Seino Holdings Co., Ltd.

Annual Report 2013

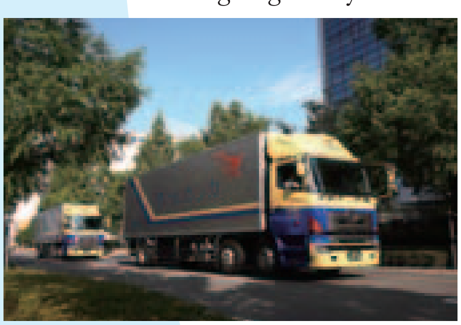
Year Ended March 31, 2013

Profile

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

The Seino Group currently consists of the pure holding company Seino Holdings, 59 consolidated subsidiaries and 14 affiliates engaged in transportation services, vehicle sales, merchandise sales, leasing for real estate services and other services.

In its mainstay Transportation Services business, the Company has taken steps to build even more convenient logistics systems, all the while adhering to its "customer-first" principle. As of March 31, 2013, Seino offers efficient transportation services throughout Japan via its 643 domestic terminals, a fleet of 23,811 trucks and a trucking network that averages 4,000 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.

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Board of Directors

(As of June 26, 2013)

Chairman and Chief Executive Officer	Yoshikazu Taguchi
President and Chief Operating Officer	Yoshitaka Taguchi
Directors	Takao Taguchi Shizutoshi Otsuka Hidemi Maruta Harumi Furuhashi
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, 2013, 2012 and 2011

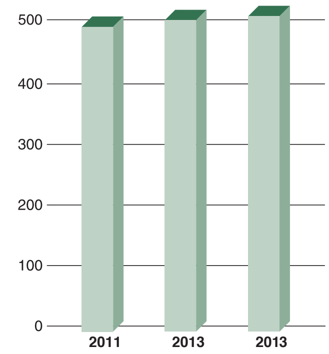
	Millions of Yen			Thousands of U.S. Dollars (Note)
	2013	2012	2011	2013
CONSOLIDATED BASIS:				
Operating revenue	**¥ 516,185**	¥ 504,277	¥ 497,612	**$ 5,491,330**
Operating income	**14,346**	13,867	12,326	**152,617**
Income before income taxes	**17,574**	18,514	13,136	**186,957**
Net income	**12,151**	12,542	8,449	**129,266**
Net income per share	**61.05**	63.02	42.44	**0.65**

	Millions of Yen			Thousands of U.S. Dollars (Note)
	2013	2012	2011	2013
CONSOLIDATED BASIS:				
Cash and cash equivalents, and short-term investments	**¥ 54,055**	¥ 57,595	¥ 55,889	**$ 575,053**
Property and equipment, net of accumulated depreciation	**270,367**	274,475	276,545	**2,876,245**
Total assets	**510,467**	500,963	487,701	**5,430,500**
Long-term debt and other long-term liabilities	**71,594**	74,094	82,281	**761,638**
Net assets	**331,702**	318,650	307,806	**3,528,745**
Net assets per share	**1,625.30**	1,561.32	1,508.40	**17.29**

(Note) U.S. dollar amounts are translated at ¥94 = U.S. $1, only for the convenience of readers.

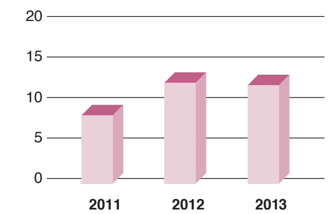
Operating revenue

(Billions of Yen)



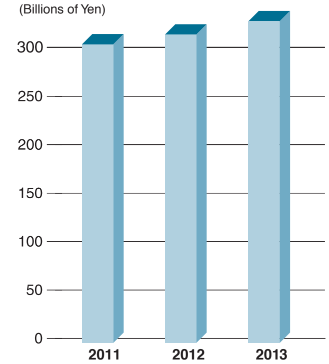
Net income

(Billions of Yen)



Net assets

(Billions of Yen)



Corporate Data

(As of March 31, 2013)

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

Message from the Management

To Our Shareholders, Customers and Friends

We would like to take this opportunity to express our appreciation to our stakeholders, including shareholders and other investors, for the consistent support you have shown us over the years. The results for the fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013) are presented herein.

Business Environment

In this fiscal year under review, although Japan's economy began to show signs of modest recovery due to the reconstruction demand associated with the Great East Japan Earthquake, factors such as the continuously declining financial stability of EU countries, the deceleration of emerging nations' economies, the effects of the strong yen and so on, have given rise to a situation where the future remains uncertain. In addition, there are signs of economic vitalization due to the change in political administration at the end of last year, which has had favorable effects on currency and financial markets, however this is yet to ripple down to the real economy.

Even in the transportation industry, which is the core business of the Seino Group, despite slight recovery in the volume of freight being transported due to restoration of production capabilities and the rebound after the low standard of the previous year brought about by the tsunami and earthquake disaster, etc., the level remains low, and on top of the intensifying competition between industry players, the burden of high fuel prices is heavy to bear and we have endured through a rough period.

