spending and fuel costs put further pressure on profits.

In addition, the Great East Japan Earthquake that struck on March 11, 2011 forced disruptions to distribution networks in disaster-afflicted areas. The Seino Group did its utmost to transport emergency supplies and restore its distribution network.

Initiatives and Results for the Year

Operating under such conditions, the Seino Group focused on enhancing customer satisfaction, which included striving to produce results that exceeded expectations, and boosting corporate value in the final year of our three-year medium-term management plan, the "Customer Satisfaction (CS) Improvement Plan."

Additionally, the Seino Group promoted "Leap Forward" as our slogan to emphasize the importance of further development and evolution as a united whole while leveraging past cases of success and accumulated know-how.

As a result, operating revenue for the fiscal year ended March 31, 2011 was ¥497,612 million, up 2.4% year-on-year, operating income was ¥12,326 million, up 86.2%, and net income was ¥8,449 million, down 10.8%.

Future Outlook

The Japanese economy is expected to worsen going forward. The Great East Japan Earthquake and the accident at the Fukushima Daiichi nuclear power plant are projected to lead to economic loss with power shortages predictably stagnating economic activities. Added to this, the difficult employment environment is forecast to continue and the Middle East remains politically unstable.

In the transportation industry, declining production in Japanese industry caused by supply chain disruptions and power supply issues is expected to significantly impede progress. Further, an increase in environmental protection management costs for necessary ongoing programs and persistently rising fuel costs are projected to force a continuation of difficult business conditions.

Under these circumstances, the Seino Group formulated a medium-term management plan titled "Daring to Change," with fiscal 2012 as the first year (April 2011~March 2014). We will work towards achieving the goals of this plan. Amid a trying business environment, we will aim to ensure distribution that fulfills the needs of our customers by matching the functions of each group company with respective customers and will always strive to provide "that little bit extra" to achieve our goals in the three-year period. The Seino Group will implement the following specific initiatives under the new three-year management plan while further enhancing business for small-lot transportation in the commercial sector, a key business area: (1) Expand logistics business, air freight consignment ("Kangaroo SAVE Kyubin" service promises delivery before noon the next day within an 800 km area) and e-commerce; (2) Build a competitive cost structure; (3) Establish an individual-focused network by innovating the express courier service into a community concierge service (CCS) that makes life easier for customers in the community in numerous ways; (4) Implement measures to increase profitability in businesses within our Vehicle Sales sector (maintenance leasing); and (5) Expand sales of fuel and paper products in our Merchandise Sales sector.

As shown by these initiatives, the Seino Group has a diversified business portfolio centered on Transportation Services that also includes Vehicle Sales, Merchandise Sales, Leasing for Real Estate Services and Other Business. Based on these circumstances, we will strive to optimize our financial resources by reinforcing capital ties and examine the possibility of business restructuring in order to further strengthen the corporate group and drive innovation.

Each group company will endeavor to enhance profitability and we will promote the establishment of a profitable structure and shareholder-focused management by further improving management efficiency throughout the Group.

We forecast operating revenue of ¥492.0 billion (down 1.1% compared with the previous fiscal year), ordinary income of ¥18.2 billion (down 9.6%) and net income of ¥7.0 billion (down 5.3%) for the fiscal year ending March 31, 2012.

Corporate Governance

Seino employs a corporate auditor system. As of March 31, 2011, the Board of Directors consisted of 10 directors, including two outside directors. In addition to making swift and appropriate decisions on such important matters as business restructuring and strategic investments, the Board of Directors is taking important steps to strengthen auditing functions and achieve greater management transparency.

The Company also has four corporate auditors, including two outside auditors. Auditors are committed to improving compliance and enhancing the trust that society has in the Company through such activities as attending meetings of the Board of Directors, conferences of directors and other important gatherings, and auditing business execution.

To Our Shareholders

In keeping with our basic business policy, Seino seeks to enhance shareholders' equity and improve profitability from a long-term perspective, while maintaining stable dividends. Accordingly, Seino has maintained a regular annual cash dividend per share of ¥11.00 for the fiscal year ended March 31, 2011, the same amount as in the previous fiscal year.

Through the implementation of our new medium-term management plan, we aim to be the preeminent commercial freight transportation company in Japan while at the same time raising corporate and shareholder value. We ask shareholders, customers and friends for your continued understanding and support.

Yoshikazu Taguchi
Chairman and Chief Executive Officer

Y. Taguchi

Yoshitaka Taguchi
President and Chief Operating Officer

Expanding the Scope of Business and Creating New Value

In the fiscal year ended March 31, 2011, the Seino Group achieved our intent to always provide the ultimate service to customers and fulfill our mission of contributing to the nation and to society during the final year of the three-year medium-term management plan, the "Customer Satisfaction (CS) Improvement Plan."

We are expanding businesses that we should take on as a logistics firm in the course of improving management efficiency in line with a "backflow of information" on customer preferences that manufacturers now receive due to rapid development of information infrastructure.

Seino Holdings Co., Ltd. has added financial services to our logistics services amid this trend and we are making an effort to assist customers with their commercial transactions in a variety of ways as an integrated logistics provider. The initiatives of each business group during the fiscal year ended March 31, 2011 are detailed below.

Initiatives by Business Group

Transportation Services Business Group

Rapid Restoration of Transport Following the Great East Japan Earthquake

The Great East Japan Earthquake that occurred on March 11, 2011 ripped apart the distribution network in affected areas, causing a succession of failures in freight delivery and pick-up for the transport industry in affected areas. The Seino Transportation Group was the first in the industry to resume transport to our service locations in affected areas on March 15, and we also subsequently made an all-out effort to transport emergency goods and restore the distribution network.

We are also striving to increase convenience for users by providing the latest information on the status of package pick-up and delivery in affected areas.

Seino Holdings Restructures Business in Kyushu and Launches Kyushu Seino Transportation Co., Ltd.

Seino Holdings restructured the transport business in the Kyushu region in April 2011. The business in the same districts in Kyushu that had previously been handled by two wholly owned subsidiaries, Seino Transportation and Kyushu Seino Transportation, was integrated into one business with the establishment of a new company, the name of which was changed to Kyushu Seino Transportation Co., Ltd.

The new company has 28 land-based branches, two airport branches, three moving centers and one distribution center. There are 2,077 employees and 1,662 vehicles. We have been able to resolve the inconvenience customers felt with the intermingling of multiple Seino Group companies up to this point and are working to reduce duplication and increase efficiency to improve our competitiveness in Kyushu.

Seino Holdings Co., Ltd. Establishes Seino Financial Co., Ltd.

Seino Holdings established Seino Financial, a new company to support e-commerce (EC) sites, in April 2010. It is a one-stop shop for building and managing EC sites, logistics, payment settlement, maintaining liquidity for accounts receivable and other services.

The launch of EC business support by the company has made it possible for the Seino Transportation Group to provide payment by credit card and online at convenience stores when ordering in addition to the existing cash on delivery payment method. It also enables us to take advantage of our strength in handling everything from door-to-door delivery to heavy goods to gain entry into new sources of demand stemming from mail order and Internet supermarkets handling heavy goods for individual consumers, internet sales between companies and backyard support services for EC companies.

Seino Transportation Business Alliance with Raccoon Co., Ltd., Operator of a Member-based B-to-B Site

Seino Transportation entered a business alliance with Raccoon Co., Ltd., an operator of the "Super Delivery" website for business-to-business (B-to-B) transactions, and began transport services for the companies featured on the site in January 2011.

Super Delivery is a B-to-B site where manufacturers and retailers nationwide can interact. Use of the Internet makes it possible to reduce manufacturer operating costs involved in gaining access to sales channel and to present new products in real time without regard to location. It enables retailers to order anytime, 24 hours a day, and to procure only the product quantity desired for small-lot orders with a short delivery timeframe. It also allows companies to use the same payment conditions for transactions with multiple companies.

The current business alliance renders negotiations for distributor selection unnecessary for companies that are members of Super Delivery. Seino Transportation will also support participation in Super Delivery, thus we anticipate gaining entrance into more markets.

Seino Transportation Begins Distribution of Email Magazine

Seino Transportation began distributing "Kangaroo Connection," an email magazine designed for customers, in December 2010. It is distributed once a month with content including the introduction of new services, area news, a column and other items. Information on delays in delivery due to weather, disaster or other reasons is also transmitted as needed.

Work involving the Internet will increase with the spread of EC business. Accordingly, Seino Transportation holds high expectations for the magazine as a tool that can quickly provide information to everyone via the Internet in addition to existing leaflets and sales pitches by sales reps.

Seino Transportation Opens Himeji Branch

Seino Transportation relocated the Himeji Branch in Himeji, Hyogo Prefecture, to a new building and commenced business in January 2011. The new Himeji Branch is in a highly convenient location about two kilometers from the West Himeji Interchange of the Sanyo Expressway and harbors Western Japan's largest warehouse, which serves as a distribution center and also has a truck terminal. The expansive facilities are used in the relay of highway freight from Okayama and Hiroshima toward Joshin-etsu, which had previously been handled by the Shinmei Branch, and from Kanto to Okayama, Hiroshima and Yamaguchi Prefectures. This has lightened the nighttime relay work handled by both the Shinmei and the Kasai branches.

Seino Transportation Opens the Sannomiya Branch Business Center

In August 2010, Seino Transportation opened a Kangaroo Business Center at the Kobe Sannomiya Branch. The Kobe branch serves as the mother branch for Kangaroo Business Centers. Close to JR Sannomiya Station, it is a location where office complexes and commercial facilities are concentrated. Kangaroo Business Centers are urban locations for pick-up and delivery. Area supporters use trucks to provide attentive, locally based service that is environmentally friendly.

Mie Seino Transportation Establishes New Ise Sales Office

Mie Seino Transportation consolidated and relocated its existing Ise Sales Office and Ise Branch Office, beginning business as the new Ise Sales Office in November 2010. The new Ise Sales Office is in a good location, about three minutes from the Tamaki Interchange on the Ise Expressway, and has a ground-floor space of 65,000 m^2. This resolved a problem with the entrance and exit of vehicles in the old facility, and we are aiming to increase efficiency through the effective allocation of personnel and increase revenues via warehouse utilization.

Seino Tsu-un Transportation Accepts Consignment of School Lunch Delivery

Seino Tsu-un Transportation began delivery for the Nanbu School Lunch Center in Ogaki City, Gifu Prefecture, on September 1, 2010. We won the consignment bid in 2008 and are making deliveries to 18 elementary schools and kindergartens in the city with a fleet of eight delivery vehicles and 18 staff members. For drivers, we use local senior citizens and Seino employees who have reached mandatory retirement age. Our vehicles run on environmentally friendly compressed natural gas.

Vehicle Sales and Other Businesses

New Netz Toyota Gifu Launched

The Netz Toyota Gifu and Netz Toyota Centro Gifu in the Seino Group were merged in July 2010 and newly debuted as Netz Toyota Gifu.

The former Netz Toyota Gifu had 25 branches in Gifu Prefecture and Netz Toyota Centro Gifu had 16 branches. Duplicate branches were eliminated or consolidated in the merger, and we will strive to utilize human resources effectively and improve our competitiveness while also working to improve customer satisfaction.

Nagahama Sales Office of Shiga Hino Motors Completed

We completed the Nagahama Sales Office, the third location after the existing Nitto and Hikone Branches for Shiga Hino Motors and commenced business in October 2010. We anticipate expanding business to the Kohoku district (north of Lake Biwa) in northern Shiga Prefecture in addition to our existing customers in Shiga Prefecture who had been serviced by the Hikone Branch and Gifu Hino Motors Ogaki Branch.

Review of Operations

Transportation Services

In the Transportation Services business, we worked to expand logistics business, develop timetables for trunk-route transportation, strengthen our network and improve operational accuracy, which are the main areas of focus under our three-year "Customer Satisfaction (CS) Improvement Plan." At the same time, we made steady progress in our Internet-based distribution service as a means to increase the corporate value of the Seino Group.

As part of these efforts, we promoted further expansion of our service network and enhanced efficiency in operating activities. This included relocating and building the new Himeji Branch of Seino Transportation Co., Ltd. (Himeji City) and merging the Ise Sales Office and Ise Branch Office to form the new Ise Sales Office (Tamaki City, Mie Prefecture).

In addition, Seibu Transportation Co., Ltd. transferred its head office functions to the Tatsumi Distribution Center (Koto-ku, Tokyo), which has strengthened mobility in sales and reduced expenses. Seino Hikkoshi Co., Ltd. relocated its head office to Tokyo, Japan's economic hub, in order to develop business specializing in sales. Elsewhere, Seino Transportation executed major structural reforms that included integrating and streamlining its head office functions to improve the system of direct contact with customers and more quickly reflect feedback in operations.

