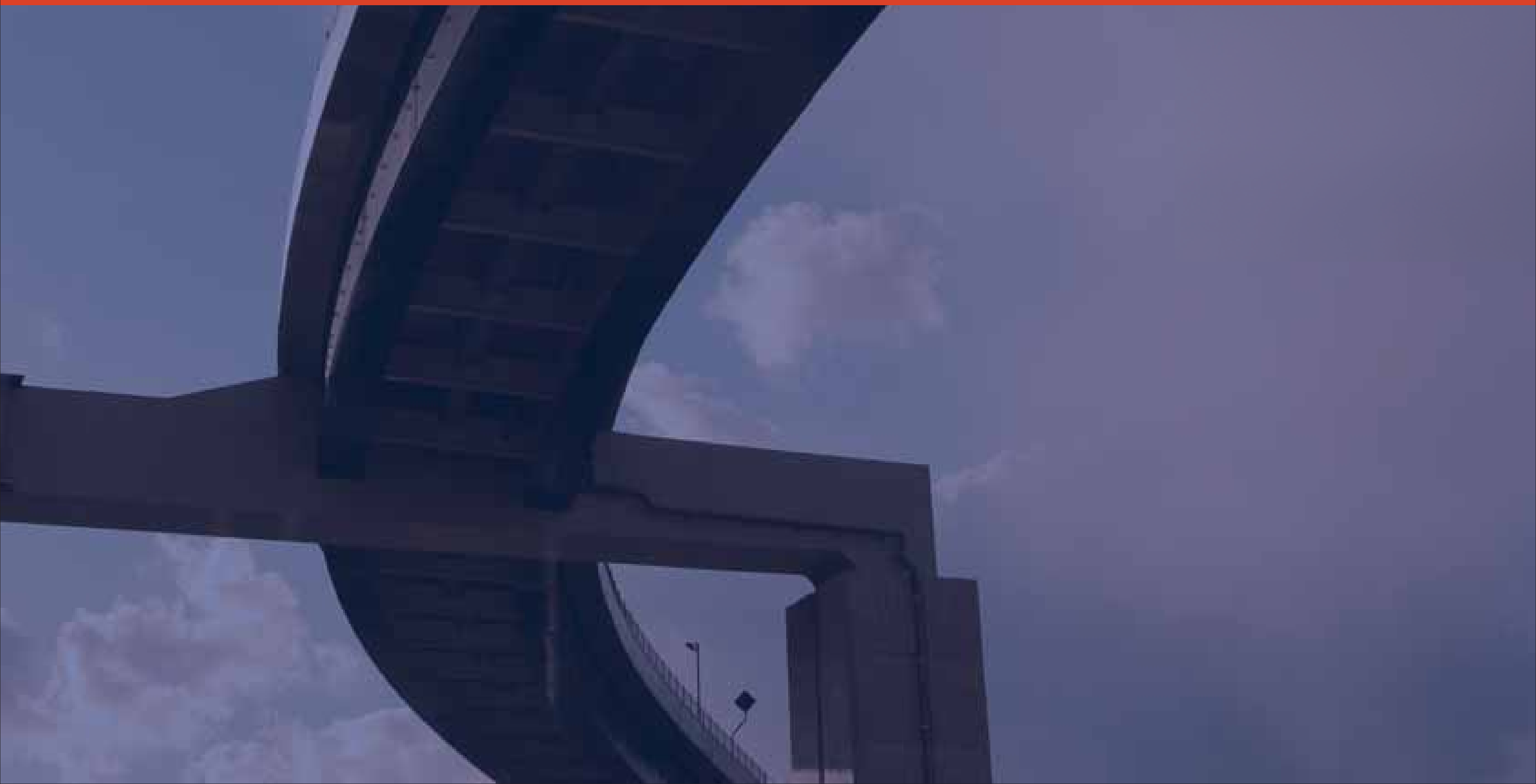
SEINO
Seino Holdings Co., Ltd.

Annual Report 2012

Year Ended March 31, 2012



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, it has grown into 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 took 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, 59 consolidated subsidiaries, and 13 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, 2012, Seino offers efficient transportation services throughout Japan via its 646 domestic terminals, a fleet of 24,107 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 27, 2012)

Chairman and Chief Executive Officer	Yoshikazu Taguchi
President and Chief Operating Officer	Yoshitaka Taguchi
Directors	Takao Taguchi Mitsuo Mekada Shizutoshi Otsuka Hidemi Maruta Shinpei Ando
Outside Directors	Yuji Tanahashi Kenjiro Ueno
Standing Statutory Auditors	Takahiko Kumamoto Shingo Terada
Outside Statutory Auditors	Fumio Kato Eiji Kasamatsu

SEINO HOLDINGS CO., LTD.

Financial Highlights

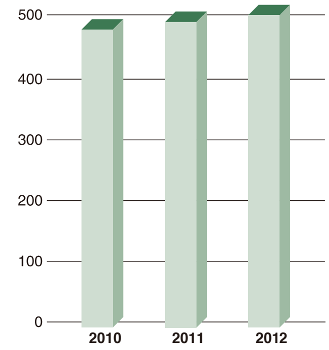
For the Years Ended March 31, 2012, 2011 and 2010

	Millions of Yen			Thousands of U.S. Dollars (Note)
	2012	2011	2010	2012
CONSOLIDATED BASIS:				
Operating revenue	**¥ 504,277**	¥ 497,612	¥ 485,808	**$ 6,149,720**
Operating income	**13,867**	12,326	6,621	**169,110**
Income before income taxes and minority interests	**18,514**	13,136	12,940	**225,780**
Net income	**12,542**	8,449	9,477	**152,951**
Net income per share (in yen and U.S. dollars)	**63.02**	42.44	47.60	**0.77**

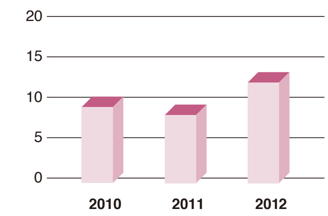
	Millions of Yen			Thousands of U.S. Dollars (Note)
	2012	2011	2010	2012
CONSOLIDATED BASIS:				
Cash and cash equivalents, and short-term investments	**¥ 57,595**	¥ 55,889	¥ 51,302	**$ 702,378**
Property and equipment	**274,475**	276,545	273,710	**3,347,256**
Total assets	**500,963**	487,701	484,674	**6,109,305**
Long-term debt and other long-term liabilities	**74,094**	82,281	86,449	**1,097,415**
Net assets	**318,650**	307,806	301,792	**3,885,976**
Net assets per share (in yen and U.S. dollars)	**1,561.32**	1,508.40	1,478.77	**19.04**

(Note) U.S. dollar amounts are translated at ¥82 = U.S. $1, only for the convenience of readers.

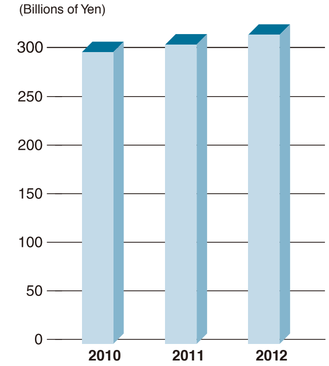
Operating revenue
(Billions of Yen)



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 at the End of the Fiscal Year	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

Message from the Management

To Our Shareholders, Customers and Friends

The following is a brief report on the performance of Seino Holdings Co., Ltd. for the fiscal year ended March 31, 2012, our 91st term (from April 1, 2011 to March 31, 2012).

■ Business Environment

In the fiscal year under review, despite experiencing a dramatic decline for a time following the Great East Japan Earthquake, the Japanese economy showed signs of partial recovery, driven by a revival in the supply chain and the recommencement of production activities. Even so, a situation of uncertainty regarding the future persisted throughout the year, mainly due to a slowdown in global economic growth caused by the debt crisis in Europe and the long period of strength in the yen.

In the transportation industry, the Seino Group's mainstay business, domestic freight volume continued to decline, and further burdens were felt from the increasing costs of environmental measures and the soaring price of fuel. As a result, the business environment continued to be severe.

■ Initiatives and Results for the Year

Operating under these conditions, we formulated our medium-term management plan "Confront Change" with this fiscal year as its first year. Under the plan, we worked to combine the functions and customers of each group company and develop a new framework for the creation of logistics services that "link the needs of all customers." We also worked to create a firm business base by making each group company into the top choice for customers in their respective industries.

In addition, with the two group-wide slogans of "giant steps" (2011) and "boldness" (2012), the Seino Group kept the challenges it had to tackle in mind and remained undaunted by the severe business environment, regarding it as an opportunity, and took the bold decisions to respond to rapid changes in the business environment and customer needs.

As part of this process, the sales offices in the Kyushu region of Seino Transportation Co., Ltd. were merged with Kyushu Seino Transportation Co., Ltd. The services of these businesses have been partially overlapping, but adhering to a customer first philosophy and considering the severe business environment, a reorganized Kyushu Seino Transportation Co., Ltd. (head office: Fukuoka City) commenced operations from April 1, 2011. Carried out for the purpose of eliminating overlap of sales areas and streamlining administrative departments, this reorganization led to further strengthening of the competitiveness of the Seino Group in this area.

As a result, operating revenue for the fiscal year ended March 31, 2012, was ¥504,276 million (up 1.3% year on year), operating income was ¥13,867 million (up 12.5% year on year), ordinary income was ¥19,741 million (down 2.0% year on year), and net income was ¥12,542 million (up 48.4% year on year).

■ Future Outlook

It remains difficult to provide any clear outlook of the Japanese economy due to the European debt crisis, soaring raw material prices and the resulting concerns that these could cause an economic slump overseas, not to mention the continuing severe employment environment and the impact of deflation. This is despite expectations of an economic recovery on the back of significant progress in recovery and reconstruction operations following the Great East Japan Earthquake and an expected recovery in exports.