Elsewhere, on March 12, 2013, Seino Group entered a business alliance with Fukuyama Transporting Co., Ltd. (Fukuyama, Hiroshima) as part of the "Mutual Cooperation Treaty in the case of Large-Scale Disasters".

Regarding vehicle sales, in order to strengthen our maintenance plant network in the Kanto region and contribute to the internalization of maintenance operations, Tokyo Sharyo (Iruma, Saitama) was made a subsidiary of Seino Group as of April 1, 2012.

By placing the selection and concentration of operational resources foremost in this way, we have engaged in a united effort to improve corporate value while achieving optimization of the group overall.

Consequently, we have achieved the following results for the financial year under review.

An operating revenue of 516,184 million yen (up 2.4% year-on-year), an operating income of 14, 346 million yen (up 3.5% year-on-year), ordinary profit of 19,461 million yen (down 1.4% year-on-year) and net income was 12,150 million yen (down 3.1% year-on-year).

Initiatives and Results for the Fiscal Year Under Review

Amidst such a business environment, the Seino Group has continued to steadily implement each policy of our medium-term management plan, now in its second year, entitled "Challenging towards Change". At the same time as aiming to achieve numerical targets, we also exerted efforts to consolidate the strengths of each group company and offer our customers that "extra special luxury".

In our transportation business, in order to further strengthen our competitiveness in Kyushu, following on from the integration of Seino Transportation Kyushu and Kyushu Seino Transportation Company of the previous fiscal year, on April 1, 2012, Kyushu Seino Transportation and Kyushu Seibu Transportation were integrated.

This is the final move which completes the integration of our Kyushu network, and we have successfully further improved transportation quality and customer service in addition to streamlining redundant elements.

Similarly, on April 1, 2012, Seino Express absorbed Seno Logistics with the goal of streamlining personnel, vehicles, equipment and so on. Also, on January 15, 2013, the Seino Group acquired all the shares of Asahi Conpou (Sumida, Tokyo), which has a strong performance record with government agencies, making it our 59th subsidiary. This move means that packaging and sealing work which had been outsourced until now, is internalized, which will also lead to better efficiency and allow for a multi-layered operations structure.

Future Outlook

The outlook for Japan's economy is that, despite the heightened mentality regarding economic recovery backed by the effects of an improved export environment, proactive economy rehabilitation policies and bold financial policies, there are still many problems such as unstable, uncertain foreign economies, geopolitical risk, the defining of new economic growth strategies promoted as government measures and so on, and it is thought it will take time until the real economy is back on a steady, stable course.

In our core business of transportation, there is still the trend of a shrinking market and the strengthening of social regulations such as environmental restrictions and the prolonged high fuel prices, etc., are causing significant strain on management. Meanwhile, issues such as a shortage of drivers and an aging population across the industry on the whole are beginning to surface, and we believe that the harsh business environment will continue.

Amidst this climate, this year, the final year of our medium-term management plan entitled "Challenging towards Change", in addition to delivering precise instruction so that each group company may achieve their individual directives with certainty, we also intend to exert efforts in the selection and concentration of management resources in order to earnestly drive expansion and development of our businesses.

In the transportation business, while continuing to remain focused on securing the planned profit, we will also engage in activities with the reorganization of our subsidiaries in our sight, as part of an effort to strengthen competitiveness of our group even further and establish a profitable framework.

Also, regarding the business alliance with Fukuyama Transporting Co., Ltd., we will do our best to expand the scope of this alliance to achieve more real results, contribute to the local community and improve the corporate value of both companies.

In regards to passenger vehicle sales, as a part of promoting sales which do not primarily focus on new vehicle sales but also include strengthening our service framework for business expansion and promotion of used parts, the Seino Group will introduce a vehicle inspection reservation management system to achieve appropriate work management and time reduction.

In our truck sales business, we will focus on further strengthening our maintenance plant network in the Kanto region in order to increase profitability of our vehicle maintenance business.

Amidst a rapidly evolving, dynamic business environment, in order to crystallize the strengths of our 59 group companies and achieve solid results, Seino will adhere to our company slogan of "Execution", and ensure various measures are boldly implemented based on self-motivated action.

Corporate Governance

Seino employs a corporate auditor system. As of March 31, 2013, the Board of Directors consisted of 8 directors, including 2 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 strengthening auditing functions and achieving greater management transparency.

The Company also has 4 corporate auditors, including 2 outside auditors. Auditors are committed to improving compliance and enhancing the trust that society has in the company through such activities as attending meetings of the Board of Directors, conferences of directors and other important gatherings, and auditing business execution.

To Our Shareholders

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

Through the implementation of our new medium-term management plan, we aim to be the top commercial freight transportation company in Japan while at the same time raising corporate and

shareholder value. We ask our shareholders, customers and friends for your continued understanding and support.

Yoshikazu Taguchi
Chairman and Chief Executive Officer

Yoshitaka Taguchi
President and Chief Operating Officer

Special Feature

Expanding Our Operations Scope and Creating New Value

The Seino Group established "Challenging towards Change", a medium-term management plan beginning in the fiscal year of 2011, and vigorously promoted the forming of new systems which match group company functions and customers to provide a logistics service which "Connects to the needs" of all customers. In addition, the Seino Group has strove to become a corporation where each of its individual companies is the one chosen by customers in their respective industries, thereby building an unshakeable business foundation.