We also continued with environmentally friendly driving activities aimed at contributing to environmental preservation and reducing costs.

As a result, operating revenue for this segment was ¥368,771 million (US$4,443,024 thousand), up 1.7% year-on-year, and operating income was ¥6,494 million, up 268.7% year-on-year (US$78,241 thousand).

Vehicle Sales

In the Vehicle Sales business, we continued working to establish a profitable structure amid an end to subsidies for eco-cars and a forecast decline in new car sales following a rush in demand. Initiatives included a focus on sales of car accessories and installment insurance in addition to used car sales as well as strengthening service businesses such as automobile inspection, maintenance and storage.

The number of new passenger vehicle sales until August easily surpassed levels recorded in the same period of the previous fiscal year due to the effect of subsidies and tax discounts coupled with marketing efforts linked to the local population. The end of subsidies for eco-cars in September led to a decline in sales and a cooling off in consumer confidence. As a result, total passenger vehicle sales fell short of the previous fiscal year.

Sales of new trucks grew on a year-on-year basis due to the effect of subsidies and a rush in demand prior to the enforcement of new long-term exhaust gas regulations for large trucks. Sales of used trucks also exceeded levels registered in the previous fiscal year owing primarily to efforts to bolster auctions.

In other developments, Shiga Hino Motors Co., Ltd. established the Nagahama Sales Office, its third site, which will take over the service area previously handled by the Hikone Sales Office of Shiga Hino Motors and the Ogaki Branch of Gifu Hino Motors. This will enable enhanced customer satisfaction while the new site has already started to vigorously expand sales activities north of Lake Biwa.

As a result, operating revenue for this segment was ¥87,075 million (US$1,089,073 thousand), down 0.1% year-on-year, and operating income was ¥3,830 million (US$46,145 thousand), up 16.2% year-on-year.

Merchandise Sales

Sales in this segment grew significantly year-on-year due to an increase in sales of fuel, the segment's mainstay product, owing to aggressive marketing efforts, coupled with rising selling prices. In addition, sales of domestic tissue papers remained solid.

Operating revenue for this segment was ¥27,104 million (US$326,554 thousand), up 24.5% year-on-year, and operating income was ¥561 million (US$6,759 thousand), down 6.3% year-on-year.

Leasing for Real Estate Services

In the Leasing for Real Estate Services business, we strove to effectively utilize management resources by leasing certain vacant terminal lots of the Transportation Service Business Group, including those of Seino Transportation Co., Ltd., which took steps to relocate due to the impact of urban development and lack of space. The main terminals put up for lease included the former terminals in Yotsuhashi (Osaka City), Shinmachi (Osaka City), and Akashi (Akashi City).

Companies outside the Transportation Services Business Group also engage in leasing with the aim of effectively utilizing assets.

Operating revenue for this segment was ¥1,429 million (US$17,217 thousand), up 13.0% year-on-year, and operating income was ¥1,197 million (US$14,422 thousand), up 13.9% year-on-year.

Other Business

Our Other Business segment includes information services business and construction contract business. Operating revenue for this segment was ¥13,233 million (US$159,434 thousand), up 1.8% year-on-year, and operating income was ¥780 million (US$9,397 thousand), up 280.5% year-on-year.

Operating Revenue by Business Segment

(Millions of yen)

	FY3/11		FY3/10		
	Results	Composition	Results	Composition	Year-on-Year
Transportation Services	368,771	74.1%	362,628	74.6%	1.7%
Vehicle Sales	87,075	17.5%	87,132	17.9%	(0.1)%
Merchandise Sales	27,104	5.4%	21,779	4.5%	24.4%
Leasing for Real Estate Services	1,429	0.3%	1,265	0.3%	13.0%
Other	13,233	2.7%	13,004	2.7%	1.8%
Total	497,612	100.0%	485,808	100.0%	2.4%

Operating Income by Business Segment

(Millions of yen)

	FY3/11		FY3/10		
	Results	Composition	Results	Composition	Year-on-Year
Transportation Services	6,494	52.7%	1,761	26.6%	268.6%
Vehicle Sales	3,830	31.1%	3,297	49.8%	16.2%
Merchandise Sales	561	4.5%	599	9.0%	(6.4)%
Leasing for Real Estate Services	1,197	9.7%	1,051	15.9%	13.9%
Other	780	6.3%	205	3.1%	280.5%
Total	12,862	104.3%	6,913	104.4%	86.0%
Elimination	(536)	(4.3)%	(292)	(4.4)%	—
Consolidated	12,326	100.0%	6,621	100.0%	86.2%

Financial Review

Operating Results

Consolidated operating revenue for Seino Holdings for the fiscal year ended March 31, 2011 increased 2.4% from the previous fiscal year to ¥497,612 million (US$5,995,325 thousand). This was due to increased sales in the Transportation Services business, Merchandise Sales business, Leasing for Real Estate Services business and Other business.

Operating costs of revenues increased 1.4% from the previous fiscal year to ¥452,263 million (US$5,448,952 thousand). The ratio of operating costs to operating revenue was 90.9%, down 0.9 percentage point from the previous fiscal year.

Selling, general and administrative expenses decreased 1.0% to ¥33,023 million (US$397,867 thousand), while operating income surged 86.2% to ¥12,326 million (US$148,506 thousand).

Other income (expenses) stood at ¥810 million (US$9,759 thousand). Key positive factors were the amortization of consolidating adjustment account (negative goodwill) in the amount of ¥5,374 million (US$64,747 thousand) and interest and dividend income of ¥488 million (US$5,879 thousand). Negative factors included loss on adjustment for changes of accounting standard for asset retirement obligations of ¥1,678 million (US$20,217 thousand) and impairment loss on fixed assets of ¥3,029 million (US$36,494 thousand).

As a result, income before income taxes and minority interests amounted to ¥13,136 million (US$158,265 thousand), up 1.5% year-on-year. Net income decreased 10.8% to ¥8,449 million (US$101,795 thousand) due to an increase in corporate tax.

Net income per share was ¥42.44 (US$0.51), and return on equity was 2.8%. Annual cash dividends per share were maintained at ¥11.00 (US$0.13), the same as in the previous fiscal year.

Financial Position

Total assets at the end of the fiscal year under review were ¥487,701 million (US$5,875,916 thousand), up 0.6% versus the previous fiscal year-end.

Total current assets increased 0.8% to ¥166,726 million (US$2,008,747 thousand) compared with the previous fiscal year-end. Total fixed assets increased 0.5% from the previous fiscal year-end to ¥320,975 million (US$3,867,169 thousand).

Total current liabilities increased 1.2% compared with the previous fiscal year-end to ¥97,614 million (US$1,176,072 thousand). This was due primarily to increases in accounts payable, accrued expenses and income taxes payable despite decreases in operating accounts payable and trade accounts payable.

Long-term liabilities decreased 4.8% from the previous fiscal year-end to ¥82,281 million (US$991,338 thousand). The main factors behind this result were decreases in deferred tax liabilities and negative goodwill.

Net assets rose 2.1% from the previous fiscal year-end to ¥307,806 million (US$3,708,506 thousand). The major factor was an increase in retained earnings derived from the posting of net income. Shareholders' equity increased 0.9 percentage point to 61.6%.

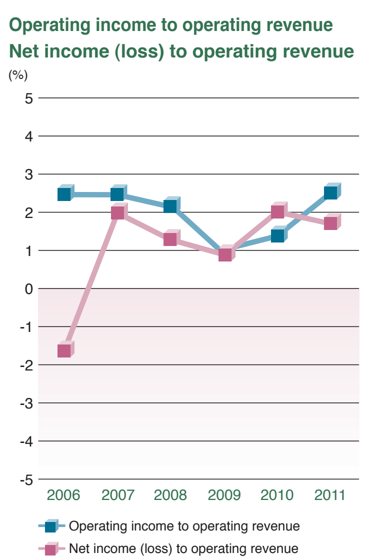
Cash Flows

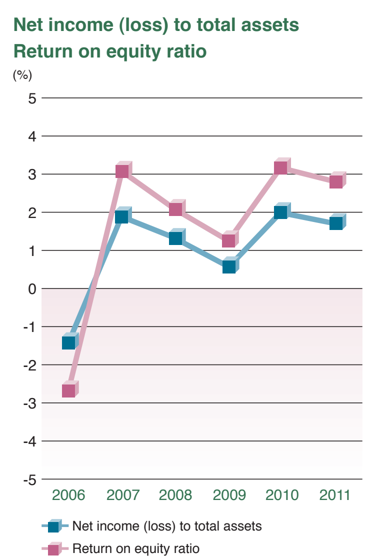
Net cash provided by operating activities decreased ¥1,215 million compared with the previous fiscal year to ¥27,955 million (US$336,807 thousand) due mainly to a decline in trust beneficiary rights in the previous fiscal year.

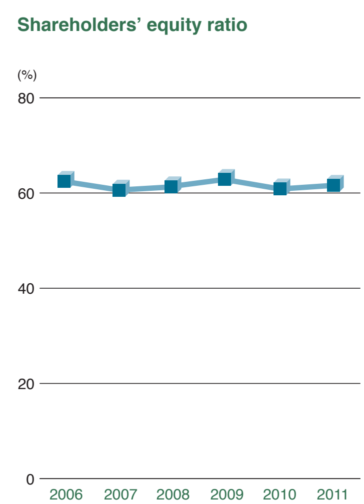
Net cash used in investing activities increased ¥16,762 million compared with the previous fiscal year to ¥20,107 million (US$242,253 thousand) due primarily to an increase in payments for the acquisition of intangible and tangible fixed assets.

Net cash used in financing activities decreased ¥15,283 million compared with the previous fiscal year to ¥2,516 million (US$30,313 thousand) due mainly to repayment of short-term debt at a newly consolidated subsidiary in the previous fiscal year.

Consequently, cash and cash equivalents at end of year increased ¥5,325 million compared with the previous fiscal year to ¥48,992 million (US$590,265 thousand).







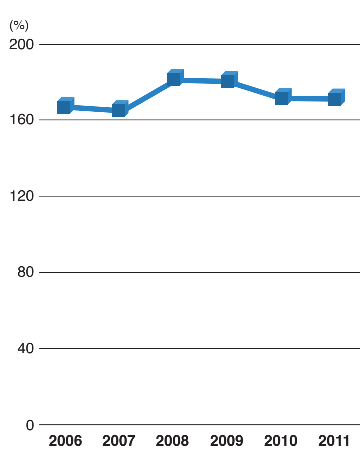
SEINO HOLDINGS CO., LTD. and Consolidated Subsidiaries

Six-year Summary

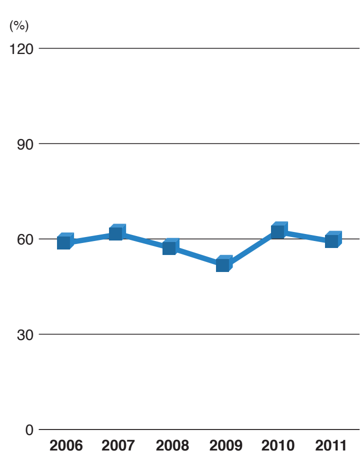
For the Years Ended March 31, 2011, 2010, 2009, 2008, 2007 and 2006

	Millions of Yen					
	2011	2010	2009	2008	2007	2006
For the year:						
Operating revenue:	¥ 497,612	¥ 485,808	¥ 433,766	¥ 451,978	¥ 449,486	¥ 427,520
Transportation services	368,771	362,628	316,341	331,862	327,574	307,888
Vehicle sales	87,075	87,132	78,722	85,537	85,549	82,334
Merchandise sales	27,104	21,779	23,302	—	—	—
Leasing for real estate services	1,429	1,265	1,187	1,146	1,079	1,004
Other	13,233	13,004	14,214	33,433	35,284	36,294
Operating costs	452,263	445,845	397,826	410,579	408,395	386,995
Selling, general and administrative expenses	33,023	33,342	32,607	31,474	30,295	30,443
Operating income	12,326	6,621	3,333	9,925	10,796	10,082
Net income (loss)	8,449	9,477	3,391	6,018	8,797	(8,334)
At year-end:						
Current assets	166,726	165,451	150,140	168,475	169,706	161,208
Total assets	487,701	484,674	439,372	457,871	468,006	446,933
Current liabilities	97,614	96,433	82,996	93,044	98,980	92,800
Short-term borrowings	2,515	2,315	2,135	2,465	3,700	4,371
Long-term debt, including current maturities	648	982	1,462	2,114	3,435	8,247
Net assets	307,806	301,792	291,564	293,985	292,848	278,916
	Yen					
Per share data:						
Net (loss) income:						
-Basic	¥ 42.44	¥ 47.60	¥ 17.03	¥ 30.27	¥ 44.71	¥ (43.35)
Cash dividends	11.00	11.00	11.00	11.00	11.00	11.00
	Thousands					
Number of shares issued	207,679	207,679	207,679	207,679	207,679	207,679
	Percent					
Ratios:						
Operating income to operating revenue	2.5	1.4	0.8	2.2	2.4	2.4
Net income (loss) to operating revenue	1.7	2.0	0.8	1.3	2.0	(1.9)
Net income (loss) to total assets	1.7	2.0	0.8	1.3	1.9	(1.9)
Return on equity ratio	2.8	3.2	1.2	2.1	3.1	(3.0)
Shareholders' equity ratio	61.6	60.7	64.9	62.9	61.2	62.4
Current ratio	170.8	171.6	180.9	181.1	171.5	173.7
Debt equity ratio	59.9	62.1	51.8	56.9	61.2	58.3
Payout ratio	26.2	23.2	65.1	36.6	24.5	(25.5)