In the transportation industry, the primary industry of the Seino Group, costs that continue to be required for environmental measures are expected to increase and the cost of fuel is forecasted to remain high, and competition with other companies in the same sector is expected to intensify further. As a result, despite expectations that the decline in total freight volume will bottom out, we forecast that the business environment will continue to be severe.

Operating in such an environment, the Seino Group will work to achieve its numerical targets by steadily implementing the various measures in its medium-term management plan "Confront Change," which is now in its second year. In parallel with this, we fully intend to further selectively concentrate business resources and proceed whole-heartedly with business expansion and development.

In the Transportation Services Business, we will focus our attention on the achievement of our revenue targets, maintenance and improvement of productivity of our sales drivers during off-season periods, and creation of marginal profits from consolidated loading by increasing efficiency through such means as making changes in the routes used for consolidated deliveries.

In the Kyushu region, Kyushu Seino Transportation Co., Ltd. and Kyushu Seibu Transportation Co., Ltd. coexisted at times and competed with each other at other times in providing services. However, in adherence to our customer first philosophy and considering the severe business environment, the two companies were reorganized into Kyushu Seino Transportation Co., Ltd. (head office: Fukuoka City) on April 1, 2012. Carried out for the purpose of eliminating overlap of sales areas and streamlining administrative departments, this reorganization is expected to further strengthen the competitiveness of the Seino Group in this area.

In addition to the above, Seino Express Co., Ltd. carried out an absorption-type merger with Seino Butsuryu Co., Ltd. on April 1, 2012. Through the merger, we will work to achieve efficient operations in such aspects of the business as personnel, vehicles and facilities.

With respect to passenger vehicle sales in the Vehicle Sales Business, we will strive to expand sales of new vehicles with a focus on vehicle types to which eco-car subsidies are applied. In addition, in response to the substantial increase in the ratio of sales accounted for by HVs (hybrid vehicles), with a view to the maintenance of such vehicles becoming a core source of service revenue, we will heighten the reliability of our maintenance services and promote the services of periodic vehicle checks and vehicle inspections and garage service.

Regarding truck sales, Gifu Hino Motor Co., Ltd. made Tokyo Sharyo Co., Ltd. (head office: Iruma City, Saitama Prefecture) its subsidiary on April 1, 2012. Through this move, we aim to strengthen our network of maintenance factories in the Kanto Region and promote in-house operations in the maintenance business, while also expanding revenue by deploying the automobile maintenance business over a wide geographical area. We will also further strengthen our capabilities in the growing market for used parts.

Although the business environment surrounding the Seino Group is rapidly changing and becoming more severe by the day, we shall treat these circumstances as an opportunity. We will do this by rising to the challenges of change and evolution with "boldness" and making things happen with self-sufficiency and determination, making use of the combined strength of our 63 companies.

To all shareholders, we sincerely ask for your ongoing encouragement and support into the future.

Yoshikazu Taguchi
Chairman and Chief Executive Officer

■ 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.

Yoshitaka Taguchi
President and Chief Operating Officer

■ 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.

Special Feature

Expanding the Scope of Business and Creating New Value

The Seino Group has decided on Tackling Challenges for Changes as its management plan for the mid-term starting in fiscal 2012. Along with creating new initiatives to unite group company functions and customers, and building a logistics system which connects all of our customer needs, group companies have striven to be worthy of being singled out within each of their respective industries, and to establish solid business foundations.

With the "leap forward" (2011) and "boldness" (2012) set forth as key words for the entire group, we have focused on issues for initiatives, and seized opportunities without hesitation in this era that leaves no room for error. We have responded decisively to the needs of our customers and business environments, which have changed at dizzying speeds.

The following outlines initiatives of respective business groups in fiscal 2012.

Initiatives by Business Group

Transportation Services Business Group

Nationwide Launch of Kangaroo Shopping Service by Seino Holdings Coconet Co., Ltd.

Seino Holding established Coconet Co., Ltd. (Chuo-ku, Tokyo) on October 1, to exclusively handle Kangaroo shopping services.

Previously, Kangaroo shopping services had mainly supplied only government-decreed cities, but in May, the service provision area was expanded to the entire country.

Kangaroo shopping services are made up of a shopping service, which delivers to customer homes products such as perishable foodstuffs bought by the consumer at retail shops, and a shopping agent service, which packs and delivers to customer homes products purchased by the consumer via the Internet, telephone, or fax. Expectations are high for these markets from consumers with difficulty shopping, with a focus on the elderly, and from dual-income households.

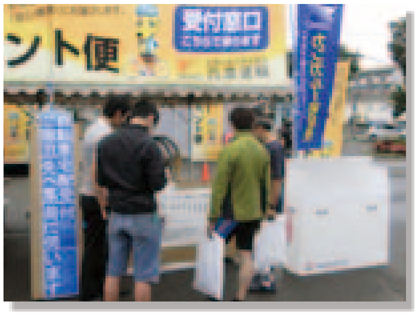
To provide full service and more to customers, we will further evolve our shopping services in the future, aiming to develop a next-generation supermarket with strong marketing functions, and to provide a community concierge service (CCS).

Furthermore, we have set our sights on the realization of a modern door-to-door tradesman service, to further evolve our shopping services. We will free ourselves of the conventional delivery service concept of the "last mile" (service to the door), and build a "last step" (service brought inside the door) lifestyle infrastructure nationwide.

Seino Transportation Kangaroo Bicycle Event Service Launched

On August 1, Seino Transportation started a new Kangaroo bicycle event service, a transportation service specializing in sports cycles such as bicycles, most notably roadracers, for competitive events.

Accompanying recent increases in health consciousness and environmental awareness, together with the popularity of travel by bike, the number of bicycle lovers has been on the rise. Thus, we have expanded our services in response to ever diversifying needs such as the desire of customers to try cycling at their destination using their own bicycles or to participate in events such as roadraces, triathlons, and long rides in a variety of regions, while simultaneously meeting the need for safe and reliable transportation of the customer's beloved cycle.



Seino Transportation e-Commerce Web Order/Web Supply Sales Started

Seino Transportation launched on December 12 sales with our new web order/web supply service, providing support for ordering and supply work for transactions between companies.

Replacing the ordering and supply operations that customers carried out by phone, fax, or e-mail with the web operations to make around-the-clock responses possible, the service is separated into web orders for sales companies and web supply for purchasing companies. Web orders reduce the amount of ordering work, allow for longer ordering deadlines, and decrease shipping work. Web supply also reduces the work of sending out orders, allows for an instantaneous grasp of delivery status, and makes ordering history confirmation possible. With these two services, we will realize improvements in customer satisfaction level and reductions in administrative costs.

These services also feature functions linking aid in Internet shipping (Kangaroo Magic II) and a stock control system (SLIMS-WH), to provide total shipping satisfaction, from aid in ordering and supply operations to product delivery. We are also able to offer links to customer key systems and other support.

Kanto Seino Transportation: Koga Branch Opened

Kanto Seino Transportation completed the construction on the Koga Branch (Koga City, Ibaraki Prefecture) underway since last year, and held a ceremony to mark the completion on March 8, with the branch opening for business on March 12.

The Koga Branch is in an extremely good location, two to three minutes by car from the Sakai Interchange of the Metropolitan Inter-City Expressway (an expressway ring road located at a radius of 40 to 60 km from the city center) scheduled to open in 2014, with a 840 tsubo (approx. 2,780 m^2) storage space.

In line with the opening of this branch office, the Seino Transportation Group will conduct a reorganization in the area, and work so that we will be able to provide an even higher level of service to further satisfy our customers.

Additionally, the Seino Transportation Koga Branch located in Kamiwada in Koga City and the Koga Aviation Office will both be moved to the Koga Branch, and managed as a joint terminal.

Kyushu Seino Transportation: Chikuho Branch Opening

With its previous office on the small side, Kyushu Seino Transportation moved the Chikuho Branch (Kurate-gun, Fukuoka Prefecture) to a new building and began operations.

On a 60 m × 30 m platform on a 15,430 m^2 site, the branch features an office area, a crew waiting room, a cafeteria, meeting rooms, and nap rooms, among other features. On the occasion of the branch opening, Kyushu Seino Transportation and subcontractors conducted a broad review of the delivery area, which had become complicated, leading to improvements in operational efficiency and customer service.

Vehicle Sales and Other Businesses

Toyota Corolla Gifu: Car Lots Ogaki Branch Opened

Toyota Car Lots Gifu opened the used car seller Car Lots Ogaki on December 3 in Kono, Ogaki City.

Until this point, the company had two U-car shops handling used cars, and developed one store for vehicle buyback in the Seino region, but by unifying all these stores now, the company will be able to display even more vehicles. Additionally, with the establishment of a service department, they will aim to improve customer convenience even further.

Netz Toyota Gifu: New Rokken Branch Building Opened

Netz Toyota Gifu merged the Kakamigahara Branch of the former Netz Toyota Centro Gifu Co., Ltd., and the Netz Toyota Gifu Rokken Branch, to open the Rokken Branch (Kakamigahara City, Gifu Prefecture) in a new building.

The branch was constructed alongside a main road for a high level of convenience, and featuring as it does a regular display space outside for six vehicles and a 176 m^2 basic service station with four lifts, this large store is expected to see increased sales through even greater customer service improvements.

Appropriate Stock Service Provision Started

Seino Information Service Co., Ltd. began providing the appropriate stock service Cloudslash on February 8.

Cloudslash is a service that gives guidance on the optimal amount of product stock based on past delivery and shipping results, offering users reductions in inventory amounts and defective products. Using Cloudslash allows for management of stock that does not only depend on the supervisor's instinct and experience.