The following outlines initiatives implemented by respective business groups in the fiscal year of 2012.

Business Group Initiatives

Transportation Services/Business Group

Start of a New Group Framework

In order to further strengthen our corporate value, Seino Holdings has reorganized the transportation group and made Tokyo Sharyo (Iruma, Saitama), a company which primarily deals in truck maintenance, a subsidiary, starting business operations from April 1 under a new framework.

Kyushu Seino Transportation and Kyushu Seibu Transportation were integrated to achieve better efficiency in Kyushu sales. In addition, Seino Express absorbed Seno Logistics with the goal of streamlining sales and management and strengthening group competitiveness.

Finally, Gifu Hino Motor Co., Ltd acquired all of Tokyo Sharyo's shares, making it their wholly owned subsidiary. Through this move, Seino will strengthen our maintenance plant network with a focus on the Kanto region, continue internalization of the maintenance business and increase profits.

Start of a Busan Platform Project

Utilizing the functions and merits of Busan port, Korea, which is part of the Free Trade Zone (FTZ), Seino Holdings launched the Busan Platform Project (PPP) on May 1.

This project is a new business model which reduces import/export costs and achieves total support from overseas production plants to domestic delivery by storing and processing goods within the FTZ where customs duties are not imposed.

Photo courtesy of Busan Port Authority

Currently, there are direct sea routes from Busan to most of the main regional Japanese ports, therefore regional industries are also promoted by connecting regional ports to international ports via the Busan port, which handles the 5th largest volume of containers in the world.

The Japan Wholesale Purchasing Network handling everything from Transportation to eCommerce

As of November 1, Seino Holdings commenced operation of an eCommerce website, the Japan Wholesale Purchasing Network participated in by commercial buyers and sellers across Japan.

By using this site, sellers, such as manufacturers, are able to expand their sales channels Japan-wide, while buyers, such as wholesalers and retailers, are able to only purchase the amount they require.

In addition to logistics which utilize Seino Transportation Group's Japan-wide network, by having Seino Financial perform payment collection as well as combining the strengths of other group companies, our website is distinguished from those of other companies.

Asahi Conpou Joins the Seino Group

On January 15, Seino Holdings acquired all issued shares of Asahi Conpou (Sumida, Tokyo), making it one of the new members of the Seino Group.

By commissioning packaging and sealing work to Asahi Conpou which was previously outsourced by Seino Transportation, it will be possible to internalize these tasks and increase efficiency. Moreover, we will now be able to mount joint tenders with Asahi Conpou, who has a strong track record and reliable reputation with government agencies, so we will aim to acquire a wide-range of orders.

Start of an Official Smartphone App

On June 19, Seino Transportation began offering a free application for smartphones which can be used to easily check the delivery status of merchandise.

By downloading this application, the user merely has to scan the barcode on their receipt using their smartphone camera in order to check the delivery status of the applicable merchandise. The app allows up to 20 different scans to be made consecutively and users can even re-search the history list displayed. Seino Transportation is the first in the transportation industry to release an official application which is supported by both iPhone*1 and Android*2 phones.

*1 iPhone is a registered trademark of Apple Inc.
*2 Android is a trademark or registered trademark of Google, Inc.

Integration of Saga Branch and Saga West Branch

On November 5, Kyushu Seino Transportation (Hakata, Fukuoka) transferred and integrated all operations conducted by the Saga West branch of former Kyushu Seibu Transportation.

By making the distance between the 2 office locations approximately 7 km and moving out of the Saga West branch where space for both the administration building and platform was limited, this integration has improved operational efficiency.

After the integration, Seibu Transportation's Saga Aviation sales office and Saga Hikkoshi Center, which was located in the Saga branch, were relocated to the Saga West branch.

Vehicle Sales and Other Businesses

Improving Customer Convenience — Construction of the New Ena Store

Toyota Corolla Gifu (Rokujoomizo, Gifu) constructed a new Ena store and held the completion ceremony on October 4.

The construction of the new store was due to the deterioration of the old store, and aims to provide customers with a higher level of convenience by selling both new and used cars, previously sold in separate locations, in one integrated location.

The new store is scheduled to begin operation from late November.

Start of New & Used Truck Sales in the Philippines

On July 11, Gifu Hino Motors (Anpachi, Gifu) established a joint venture with a local affiliate and began the sale of new and used trucks in the Philippines.

The Philippines is an untapped market for Hino Motors, regarding both new and used vehicles.

On this occasion, we have launched a joint venture with Filipino company, Kilton Motor Corporation which deals in the import and sale of used vehicles, etc. The new company, Subic GS Auto, will specialize in the sale of new and used vehicles. .

Moving forward, the company will focus on expanding sales in not only the Philippines, but also Indonesia, Thailand and Malaysia, and plan on constructing a repairs shop locally within 1 year which will tap into the demand for repairs and parts.