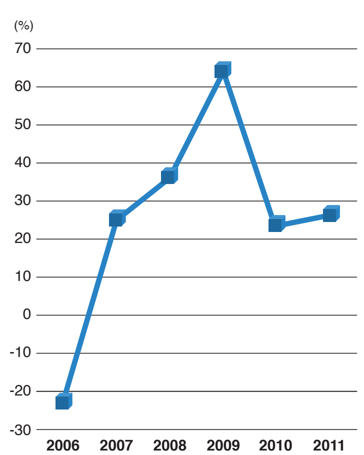
Current ratio



Debt equity ratio



Payout ratio



SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Balance Sheets

March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Assets:			
Current assets:			
Cash and cash equivalents (Note 13)	**¥ 48,992**	¥ 43,667	**$ 590,265**
Short-term investments (Notes 4 and 13)	**6,897**	7,635	**83,096**
Trade receivables (Note 13)	**96,808**	97,076	**1,166,361**
Inventories (Note 3)	**7,577**	10,588	**91,289**
Deferred tax assets (Note 11)	**4,633**	4,194	**55,819**
Other current assets	**2,203**	2,798	**26,543**
Allowance for doubtful accounts	**(384)**	(507)	**(4,626)**
Total current assets	**166,726**	165,451	**2,008,747**
Property and equipment (Notes 5, 6 and 12):			
At cost	**530,780**	520,524	**6,394,939**
Accumulated depreciation	**(254,235)**	(246,814)	**(3,063,072)**
Net property and equipment	**276,545**	273,710	**3,331,867**
Investments and other assets:			
Investment securities (Notes 4 and 13)	**18,627**	19,742	**224,422**
Investments in and long-term loans to affiliates (Note 4)	**3,000**	3,110	**36,145**
Deferred tax assets (Note 11)	**12,264**	11,189	**147,759**
Other assets	**10,539**	11,472	**126,976**
Total investment and other assets	**44,430**	45,513	**535,302**
Total assets	**¥ 487,701**	¥ 484,674	**$ 5,875,916**
Current liabilities:			
Short-term borrowings (Notes 6 and 13)	**¥ 2,515**	¥ 2,315	**$ 30,301**
Current portion of long-term debt (Notes 6 and 13)	**190**	328	**2,289**
Trade payables (Note 13)	**65,177**	65,488	**785,265**
Accrued expenses	**12,394**	12,004	**149,325**
Income taxes payable	**4,775**	4,558	**57,530**
Provision for loss on disaster (Note 16)	**186**	—	**2,241**
Other current liabilities (Notes 11 and 15)	**12,377**	11,740	**149,121**
Total current liabilities	**97,614**	96,433	**1,176,072**
Long-term debt (Notes 6 and 13)	**458**	654	**5,518**
Employee retirement benefit liability (Note 7)	**55,018**	54,574	**662,868**
Asset retirement obligation (Note 15)	**2,428**	—	**29,253**
Accrued severance indemnities for directors and statutory auditors	**1,384**	1,473	**16,675**
Deferred tax liabilities (Note 11)	**13,176**	14,556	**158,747**
Negative goodwill (Note 20)	**9,355**	14,729	**112,711**
Other long-term liabilities	**462**	463	**5,566**
Total liabilities	**179,895**	182,882	**2,167,410**
Commitments and contingent liabilities (Notes 8 and 9)			
Net Assets:			
Shareholders' equity (Note 10):			
Common stock: 794,524,668 shares authorized and 207,679,783 shares issued	**42,482**	42,482	**511,831**
Capital surplus	**74,266**	74,266	**894,771**
Retained earnings	**189,207**	183,105	**2,279,603**
Less treasury stock at cost: 8,642,914 shares in 2011 and 8,624,246 shares in 2010	**(8,606)**	(8,595)	**(103,687)**
Total shareholders' equity	**297,349**	291,258	**3,582,518**
Accumulated other comprehensive income:			
Net unrealized gains on available-for-sale securities	**3,288**	3,809	**39,614**
Land revaluation decrement	**(93)**	(251)	**(1,120)**
Foreign currency translation adjustments	**(316)**	(457)	**(3,807)**
Total accumulated other comprehensive income	**2,879**	3,101	**34,687**
Minority interests	**7,578**	7,433	**91,301**
Total net assets	**307,806**	301,792	**3,708,506**
Total liabilities and net assets	**¥ 487,701**	¥ 484,674	**$ 5,875,916**

See accompanying Notes to Consolidated Financial Statements.

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Income

For the Years Ended March 31, 2011, 2010 and 2009

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	**2011**
Operating revenue (Notes 14 and 20)	**¥ 497,612**	¥ 485,808	¥ 433,766	**$ 5,995,325**
Operating costs and expenses (Notes 7 and 20):				
Operating costs	**452,263**	445,845	397,826	**5,448,952**
Selling, general and administrative expenses	**33,023**	33,342	32,607	**397,867**
	485,286	479,187	430,433	**5,846,819**
Operating income	**12,326**	6,621	3,333	**148,506**
Other income (expenses):				
Interest and dividend income	**488**	486	775	**5,879**
Interest expenses	**(51)**	(119)	(87)	**(614)**
Loss on sale or disposal of property and equipment	**(11)**	(120)	(138)	**(133)**
Gain (loss) on sale of investment securities	**15**	(27)	2	**181**
Gain on cancellation of leasehold contracts	**—**	116	—	**—**
Equity in net loss of affiliates	**(43)**	(172)	—	**(518)**
Amortization of negative goodwill (Note 20)	**5,374**	7,394	4,361	**64,747**
Impairment loss on fixed assets (Notes 2(j) and 20)	**(3,029)**	(2,404)	(1,596)	**(36,494)**
Loss on write-down of investment securities	**(413)**	(76)	(1,321)	**(4,976)**
(Loss) gain on abolishment of retirement benefit plan (Note 7)	**(107)**	(541)	50	**(1,289)**
Loss on liquidation of subsidiaries and affiliates	**(178)**	—	—	**(2,145)**
Gain on negative goodwill (Note 20)	**33**	—	—	**398**
Loss on adjustment for changes of accounting standard for asset retirement obligations (Note 2(s))	**(1,678)**	—	—	**(20,217)**
Loss on disaster	**(404)**	—	—	**(4,867)**
Lump-sum payment for withdrawal from employees pension fund (Note 7)	**(670)**	—	—	**(8,072)**
Retirement benefit expenses (Note 7)	**(166)**	—	—	**(2,000)**
Settlement package	**(300)**	—	—	**(3,614)**
Miscellaneous, net	**1,950**	1,782	1,562	**23,493**
	810	6,319	3,608	**9,759**
Income before income taxes and minority interests	**13,136**	12,940	6,941	**158,265**
Income taxes (Note 11):				
Current	**6,984**	5,628	2,516	**84,144**
Deferred	**(2,657)**	(2,357)	971	**(32,012)**
Total income taxes	**4,327**	3,271	3,487	**52,132**
Income before minority interests (Note 2(s))	**8,809**	9,669	3,454	**106,133**
Minority interests in net income of subsidiaries	**360**	192	63	**4,338**
Net income	**¥ 8,449**	¥ 9,477	¥ 3,391	**$ 101,795**

	Yen			U.S. dollars
Per share:				
Net income	**¥ 42.44**	¥ 47.60	¥ 17.03	**$ 0.51**
Cash dividends	**11.00**	11.00	11.00	**0.13**

See accompanying Notes to Consolidated Financial Statements.

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Year Ended March 31, 2011

	Millions of yen	Thousands of U.S. dollars
	2011	**2011**
Income before minority interests	**¥ 8,809**	**$ 106,133**
Other comprehensive income (Note 17):		
Net unrealized gains on available-for-sale securities	**(513)**	**(6,181)**
Foreign currency translation adjustments	**141**	**1,699**
Share of other comprehensive income of associates accounted for using equity method	**(1)**	**(12)**
Total other comprehensive income	**(373)**	**(4,494)**
Comprehensive income (Note 17)	**¥ 8,436**	**$ 101,639**
Comprehensive income attributable to (Note 17):		
Owners of the parent	**8,069**	**97,217**
Minority interests	**367**	**4,422**

SEINO HOLDINGS CO., LTD. and Subsidiaries;

Consolidated Statements of Changes in Net Assets

For the Years Ended March 31, 2011, 2010 and 2009

		Shareholders' equity					Accumulated other comprehensive income					
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on available-for-sale securities	Land revaluation decrement	Foreign currency translation adjustments	Total accumulated other comprehensive income	Minority interests	Total net assets
						Millions of yen						
Balance at March 31, 2008	207,679,783	¥ 42,482	¥ 74,266	¥ 174,671	¥ (8,565)	¥ 282,854	¥ 5,555	¥ (305)	¥ (271)	¥ 4,979	¥ 6,152	¥ 293,985
Net income for the year	—	—	—	3,391	—	3,391	—	—	—	—	—	3,391
Cash dividends	—	—	—	(2,190)	—	(2,190)	—	—	—	—	—	(2,190)
Fractional shares acquired, net	—	—	—	—	(21)	(21)	—	—	—	—	—	(21)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(3,404)	—	(262)	(3,666)	65	(3,601)
Balance at March 31, 2009	207,679,783	¥ 42,482	¥ 74,266	¥ 175,872	¥ (8,586)	¥ 284,034	¥ 2,151	¥ (305)	¥ (533)	¥ 1,313	¥ 6,217	¥ 291,564
Net income for the year	—	—	—	9,477	—	9,477	—	—	—	—	—	9,477
Cash dividends	—	—	—	(2,190)	—	(2,190)	—	—	—	—	—	(2,190)
Reversal of land revaluation decrement	—	—	—	(54)	—	(54)	—	—	—	—	—	(54)
Sales of treasury stock and fractional shares, net	—	—	—	—	(9)	(9)	—	—	—	—	—	(9)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	1,658	54	76	1,788	1,216	3,004
Balance at March 31, 2010	207,679,783	¥ 42,482	¥ 74,266	¥ 183,105	¥ (8,595)	¥ 291,258	¥ 3,809	¥ (251)	¥ (457)	¥ 3,101	¥ 7,433	¥ 301,792
Net income for the year	—	—	—	8,449	—	8,449	—	—	—	—	—	8,449
Cash dividends	—	—	—	(2,189)	—	(2,189)	—	—	—	—	—	(2,189)
Reversal of land revaluation decrement	—	—	—	(158)	—	(158)	—	—	—	—	—	(158)
Sales of treasury stock and fractional shares, net	—	—	—	—	(11)	(11)	—	—	—	—	—	(11)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(521)	158	141	(222)	145	(77)
Balance at March 31, 2011	207,679,783	¥ 42,482	¥ 74,266	¥ 189,207	¥ (8,606)	¥ 297,349	¥ 3,288	¥ (93)	¥ (316)	¥ 2,879	¥ 7,578	¥ 307,806
						Thousands of U.S. dollars						
Balance at March 31, 2010		$511,831	$894,771	$2,206,085	$(103,554)	$3,509,133	$ 45,891	$ (3,024)	$ (5,506)	$ 37,361	$ 89,554	$3,636,048
Net income for the year		—	—	101,795	—	101,795	—	—	—	—	—	101,795
Cash dividends		—	—	(26,373)	—	(26,373)	—	—	—	—	—	(26,373)
Reversal of land revaluation decrement		—	—	(1,904)	—	(1,904)	—	—	—	—	—	(1,904)
Sales of treasury stock and fractional shares, net		—	—	—	(133)	(133)	—	—	—	—	—	(133)
Net changes in items other than shareholders' equity		—	—	—	—	—	(6,277)	1,904	1,699	(2,674)	1,747	(927)
Balance at March 31, 2011		$511,831	$894,771	$2,279,603	$(103,687)	$3,582,518	$ 39,614	$ (1,120)	$ (3,807)	$ 34,687	$ 91,301	$3,708,506

See accompanying Notes to Consolidated Financial Statements.