Review of Operations

Transportation Services Business

In the Transportation Services Business, there was an unavoidable decline in freight volume mainly due to the impact of the Great East Japan Earthquake. Despite this, we expanded revenue and secured profit in the business, having operated with a particular focus on growth in our lo gistics business, sales expansion of our Estimated Delivery Time Service, improvement in the receiving rate of transport fees, and increases in load efficiency in consolidated deliveries and transportation quality.

In particular, we fulfilled our mission statement to "Contribute to the nation and society by providing preeminent transportation services esteemed by customers." We achieved this by such means as enabling delivery before noon the next day to almost all areas of Japan with use of the three transportation networks of special loading for consolidated deliveries nationwide, express deliveries nationwide, and pickup and deliveries at the country's airports, as well as all of the modes of transportation as a freight forwarder.

Regarding office expansion efforts, we worked to improve operational efficiency and customer satisfaction through the relocation to the newly established Chikuho Branch (Kurate-gun, Fukuoka Prefecture) of Kyushu Seino Transportation Co., Ltd. and the establishment of the Koga Branch (Koga City, Ibaraki Prefecture) of Kanto Seino Transportation Co., Ltd.

In addition to the above, the Seino Group aimed to contribute to the global environment and reduce business expenses by working on further rationalization of line-haul routes, continuing the "Eco-Drive Program," and making strong efforts in energy-saving initiatives.

At Seino Transportation Co., Ltd., which plays the central role among the 37 companies of the Transportation Services Business group, we worked to increase revenue by such means as receiving reasonable transport fees including the collection of various charges, expanding sales of the profitable Estimated Delivery Time Service and increasing the number of customers. We also strove to reduce business expenses further through such measures as improving load efficiency in consolidated deliveries, managing working hours, and reducing material procurement expenses by thoroughly promoting in-house operations and implementing purchase systems. In addition to these measures, we made unified, group-wide efforts to secure our target profits. These efforts included changing our method of managing expenses from only managing final outcomes to connecting them with income and freight volumes based on analyses of monthly income and expenditure, in addition to the usual precise income forecasts, and adjusting expenses as needs arise based on progress made with respect to income at each area or sales office.

In addition, SEIBU TRANSPORTATION CO., LTD. launched "eco and express" an environmentally friendly express delivery service that uses a dedicated, reusable bag. The service meets heightened demand for environmentally friendly services by such means as contributing ¥1 to a charitable organization involved in environmental efforts for each delivery made, and is also a source of revenue growth.

As a result of the above, operating revenue for this segment was ¥370,591 million (US$4,519,402 thousand), up 0.5% year on year, and operating income was ¥7,240 million (US$88,293 thousand), up 11.5% year on year.

Vehicle Sales Business

In the Vehicle Sales Business, there was an expectation that new vehicle sales would struggle due to a cooling of consumer sentiment after the earthquake disaster, as well as a shift away from the use of automobiles by consumers and the demographic effect of an aging society. Amid this environment, we continued to establish a strong base for profitability by carrying out aggressive sales activities while also strengthening sales of vehicle accessories and insurance in addition to promoting payment by installments. We also strengthened our stock business such as vehicle inspection and vehicle maintenance and garage services.

In passenger vehicle sales, the number of new vehicles sold fell year on year due to a decrease in reaction to the end of eco-car subsidies, while there was a substantial impact from shortages in supply due to the Great East Japan Earthquake and damage from the flooding in Thailand. However, there was an improvement in per-vehicle unit prices on the back of proactive sales efforts in areas including new hybrid vehicles and the revival of eco-car subsidies. As a result, operating revenue increased year on year.

In truck sales, the number of new vehicles sold rose year on year due to a full-model change to small truck models compliant with the Post New Long-term Exhaust Emission Regulations. The number of used vehicles sold also rose year on year, mainly due to strengthening of the auction business.

Since the market for used truck parts is growing rapidly on the back of increased overseas demand and other factors, we newly established a large-scale recycled parts center and started its operations. The associated improvement in our disassembling capability and increased efficiency boosted our earnings capacity.

With respect to office expansion efforts, Toyota Corolla Gifu Co., Ltd. merged its two used vehicle stores in Ogaki City with a store that buys used vehicles in the same city, and relocated the merged store to the newly established Car Lots Ogaki (Ogaki City, Gifu Prefecture). Netz Toyota Gifu Co., Ltd. relocated and newly established each of the following sites: the Rokken branch (Kakamigahara City, Gifu Prefecture), the Minokamo branch and U-car Minokamo branch (Minokamo City, Gifu Prefecture), and the head office service plant (Ginan-cho, Gifu Prefecture).

As a result of the above, operating revenue for this segment was ¥87,755 million (US$1,070,183 thousand), up 0.8% year on year, and operating income was ¥4,464 million (US$54,439 thousand), up 16.6% year on year.

Merchandise Sales Business

The Merchandise Sales Business engages in the sale of fuel, paper and paper products. For fuel sales, which is the mainstay business of this segment, there was an increase in sales volume mainly due to aggressive sales activities, as well as a rise in unit sales prices, and as a consequence operating revenue substantially exceeded that of the previous fiscal year.

As a result, operating revenue for this segment was ¥30,143 million (US$367,598 thousand), up 11.2% year on year, and operating income was ¥723 million (US$8,817 thousand), up 28.8% year on year.

Leasing for Real Estate Services Business

In the Leasing for Real Estate Services Business, we strove to effectively utilize business resources by leasing the former truck terminals and the sites where there used to be stores, which had relocated equipment due to the impact of urban development and current operating space becoming increasingly cramped. The primary lands subject to these measures are the following former terminal locations: Yotsubashi (Osaka City), Tajimi (Tajimi City, Gifu Prefecture) and Shinmachi (Osaka City).

Operating revenue for this segment was ¥1,415 million (US$17,256 thousand), down 0.9% year on year, and operating income was ¥1,196 million (US$14,585 thousand), down 0.1% year on year.

Other Business

Our Other Business segment includes the information services business, the housing sales business, the construction contract business, the passenger transportation business, and the personnel services business. Particularly, the housing sales business, in which we developed properties for sale in favorable locations and actively sold them, experienced substantial growth in both operating revenue and operating income. However, the construction contract business had declines in revenue and income, mainly due to a decrease in large-scale projects.

As a result, operating revenue for this segment was ¥14,369 million (US$175,232 thousand), up 8.6% year on year, and operating income was ¥696 million (US$8,488 thousand), down 10.7% year on year.

Operating Revenue by Business Segment

(Millions of yen)

	FY3/12		FY3/11		
	Results	Composition	Results	Composition	Year-on-Year
Transportation Services	370,592	73.5%	368,771	74.1%	0.5%
Vehicle Sales	87,755	17.4%	87,075	17.5%	0.8%
Merchandise Sales	30,144	6.0%	27,104	5.4%	11.2%
Leasing for Real Estate Services	1,416	0.3%	1,429	0.3%	(0.9%)
Other	14,370	2.8%	13,233	2.7%	8.6%
Total	504,277	100.0%	497,612	100.0%	1.3%

Operating Income by Business Segment

(Millions of yen)

	FY3/12		FY3/11		
	Results	Composition	Results	Composition	Year-on-Year
Transportation Services	7,240	52.2%	6,494	52.7%	11.5%
Vehicle Sales	4,464	32.2%	3,830	31.1%	16.6%
Merchandise Sales	723	5.3%	561	4.5%	28.9%
Leasing for Real Estate Services	1,196	8.6%	1,197	9.7%	(0.1%)
Other	697	5.0%	780	6.3%	(10.6%)
Total	14,320	103.3%	12,862	104.3%	11.3%
Elimination	(453)	(3.3%)	(536)	(4.3%)	—
Consolidated	13,867	100.0%	12,326	100.0%	12.5%

Financial Review

Operating Results

Consolidated operating revenue for Seino Holdings for the fiscal year ended March 31, 2012 increased 1.3% from the previous fiscal year to ¥504,276 million (US$6,419,720 thousand). This was due to increased sales in the Transportation Services business, Vehicle sales business, Merchandise Sales business and Other business.

Operating costs of revenues increased 1.2% from the previous fiscal year to ¥457,512 million (US$5,579,415 thousand). The ratio of operating costs to operating revenue was 90.7%, down 0.2 percentage point from the previous fiscal year.

Selling, general and administrative expenses decreased 0.4% to ¥32,898 million (US$401,195 thousand), while operating income increased 12.5% to ¥13,867 million (US$169,110 thousand).

Other income (expenses) stood at ¥4,647 million (US$56,670 thousand). Key positive factors were the impairment loss on fixed assets in the amount of ¥1,093 million (US$13,329 thousand) and loss on adjustment for changes of accounting standard for asset retirement.

Negative factors included the amortization of negative goodwill of ¥3,255 million (US$39,695 thousand) and special extra retirement payments of ¥421 million (US$5,134 thousand).

As a result, income before income taxes and minority interests amounted to ¥18,514 million (US$225,780 thousand), up 40.9% year-on-year. Net income increased 48.4% to ¥12,542 million (US$152,951 thousand).

Net income per share was ¥63.02 (US$0.77), and return on equity was 4.0%. 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 ¥500,963 million (US$6,109,305 thousand), up 2.7% versus the previous fiscal year-end.

Total current assets increased 11.7% to ¥186,255 million (US$2,271,402 thousand) compared with the previous fiscal year-end. Total fixed assets decreased 2.0% from the previous fiscal year-end to ¥314,708 million (US$3,837,903 thousand).

Total current liabilities increased 10.9% compared with the previous fiscal year-end to ¥108,219 million (US$1,319,744 thousand). This was due primarily to increases in trade payable, income taxes payable and income taxes payable despite decreases in provision for loss on disaster and short-term borrowings.

Long-term liabilities decreased 10.0% from the previous fiscal year-end to ¥74,094 million (US$903,585 thousand). The main factors behind this result were decreases in deferred tax liabilities and negative goodwill.