Completion of the Kakamigahara Branch where State-of-the-Art Inspections are Possible

Gifu Hino Motors (Anpachi, Gifu) has relocated its Kakamigahara sales office inside the Kakamigahara Technoplaza, due to the old premises becoming too small and degradation of equipment. The branch began operating in its new location on July 3.

This branch uses a state-of-the-art computer inspection system. Moreover, plant equipment adopts environmental and safety countermeasures, therefore improvements in customer convenience and customer service are anticipated.

Partner Agreement with hybris software

Seino Information Service (Taguchi-cho, Ogaki), has entered into a partner agreement with hybris, a German company which is one of the world's leading developers of eCommerce transaction software, and begun providing a comprehensive management software for customer purchase history.

Currently, many businesses have customer information in individual channels such as online stores, brick-and-mortar stores and call centers, but are unable to manage it all comprehensively. By using software developed by hybris, it is possible to integrate customer information from multiple channels into one.

Moreover, this information can be linked with the existing logistics systems and warehouse management systems offered by Seino Information Service, thereby making it possible to offer customers an even higher level of convenience.

Expanding Our Operations Scope and Creating New Value

Transportation Services

In our transportation service business, we exerted our efforts to increase income and secure profit by steadily implementing the main measures of our medium-term management plan such as expansion of our logistics business, sales expansion of "time-providing products", improving transportation fee ratio, as well as improving loading ratio of routes and transportation quality.

Also, based on our mission as a transportation powerhouse of "Constantly Providing the Ultimate Service to Bring Customers Joy Through Logistics and Contributing to Japan's Society", in order to improve the efficiency of our customers logistics, we have enhanced transportation products based on the strongest transportation network in Japan, and done our best to improve the accuracy of a multitude of sales support functions such as a logistics management framework which pursues the best and optimal option supported by an information system function, payment service, ordering management, and the PPP (Pusan Platform Project) which utilizes the new Busan port, Korea, which is part of the free trade zone. Through these efforts, we have built services "100% Customer Focused", enabling us to provide a "one-stop" answer to our customers' requests.

In the roll out of our bases, relocating the Kyushu Seino Transportation headquarters to inside the Fukuoka branch and integrating the Saga branch and the Saga West branch to form a new Saga branch (Saga City), we have obtained stronger sales capability as well as improved operations efficiency and customer service.

Focusing on securing planned profit, Seino Transportation, as the center firm, has continued to unite efforts to secure income not affected by the number of operating days in a month (including raising the load costs of our land transportation business), expenses management correlating with income/volume of handled freight and profit-making through revenues such as fuel surcharge and transportation costs.

Aside from the above, in addition to renewal of our e-mail newsletter and provision of a free smartphone app to track goods being transported, we have renewed our website and are continuously striving to enhance our customer service further. Finally, the new product "e2-Bin"* launched by Seino Transportation last year, which is eco-friendly at the same time as offering security, attracted much attention at an early stage, and in the air freight industry, which continues to be harsh, our domestic air freight business, which includes an express delivery network focusing on B2B transactions, is showing steady growth.

The results were an operating revenue of ¥371,546 million (US$3,952,617 thousand), up 0.3% year-on-year, and an operating income of ¥6,918 million (US$73,596 thousand), down 4.5% year-on-year.

* e2-Bin is a special-purpose bag for return use which can be used multiple times. Also, each time e2-Bin is used, ¥1 is set aside for donations.

Vehicle Sales

In vehicle sales, because a struggle in the sale of new vehicles was predicted due to factors such as the end of the eco-car subsidization scheme and the cooling down of consumerism mentality, in addition to proactive sales activities, Seino strengthened car parts sales, installment & insurance sales, vehicle inspections and other businesses, doing our absolute best to maintain our profitability.

In regards to passenger vehicle sales, there was a period of hardship in the second half of the year after the eco-car subsidization scheme came to an end in which the number of new car sales remained stagnant however, in the first half of the year, thanks to our efforts to increase sales of environmentally-friendly cars such as HVs (hybrid vehicles) which fully utilize the subsidies and tax discounts targeting eco-cars, Seino also engaged in proactive sales activities and as a result sold more new vehicles than the previous year. In used vehicle sales, as well as an increase in the number of trade-in vehicles in light of healthy new vehicle sales, by holding large-scale events and so forth, our sales figures were significantly higher than the same period of the preceding year.

In truck sales, the number of new vehicles sold was higher than the same period of the preceding year due to eco-car subsidies and the reconstruction demand associated with the 2011 Tohoku earthquake and tsunami. Moreover, the internalization of maintenance work through acquiring Tokyo Sharyo as a subsidiary in order to strengthen our maintenance network in the Kanto region meant that our income for truck maintenance was higher than the same period of the preceding year.

Regarding the roll out of our bases, Toyota Corolla Gifu newly reformed the Ena store (Ena, Gifu) into which the old Ena store and Nakatsugawa used car sales store were merged. In addition, Gifu Hino Motors relocated to a newly built Kakamigahara sales office (Kakamigahara, Gifu), at the same time integrating with the Mino sales office. Finally, Netz Toyota Gifu partially renovated their Toki store (Toki, Gifu) and by integrating the Toki North store here, was able to improve productivity and operational efficiency.