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended March 31, 2011, 2010 and 2009

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	**2011**
Cash flows from operating activities:				
Income before income taxes and minority interests	**¥ 13,136**	¥ 12,940	¥ 6,941	**$ 158,265**
Adjustments for:				
Depreciation	**16,695**	18,185	17,326	**201,145**
Impairment loss on fixed assets	**3,029**	2,404	1,596	**36,494**
Amortization of negative goodwill	**(5,374)**	(7,394)	(4,361)	**(64,747)**
Amortization of goodwill	**501**	506	449	**6,036**
Gain on negative goodwill	**(33)**	—	—	**(398)**
Net provision (reversal) for employee retirement benefit liability	**444**	32	(124)	**5,349**
Loss on sale or disposal of property and equipment	**11**	120	138	**133**
Equity in net loss of affiliates	**43**	172	—	**518**
Loss on write-down of investment securities	**413**	76	1,321	**4,976**
(Gain) loss on sale of investment securities	**(15)**	27	(2)	**(181)**
Net reversal for accrued severance indemnities for directors and statutory auditors	**(89)**	(187)	(183)	**(1,072)**
Increase in provision for loss on disaster	**186**	—	—	**2,241**
Loss on liquidation of subsidiaries and affiliates	**178**	—	—	**2,145**
Loss on adjustment for changes of accounting standard for asset retirement obligations	**1,678**	—	—	**20,217**
Decrease (increase) in trade receivables	**287**	(2,122)	5,496	**3,458**
Decrease (increase) in inventories	**2,437**	(3,242)	(937)	**29,361**
(Decrease) increase in trade payables	**(1,192)**	564	(6,626)	**(14,361)**
Decrease in beneficial interest in trusts in relation to trade payables	**—**	10,813	1,317	**—**
Other, net	**1,607**	(1,796)	(2,758)	**19,361**
Sub-total	**33,942**	31,098	19,593	**408,940**
Interest and dividends received	**557**	512	797	**6,710**
Interest paid	**(51)**	(119)	(88)	**(614)**
Income taxes paid	**(6,493)**	(2,321)	(6,603)	**(78,229)**
Net cash provided by operating activities	**27,955**	29,170	13,699	**336,807**
Cash flows from investing activities:				
Increase in property and equipment	**(21,855)**	(13,465)	(23,260)	**(263,313)**
Increase in long-term investments and loans	**(25)**	(674)	(635)	**(301)**
Decrease in property and long-term investments	**1,047**	8,198	1,197	**12,614**
Decrease in short-term investments	**726**	2,597	2,313	**8,747**
Net cash used in investing activities	**(20,107)**	(3,344)	(20,385)	**(242,253)**
Cash flows from financing activities:				
Repayment of long-term debt	**(335)**	(2,379)	(653)	**(4,036)**
Net increase (decrease) in short-term borrowings	**200**	(13,210)	(680)	**2,410**
Dividends paid to shareholders	**(2,189)**	(2,190)	(2,190)	**(26,373)**
Dividends paid to minority shareholders	**(26)**	(11)	(16)	**(313)**
Purchases of treasury stock, net of sales	**(11)**	(9)	(21)	**(133)**
Other, net	**(155)**	—	—	**(1,868)**
Net cash used in financing activities	**(2,516)**	(17,799)	(3,560)	**(30,313)**
Effect of exchange rate changes on cash and cash equivalents	**(7)**	14	(12)	**(84)**
Net increase (decrease) in cash and cash equivalents	**5,325**	8,041	(10,258)	**64,157**
Cash and cash equivalents at beginning of year	**43,667**	35,626	45,884	**526,108**
Cash and cash equivalents at end of year	**¥ 48,992**	¥ 43,667	¥ 35,626	**$ 590,265**

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. Basis of Consolidated Financial Statements

The accompanying consolidated financial statements of SEINO HOLDINGS CO., LTD. (the "Company") and its subsidiaries (together with the Company, the "Seino Group") have been prepared in accordance with the provisions set forth in the Financial Instrument and Exchange Law of Japan 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 from International Financial Reporting Standards.

The accounts of the Company's 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 financial Instrument and Exchange Law of Japan. Certain 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. dollar amounts is included solely for the convenience of readers outside Japan, using the approximate exchange rate prevailing at March 31, 2011, which was ¥83 to U.S. $1.00. The translation should not be construed as a representation 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.

2. Summary of Significant Accounting Policies

(a-i) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and all of its subsidiaries. Investments in significant affiliates are accounted for by the equity method. Investments in affiliates not accounted for by the equity method are stated at cost. Differences between the acquisition cost of investments in subsidiaries and the underlying equity in their net assets are adjusted based on the fair value at the time of the acquisition, deferred as goodwill or negative goodwill and amortized over five years on a straight-line basis. All intercompany transactions and accounts have been eliminated.

Under accounting standards for consolidation, a subsidiary is defined as an enterprise which is controlled by another enterprise and is a majority (more than 50%) owned enterprise or a 40% to 50% owned enterprise that meets certain criteria. In addition, an affiliated company is defined as an enterprise in which the investor has significant influence and is an enterprise other than a subsidiary that is a 20% or more owned enterprise or 15% to less than 20% owned enterprise that meets certain criteria. For the years ended March 31, 2011, 2010 and 2009, the number of the companies that were not more than 50% owned enterprises, but were nevertheless classified as subsidiaries based on the judgment of the Company in accordance with the accounting standards was one, one and two, respectively.

The number of subsidiaries and affiliates for the years ended March 31, 2011, 2010 and 2009 was as follows:

	2011	2010	2009
Subsidiaries:			
Domestic	57	57	50
Overseas	1	2	2
Affiliates accounted for by the equity method	4	3	3
Affiliates stated at cost	10	10	12

The Company and most of its subsidiaries have a fiscal year that ends on March 31. The overseas subsidiary closes its book at December 31. The Company has consolidated the subsidiary's financial statement as of its year-end because the difference between its fiscal year-end and that of the Company was not more than three months. Significant transactions for the period between the subsidiary's year-end and the Company's year-end were adjusted for on consolidation.

During the year ended March 31, 2011, Central Logistics Co., Ltd. has changed its fiscal year-end from January 31 to March 31. Darumaya Transportation Co., Ltd. has changed its fiscal year-end from December 31 to March 31. As a result, the consolidated financial statements for the period ended March 31, 2011 include the result of such two consolidated subsidiaries' operations for the 14-month period from February 1, 2010 to March 31, 2011 and the 15-month period from January 1, 2010 to March 31, 2011, respectively.

The overseas subsidiary has adopted accounting principles generally accepted in its country (see Note 1). No adjustments to conform to accounting principles generally accepted in Japan have been made to its financial statements on consolidation, as allowed under Japanese GAAP effective for the current fiscal year-end.

(a-ii) Acquisitions for the years ended March 31, 2010 and 2009

During the year ended March 31, 2010, the Seino Group acquired 90% of the common shares of Seibu Transportation Co., Ltd. ("Seibu Transportation"). As a result, Seibu Transportation and its subsidiaries, Kyushu Seibu Transportation Co., Ltd., Toyo Co., Ltd., Central Logistics Co., Ltd., Katsunuma Transportation Co., Ltd. and Darumaya Transportation Co., Ltd., became subsidiaries of the Company effective April 24, 2009. The assets and the liabilities of Seibu Transportation and its subsidiaries as of the initial consolidation by the Company were as follows.

	Millions of yen
Assets:	
Current assets	¥ 22,422
Non-current assets	40,803
Total assets	¥ 63,225
Liabilities:	
Current liabilities	¥ 29,625
Non-current liabilities	15,998
Negative goodwill	14,830
Total liabilities	¥ 60,453

During the year ended March 31, 2009, the Seino Group acquired common shares of Seino Logistics Co., Ltd. ("Seino Logistics"). As a result, Seino Logistics became a subsidiary of the Company effective July 1, 2008. The assets and the liabilities of Seino Logistics as of the initial consolidation by the Company were as follows.

	Millions of yen
Assets:	
Current assets	¥ 39
Non-current assets	2
Goodwill	10
Total assets	¥ 51
Liabilities:	
Current liabilities	¥ 41
Non-current liabilities	—
Total liabilities	¥ 41

During the year ended March 31, 2009, the Seino Group acquired common shares of Shiga Hino Motor Co., Ltd. ("Shiga Hino"). As a result, Shiga Hino became a 67% owned subsidiary of the Company effective January 7, 2009. The assets and the liabilities of Shiga Hino as of the initial consolidation by the Company were as follows.

	Millions of yen
Assets:	
Current assets	¥ 1,953
Non-current assets	1,493
Goodwill	391
Total assets	¥ 3,837
Liabilities:	
Current liabilities	¥ 2,920
Non-current liabilities	215
Total liabilities	¥ 3,135

(a-iii) Business Transfer for the year ended March 31, 2009

Pursuant to the resolution by the Board of Directors of the Company on February 13, 2008, on April 1, 2008, Kyushu Seino succeeded to a part of the transportation business of Sengoku Seino Transportation Co., Ltd., acquiring the vehicles and operational assets and assuming liabilities such as the employee retirement benefit liability. In addition, Kyusyu Seino acquired land and buildings from Iwasaki Corporation Co., Ltd. and Shiratsuyu Company, Ltd. on April 1, 2008. This business transfer is expected to strengthen the integration of the Seino Group and improve optimization and efficiency by integrating the Kyushu area into one huge network and making homogeneous the services of the Seino Group.

The consideration for this transaction amounted to ¥5,361 million, and goodwill in the amount of ¥2,039 million was recorded in the year ended March 31, 2009. The assets and the liabilities of this business transfer were as follows.

	Millions of yen
Assets:	
Current assets	¥ —
Non-current assets	3,887
Goodwill	2,039
Total assets	¥ 5,926
Liabilities:	
Current liabilities	¥ —
Non-current liabilities	594
Total liabilities	¥ 594

(b) Cash and cash equivalents

The Seino Group considers cash equivalents to be highly liquid debt instruments purchased with an original maturity of three months or less.

(c) Investments and marketable securities

The Seino Group classifies certain investments in debt and equity securities as "held-to-maturity," "trading" or "available-for-sale." The classification determines the respective accounting method as stipulated by the accounting standard for financial instruments. Held-to-maturity securities are stated at amortized cost. Marketable securities with market quotations for available-for-sale securities are stated at fair value, and net unrealized gains and losses on these securities are reported as a component of net assets, net of applicable income taxes. Gains and losses on the disposition of available-for-sale securities are computed based on the moving-average method. Nonmarketable securities without available market quotations for available-for-sale securities are carried at cost determined by the moving-average method. Adjustments in carrying values of individual securities are charged to income through write-downs when a decline in value is deemed other than temporary.

(d) Accounting for derivatives

As of March 31, 2011 and 2010, the Seino Group did not hold nor had it issued any derivative instruments.

(e) Allowance for doubtful accounts

Allowance for doubtful accounts is provided for at the aggregate amount of estimated credit loss based on an individual financial review of certain doubtful or troubled receivables and a general reserve for other receivables based on the historical loss experience for a certain past period.

(f) Inventories

Inventories for merchandise, products, raw materials and supplies are principally stated at the lower of moving-average cost or net realizable value, and inventories for vehicles and work-in-process are principally stated at the lower of the specific identification cost or net realizable value at March 31, 2011.

Prior to April 1, 2008, inventories for supplies are principally stated at moving-average cost, and inventories for vehicles and work-in-process are principally stated at cost determined by the specific identification method. Effective from the year ended March 31, 2009, the Company has applied the Accounting Standards Board of Japan ("ASBJ") Statement No. 9, "Accounting Standard for Measurement of Inventories," issued by ASBJ on July 5, 2006. As a result, in the year ended March 31, 2009 operating income and income before income taxes and minority interests for the year ended March 31, 2009 were ¥80 million less than the amounts that would have been recorded without the change.

(g) Property and equipment and depreciation

Property and equipment, including significant renewals and additions, are stated at cost. Property and equipment of the Company and certain subsidiaries are depreciated by the straight-line method for buildings and vehicles and by the declining-balance method for other property.

Property and equipment of other subsidiaries have been depreciated principally by the declining-balance method, except for buildings acquired on and after April 1, 1998 and the property held for leases. Buildings acquired on and after April 1, 1998 by the domestic subsidiaries are depreciated by the straight-line method. Some of the subsidiaries capitalize property the cost of which is not less than ¥100,000 but below ¥200,000 and depreciate it over three years on a straight-line basis.