Net assets rose 3.5% from the previous fiscal year-end to ¥318,650 million (US$3,885,976 thousand). The major factor was an increase in retained earnings derived from the posting of net income. Shareholders' equity increased 0.4 percentage point to 62.1%.

Cash Flows

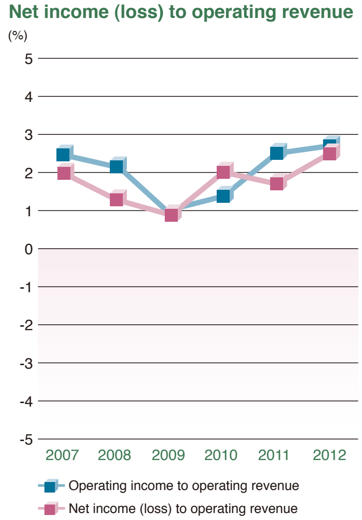
Net cash provided by operating activities decreased ¥3,048 million compared with the previous fiscal year to ¥24,907 million (US$303,744 thousand) due mainly to a decline in inventories in the previous fiscal year.

Net cash used in investing activities decreased ¥6,381 million compared with the previous fiscal year to ¥13,726 million (US$167,391 thousand) due primarily to an decrease in payments for the acquisition of intangible and tangible fixed assets.

Net cash used in financing activities increased ¥56 million compared with the previous fiscal year to ¥2,572 million (US$31,366 thousand)

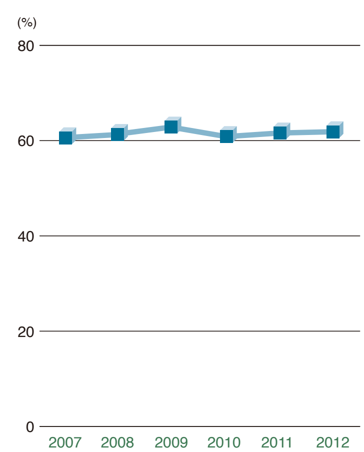
Consequently, cash and cash equivalents at end of year increased ¥8,603 million compared with the previous fiscal year to ¥57,595 million (US$702,378 thousand).

Operating income to operating revenue
Net income (loss) to operating revenue



Net income (loss) to total assets
Return on equity ratio

Shareholders' equity ratio



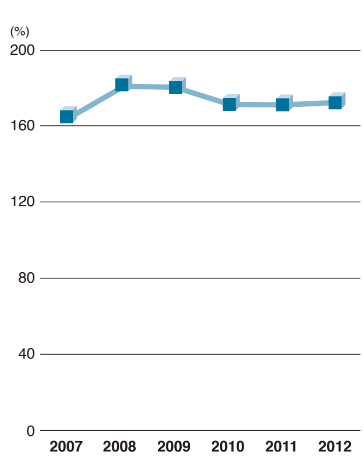
SEINO HOLDINGS CO., LTD. and Consolidated Subsidiaries

Six-year Summary

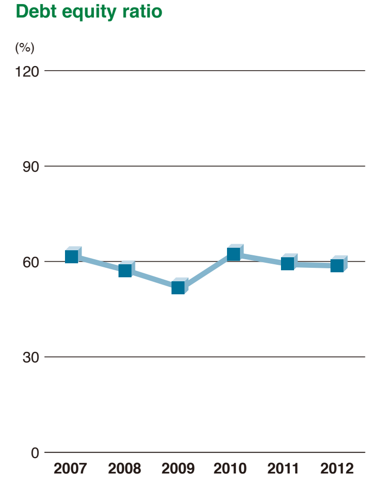
For the Years Ended March 31, 2012, 2011, 2010, 2009, 2008 and 2007

	2012	2011	2010	2009	2008	2007
	Millions of Yen					
For the year:						
Operating revenue:	¥ 504,277	¥ 497,612	¥ 485,808	¥ 433,766	¥ 451,978	¥ 449,486
Transportation services	370,592	368,771	362,628	316,341	331,862	327,574
Vehicle sales	87,755	87,075	87,132	78,722	85,537	85,549
Merchandise sales	30,144	27,104	21,779	23,302	—	—
Leasing for real estate services	1,416	1,429	1,265	1,187	1,146	1,079
Other	14,370	13,233	13,004	14,214	33,433	35,284
Operating costs	457,512	452,263	445,845	397,826	410,579	408,395
Selling, general and administrative expenses	32,898	33,023	33,342	32,607	31,474	30,295
Operating income	13,867	12,326	6,621	3,333	9,925	10,796
Net income (loss)	12,542	8,449	9,477	3,391	6,018	8,797
At year-end:						
Current assets	186,255	166,726	165,451	150,140	168,475	169,706
Total assets	500,963	487,701	484,674	439,372	457,871	468,006
Current liabilities	108,219	97,614	96,433	82,996	93,044	98,980
Short-term borrowings	2,475	2,515	2,315	2,135	2,465	3,700
Long-term debt, including current maturities	457	648	982	1,462	2,114	3,435
Net assets	318,650	307,806	301,792	291,564	293,985	292,848
	Yen					
Per share data:						
Net (loss) income:						
-Basic	¥ 63.02	¥ 42.44	¥ 47.60	¥ 17.03	¥ 30.27	¥ 44.71
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	2.7	2.5	1.4	0.8	2.2	2.4
Net income (loss) to operating revenue	2.5	1.7	2.0	0.8	1.3	2.0
Net income (loss) to total assets	2.5	1.7	2.0	0.8	1.3	1.9
Return on equity ratio	4.0	2.8	3.2	1.2	2.1	3.1
Shareholders' equity ratio	62.1	61.6	60.7	64.9	62.9	61.2
Current ratio	172.1	170.8	171.6	180.9	181.1	171.5
Debt equity ratio	58.6	59.9	62.1	51.8	56.9	61.2
Payout ratio	17.5	26.2	23.2	65.1	36.6	24.5

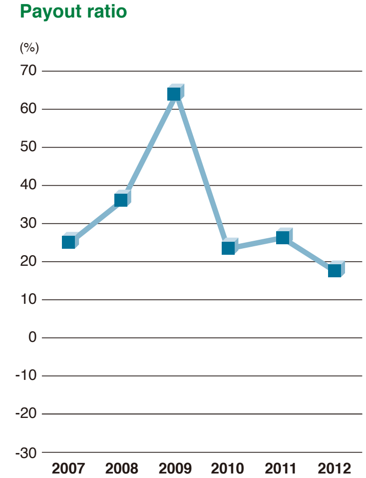
Current ratio



Debt equity ratio



Payout ratio



SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Balance Sheets

March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Assets:			
Current assets:			
Cash and cash equivalents (Note 13)	¥ 57,595	48,992	$ 702,378
Short-term investments (Notes 4 and 13)	7,231	6,897	88,183
Trade receivables (Note 13)	104,643	96,808	1,276,134
Inventories (Note 3)	9,464	7,577	115,415
Deferred tax assets (Note 11)	5,073	4,633	61,866
Other current assets	2,585	2,203	31,524
Allowance for doubtful accounts	(336)	(384)	(4,098)
Total current assets	186,255	166,726	2,271,402
Property and equipment (Notes 5, 6 and 12):			
At cost	534,612	530,780	6,519,658
Accumulated depreciation	(260,137)	(254,235)	(3,172,402)
Net property and equipment	274,475	276,545	3,347,256
Investments and other assets:			
Investment securities (Notes 4 and 13)	18,255	18,627	222,622
Investments in and long-term loans to affiliates (Note 4)	2,886	3,000	35,195
Deferred tax assets (Note 11)	9,353	12,264	114,061
Other assets	9,739	10,539	118,769
Total investment and other assets	40,233	44,430	490,647
Total assets	¥ 500,963	¥ 487,701	$ 6,109,305
Current liabilities:			
Short-term borrowings (Notes 6 and 13)	¥ 2,475	¥ 2,515	$ 30,183
Current portion of long-term debt (Notes 6 and 13)	165	190	2,012
Trade payables (Note 13)	72,597	65,177	885,329
Accrued expenses	12,690	12,394	154,756
Income taxes payable	5,773	4,775	70,402
Provision for loss on disaster (Note 16)	51	186	622
Other current liabilities (Note 15)	14,468	12,377	176,440
Total current liabilities	108,219	97,614	1,319,744
Long-term debt (Notes 6 and 13)	292	458	3,561
Employee retirement benefit liability (Note 7)	55,267	55,018	673,988
Asset retirement obligation (Note 15)	2,454	2,428	29,927
Accrued severance indemnities for directors and statutory auditors	1,401	1,384	17,085
Deferred tax liabilities (Note 11)	8,218	13,176	100,219
Negative goodwill (Note 20)	6,100	9,355	74,390
Other long-term liabilities	362	462	4,415
Total liabilities	182,313	179,895	2,223,329
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	518,073
Capital surplus	74,261	74,266	905,622
Retained earnings	199,599	189,207	2,434,134
Less treasury stock at cost: 8,645,738 shares in 2012 and 8,642,914 shares in 2011	(8,603)	(8,606)	(104,914)
Total shareholders' equity	307,739	297,349	3,752,915
Accumulated other comprehensive income:			
Net unrealized gains on available-for-sale securities	3,509	3,288	42,793
Land revaluation decrement	(132)	(93)	(1,610)
Foreign currency translation adjustments	(360)	(316)	(4,390)
Total accumulated other comprehensive income	3,017	2,879	36,793
Minority interests	7,894	7,578	96,268
Total net assets	318,650	307,806	3,885,976
Total liabilities and net assets	¥ 500,963	¥ 487,701	$ 6,109,305

See accompanying Notes to Consolidated Financial Statements.