The results were an operating revenue of ¥96,148 million (US$1,022,851 thousand), up 9.6% year-on-year, and an operating income of ¥5,442 million (US$57,894 thousand), up 21.9% year-on-year.

Merchandise Sales

In merchandise sales, Seino sells merchandise best represented by fuel, paper and paper products. Regarding the sale of our mainstay product, fuel, in addition to an increase in cost price, due to factors such as proactive sales, we increased the volume of merchandise handled and saw steady performance in the sale of paper products and cellphones.

The results were an operating revenue of ¥32,457 million (US$345,287 thousand), up 7.7% year-on-year, and an operating income of ¥736 million (US$7,830 thousand), up 1.8% year-on-year.

Leasing for Real Estate Services

In this business, we strove to effectively utilize management resources by leasing vacant store and truck terminal lots for which alternative measures had been taken due to the impact of urban development and lack of space. The main terminals put up for lease included the former terminals in Yotsubashi (Osaka City), Tajimi (Tajimi, Gifu) and Shinmachi (Osaka City).

Operating revenue was ¥1,438 million (US$15,298 thousand), up 1.6% year-on-year, and an operating income of ¥1,215 million (US$12,925 thousand), up 1.5% year-on-year.

Other

In other businesses, including information-related service, housing sales, construction consignment, taxi service and labor dispatch service, although the labor dispatch service began performing favorably, the number of orders obtained for housing sales decreased and sales turnover declined in the information-related business.

The results were an operating revenue of ¥14,596 million (US$155,277 thousand), up 1.6% year-on-year, and an operating income of ¥495 million (US$5,266 thousand), down 29.0% year-on-year.

Operating Revenue by Business Segment

(Millions of yen)

	FY3/13		FY3/12		
	Results	Composition	Results	Composition	Year-on-Year
Transportation Services	371,546	72.0%	370,592	73.5%	0.3%
Vehicle Sales	96,148	18.6%	87,755	17.4%	9.6%
Merchandise Sales	32,457	6.3%	30,144	6.0%	7.7%
Leasing for Real Estate Services	1,438	0.3%	1,416	0.3%	1.6%
Other	14,596	2.8%	14,370	2.8%	1.6%
Total	516,185	100.0%	504,277	100.0%	2.4%

Operating Income by Business Segment

(Millions of yen)

	FY3/13		FY3/12		
	Results	Composition	Results	Composition	Year-on-Year
Transportation Services	6,918	48.2%	7,240	52.2%	(4.5%)
Vehicle Sales	5,442	37.9%	4,464	32.2%	21.9%
Merchandise Sales	736	5.1%	723	5.3%	1.8%
Leasing for Real Estate Services	1,215	8.5%	1,196	8.6%	1.5%
Other	495	3.5%	697	5.0%	(29.0%)
Total	14,806	103.2%	14,320	103.3%	3.4%
Elimination	(460)	(3.2%)	(453)	(3.3%)	—
Consolidated	14,346	100.0%	13,867	100.0%	3.5%

Financial Review

Operating Results

Consolidated operating revenue for Seino Holdings for the fiscal year ended March 31, 2013 increased 2.4% from the previous fiscal year to ¥516,185 million (US$5,491,330thousand). This was due to increased sales in all segments.

Operating costs of revenues increased 2.2% from the previous fiscal year to ¥467,596 million (US$4,974,426thousand). The ratio of operating costs to operating revenue was 90.6%, down 0.1 percentage point from the previous fiscal year.

Selling, general and administrative expenses increased 4.1% to ¥34,243 million (US$364,287 thousand), while operating income increased 3.5% to ¥14,346 million (US$152,617 thousand).

Other income (expenses) stood at ¥3,228 million (US$34,340thousand). Key positive factors were the special extra retirement payments of ¥421 million (US$4,479 thousand) and gain on sale or disposal of property and equipment of ¥259 million (US$2,755 thousand).

Negative factors included the impairment loss on fixed assets of ¥2,199million (US$23,394 thousand) and amortization of negative goodwill of ¥3,055 million (US$32,500 thousand).

As a result, income before income taxes and minority interests amounted to ¥17,574 million (US$186,957thousand), down 5.1% year-on-year. Net income decreased 3.1% to ¥12,151 million (US$129,266 thousand).

Net income per share was ¥61.05 (US$0.65), and return on equity was 3.7%. Annual cash dividends per share were maintained at ¥11.00 (US$0.12), the same as in the previous fiscal year.

Financial Position

Total assets at the end of the fiscal year under review were ¥510,467 million (US$5,430,500 thousand), up 1.9% versus the previous fiscal year-end.

Total current assets increased 5.7% to ¥196,803 million (US$2,093,649 thousand) compared with the previous fiscal year-end. Total fixed assets decreased 0.3% from the previous fiscal year-end to ¥313,664 million (US$3,336,851 thousand).

Total current liabilities decreased 1.0% compared with the previous fiscal year-end to ¥107,171 million (US$1,140,117thousand). This was due primarily to trade payables and despite decreases in income tax payable.