The leased property of a certain subsidiary engaged in leasing operations as lessor is recorded at cost as property held for lease. The property was included in property and equipment in the accompanying consolidated balance sheets and is depreciated over the lease contract terms by the straight-line method to the amount equal to the estimated disposal value at the lease termination date. Expenditure on maintenance and repairs is charged to operating income as incurred. Upon the disposal of the property, the cost and accumulated depreciation are removed from the accounts and any gain or loss is recorded as income or expenses.

(h) Leases

Prior to April 1, 2008, the Company and its consolidated domestic subsidiaries accounted for finance leases which did 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.

On March 31, 2007, ASBJ issued Statement No. 13, "Accounting Standard for Lease Transactions," and Guidance No. 16, "Guidance on Accounting Standard for Lease Transactions." The new accounting standards require that all finance lease transactions be treated as capital leases.

Effective April 1, 2008, the Company and its consolidated domestic subsidiaries have adopted the new accounting standards for finance leases commencing after March 31, 2008 and capitalize assets used under such leases, except for certain immaterial or short-term finance leases accounted for as operating leases. 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. The effects of adopting the new standards on the consolidated balance sheet as of March 31, 2009 were not material.

(i) Intangible assets

Intangible assets are amortized on a straight-line basis. Software, which is included in intangible assets, is amortized using the straight-line method over the estimated useful life of five years.

(j) Accounting standard for impairment of fixed assets

The Company and its domestic subsidiaries have adopted the "Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Council of Japan and the related practical guidance issued by ASBJ. The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss shall be recognized in the income statement by reducing the carrying amount of the impaired asset or group of assets to the recoverable amount to be measured as the higher of the asset's net selling price or value in use. Fixed assets include land, buildings and other forms of property, as well as intangible assets, and are to be grouped at the lowest level for which there are identifiable cash flows distinguishable from other groups of assets. For the purpose of recognition and measurement of impairment loss, fixed assets are grouped into cash-generating units, such as operating business branches, other than idle or unused property. At March 31, 2011, 2010 and 2009, recoverable amounts of assets were measured based on value in use calculated using discounted future cash flows at interest rates principally of 3.1%, 2.8% and 5.3%, respectively, or net selling prices primarily using appraisal valuations. As a result, the Seino Group recognized impairment loss for the property of 56 business branches and 6 idle properties for the year ended March 31, 2011, for the property of 50 business branches and 5 idle properties for the year ended March 31, 2010, for the property of 27 business branches and 4 idle properties for the year ended March 31, 2009 as follows:

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	**2011**
Buildings and structures	**¥ 291**	¥ 538	¥ 218	**$ 3,506**
Land	**2,737**	1,609	1,368	**32,976**
Other property	**1**	257	10	**12**
	¥ 3,029	**¥ 2,404**	**¥ 1,596**	**$ 36,494**

Accumulated impairment losses have been directly deducted from the applicable assets.

(k) Employee retirement benefits

Employees who terminate their service with the Seino Group are entitled to retirement benefits generally determined by reference to basic rates of pay at the time of termination, length of service and conditions under which the termination occurs.

In accordance with the accounting standard for employee retirement benefits, the Seino Group has recognized the retirement benefits for employees, including pension cost and related liability, based on the actuarial present value of projected benefit obligation using the actuarial appraisal approach and the fair value of pension plan assets available for benefits at the fiscal year-end. Unrecognized actuarial differences from changes in the projected benefit obligation or the value of pension plan assets resulting from actual outcomes different from that which was assumed and from changes in assumptions themselves are amortized on a straight-line basis over principally ten years, a period within the average remaining service years of employees from the year following the year in which they arise. Unrecognized prior service cost is amortized using the straight-line method over principally ten years, a period within the average remaining service years of employees from the year in which it occurs.

Effective April 1, 2009, the Company has adopted ASBJ Statement No. 19, "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" issued on July 31, 2008. This change did not affect the profit and loss for the year ended March 31, 2010.

(l) Severance indemnities for directors and statutory auditors

The Seino Group may pay severance indemnities to directors and statutory auditors subject to the approval of the shareholders. The Company and other subsidiaries have adopted the accounting method that provides for accrued severance indemnities for directors and statutory auditors at the amount that would have been payable if the directors and corporate auditors had retired at the end of the fiscal year based on internal rules, in accordance with the JICPA Audit and Assurance Committee Report No. 42, "Treatment for Auditing of Reserve Under Special Taxation Measures Law, Reserve Under Special Laws and Reserve for Retirement Benefits to Directors and Corporate Auditors," issued by JICPA on April 13, 2007.

(m) Income taxes

Income taxes are accounted for by the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

(n) Revenue recognition for freight charges

The Seino Group recognizes freight charges as revenue when freight is received for shipment. In relation to its revenue recognition, the Seino Group records freight charges from customers and paid to interline carriers as operating revenue and operating costs and expenses, respectively.

(o) Enterprise taxes

The Seino Group records local corporate enterprise taxes calculated based on the "added value" and "capital" amounts when levied as size-based corporate taxes for local government enterprise taxes, which are included in selling, general and administrative expenses.

(p) Appropriation of retained earnings

Cash dividends are recorded in the fiscal year during which a proposed appropriation of retained earnings is approved by the Board of Directors and/or shareholders.

(q) Translation of foreign currency accounts

Receivables, payables and securities, other than stocks of subsidiaries and certain other securities, are translated into Japanese yen at the exchange rates prevailing at the fiscal year-end. Transactions in foreign currencies are recorded based on the prevailing exchange rates on the transaction dates. Resulting translation gains and losses are included in current earnings.

In respect to the financial statement items of overseas subsidiaries, all asset, liability, income and expense accounts are translated into yen by applying the exchange rates in effect at the fiscal year-end. Translation differences, after allocations of portions attributable to minority interests, are reported as foreign currency translation adjustments in a component of net assets on the accompanying consolidated balance sheets.

(r) Per share data

Basic net income (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted-average number of shares of common stock outstanding during the respective year. Diluted net income per share is computed as if warrants or stock options were exercised at the beginning of the relevant year or, if later, on their first exercise date and as if the funds obtained thereby were used to purchase common stock at the average market price during the respective year by the treasury stock method. Diluted net income per share is not disclosed as Seino Group had no diluted common shares for the years ended March 31, 2011, 2010 and 2009.

Cash dividends per share shown for each fiscal year in the accompanying consolidated statements of operations represent dividends declared as applicable to the respective years.

(s) Accounting changes for the current year

(Adoption of Accounting Standards for Asset Retirement Obligations)

Effective April 1, 2010, the Company and its consolidated domestic subsidiaries adopted "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18 issued on March 31, 2008) and "Guidance on Accounting Standards for Assets Retirement Obligations" (ASBJ Guidance No. 21, issued on March 31, 2008). As a result of adopting these standards, operating income decreased by ¥288 million ($3,470 thousand) and income before income taxes and minority interests decreased by ¥1,966 million ($23,687 thousand) for the fiscal year ended March 31, 2011.

(Adoption of Accounting Standards for Business Combinations and others)

Effective from the year ended March 31, 2011, the Company adopted the "Accounting Standard for Business Combinations"(ASBJ Statement No. 21 issued on December 26, 2008), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on December 26, 2008), the "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23 issued on December 26, 2008), the "Revised Accounting Standard for Business Divestitures"(ASBJ Statement No. 7 revised on December 26, 2008), the "Revised Accounting Standard for Equity Method of Accounting for Investments"(ASBJ Statement No. 16 revised on December 26, 2008) and the "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures"(ASBJ Guidance No. 10 revised on December 26, 2008).

(Adoption of Accounting Standard for Presentation of Comprehensive Income)

Effective March 31, 2011, the Company adopted "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25, issued on June 30, 2010) and "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, revised on December 26, 2008). As a result of the adoption of these standards, the Company has presented the consolidated statement of comprehensive income in the consolidated financial statements for the fiscal year ended March 31, 2011. As described in Note 17, the consolidated balance sheet and the consolidated statement of changes in net assets as of and for the fiscal year ended March 31, 2010 have been modified to conform with the new presentation rules of 2011.

(Presentation of Income before Minority Interests)

With the application of the "Cabinet Office Ordinance Revising the Regulations on Financial Statements" (Cabinet Office Ordinance No. 5, issued on March 24, 2009) under the "Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, issued on December 26, 2008)," the account item "Income before minority interests" was included from the fiscal year under review.

3. Inventories

Inventories at March 31, 2011 and 2010 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Merchandise and finished goods	**¥ 5,874**	¥ 8,949	**$ 70,771**
Work in process	**962**	918	**11,590**
Raw materials and supplies	**741**	721	**8,928**
	¥ 7,577	¥ 10,588	**$ 91,289**

4. Investments

At March 31, 2011 and 2010, short-term investments consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Marketable securities:			
Bonds	**¥ —**	¥ 1,913	**$ —**
Total marketable securities	**—**	1,913	**—**
Time deposits with an original maturity of more than three months	**6,897**	5,722	**83,096**
	¥ 6,897	¥ 7,635	**$ 83,096**

At March 31, 2011 and 2010, investment securities consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Marketable securities:			
Equity securities	¥ 15,787	¥ 16,899	$ 190,205
Bonds	644	638	7,759
Other	105	127	1,265
Total marketable securities	16,536	17,664	199,229
Other non-marketable securities	2,091	2,078	25,193
	¥ 18,627	¥ 19,742	$ 224,422

At March 31, 2011 and 2010, the fair value of marketable securities classified as held-to-maturity and the related net unrealized gains were as follows:

	Carrying value	Fair value	Net unrealized gains
	Millions of yen		
Bonds included in investment securities:			
At March 31, 2011	¥ 100	¥ 101	¥ 1
At March 31, 2010	100	102	2
	Thousands of U.S. dollars		
Bonds included in investment securities:			
At March 31, 2011	$ 1,205	$ 1,217	$ 12

Marketable securities classified as available-for-sale are stated at fair value with unrealized gains and losses excluded from current earnings and reported as a net amount within the net assets account until realized. At March 31, 2011 and 2010, gross unrealized gains and losses for marketable securities classified as available-for-sale were as follows:

	Cost	Gross unrealized gains	Gross unrealized losses	Fair and carrying value
	Millions of yen			
At March 31, 2011:				
Equity securities	¥ 8,738	¥ 7,147	¥ (98)	¥ 15,787
Bonds	547	1	(4)	544
Other	101	13	(9)	105
	¥ 9,386	¥ 7,161	¥ (111)	¥ 16,436
At March 31, 2010:				
Equity securities	¥ 9,109	¥ 8,099	¥ (309)	¥ 16,899
Bonds	2,447	14	(10)	2,451
Other	114	20	(7)	127
	¥ 11,670	¥ 8,133	¥ (326)	¥ 19,477
	Thousands of U.S. dollars			
At March 31, 2011:				
Equity securities	$105,277	$ 86,109	$ (1,181)	$190,205
Bonds	6,590	12	(48)	6,554
Other	1,217	156	(108)	1,265
	$113,084	$ 86,277	$ (1,337)	$198,024

At March 31, 2011 and 2010, investments in and long-term loans to affiliates consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Investments accounted for by the equity method for significant affiliates and at cost for others	¥ 2,976	¥ 3,080	$ 35,856
Interest bearing long-term loans	24	30	289
	¥ 3,000	¥ 3,110	$ 36,145

5. Property and Equipment

At March 31, 2011 and 2010, property and equipment consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Property held for own use, at cost:			
Land	¥ 169,847	¥ 164,247	$ 2,046,349
Buildings and structures	229,821	225,860	2,768,928
Vehicles	99,408	100,111	1,197,687
Machinery and equipment	31,084	28,945	374,506
Construction in progress	157	32	1,891
Other	463	1,329	5,578
	530,780	520,524	6,394,939
Less, accumulated depreciation	(254,235)	(246,814)	(3,063,072)
Total property and equipment	¥ 276,545	¥ 273,710	$ 3,331,867

One of the consolidated subsidiaries elected to carry out a one-time revaluation to restate the cost of land used for business operations at values reassessed on March 31, 2002, reflecting adjustments for land shape and other factors based on appraisal values issued by the Japanese National Tax Agency in accordance with the Law Concerning Revaluation of Land. According to the Law, the excess of the original book values over reassessed values, net of the tax effect and minority interests portions, is recorded in net assets as land revaluation decrement account in the accompanying consolidated balance sheets. At March 31, 2011 and 2010, the difference between the carrying values of land used for the business operations after revaluation over the current market value of the land at the fiscal year-end amounted to ¥1,679 million ($20,229 thousand) and ¥1,787 million, respectively.