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Income

For the Years Ended March 31, 2012, 2011 and 2010

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Operating revenue (Notes 14 and 20)	**¥ 504,277**	¥ 497,612	¥ 485,808	**$ 6,149,720**
Operating costs and expenses (Notes 7 and 20):				
Operating costs	**457,512**	452,263	445,845	**5,579,415**
Selling, general and administrative expenses	**32,898**	33,023	33,342	**401,195**
	490,410	485,286	479,187	**5,980,610**
Operating income	**13,867**	12,326	6,621	**169,110**
Other income (expenses):				
Interest and dividend income	**624**	488	486	**7,609**
Interest expenses	**(38)**	(51)	(119)	**(463)**
Gain (loss) on sale or disposal of property and equipment	**18**	(11)	(120)	**220**
Gain (loss) on sale of investment securities	**115**	15	(27)	**1,402**
Gain on cancellation of leasehold contracts	**—**	—	116	**—**
Equity in net income (loss) of affiliates	**28**	(43)	(172)	**341**
Amortization of negative goodwill (Note 20)	**3,255**	5,374	7,394	**39,695**
Impairment loss on fixed assets (Notes 2(j) and 20)	**(1,093)**	(3,029)	(2,404)	**(13,329)**
Loss on write-down of investment securities	**(22)**	(413)	(76)	**(268)**
Gain (loss) on abolishment of retirement benefit plan (Note 7)	**149**	(107)	(541)	**1,817**
Loss on liquidation of subsidiaries and affiliates	**—**	(178)	—	**—**
Gain on negative goodwill (Note 20)	**—**	33	—	**—**
Loss on adjustment for changes in accounting standard for asset retirement obligations (Note 2(s))	**—**	(1,678)	—	**—**
Loss on disaster	**—**	(404)	—	**—**
Lump-sum payment for withdrawal from employees pension fund (Note 7)	**—**	(670)	—	**—**
Retirement benefit expenses (Note 7)	**—**	(166)	—	**—**
Special extra retirement payments (Note 7)	**(421)**	—	—	**(5,134)**
Settlement package	**—**	(300)	—	**—**
Miscellaneous, net	**2,032**	1,950	1,782	**24,780**
	4,647	810	6,319	**56,670**
Income before income taxes and minority interests	**18,514**	13,136	12,940	**225,780**
Income taxes (Note 11):				
Current	**7,655**	6,984	5,628	**93,354**
Deferred	**(2,028)**	(2,657)	(2,357)	**(24,732)**
Total income taxes	**5,627**	4,327	3,271	**68,622**
Income before minority interests (Note 2(s))	**12,887**	8,809	9,669	**157,158**
Minority interests in net income of subsidiaries	**345**	360	192	**4,207**
Net income	**¥ 12,542**	¥ 8,449	¥ 9,477	**$ 152,951**
	Yen			U.S. dollars
Per share:				
Net income	**¥ 63.02**	¥ 42.44	¥ 47.60	**$ 0.77**
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, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Income before minority interests	**¥ 12,887**	¥ 8,809	**$ 157,158**
Other comprehensive income (Note 17):			
Net unrealized gains on available-for-sale securities	**221**	(513)	**2,695**
Foreign currency translation adjustments	**(44)**	141	**(536)**
Share of other comprehensive income of associates accounted for using equity method	**—**	(1)	**—**
Total other comprehensive income	**177**	(373)	**2,159**
Comprehensive income	**¥ 13,064**	¥ 8,436	**$ 159,317**
Comprehensive income attributable to:			
Owners of the parent	**12,719**	8,069	**155,110**
Minority interests	**345**	367	**4,207**

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Net Assets

For the Years Ended March 31, 2012, 2011 and 2010

		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, 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
Net income for the year	—	—	—	12,542	—	12,542	—	—	—	—	—	12,542
Cash dividends	—	—	—	(2,189)	—	(2,189)	—	—	—	—	—	(2,189)
Reversal of land revaluation decrement	—	—	—	39	—	39	—	—	—	—	—	39
Sales of treasury stock and fractional shares, net	—	—	(5)	—	3	(2)	—	—	—	—	—	(2)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	221	(39)	(44)	138	316	454
Balance at March 31, 2012	207,679,783	¥ 42,482	¥ 74,261	¥ 199,599	¥ (8,603)	¥ 307,739	¥ 3,509	¥ (132)	¥ (360)	¥ 3,017	¥ 7,894	¥ 318,650
		Thousands of U.S. dollars										
Balance at March 31, 2011		$518,073	$905,683	$2,307,402	$(104,951)	$3,626,207	$ 40,098	$ (1,134)	$ (3,854)	$ 35,110	$ 92,415	$3,753,732
Net income for the year		—	—	152,951	—	152,951	—	—	—	—	—	152,951
Cash dividends		—	—	(26,695)	—	(26,695)	—	—	—	—	—	(26,695)
Reversal of land revaluation decrement		—	—	476	—	476	—	—	—	—	—	476
Sales of treasury stock and fractional shares, net		—	(61)	—	37	(24)	—	—	—	—	—	(24)
Net changes in items other than shareholders' equity		—	—	—	—	—	2,695	(476)	(536)	1,683	3,853	5,536
Balance at March 31, 2012		$518,073	$905,622	$2,434,134	$(104,914)	$3,752,915	$ 42,793	$ (1,610)	$ (4,390)	$ 36,793	$ 96,268	$3,885,976

See accompanying Notes to Consolidated Financial Statements.

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended March 31, 2012, 2011 and 2010

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Cash flows from operating activities:				
Income before income taxes and minority interests	**¥ 18,514**	¥ 13,136	¥ 12,940	**$ 225,780**
Adjustments for:				
Depreciation	**15,324**	16,695	18,185	**186,878**
Impairment loss on fixed assets	**1,093**	3,029	2,404	**13,329**
Amortization of negative goodwill	**(3,255)**	(5,374)	(7,394)	**(39,695)**
Amortization of goodwill	**503**	501	506	**6,134**
Gain on negative goodwill	**—**	(33)	—	**—**
Net provision for employee retirement benefit liability	**249**	444	32	**3,037**
(Gain) loss on sale or disposal of property and equipment	**(18)**	11	120	**(220)**
Equity in net (income) loss of affiliates	**(28)**	43	172	**(341)**
Loss on write-down of investment securities	**22**	413	76	**268**
(Gain) loss on sale of investment securities	**(115)**	(15)	27	**(1,402)**
Net reversal for accrued severance indemnities for directors and statutory auditors	**(4)**	(89)	(187)	**(49)**
(Decrease) increase in provision for loss on disaster	**(134)**	186	—	**(1,634)**
Loss on liquidation of subsidiaries and affiliates	**—**	178	—	**—**
Loss on adjustment for changes in accounting standard for asset retirement obligations	**—**	1,678	—	**—**
(Increase) decrease in trade receivables	**(7,738)**	287	(2,122)	**(94,366)**
(Increase) decrease in inventories	**(2,422)**	2,437	(3,242)	**(29,536)**
Increase (decrease) in trade payables	**6,612**	(1,192)	564	**80,634**
Decrease in beneficial interest in trusts in relation to trade payables	**—**	—	10,813	**—**
Other, net	**2,494**	1,607	(1,796)	**30,415**
Sub-total	**31,097**	33,942	31,098	**379,232**
Interest and dividends received	**755**	557	512	**9,207**
Interest paid	**(38)**	(51)	(119)	**(463)**
Income taxes paid	**(6,907)**	(6,493)	(2,321)	**(84,232)**
Net cash provided by operating activities	**24,907**	27,955	29,170	**303,744**
Cash flows from investing activities:				
Increase in property and equipment	**(14,555)**	(21,855)	(13,465)	**(177,500)**
Increase in long-term investments and loans	**(425)**	(25)	(674)	**(5,183)**
Decrease in property and long-term investments	**1,441**	1,047	8,198	**17,573**
(Increase) decrease in short-term investments	**(187)**	726	2,597	**(2,281)**
Net cash used in investing activities	**(13,726)**	(20,107)	(3,344)	**(167,391)**
Cash flows from financing activities:				
Repayment of long-term debt	**(192)**	(335)	(2,379)	**(2,341)**
Net (decrease) increase in short-term borrowings	**(56)**	200	(13,210)	**(683)**
Dividends paid to shareholders	**(2,189)**	(2,189)	(2,190)	**(26,695)**
Dividends paid to minority shareholders	**(30)**	(26)	(11)	**(366)**
Purchases of treasury stock, net of sales	**(2)**	(11)	(9)	**(24)**
Other, net	**(103)**	(155)	—	**(1,257)**
Net cash used in financing activities	**(2,572)**	(2,516)	(17,799)	**(31,366)**
Effect of exchange rate changes on cash and cash equivalents	**(6)**	(7)	14	**(73)**
Net increase in cash and cash equivalents	**8,603**	5,325	8,041	**104,914**
Cash and cash equivalents at beginning of year	**48,992**	43,667	35,626	**597,464**
Cash and cash equivalents at end of year	**¥ 57,595**	¥ 48,992	¥ 43,667	**$ 702,378**

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, 2012, which was ¥82 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. 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, 2012, 2011 and 2010, 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.

The number of subsidiaries and affiliates for the years ended March 31, 2012, 2011 and 2010 was as follows:

	2012	2011	2010
Subsidiaries:			
Domestic	58	57	57
Overseas	1	1	2
Affiliates accounted for by the equity method	4	4	3
Affiliates stated at cost	9	10	10

The Company and most of its subsidiaries have a fiscal year that ends on March 31. The overseas subsidiary closes its books on 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. changed its fiscal year-end from January 31 to March 31, and Darumaya Transportation Co., Ltd. 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 included the results of the 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

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

(a-iii) Corporate Separation for the year ended March 31, 2012

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." The Company applied the Accounting Standards Board of Japan ("ASBJ") Statement No. 21, "Accounting Standard for Business Combinations", revised on December 26, 2008, and ASBJ Guidance No. 10, "Guidance on Accounting Standard for Business Combinations and Business Divestitures", revised on December 26, 2008 and treated them as business transactions under common control.