Long-term liabilities decreased 3.4% from the previous fiscal year-end to ¥71,594 million (US$761,638 thousand). The main factors behind this result were decreases in negative goodwill and deferred tax liabilities.

Net assets rose 4.1% from the previous fiscal year-end to¥331,702 million (US$3,528,745 thousand). The major factor was an increase in retained earnings derived from the posting of net income. Shareholders' equity increased 1.4 percentage point to 63.4%.

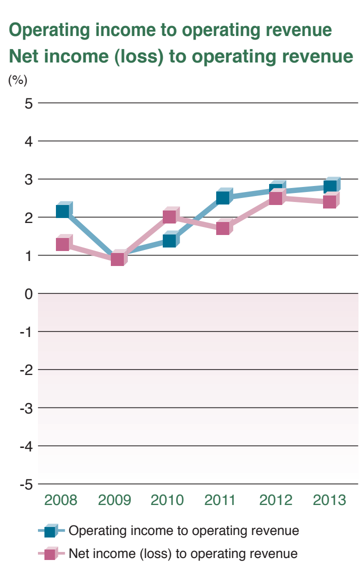
Cash Flows

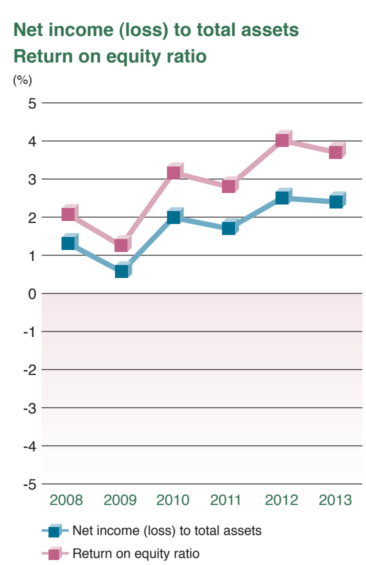
Net cash provided by operating activities increased ¥1,182million compared with the previous fiscal year to ¥26,089million (US$277,543 thousand) due mainly to increase in trade receivables in the previous fiscal year.

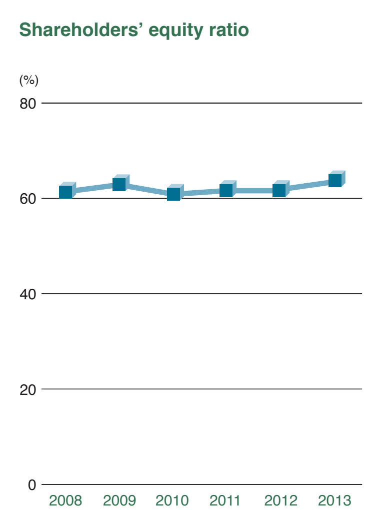
Net cash used in investing activities increased ¥13,340million compared with the previous fiscal year to ¥27,066million (US$287,936 thousand) due primarily to an increase in short-term investments.

Net cash used in financing activities decreased ¥3,540million compared with the previous fiscal year to ¥54,055million (US$575,053 thousand).

Consequently, cash and cash equivalents at end of year decreased ¥3,540 million compared with the previous fiscal year to ¥54,055 million (US$575,053 thousand).







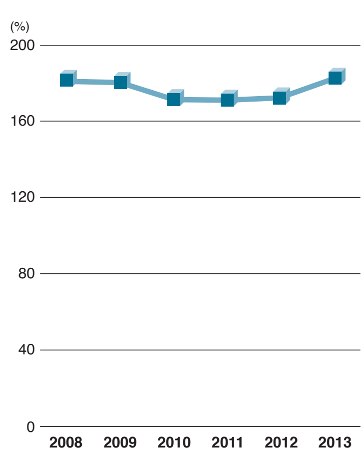
SEINO HOLDINGS CO., LTD. and Consolidated Subsidiaries

Six-year Summary

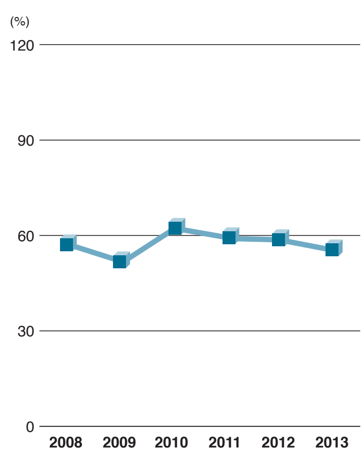
For the Years Ended March 31, 2013, 2012, 2011, 2010, 2009 and 2008