6. Short-term Borrowings and Long-term Debt

At March 31, 2011 and 2010, short-term borrowings consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Unsecured bank overdrafts with interest rates of 1.3% per annum at March 31, 2011	¥ 25	¥ 25	$ 301
Short-term bank borrowings, principally unsecured and represented by notes with interest rates ranging from 0.280% to 1.875% per annum at March 31, 2011	2,490	2,290	30,000
	¥ 2,515	¥ 2,315	$ 30,301

At March 31, 2011, the Company and certain subsidiaries had unsecured overdraft agreements with 10 banks. Under such agreements, the Company and these subsidiaries were entitled to withdraw up to ¥42,100 million ($507,229 thousand). The Company and the subsidiaries were not obligated to pay commitment fees on the unused portions of such overdraft facilities.

At March 31, 2011 and 2010, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Loans from banks	¥ —	¥ 138	$ —
Loans from government agencies, principally mortgages, repayable on an installment basis with interest rates ranging from 0.7% to 5.8% per annum at March 31, 2011	582	771	7,012
Other	66	73	795
	648	982	7,807
Less current portion	(190)	(328)	(2,289)
	¥ 458	¥ 654	$ 5,518

At March 31, 2011 and 2010, the following assets were pledged as collateral for certain short-term borrowings and long-term debt in the aggregate amount of ¥582 million ($7,012 thousand) and ¥1,232 million, respectively:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Land	¥ 6,752	¥ 6,856	$ 81,349
Buildings and structures	3,647	3,912	43,940

The aggregate annual maturities of long-term debt as at March 31, 2011 were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2012	¥ 190	$ 2,289
2013	170	2,048
2014	118	1,421
2015	79	952
2016	35	422
Thereafter	56	675
	¥ 648	$ 7,807

7. Employee Retirement Benefits

The Company and its domestic subsidiaries have defined benefit plans. The following table reconciles the benefit liability as of March 31, 2011 and 2010:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Reconciliation of benefit liability:			
Projected benefit obligation	**¥ 60,388**	¥ 66,863	**$ 727,566**
Less fair value of pension plan assets at end of year	**(2,948)**	(7,847)	**(35,518)**
	57,440	59,016	**692,048**
Less unrecognized past service cost	**(173)**	(1,805)	**(2,084)**
Less unrecognized actuarial differences (loss)	**(2,249)**	(3,102)	**(27,096)**
Prepaid pension assets	**—**	465	**—**
Net amounts of employee retirement benefit liability recorded on the consolidated balance sheets	**¥ 55,018**	¥ 54,574	**$ 662,868**

Notes: 1. Projected benefit obligation of certain subsidiaries was calculated using the simplified calculation method as permitted by the accounting standard for employee retirement benefits.

The components of net periodic retirement benefit expenses for the years ended March, 2011, 2010 and 2009 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2011	2010	2009	**2011**
Net periodic retirement benefit expenses:				
Service cost	**¥ 3,608**	¥ 3,774	¥ 2,861	**$ 43,470**
Interest cost	**1,219**	1,328	1,067	**14,687**
Expected return on pension plan assets	**(30)**	(120)	(28)	**(361)**
Amortization of actuarial differences	**790**	564	529	**9,518**
Amortization of past service cost	**269**	380	326	**3,241**
Loss (gain) on abolishment of retirement benefit plan	**107**	541	(50)	**1,289**
Lump-sum payment to withdrawal for employees pension fund	**670**	—	—	**8,072**
Retirement benefit expenses	**166**	—	—	**2,000**
Total retirement benefit expenses	**¥ 6,799**	¥ 6,467	¥ 4,705	**$ 81,916**

For the purpose of overhauling the employee retirement benefit plan, some of the Company's subsidiaries withdrew from the multi-employer pension program established by the subsidiaries and other employers on February 28, 2011. As a result, lump-sum payments to withdraw from the employee pension fund were charged to such subsidiaries as above.

In addition, one of the Company's subsidiaries changed the calculation method from the simplified one to the principal one by merging with another subsidiary calculating in accordance with the principal one. As a result, benefit liabilities increased and were accounted for as retirement benefit expenses as above.

Major assumptions used in the calculation of the above information for the years ended March 31, 2011, 2010 and 2009 were as follows:

	2011	2010	2009
Method attributing the projected benefits to periods of services	**Straight-line method**	Straight-line method	Straight-line method
Discount rate	**2.0%**	2.0%	2.0%
Expected rate of return on pension plan assets	**2.0%**	2.0%	2.0%
Amortization of past service cost	**principally 10 years**	principally 10 years	principally 10 years
Amortization of actuarial differences	**principally 10 years**	principally 10 years	principally 10 years

8. Contingent Liabilities

At March 31, 2011 and 2010, the Seino Group was contingently liable for trade notes endorsed to affiliates and third parties and for guarantees, including substantial guarantees, principally of indebtedness of affiliates and third parties in the aggregate amounts of ¥1,308 million ($15,759 thousand) and ¥1,380 million, respectively.

9. Lease Commitments

As lessee, the Seino Group has entered into various rental and non-cancelable lease agreements for computer equipment and radio facilities with contract terms from four to nine years. As disclosed in Note 2(h), these finance leases which commenced prior to April 1, 2008 have been accounted for as operating leases. The aggregate minimum future lease payments under such non-cancelable finance lease agreements, including the imputed interest portions, as at March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Finance leases:			
Due within one year	**¥ 120**	¥ 280	**$ 1,445**
Due after one year	**35**	158	**422**
	¥ 155	¥ 438	**$ 1,867**

In addition, the Seino Group has entered into various rental and lease agreements for land and buildings to be used for truck terminals and warehouses which are generally cancelable with a few months' advance notice, except for certain operating lease agreements as below. The aggregate minimum future lease payments for such non-cancelable operating lease agreements, including the imputed interest portion, as lessee at March 31, 2011 and 2010 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Operating leases:			
Due within one year	**¥ 426**	¥ 461	**$ 5,132**
Due after one year	**1,140**	1,489	**13,735**
	¥ 1,566	¥ 1,950	**$ 18,867**

A certain consolidated subsidiary engaged in leasing operations as lessor, enters into various lease agreements with third parties principally for vehicles. The leases are categorized as financing leases and operating leases. At March 31, 2011 and 2010, the aggregate future minimum lease commitments to be received for such non-cancelable lease agreements, including the imputed interest, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Finance leases:			
Due within one year	**¥ 33**	¥ 59	**$ 397**
Due after one year	**13**	47	**157**
	¥ 46	¥ 106	**$ 554**
Operating leases:			
Due within one year	**¥ 214**	¥ 123	**$ 2,578**
Due after one year	**833**	674	**10,036**
	¥ 1,047	¥ 797	**$ 12,614**

10. Net Assets

(a) The Japanese Corporate Law ("the Law") became effective on May 1, 2006, replacing the former Japanese Commercial 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.

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 Law, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting. Additional paid-in capital and legal earnings reserve may not be distributed as dividends. 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.

At March 31, 2011 and 2010, capital surplus principally consisted of additional paid-in capital. In addition, retained earnings included legal earnings reserve of the Company in the amount of ¥4,262 million ($51,349 thousand) at March 31, 2011 and 2010.

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.

(b) At the annual shareholders' meeting held on June 28, 2011, the shareholders approved cash dividends of ¥11 per share, amounting to ¥2,194 million ($26,434 thousand). The appropriations have not been accrued in the consolidated financial statements as of March 31, 2011 as such appropriations are recognized in the period in which they are approved by the shareholders.

11. Income Taxes

The tax effects of temporary differences that give rise to a significant portion of deferred tax assets and liabilities at March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Deferred tax assets:			
Employee retirement benefit liability	**¥ 23,117**	¥ 22,431	**$ 278,518**
Enterprise tax accruals	**441**	351	**5,313**
Accrued bonuses	**3,526**	3,342	**42,482**
Intercompany capital gains	**982**	956	**11,832**
Operating loss carryforwards	**2,247**	2,074	**27,072**
Loss on assets transferred	**1,367**	1,725	**16,470**
Impairment loss on fixed assets	**13,636**	12,877	**164,289**
Allowance for doubtful accounts	**126**	187	**1,518**
Other	**7,903**	6,876	**95,217**
	53,345	50,819	**642,711**
Less valuation allowance	**(24,791)**	(24,661)	**(298,687)**
	28,554	26,158	**344,024**
Deferred tax liabilities:			
Deferred capital gains	**6,818**	6,928	**82,145**
Unrealized gains on available-for-sale securities	**2,735**	2,983	**32,952**
Valuation adjustments for consolidation	**14,895**	15,348	**179,458**
Other	**385**	77	**4,638**
	24,833	25,336	**299,193**
Net deferred tax assets	**¥ 3,721**	¥ 822	**$ 44,831**

At March 31, 2011 and 2010, deferred tax assets and liabilities were recorded as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Deferred tax assets:			
Current	**¥ 4,633**	¥ 4,194	**¥ 55,819**
Non-current	**12,264**	11,189	**147,759**
Deferred tax liabilities:			
Current	**—**	5	**—**
Non-current	**¥ 13,176**	¥ 14,556	**¥158,747**

In assessing the realizability of deferred tax assets, management of the Seino Group considers whether some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of the future taxable income during the periods in which those temporary differences become deductible. At March 31, 2011 and 2010, a valuation allowance was provided to reduce the deferred tax assets to the extent that the management believed that the amount of the deferred tax assets was not realizable.

A reconciliation of the differences between the Japanese statutory effective tax rate and the actual effective income tax rate on pretax income reflected in the accompanying consolidated statements of operations for the year ended March 31, 2011 was as follows:

	Percentage of pretax income	
	2011	2010
Japanese statutory effective tax rate	**40.4%**	40.4%
Increase (decrease) due to:		
Permanently nondeductible expenses	**1.0**	0.8
Tax exempt income	**(1.0)**	(0.3)
Local minimum taxes - per capita levy	**4.9**	5.0
Amortization of goodwill and negative goodwill	**(16.3)**	(22.7)
Equity in net income of affiliates	**0.1**	0.5
Changes in valuation allowance	**3.9**	1.4
Other	**(0.1)**	0.2
Actual effective income tax rate	**32.9%**	25.3%

12. Real Estate For Rent

Some of the Company's subsidiaries own for rent land and facilities where closed or redeployed branches used to be. The book values in the consolidated balance sheets, changes during the fiscal year under review and the fair values of the rental properties were as follows:

Millions of yen			
Book value			Fair value
March 31, 2010	Increase	March 31, 2011	March 31, 2011
¥ 13,061	¥ 1,332	¥ 14,393	¥ 18,736

Millions of yen			
Book value			Fair value
March 31, 2009	Increase	March 31, 2010	March 31, 2010
¥ 10,587	¥ 2,474	¥ 13,061	¥ 17,133

Thousands of U.S. dollars			
Book value			Fair value
March 31, 2010	Increase	March 31, 2011	March 31, 2011
$ 157,361	$ 16,049	$ 173,410	$ 225,735

Profit and loss in the fiscal years ended March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Rental properties			
Operating revenue	**¥ 1,429**	¥ 1,264	**$ 17,217**
Operating costs	**259**	234	**3,121**
Difference	**1,170**	1,030	**14,096**
Others ((losses) gains on sale of property, etc.)	**(309)**	102	**(3,723)**

(Supplementary Information)

Effective from the fiscal year ended March 31, 2010, the Seino Group has adopted ASBJ Statement No. 20, "Accounting Standard for Disclosures about Fair Value of Investment and Rental Property," issued on November 28, 2008, and ASBJ Guidance No. 23, "Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property," issued on November 28, 2008.

13. Financial Instruments

Effective from the year ended March 31, 2010, the Seino Group adopted ASBJ Statement No. 10, "Accounting Standard for Financial Instruments," revised on March 10, 2008, and ASBJ Guidance No. 19, "Guidance on Disclosures about Fair Value of Financial Instruments," revised on March 10, 2008.

(a) Policies on Financial Instruments

The Seino Group consolidated its temporary cash surplus to the Company by utilizing its Cash Management System. The Company invests in low-risk and short-term instruments in accordance with its internal fund management rules. The Company mainly raises funds through indirect financing such as bank loans for investments in facilities taking immediate liquidity into consideration.

(b) Details of Financial Instruments and Risks

Trade receivables are exposed to credit risk of customers. Some of the subsidiaries have receivables in foreign currency and are exposed foreign currency exchange risk.

Marketable and investment securities, which consist of held-to-maturity securities and marketable securities business entities with which the Seino Group has business relationships, are exposed to stock market fluctuation risk.

Notes and accounts payable have general terms and conditions and are mostly due within one year. However, some of the subsidiaries have them in foreign currency which exposes them to exchange risk.

Some loans are used principally for capital investments. Long term debt with variable interest rates is exposed to interest rate fluctuation risk.

(c) Risk Management for financial instruments

(1) Monitoring of credit risk

In accordance with internal policies for credit risk management, each subsidiary monitors the creditworthiness of its customers and manages the terms and conditions of payment, due dates and remaining balances to reduce such risk.