(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, 2012 and 2011, 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 stated principally at the lower of moving average cost or net realizable value, and inventories for vehicles and work-in-process are stated principally at the lower of specific identification cost or net realizable value at March 31, 2012.

(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 property held for lease. 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

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.

(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, 2012, 2011 and 2010, recoverable amounts of assets were measured based on value in use calculated using discounted future cash flows at interest rates principally of 2.5%, 3.1% and 2.8%, respectively, or net selling prices primarily using appraisal valuations. As a result, the Seino Group recognized impairment loss for the property of 36 business branches and 9 idle properties for the year ended March 31, 2012, for the property of 56 business branches and 6 idle properties for the year ended March 31, 2011 and for the property of 50 business branches and 5 idle properties for the year ended March 31, 2010 as follows:

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	**2012**
Buildings and structures	**¥ 244**	¥ 291	¥ 538	**$ 2,975**
Land	**845**	2,737	1,609	**10,305**
Other property	**4**	1	257	**49**
	¥ 1,093	**¥ 3,029**	**¥ 2,404**	**$ 13,329**

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 the 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 or 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 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, 2012, 2011 and 2010.

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 previous year

(Adoption of Accounting Standards for Asset Retirement Obligations)

Effective April 1, 2010, the Company and its consolidated domestic subsidiaries have 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 and income before income taxes and minority interests decreased by ¥1,966 million 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 has 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).

(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.

(t) Additional information

(Adoption of Accounting Standard for Presentation of Comprehensive Income)

Effective March 31, 2011, the Company has 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.

(Adoption of Accounting Standards for Accounting Changes and Error Corrections)

The Company and its consolidated domestic subsidiaries have adopted "Accounting Standards for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, issued on December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, issued on December 4, 2009) for accounting changes and corrections of prior period errors made from the fiscal year beginning on April 1, 2011.

(Adoption of consolidated taxation system)

The Company and certain of its consolidated subsidiaries have received approval from Commissioner of the National Tax Agency of Japan to adopt the consolidated taxation system effective the fiscal year ending March 31, 2013. Effective from the fiscal year ended March 31, 2012, accounting treatment and presentation regarding deferred taxes are based on the "Practical Solution on Tax Effect Accounting under the Consolidation Taxation System (Part1)" (ASBJ PITF No. 5), and the "Practical Solution on Tax Effect Accounting under the Consolidation Taxation System (Part 2)" (ASBJ PITF No. 7), under the assumption that the Company would adopt the consolidation taxation system.

3. Inventories

Inventories at March 31, 2012 and 2011 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Merchandise and finished goods	**¥ 7,829**	¥ 5,874	**$ 95,476**
Work in process	**876**	962	**10,683**
Raw materials and supplies	**759**	741	**9,256**
	¥ 9,464	¥ 7,577	**$ 115,415**

4. Investments

At March 31, 2012 and 2011, short-term investments consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Marketable securities:			
Bonds	**¥ 147**	¥ —	**$ 1,793**
Total marketable securities	**147**	—	**1,793**
Time deposits with an original maturity of more than three months	**7,084**	6,897	**86,390**
	¥ 7,231	¥ 6,897	**$ 88,183**

At March 31, 2012 and 2011, investment securities consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Marketable securities:			
Equity securities	**¥ 15,571**	¥ 15,787	**$ 189,890**
Bonds	**498**	644	**6,074**
Other	**105**	105	**1,280**
Total marketable securities	**16,174**	16,536	**197,244**
Other non-marketable securities	**2,081**	2,091	**25,378**
	¥ 18,255	¥ 18,627	**$ 222,622**

At March 31, 2012 and 2011, 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, 2012	**¥ 100**	**¥ 101**	**¥ 1**
At March 31, 2011	100	101	1
	Thousands of U.S. dollars		
Bonds included in investment securities:			
At March 31, 2012	**$ 1,220**	**$ 1,232**	**$ 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, 2012 and 2011, 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, 2012:				
Equity securities	**¥ 8,750**	**¥ 6,891**	**¥ (70)**	**¥ 15,571**
Bonds	**547**	**1**	**(2)**	**546**
Other	**100**	**14**	**(9)**	**105**
	¥ 9,397	**¥ 6,906**	**¥ (81)**	**¥ 16,222**
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
	Thousands of U.S. dollars			
At March 31, 2012:				
Equity securities	**$106,707**	**$ 84,037**	**$ (854)**	**$189,890**
Bonds	**6,671**	**12**	**(24)**	**6,659**
Other	**1,220**	**170**	**(110)**	**1,280**
	$114,598	**$ 84,219**	**$ (988)**	**$197,829**

At March 31, 2012 and 2011, investments in and long-term loans to affiliates consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Investments accounted for by the equity method for significant affiliates and at cost for others	**¥ 2,869**	¥ 2,976	**$ 34,988**
Interest bearing long-term loans	**17**	24	**207**
	¥ 2,886	¥ 3,000	**$ 35,195**

5. Property and Equipment

At March 31, 2012 and 2011, property and equipment consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Property held for own use, at cost:			
Land	**¥ 171,564**	¥ 169,847	**$ 2,092,244**
Buildings and structures	**231,958**	229,821	**2,828,756**
Vehicles	**99,440**	99,408	**1,212,683**
Machinery and equipment	**31,112**	31,084	**379,414**
Construction in progress	**100**	157	**1,220**
Other	**438**	463	**5,341**
	534,612	530,780	**6,519,658**
Less, accumulated depreciation	**(260,137)**	(254,235)	**(3,172,402)**
Total property and equipment	**¥ 274,475**	¥ 276,545	**$ 3,347,256**

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, 2012 and 2011, 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 ¥1,599 million ($19,500 thousand) and ¥1,679 million, respectively.

6. Short-term Borrowings and Long-term Debt

At March 31, 2012 and 2011, short-term borrowings consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Unsecured bank overdrafts with interest rates of 1.3% per annum at March 31, 2012	**¥ 25**	¥ 25	**$ 305**
Short-term bank borrowings, principally unsecured and represented by notes with interest rates ranging from 0.280% to 1.475% per annum at March 31, 2012	**2,450**	2,490	**29,878**
	¥ 2,475	¥ 2,515	**$ 30,183**

At March 31, 2012, the Company and certain subsidiaries had unsecured overdraft agreements with 13 banks. Under such agreements, the Company and these subsidiaries were entitled to withdraw up to ¥43,910 million ($535,488 thousand). The Company and the subsidiaries were not obligated to pay commitment fees on the unused portions of such overdraft facilities.

At March 31, 2012 and 2011, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
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, 2012	**¥ 392**	¥ 582	**$ 4,780**
Other	**65**	66	**793**
	457	648	**5,573**
Less current portion	**(165)**	(190)	**(2,012)**
	¥ 292	¥ 458	**$ 3,561**

At March 31, 2012 and 2011, the following assets were pledged as collateral for certain long-term debt in the aggregate amount of ¥392 million ($4,780 thousand) and ¥582 million, respectively:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Land	**¥ 5,798**	¥ 6,752	**$ 70,707**
Buildings and structures	**1,920**	3,647	**23,415**

The aggregate annual maturities of long-term debt as at March 31, 2012 were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2013	¥ 165	$ 2,012
2014	116	1,415
2015	76	927
2016	33	402
2017	8	98
Thereafter	59	719
	¥ 457	$ 5,573

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, 2012 and 2011:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	**2012**
Reconciliation of benefit liability:			
Projected benefit obligation	**¥ 59,090**	¥ 60,388	**$ 720,610**
Less fair value of pension plan assets at end of year	**(2,573)**	(2,948)	**(31,378)**
	56,517	57,440	**689,232**
Less unrecognized past service cost	**8**	(173)	**98**
Less unrecognized actuarial differences (loss)	**(1,258)**	(2,249)	**(15,342)**
Net amounts of employee retirement benefit liability recorded on the consolidated balance sheets	**¥ 55,267**	¥ 55,018	**$ 673,988**

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, 2012, 2011 and 2010 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	2012
Net periodic retirement benefit expenses:				
Service cost	¥ 3,243	¥ 3,608	¥ 3,774	$ 39,549
Interest cost	1,173	1,219	1,328	14,305
Expected return on pension plan assets	(1)	(30)	(120)	(12)
Amortization of actuarial differences	715	790	564	8,719
Amortization of past service cost	247	269	380	3,012
(Gain) loss on abolishment of retirement benefit plan	(149)	107	541	(1,817)
Lump-sum payment to withdrawal for employees pension fund	—	670	—	—
Retirement benefit expenses	—	166	—	—
Special extra retirement payments	421	—	—	5,134
Total retirement benefit expenses	¥ 5,649	¥ 6,799	¥ 6,467	$ 68,890

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, 2012, 2011 and 2010 were as follows:

	2012	2011	2010
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, 2012 and 2011, 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 ¥1,291 million ($15,744 thousand) and ¥1,308 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, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Finance leases:			
Due within one year	¥ 19	¥ 120	$ 232
Due after one year	15	35	183
	¥ 34	¥ 155	$ 415

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, 2012 and 2011 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Operating leases:			
Due within one year	¥ 517	¥ 426	$ 6,305
Due after one year	1,336	1,140	16,293
	¥ 1,853	¥ 1,566	$ 22,598

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, 2012 and 2011 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
	2012	2011	2012
Finance leases:			
Due within one year	¥ 12	¥ 33	$ 146
Due after one year	—	13	—
	¥ 12	¥ 46	$ 146
Operating leases:			
Due within one year	¥ 268	¥ 214	$ 3,268
Due after one year	644	833	7,854
	¥ 912	¥ 1,047	$ 11,122

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 in which 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, 2012 and 2011, capital surplus consisted principally of additional paid-in capital. In addition, retained earnings included legal earnings reserve of the Company in the amount of ¥4,262 million ($51,976 thousand) at March 31, 2012 and 2011.