	Millions of Yen					
	2013	2012	2011	2010	2009	2008
For the year:						
Operating revenue:	¥ 516,185	¥ 504,277	¥ 497,612	¥ 485,808	¥ 433,766	¥ 451,978
Transportation services	371,546	370,592	368,771	362,628	316,341	331,862
Vehicle sales	96,148	87,755	87,075	87,132	78,722	85,537
Merchandise sales	32,457	30,144	27,104	21,779	23,302	—
Leasing for real estate services	1,438	1,416	1,429	1,265	1,187	1,146
Other	14,596	14,370	13,233	13,004	14,214	33,433
Operating costs	467,596	457,512	452,263	445,845	397,826	410,579
Selling, general and administrative expenses	34,243	32,898	33,023	33,342	32,607	31,474
Operating income	14,346	13,867	12,326	6,621	3,333	9,925
Net income (loss)	12,151	12,542	8,449	9,477	3,391	6,018
At year-end:						
Current assets	196,803	186,255	166,726	165,451	150,140	168,475
Total assets	510,467	500,963	487,701	484,674	439,372	457,871
Current liabilities	107,171	108,219	97,614	96,433	82,996	93,044
Short-term borrowings	2,473	2,475	2,515	2,315	2,135	2,465
Long-term debt, including current maturities	314	565	648	982	1,462	2,114
Net assets	331,702	318,650	307,806	301,792	291,564	293,985
	Yen					
Per share data:						
Net (loss) income:						
-Basic	¥ 61.05	¥ 63.02	¥ 42.44	¥ 47.60	¥ 17.03	¥ 30.27
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	2.8	2.7	2.5	1.4	0.8	2.2
Net income (loss) to operating revenue	2.4	2.5	1.7	2.0	0.8	1.3
Net income (loss) to total assets	2.4	2.5	1.7	2.0	0.8	1.3
Return on equity ratio	3.7	4.0	2.8	3.2	1.2	2.1
Shareholders' equity ratio	63.4	62.0	61.6	60.7	64.9	62.9
Current ratio	183.6	172.1	170.8	171.6	180.9	181.1
Debt equity ratio	55.3	58.7	59.9	62.1	51.8	56.9
Payout ratio	18.0	17.5	26.2	23.2	65.1	36.6

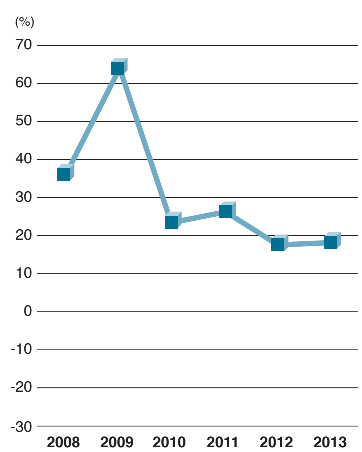
Current ratio



Debt equity ratio



Payout ratio



SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Balance Sheets

March 31, 2013 and 2012

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Assets:			
Current assets:			
Cash and cash equivalents (Note 3)	**¥ 54,055**	¥ 57,595	**$ 575,053**
Short-term investments (Notes 3 and 5)	**22,879**	7,231	**243,394**
Trade receivables (Note 3)	**102,618**	102,079	**1,091,681**
Inventories (Note 4)	**8,588**	9,464	**91,362**
Deferred tax assets (Note 14)	**4,627**	5,073	**49,223**
Other current assets	**4,285**	5,149	**45,585**
Allowance for doubtful accounts	**(249)**	(336)	**(2,649)**
Total current assets	**196,803**	186,255	**2,093,649**
Property and equipment (Notes 6, 7 and 9):			
At cost	**533,295**	534,612	**5,673,351**
Accumulated depreciation	**(262,928)**	(260,137)	**(2,797,106)**
Net property and equipment	**270,367**	274,475	**2,876,245**
Investments and other assets:			
Investment securities (Notes 3 and 5)	**21,816**	18,255	**232,085**
Investments in and long-term loans to affiliates (Note 5)	**2,994**	2,886	**31,851**
Deferred tax assets (Note 14)	**9,487**	9,353	**100,926**
Other assets	**9,000**	9,739	**95,744**
Total investments and other assets	**43,297**	40,233	**460,606**
Total assets	**¥ 510,467**	¥ 500,963	**$ 5,430,500**
Current liabilities:			
Short-term borrowings (Notes 3 and 9)	**¥ 2,473**	¥ 2,475	**$ 26,309**
Current portion of long-term debt (Notes 3 and 9)	**137**	248	**1,457**
Trade payables (Note 3)	**57,767**	56,421	**614,543**
Accrued expenses	**12,336**	12,690	**131,234**
Income taxes payable	**2,377**	5,773	**25,287**
Provision for loss on disaster	**—**	51	**—**
Other current liabilities	**32,081**	30,561	**341,287**
Total current liabilities	**107,171**	108,219	**1,140,117**
Long-term debt (Notes 3 and 9)	**177**	317	**1,883**
Employee retirement benefit liability (Note 10)	**56,591**	55,267	**602,032**
Asset retirement obligations (Note 8)	**2,478**	2,454	**26,362**
Accrued severance indemnities for directors and corporate auditors	**1,490**	1,401	**15,851**
Deferred tax liabilities (Note 14)	**7,463**	8,218	**79,394**
Negative goodwill (Note 17)	**3,045**	6,100	**32,393**
Other long-term liabilities	**350**	337	**3,723**
Total liabilities	**178,765**	182,313	**1,901,755**
Commitments and contingent liabilities (Notes 11 and 12)			
Net assets:			
Shareholders' equity (Note 13):			
Common stock: 794,524,668 shares authorized and 207,679,783 shares issued	**42,482**	42,482	**451,936**
Capital surplus	**74,261**	74,261	**790,011**
Retained earnings	**209,561**	199,599	**2,229,372**
Less treasury stock at cost: 8,660,804 shares in 2013 and 8,645,738 shares in 2012	**(8,612)**	(8,603)	**(91,617)**
Total shareholders' equity	**317,692**	307,739	**3,379,702**
Accumulated other comprehensive income			
Net unrealized gains on available-for-sale securities	**6,172**	3,509	**65,660**
Land revaluation decrement	**(133)**	(132)	**(1,415)**
Foreign currency translation adjustments	**(264)**	(360)	**(2,809)**
Total accumulated other comprehensive income	**5,775**	3,017	**61,436**
Minority interests	**8,235**	7,894	**87,607**
Total net assets	**331,702**	318,650	**3,528,745**
Total liabilities and net assets	**¥ 510,467**	¥ 500,963	**$ 5,430,500**