Regarding held-to-maturity securities, the Company invests in high credit-rating bonds in accordance with its internal fund management rules. As a result, the risk is de-minimis.

(2) Monitoring market risk

The board of the directors is regularly monitors market risk based on the management methods which they decide in accordance with internal market risk management rules. For marketable securities, the Seino Group monitors market prices every quarter, and reviews the market condition, financial position and business relationship of the issuers.

(3) Monitoring liquidity risk
The Company has a cash management system with its subsidiaries and becomes the paying agent for the subsidiaries under the system. The subsidiaries report their cash flow projections to the Company. The Company has sufficient bank credit lines, including overdrafts, enabling the Seino Group to manage liquidity risk.

(d) Supplemental Information on fair values
The fair values of financial instruments are based on their market prices. The fair values of financial instruments with no available market prices are determined by using prices calculated in a reasonable manner. However, as various factors are incorporated into these calculations, the resulting values may differ if different assumptions are provided.

The book value and fair value of financial instruments and any differences between them, as of March 31, 2011 and 2010 were as follows.

	Millions of yen		
	Book value	Fair value	Difference
At March 31, 2011			
Cash and cash equivalents	¥ 48,992	¥ 48,992	¥ —
Trade receivables	96,808	96,808	—
Short-term investments and investment securities	23,432	23,434	2
Total assets	¥ 169,232	¥ 169,234	¥ 2
Trade payables	¥ 65,177	¥ 65,177	¥ —
Short-term borrowings	2,515	2,515	—
Current portion of long-term debt	190	190	—
Long-term debt	458	455	(3)
Total liabilities	¥ 68,340	¥ 68,337	¥ (3)

	Millions of yen		
	Book value	Fair value	Difference
At March 31, 2010			
Cash and cash equivalents	¥ 43,667	¥ 43,667	¥ —
Trade receivables	97,076	97,076	—
Short-term investments and investment securities	25,299	25,301	2
Total assets	¥ 166,042	¥ 166,044	¥ 2
Trade payables	¥ 65,488	¥ 65,488	¥ —
Short-term borrowings	2,315	2,315	—
Current portion of long-term debt	328	328	—
Long-term debt	654	653	(1)
Total liabilities	¥ 68,785	¥ 68,784	¥ (1)

	Thousands of U.S. dollars		
	Book value	Fair value	Difference
At March 31, 2011			
Cash and cash equivalents	$ 590,265	$ 590,265	$ —
Trade receivables	1,166,361	1,166,361	—
Short-term investments and investment securities	282,314	282,338	24
Total assets	$ 2,038,940	$ 2,038,964	$ 24
Trade payables	$ 785,265	$ 785,265	$ —
Short-term borrowings	30,301	30,301	—
Current portion of long-term debt	2,289	2,289	—
Long-term debt	5,518	5,482	(36)
Total liabilities	$ 823,373	$ 823,337	$ (36)

Notes:
1. Method of measuring the fair value of financial instruments
Assets
(1) Cash and cash equivalents
As these instruments are settled within a short term and their fair value and book value are nearly identical, their book values are assumed as their fair values.
(2) Trade receivables
The carrying amount of installment sales receivables approximates the fair value, which is based on the present value of future cash flows through maturity discounted using an estimated credit risk adjusted interest rate. The carrying amounts of notes and trade receivables other than installment sales receivables approximates fair value because of the short maturity of these instruments.
(3) Short-term investments and investment securities
The fair value of marketable securities equals quoted market price, if available. The fair value of debt securities equals quoted market price or the price provided by financial institutions. Marketable and investment securities classified according to the purpose for which they are held are described in Note 4.

Liabilities
(1) Trade payables
As these instruments are settled within a short term and their fair values and book values are nearly identical, their book values are assumed as their fair values.
(2) Short-term borrowings
As these instruments are settled within a short term and their fair values and book values are nearly identical, their book values are assumed as their fair values.
(3) Current portion of long-term debt
As these instruments are settled within a short term and their fair values and book values are nearly identical, their book values are assumed as their fair values.
(4) Long-term debt
Fair value of long-term debt is based on the present value of future cash flows discounted using the current borrowing rate for similar debt of a comparable maturity.

2. Financial instruments for which the fair value is extremely difficult to determine

	Book value		
	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Non-marketable securities	**¥ 1,591**	¥ 1,578	**$ 19,169**
Preferred securities	**500**	500	**6,024**
	¥ 2,091	¥ 2,078	**$ 25,193**

Financial instruments for which there is no fair value and for which the fair value is extremely difficult to determine are not included in Note 1. Assets (3) Short-term investments and investment securities.

3. The redemption schedule for financial assets with maturities was as follows:

	Millions of yen			
	Within 1 year	1-5 years	5-10 years	Over 10 years
At March 31, 2011				
Cash and cash equivalents	¥ 48,992	¥ —	¥ —	¥ —
Trade receivables	77,085	18,962	761	—
Short-term investments and investment securities				
Time deposits	6,897	—	—	—
Held-to-maturity securities				
Corporate bonds	—	100	—	—
Available-for-sale securities with maturities				
(1) Government and municipal bonds, etc.	—	47	—	—
(2) Corporate bonds	—	500	—	—
Short-term investments and investment securities total	6,897	647	—	—
	¥ 132,974	¥ 19,609	¥ 761	¥ —

	Millions of yen			
	Within 1 year	1-5 years	5-10 years	Over 10 years
At March 31, 2010				
Cash and cash equivalents	¥ 43,667	¥ —	¥ —	¥ —
Trade receivables	77,631	18,757	688	—
Short-term investments and investment securities				
Time deposits	5,723	—	—	—
Held-to-maturity securities				
Corporate bonds	—	100	—	—
Available-for-sale securities with maturities				
(1) Government and municipal bonds, etc.	100	47	—	—
(2) Corporate bonds	1,800	—	500	—
Short-term investments and investment securities total	7,623	147	500	—
	¥ 128,921	¥ 18,904	¥ 1,188	¥ —

	Thousands of U.S. dollars			
	Within 1 year	1-5 years	5-10 years	Over 10 years
At March 31, 2011				
Cash and cash equivalents	$ 590,265	$ —	$ —	$ —
Trade receivables	928,735	228,458	9,168	—
Short-term investments and investment securities				
Time deposits	83,096	—	—	—
Held-to-maturity securities				
Corporate bonds	—	1,205	—	—
Available-for-sale securities with maturities				
(1) Government and municipal bonds, etc.	—	566	—	—
(2) Corporate bonds	—	6,024	—	—
Short-term investments and investment securities total	83,096	7,795	—	—
	$ 1,602,096	$ 236,253	$ 9,168	$ —

4. For the repayment schedule for bonds payable and long-term loans payable at March 31, 2011, see Note 6. Short-term borrowings and long-term debt.

14. Related Party Transactions

Principal transactions between the Company's consolidated subsidiaries and their related parties for the year ended March 31, 2010 are summarized as follows:

Name	Title	Transaction	Millions of Yen
Takao Taguchi	Director	Sales of housing	48

15. Asset Retirement Obligation

The asset retirement obligation is based upon estimated future restoration obligations pursuant to the office rental agreements. The asset retirement obligation is calculated based upon the useful life designated by law or estimated office rental period and discounted by yield rate of the government bonds.

The asset retirement obligation as of March 31, 2011 was as follow.

	Millions of yen	Thousands of U.S. dollars
As of April 1, 2010	¥ 2,470	$ 29,759
New obligations	203	2,446
Changes in estimated obligations and accretion	44	530
Settlement payments	(245)	(2,952)
Other	19	229
As of March 31, 2011	¥ 2,491	$ 30,012

The balance of the asset retirement obligation at beginning of the fiscal year was determined based upon the guidance set forth in "Accounting Standards for Asset Retirement Obligations" (ASBJ Statement No. 18 issued on March 31, 2008) and "Guidance on Accounting Standards for Assets Retirement Obligations" (ASBJ Guidance No. 21, issued on March 31, 2008).

16. Provision for Loss on Disaster

Provision for loss on disaster is provided for the restoration of the property damaged or destroyed by the Great East Japan Earthquake at an amount estimated at the fiscal year-end.

17. Comprehensive Income

Comprehensive income for the fiscal year ended March 31, 2010 was as follow.

	Millions of yen
Comprehensive income attribute to owners of the parent	¥ 11,211
Comprehensive income attribute to minority interests	204
Total comprehensive income	¥ 11,415

Other comprehensive income for the fiscal year ended March 31, 2010 was as follow.

	Millions of yen
Valuation difference on available-for-sale securities	¥ 1,667
Foreign currency translation adjustment	76
Share of other comprehensive income of associates accounted for using equity method	3
Total other comprehensive income	¥ 1,746

18. Supplementary Cash Flows Information

Non-cash investing and financing activities for the year ended March 31, 2011 was as follow;

	Millions of yen	Thousands of U.S. dollars
Asset retirement obligations recorded for the fiscal year	¥ 2,491	$ 30,012

19. Subsequent Event

On April 1, 2011, the Company restructured the transportation business in the Kyushu region. Seino Transportation Co., Ltd. underwent a corporate separation, in which its transportation business in Kyushu region was transferred to the newly founded company, Kyushu Seino Transportation Togo Jyunbi Co., Ltd. ("Togo Jyunbi"). At the same time, "Togo Jyunbi" and Kyushu Seino Transportation Co., Ltd merged to form newly "Kyushu Seino Transportation Co., Ltd."

20. Segment Information

1. General information about reportable segments

The reportable segments are constituent business units of the Seino Group for which separate financial information is obtained and examined regularly by the Board of Directors to evaluate business performance. The Seino Group has established the "Transportation Service Planning Department" to be in charge of transportation business companies and "Vehicle Sales and Related Business Planning Department" to be in charge of vehicle sales, merchandise sales and other business enterprises in the Company as a holding company. Each subsidiary plans and operates each business under its control. In addition, some of subsidiaries engage in leasing for real estate services to make good use of their facilities. Therefore, the Seino Group consists of business segments that are based on the business operated by each subsidiary. The Seino Group's reported segments are "transportation services," "vehicle sales," "merchandise sales" and "leasing for real estate services."

2. Basis of measurement about reported segment profit or loss, segment assets, segment liabilities and other material items

The principles of segment accounting are basically the same as those described in Note 2, "Summary of Significant Accounting Policies." Intersegment operating revenues and transfer amounts are based on the market price.

3. Information about reported segment profit or loss, segment assets, segment liabilities and other material items

Information by industry segment for the years ended March 31, 2011, 2010 and 2009 was summarized as follows:

For the year 2011:	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total	Elimination	Consolidated
				Millions of yen				
Operating revenue:								
External customers	**¥ 368,771**	**¥ 87,075**	**¥ 27,104**	**¥ 1,429**	**¥ 13,233**	**¥ 497,612**	**¥ —**	**¥ 497,612**
Inter-segment sales	**1,438**	**7,352**	**24,558**	**—**	**14,700**	**48,048**	**(48,048)**	**—**
Total operating revenue	**370,209**	**94,427**	**51,662**	**1,429**	**27,933**	**545,660**	**(48,048)**	**497,612**
Operating income	**¥ 6,494**	**¥ 3,830**	**¥ 561**	**¥ 1,197**	**¥ 780**	**¥ 12,862**	**(536)**	**¥ 12,326**
Identifiable assets	**¥ 385,891**	**¥ 90,393**	**¥ 13,053**	**¥ 12,638**	**¥ 19,421**	**¥ 521,396**	**¥ (33,695)**	**¥ 487,701**
Depreciation	**14,913**	**1,620**	**79**	**63**	**260**	**16,935**	**(240)**	**16,695**
Amortization of goodwill	**417**	**78**	**—**	**—**	**6**	**501**	**—**	**501**
Investments in affiliates accounted for by the equity method	**2,891**	**—**	**—**	**2**	**—**	**2,893**	**(2)**	**2,891**
Increase in fixed assets	**22,001**	**3,361**	**105**	**4**	**257**	**25,728**	**(443)**	**25,285**

For the year 2010:	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total	Elimination	Consolidated
				Millions of yen				
Operating revenue:								
External customers	¥ 362,628	¥ 87,132	¥ 21,779	¥ 1,265	¥ 13,004	¥ 485,808	¥ —	¥ 485,808
Inter-segment sales	1,649	4,848	21,410	—	12,827	40,734	(40,734)	—
Total operating revenue	364,277	91,980	43,189	1,265	25,831	526,542	(40,734)	485,808
Operating costs and expenses	362,516	88,683	42,590	214	25,626	519,629	(40,442)	479,187
Operating income (loss)	¥ 1,761	¥ 3,297	¥ 599	¥ 1,051	¥ 205	¥ 6,913	(292)	¥ 6,621
Identifiable assets	¥ 391,072	¥ 91,155	¥ 11,880	¥ 11,121	¥ 17,855	¥ 523,083	¥ (38,409)	¥ 484,674
Depreciation	16,741	1,785	77	64	287	18,954	(263)	18,691
Impairment loss on fixed assets	2,324	80	—	—	—	2,404	—	2,404
Capital expenditures	9,078	1,436	134	2	286	10,936	(158)	10,778