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 27, 2012, the shareholders approved cash dividends of ¥11 per share, amounting to ¥2,189 million ($26,695 thousand). The appropriations have not been accrued in the consolidated financial statements as of March 31, 2012 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, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Employee retirement benefit liability	¥ 20,499	¥ 23,117	$ 249,988
Enterprise tax accruals	439	441	5,354
Accrued bonuses	3,367	3,526	41,061
Intercompany capital gains	999	982	12,183
Operating loss carryforwards	2,171	2,247	26,475
Loss on assets transferred	1,543	1,367	18,817
Impairment loss on fixed assets	13,185	13,636	160,793
Allowance for doubtful accounts	102	126	1,244
Other	5,776	7,903	70,439
	48,081	53,345	586,354
Less valuation allowance	(20,316)	(24,791)	(247,756)
	27,765	28,554	338,598
Deferred tax liabilities:			
Deferred capital gains	5,949	6,818	72,549
Unrealized gains on available-for-sale securities	2,288	2,735	27,902
Valuation adjustments for consolidation	12,991	14,895	158,427
Other	329	385	4,012
	21,557	24,833	262,890
Net deferred tax assets	¥ 6,208	¥ 3,721	$ 75,708

At March 31, 2012 and 2011, deferred tax assets and liabilities were recorded as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Current	¥ 5,073	¥ 4,633	$ 61,866
Noncurrent	9,353	12,264	114,061
Deferred tax liabilities:			
Current	—	—	—
Noncurrent	8,218	13,176	100,219

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, 2012 and 2011, 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 tax rate and the effective income tax rate on pretax income reflected in the accompanying consolidated statements of operations for the years ended March 31, 2012 and 2011 were as follows:

	Percentage of pretax income	
	2012	2011
Japanese statutory tax rate	40.4%	40.4%
Increase (decrease) due to:		
Permanently nondeductible expenses	0.7	1.0
Tax exempt income	(0.8)	(1.0)
Local minimum taxes - per capita levy	3.5	4.9
Amortization of goodwill and negative goodwill	(6.9)	(16.3)
Equity in net income of affiliates	(0.1)	0.1
Changes in valuation allowance	(11.6)	3.9
Adjustment of deferred tax assets and liabilities for enacted changes in tax laws and rates	4.0	—
Other	1.2	(0.1)
Effective income tax rate	30.4%	32.9%

On December 2, 2011, amendments to the Japanese tax regulations were enacted into law. As a result of these amendments, the statutory income tax rate for the Company will be reduced to 37.2% for years beginning on or after April 1, 2012 and 34.8% for years beginning on or after April 1, 2015. Based on the amendments, the statutory income tax rates utilized for the measurement of deferred tax assets and liabilities expected to be settled or realized from April 1, 2012 to March 31, 2015 and on or after April 1, 2015 are 37.2% and 34.8%, respectively, as of March 31, 2012. Due to these changes in statutory income tax rates, net deferred tax assets decreased by ¥397 million ($4,841 thousand) as of March 31, 2012 and deferred income tax expense recognized for the year ended March 31, 2012 increased by ¥740 million ($9,024 thousand).

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 and the fair values of the rental properties were as follows:

Millions of yen			
Book value			Fair value
March 31, 2011	Increase (decrease)	March 31, 2012	March 31, 2012
¥ 14,393	¥ (505)	¥ 13,888	¥ 17,747

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

Thousands of U.S. dollars			
Book value			Fair value
March 31, 2011	Increase (decrease)	March 31, 2012	March 31, 2012
$ 175,524	$ (6,158)	$ 169,366	$ 216,427

Profit and loss in the fiscal years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Rental properties			
Operating revenue	¥ 1,416	¥ 1,429	$ 17,268
Operating costs	237	259	2,890
Difference	1,179	1,170	14,378
Other ((losses) gains on sale of property, etc.)	(251)	(309)	(3,061)

13. Financial Instruments

(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 raises funds mainly 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 the credit risk of customers. Some of the subsidiaries have receivables in foreign currency and are exposed to foreign currency exchange risk.

Marketable and investment securities, which consist of held-to-maturity securities and marketable securities of 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 denominated 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 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, 2012 and 2011 were as follows.

	Millions of yen		
	Book value	Fair value	Difference
At March 31, 2012			
Cash and cash equivalents	¥ 57,595	¥ 57,595	¥ —
Trade receivables	104,643	104,643	—
Short-term investments and investment securities	23,405	23,406	1
Total assets	¥ 185,643	¥ 185,644	¥ 1
Trade payables	¥ 72,597	¥ 72,597	¥ —
Short-term borrowings	2,475	2,475	—
Current portion of long-term debt	165	165	—
Long-term debt	292	288	(4)
Total liabilities	¥ 75,529	¥ 75,525	¥ (4)

	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)

	Thousands of U.S. dollars		
	Book value	Fair value	Difference
At March 31, 2012			
Cash and cash equivalents	$ 702,378	$ 702,378	$ —
Trade receivables	1,276,134	1,276,134	—
Short-term investments and investment securities	285,427	285,439	12
Total assets	$ 2,263,939	$ 2,263,951	$ 12
Trade payables	$ 885,329	$ 885,329	$ —
Short-term borrowings	30,183	30,183	—
Current portion of long-term debt	2,012	2,012	—
Long-term debt	3,561	3,512	(49)
Total liabilities	$ 921,085	$ 921,036	$ (49)

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
The 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
	2012	2011	**2012**
Non-marketable securities	**¥ 1,581**	¥ 1,591	**$ 19,280**
Preferred securities	**500**	500	**6,098**
	¥ 2,081	¥ 2,091	**$ 25,378**

Financial instruments for which there is no fair value and for which the fair value is extremely difficult to determine are not included in the above 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, 2012				
Cash and cash equivalents	¥ 57,595	¥ —	¥ —	¥ —
Trade receivables	84,538	19,104	1,001	—
Short-term investments and investment securities				
Time deposits	7,084	—	—	—
Held-to-maturity securities				
Corporate bonds	100	100	—	—
Available-for-sale securities with maturities				
(1) Government and municipal bonds, etc.	47	—	—	—
(2) Corporate bonds	—	500	—	—
Total short-term investments and investment securities	7,231	500	—	—
	¥ 149,364	¥ 19,604	¥ 1,001	¥ —

	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	—	—
Total short-term investments and investment securities	6,897	647	—	—
	¥ 132,974	¥ 19,609	¥ 761	¥ —

	Thousands of U.S. dollars			
	Within 1 year	1-5 years	5-10 years	Over 10 years
At March 31, 2012				
Cash and cash equivalents	$ 702,378	$ —	$ —	$ —
Trade receivables	1,030,951	232,975	12,208	—
Short-term investments and investment securities				
Time deposits	86,390	—	—	—
Held-to-maturity securities				
Corporate bonds	1,220	—	—	—
Available-for-sale securities with maturities				
(1) Government and municipal bonds, etc.	573	—	—	—
(2) Corporate bonds	—	6,098	—	—
Total short-term investments and investment securities	88,183	6,098	—	—
	$ 1,821,512	$ 239,073	$ 12,208	$ —

4. For the repayment schedule for bonds payable and long-term loans payable at March 31, 2012, 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 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 government bonds.

The asset retirement obligation as of March 31, 2012 was as follow.

	Millions of yen	Thousands of U.S. dollars
As of April 1, 2011	¥ 2,491	$ 30,378
New obligations	21	256
Changes in estimated obligations and accretion	45	549
Settlement payments	(86)	(1,048)
Other	(8)	(98)
As of March 31, 2012	¥ 2,463	$ 30,037

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

	Millions of yen
As of April 1, 2010	¥ 2,470
New obligations	203
Changes in estimated obligations and accretion	44
Settlement payments	(245)
Other	19
As of March 31, 2011	¥ 2,491

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

Amounts reclassified to net income (loss) in the current period that were recognized in other comprehensive income in the current or previous periods and the tax effects for each component of other comprehensive income for the year ended March 31, 2012 were as follows:

	Millions of yen	Thousands of U.S. dollars
Unrealized gains (losses) on securities		
Decrease during the year	¥ (244)	$ (2,976)
Reclassification adjustments	18	220
Sub-total, before tax	(226)	(2,756)
Tax or benefit	447	5,451
Sub-total, net of tax	¥ 221	$ 2,695
Foreign currency translation adjustment		
Decrease during the year	(44)	(536)
Total other comprehensive income	¥ 177	$ 2,159

18. Supplementary Cash Flows Information

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

	Millions of yen
Asset retirement obligations recorded for the fiscal year	¥ 2,491

19. Subsequent Events

On April 1, 2012, the Company restructured the transportation business in the Kyushu region. Kyushu Seibu Transportation Co., Ltd. underwent a corporate separation in which its transportation business in the Kyushu region was transferred to Kyushu Seino Transportation Co., Ltd. At the same time, Kyushu Seibu Transportation Co., Ltd. and Seibu Transportation Co., Ltd. merged. The Company applied ASBJ Statement No. 21, "Accounting Standard for Business Combinations", revised on December 26, 2008, and ASBJ Guidance No. 10, "Guidance on Accounting Standard for Business Combinations and Business Divestitures", revised on December 26, 2008, and treated them as business transactions under common control.

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 "Business Promotion Department" as a holding company. Each subsidiary plans and operates each business under its control. In addition, some of the 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 reportable 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 reportable segment profit or loss, segment assets, segment liabilities and other material items

Information by industry segment for the years ended March 31, 2012, 2011 and 2010 is summarized as follows:

For the year 2012:	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total	Adjustments	Consolidated
	Millions of yen							
Operating revenue:								
External customers	**¥ 370,592**	**¥ 87,755**	**¥ 30,144**	**¥ 1,416**	**¥ 14,370**	**¥ 504,277**	**¥ —**	**¥ 504,277**
Inter-segment sales	**1,574**	**7,203**	**25,498**	**—**	**10,645**	**44,920**	**(44,920)**	**—**
Total operating revenue	**372,166**	**94,958**	**55,642**	**1,416**	**25,015**	**549,197**	**(44,920)**	**504,277**
Operating income	**¥ 7,240**	**¥ 4,464**	**¥ 723**	**¥ 1,196**	**¥ 697**	**¥ 14,320**	**¥ (453)**	**¥ 13,867**
Identifiable assets	**¥ 384,612**	**¥ 95,399**	**¥ 14,421**	**¥ 13,006**	**¥ 18,397**	**¥ 525,835**	**¥ (24,872)**	**¥ 500,963**
Depreciation	**13,559**	**1,613**	**79**	**47**	**275**	**15,573**	**(249)**	**15,324**
Amortization of goodwill	**419**	**78**	**—**	**—**	**6**	**503**	**—**	**503**
Investments in affiliates accounted for by the equity method	**2,724**	**—**	**—**	**67**	**—**	**2,791**	**(3)**	**2,788**
Increase in fixed assets	**12,798**	**2,726**	**38**	**2**	**121**	**15,685**	**(303)**	**15,382**

For the year 2011:	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total	Adjustments	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	Adjustments	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	¥ 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 2012:	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total	Adjustments	Consolidated
	Thousands of U.S. dollars							
Operating revenue:								
External customers	**$ 4,519,415**	**$ 1,070,183**	**$ 367,610**	**$ 17,268**	**$ 175,244**	**$ 6,149,720**	**$ —**	**$ 6,149,720**
Inter-segment sales	**19,195**	**87,841**	**310,951**	**—**	**129,817**	**547,804**	**(547,804)**	**—**
Total operating revenue	**4,538,610**	**1,158,024**	**678,561**	**17,268**	**305,061**	**6,697,524**	**(547,804)**	**6,149,720**
Operating income	**$ 88,293**	**$ 54,439**	**$ 8,817**	**$ 14,585**	**$ 8,500**	**$ 174,634**	**$ (5,524)**	**$ 169,110**
Identifiable assets	**$ 4,690,390**	**$ 1,163,402**	**$ 175,866**	**$ 158,610**	**$ 224,354**	**$ 6,412,622**	**$ (303,317)**	**$ 6,109,305**
Depreciation	**165,354**	**19,671**	**963**	**573**	**3,354**	**189,915**	**(3,037)**	**186,878**
Amortization of goodwill	**5,110**	**951**	**—**	**—**	**73**	**6,134**	**—**	**6,134**
Investments in affiliates accounted for by the equity method	**33,220**	**—**	**—**	**817**	**—**	**34,037**	**(37)**	**34,000**
Increase in fixed assets	**156,073**	**33,244**	**463**	**24**	**1,476**	**191,280**	**(3,695)**	**187,585**

(Related information)

1. Information about products and services

The Company has not disclosed information about products and services because the Company has disclosed the same information above.

2. Information about geographic areas
   (1) Operating revenue
   The Company has omitted the 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 the 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
Impairment loss	Millions of yen					
For the year 2012:	¥ 833	¥ 247	¥ —	¥ —	¥ 13	¥ 1,093
For the year 2011:	¥ 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 2012:	Millions of yen					
Amortization of goodwill	¥ 419	¥ 78	¥ —	¥ —	¥ 6	¥ 503
Goodwill as of March 31	432	137	—	—	8	577
For the year 2011:						
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 2012:	Millions of yen					
Amortization of negative goodwill	¥ 3,168	¥ —	¥ 20	¥ —	¥ 67	¥ 3,255
Negative goodwill as of March 31	5,947	—	28	—	125	6,100
For the year 2011:						
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
Gain on negative goodwill	Millions of yen					
For the year 2012:	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
For the year 2011:	¥ —	¥ —	¥ —	¥ —	¥ 33	¥ 33

Information on impairment loss by reportable segments

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
Impairment loss	Thousands of U.S. dollars					
For the year 2012:	$ 10,159	$ 3,012	$ —	$ —	$ 158	$ 13,329

Information on goodwill by reportable segments

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
For the year 2012:	Thousands of U.S. dollars					
Amortization of goodwill	$ 5,110	$ 951	$ —	$ —	$ 73	$ 6,134
Goodwill as of March 31	5,268	1,671	—	—	98	7,037

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
For the year 2012:	Thousands of U.S. dollars					
Amortization of negative goodwill	$ 38,634	$ —	$ 244	$ —	$ 817	$ 39,695
Negative goodwill as of March 31	72,525	—	341	—	1,524	74,390

Information on gain on negative goodwill by reportable segments

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
Gain on negative goodwill	Thousands of U.S. dollars					
For the year 2012:	$ —	$ —	$ —	$ —	$ —	$ —

Additional information

(Accounting standard for segment information)

Effective April 1, 2010, the Company has 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, issued on March 21, 2008).

Notes: *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.*

Report of Independent Auditors

Independent Auditors' Report

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

We have audited the accompanying consolidated financial statements of SEINO HOLDINGS Co., LTD.(the "Company") and its subsidiaries, which comprise the consolidated balance sheets as at March 31, 2012 and 2011, the related consolidated statements of income for each of the three years in the period ended March 31, 2012, the consolidated statements of comprehensive income for each of the two years in the period ended March 31, 2012, 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, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at March 31, 2012, and 2011, and their financial performance and cash flows for each of the three years in the period ended March 31, 2012, in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(s) to the consolidated financial statements, effective from the year ended March 31, 2011, the Company and its subsidiaries adopted the new accounting standard for the Asset Retirement Obligations.

Convenience Translation

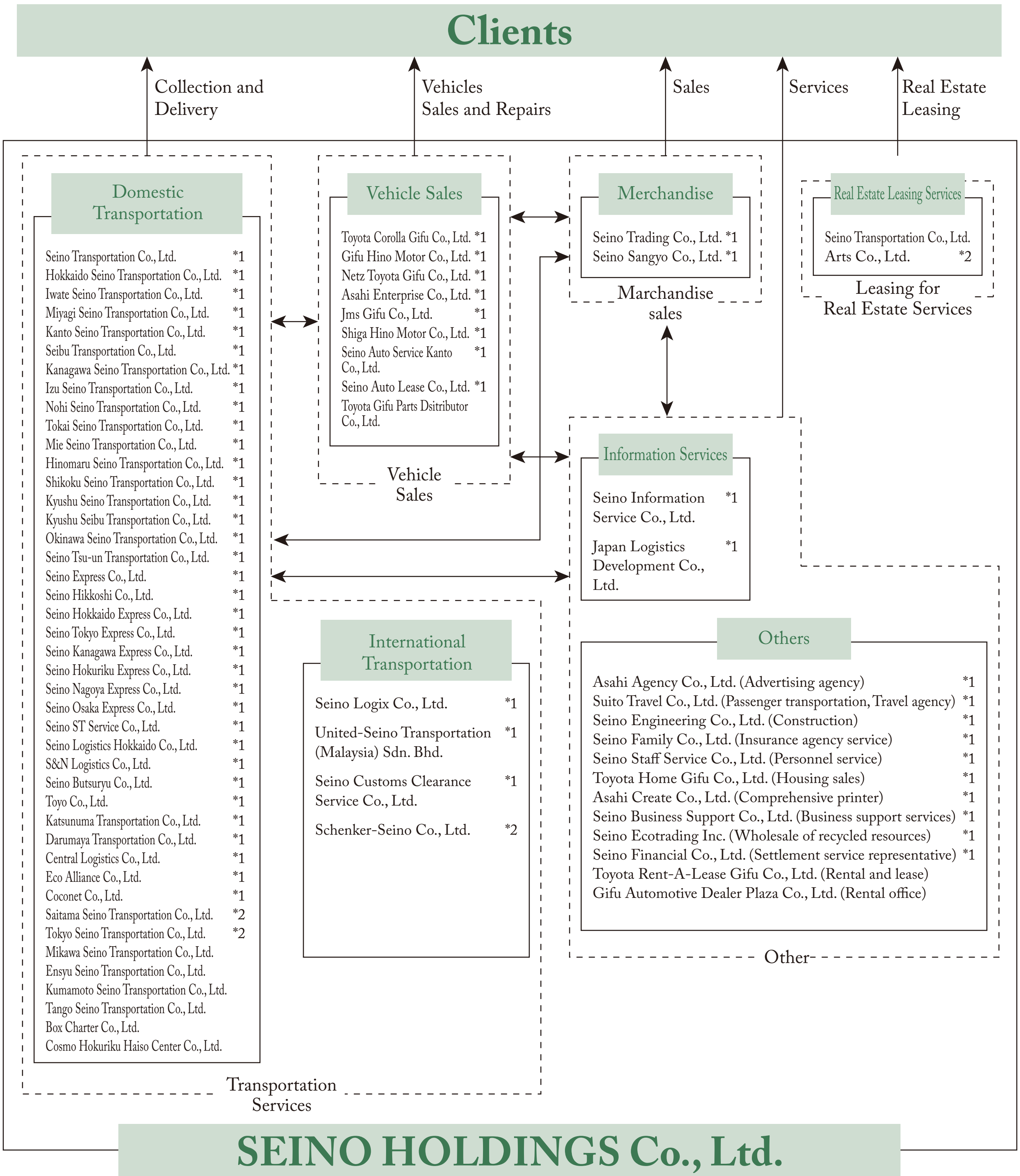
The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2012 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

KPMG AZSA LLC
August 31, 2012
Nagoya, Japan

Seino Group

The Seino Group consists of Seino Holdings Co., Ltd. and 59 consolidated subsidiaries and 13 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	59
*2:	Affiliates (under the equity method)	4
	Companies except those mentioned above are affiliates under the cost method.	9

Seino Holdings Co., Ltd.
1, Taguchi-cho, Ogaki, Gifu 503-8501 , Japan