For the year 2009:	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total	Elimination	Consolidated
				Millions of yen				
Operating revenue:								
External customers	¥ 316,341	¥ 78,722	¥ 23,302	¥ 1,187	¥ 14,214	¥ 433,766	¥ —	¥ 433,766
Inter-segment sales	1,807	8,415	25,762	—	14,213	50,197	(50,197)	—
Total operating revenue	318,148	87,137	49,064	1,187	28,427	483,963	(50,197)	433,766
Operating costs and expenses	318,703	84,997	48,470	204	27,773	480,147	(49,714)	430,433
Operating income (loss)	¥ (555)	¥ 2,140	¥ 594	¥ 983	¥ 654	¥ 3,816	¥ (483)	¥ 3,333
Identifiable assets	¥ 332,493	¥ 85,852	¥ 10,954	¥ 10,276	¥ 19,450	¥ 459,025	¥ (19,653)	¥ 439,372
Depreciation	15,966	1,692	60	60	262	18,040	(265)	17,775
Impairment loss on fixed assets	1,096	308	—	192	—	1,596	—	1,596
Capital expenditures	24,700	2,365	384	417	420	28,286	(385)	27,901

For the year 2011:	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total	Elimination	Consolidated
				Thousands of U.S. dollars				
Operating revenue:								
External customers	**$ 4,443,024**	**$ 1,049,096**	**$ 326,554**	**$ 17,217**	**$ 159,434**	**$ 5,995,325**	**$ —**	**$ 5,995,325**
Inter-segment sales	**17,325**	**88,579**	**295,880**	**—**	**177,108**	**578,892**	**(578,892)**	**—**
Total operating revenue	**4,460,349**	**1,137,675**	**622,434**	**17,217**	**336,542**	**6,574,217**	**(578,892)**	**5,995,325**
Operating income	**$ 78,241**	**$ 46,145**	**$ 6,759**	**$ 14,422**	**$ 9,397**	**154,964**	**$ (6,458)**	**$ 148,506**
Identifiable assets	**$ 4,649,289**	**$ 1,089,073**	**$ 157,265**	**$ 152,265**	**$ 233,988**	**$ 6,281,880**	**$ (405,964)**	**$ 5,875,916**
Depreciation	**179,675**	**19,518**	**952**	**759**	**3,132**	**204,036**	**(2,891)**	**201,145**
Amortization of goodwill	**5,024**	**940**	**—**	**—**	**72**	**6,036**	**—**	**6,036**
Investments in affiliates accounted for by the equity method	**34,831**	**—**	**—**	**24**	**—**	**34,855**	**(24)**	**34,831**
Increase in fixed assets	**265,072**	**40,494**	**1,265**	**48**	**3,097**	**309,976**	**(5,337)**	**304,639**

(Related information)

1. Information about product and service

The Company has not disclosed information about product and service because the Company has disclosed the same information above.

2. Information about geographic areas
   (1) Operating revenue
   The Company has omitted disclosure of operating revenue because operating revenue to external customers in Japan accounts for more than 90% of the amount of operating revenue reported in the consolidated statements of income.
   (2) Property and equipment
   The Company has omitted disclosure of property and equipment because property and equipment in Japan account for more than 90% of the amount of property and equipment reported in the consolidated balance sheets.
3. Information about major customers
   The Company has not disclosed information about major customers because no customer had contributed 10% or more to operating revenue in the consolidated statements of income.

Information on impairment loss by reportable segments

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
For the year 2011:			Millions of yen			
Impairment loss	¥ 2,518	¥ 145	¥ —	¥ 366	¥ —	¥ 3,029

Information on goodwill by reportable segments

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
For the year 2011:			Millions of yen			
Amortization of goodwill	¥ 417	¥ 78	¥ —	¥ —	¥ 6	¥ 501
Goodwill as of March 31	824	215	—	—	14	1,053

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
For the year 2011:			Millions of yen			
Amortization of negative goodwill	¥ 3,265	¥ 1,986	¥ 19	¥ —	¥ 104	¥ 5,374
Negative goodwill as of March 31	9,115	—	48	—	192	9,355

Information on gain on negative goodwill by reportable segments

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
For the year 2011:			Millions of yen			
Gain on negative goodwill	¥ —	¥ —	¥ —	¥ —	¥ 33	¥ 33

Information on impairment loss by reportable segments

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
For the year 2011:			Thousands of U.S. dollars			
Impairment loss	$ 30,337	$ 1,747	$ —	$ 4,410	$ —	$ 36,494

Information on goodwill by reportable segments

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
For the year 2011:			Thousands of U.S. dollars			
Amortization of goodwill	$ 5,024	$ 940	$ —	$ —	$ 72	$ 6,036
Goodwill as of March 31	9,928	2,590	—	—	169	12,687

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
For the year 2011:			Thousands of U.S. dollars			
Amortization of negative goodwill	$ 39,337	$ 23,928	$ 229	$ —	$ 1,253	$ 64,747
Negative goodwill as of March 31	109,819	—	579	—	2,313	112,711

Information on gain on negative goodwill by reportable segments

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
For the year 2011:			Thousands of U.S. dollars			
Gain on negative goodwill	$ —	$ —	$ —	$ —	$ 398	$ 398

Additional information

(Accounting standard for segment information)

Effective April 1, 2010, the Company adopted "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information"(ASBJ Statement No. 17, issued on March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information"(ASBJ Guidance No. 20, iss*ued on March 21, 2008).*

Notes: *1. Identifiable assets in the elimination column represent unallocated general corporate items which are not assigned to a particular industry segment such as cash and short-term and long-term investment securities, net of inter-segment balances.*

2. Accounting changes:

(Accounting change in the composition of reportable business segments)

Effective for the year ended March 31, 2009, the Company changed the composition of its reportable business segments from "Transportation services," "Vehicle sales," "Leasing for real estate services" and "Other" segment to "Transportation services," "Vehicle sales," "Merchandise sales," "Leasing for real estate services" and "Other" segment in order to disclose segment information more properly. For the year ended March 31, 2009, the "Merchandise sales" segment, which was included in the "Other" segment, was separately shown as operating revenue of its business segment exceeded 10% of total consolidated operating revenue before elimination. If the previous reportable business segment composition was applied, operating revenue and operating income of the "Other" segment would have been ¥47,998 million and ¥579 million more, respectively, for the year ended March 31, 2009.

(Accounting standard for measurement of inventories)

As disclosed in Note 2(f), from the year ended March 31, 2009, the Company changed the measurement of inventories. As a result, as compared with the amounts that would have been recorded with the previous accounting method, operating income of the "Vehicle sales" segment and "Other" segment for the year ended March 31, 2009 were ¥72 million and ¥8 million less, respectively.

(Accounting standard for lease transactions)

As disclosed in Note 2(h), effective from April 1, 2008, the Company and its consolidated domestic subsidiaries have adopted the new accounting standards for finance leases commencing after March 31, 2008 and capitalize assets used under such leases, except for certain immaterial or short-term finance leases, which are accounted for as operating leases. 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. The effects of adopting the new standards on the consolidated balance sheet as of March 31, 2009 were not material.

Report of Independent Auditors

Independent Auditors' Report

To the Board of Directors of
SEINO HOLDINGS Co., LTD:

We have audited the accompanying consolidated balance sheets of SEINO HOLDINGS Co., LTD. (the "Company") and its consolidated subsidiaries (together with the Company, the "Seino Group") as of March 31, 2011 and 2010, the related consolidated statements of income for each of the three years in the period ended March 31, 2011, the consolidated statements of comprehensive income for the year ended March 31, 2011 and the related consolidated statements of changes in net assets and cash flows for each of the three years in the period ended March 31, 2011, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Seino Group'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 the Seino Group as of March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2011, in conformity with accounting principles generally accepted in Japan.

Without qualifying our opinion, we draw attention to the following:

As discussed in Note 2(s) to the consolidated finnancial statements, effective from the year ended March 31, 2011, the Seino Group adopted the new accounting standard for the Asset Retirement Obligations.

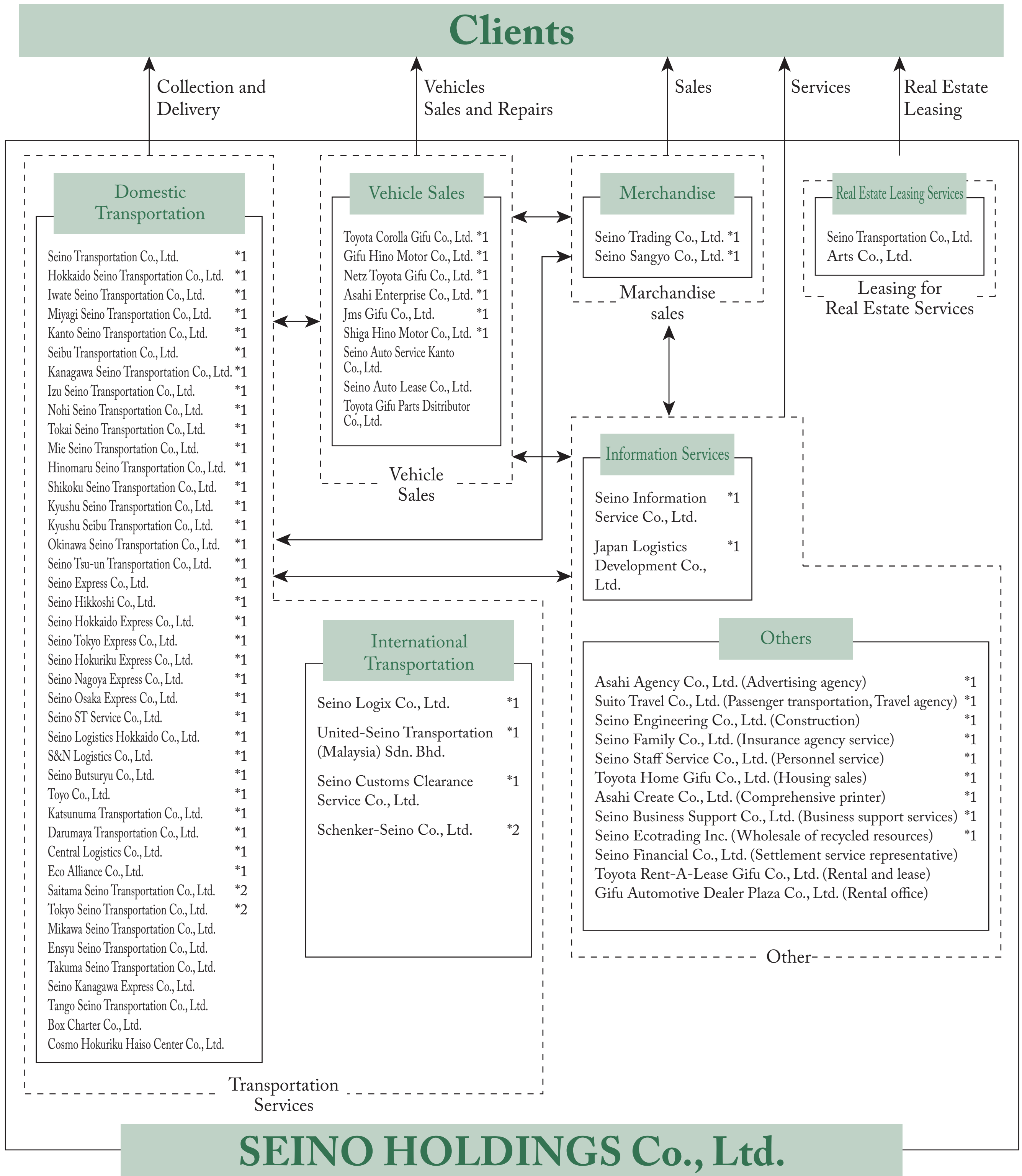
The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

KPMG AZSA LLC
Nagoya, Japan
June 28, 2011

Seino Group

The Seino Group consists of Seino Holdings Co., Ltd. and 58 consolidated subsidiaries and 14 affiliates. The Seino Group operates in five business segments: transportation services, vehicle sales, merchandise sales, leasing for real estate services and other services. The business relationship in the Seino Group is as follows.



Note *1: Consolidated subsidiaries 58
*2: Affiliates (under the equity method) 4
Companies except those mentioned above are affiliates under the cost method. 10

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