See accompanying Notes to Consolidated Financial Statements.

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Income

For the Years Ended March 31, 2013, 2012 and 2011

	Millions of yen			Thousands of U.S. dollars
	2013	2012	2011	**2013**
Operating revenue (Note 17)	**¥ 516,185**	¥ 504,277	¥ 497,612	**$ 5,491,330**
Operating costs and expenses (Notes 10):				
Operating costs	**467,596**	457,512	452,263	**4,974,426**
Selling, general and administrative expenses	**34,243**	32,898	33,023	**364,287**
	501,839	490,410	485,286	**5,338,713**
Operating income	**14,346**	13,867	12,326	**152,617**
Other income (expenses):				
Interest and dividend income	**473**	624	488	**5,032**
Interest expense	**(31)**	(38)	(51)	**(330)**
Gain (loss) on sale or disposal of property and equipment	**259**	18	(11)	**2,755**
Gain on sale of investment securities	**2**	115	15	**21**
Equity in net income (loss) of affiliates	**249**	28	(43)	**2,649**
Amortization of negative goodwill (Note 17)	**3,055**	3,255	5,374	**32,500**
Impairment loss on fixed assets (Notes 2(j) and 17)	**(2,199)**	(1,093)	(3,029)	**(23,394)**
Loss on write-down of investment securities	**(20)**	(22)	(413)	**(213)**
Gain (loss) on abolishment of retirement benefit plan (Note 10)	**—**	149	(107)	**—**
Loss on liquidation of subsidiaries and affiliates	**—**	—	(178)	**—**
Gain on negative goodwill (Note 17)	**36**	—	33	**383**
Cumulative effect on adoption of accounting standard for asset retirement obligations (Note 2(u))	**—**	—	(1,678)	**—**
Loss on disaster	**—**	—	(404)	**—**
Lump-sum payment for withdrawal from employees pension fund (Note 10)	**—**	—	(670)	**—**
Retirement benefit expenses (Note 10)	**—**	—	(166)	**—**
Special extra retirement payments (Note 10)	**—**	(421)	—	**—**
Settlement package	**—**	—	(300)	**—**
Miscellaneous, net	**1,404**	2,032	1,950	**14,937**
	3,228	4,647	810	**34,340**
Income before income taxes and minority interests	**17,574**	18,514	13,136	**186,957**
Income taxes (Note 14):				
Current	**6,544**	7,655	6,984	**69,617**
Deferred	**(1,498)**	(2,028)	(2,657)	**(15,937)**
Total income taxes	**5,046**	5,627	4,327	**53,680**
Income before minority interests	**12,528**	12,887	8,809	**133,277**
Minority interests in net income of subsidiaries	**377**	345	360	**4,011**
Net income	**¥ 12,151**	¥ 12,542	¥ 8,449	**$ 129,266**
	Yen			U.S. dollars
Per share:				
Net income	**¥ 61.05**	¥ 63.02	¥ 42.44	**$ 0.65**
Cash dividends	**11.00**	11.00	11.00	**0.12**

See accompanying Notes to Consolidated Financial Statements.

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Year Ended March 31, 2013, 2012 and 2011

	Millions of yen			Thousands of U.S. dollars
	2013	2012	2011	**2013**
Income before minority interests	**¥ 12,528**	¥ 12,887	¥ 8,809	**$ 133,277**
Other comprehensive income (Note 15):				
Net unrealized gains on available-for-sale securities	**2,667**	221	(513)	**28,372**
Foreign currency translation adjustments	**96**	(44)	141	**1,021**
Share of other comprehensive income of affiliates accounted for using equity method	**2**	—	(1)	**21**
Total other comprehensive income	**2,765**	177	(373)	**29,414**
Comprehensive income	**¥ 15,293**	¥ 13,064	¥ 8,436	**$ 162,691**
Comprehensive income attributable to:				
Owners of the parent	**14,909**	12,719	8,069	**158,606**
Minority interests	**384**	345	367	**4,085**

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Changes in Net Assets

For the Years Ended March 31, 2013, 2012 and 2011

		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 April 1, 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)
Purchases 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
Purchases 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
Net income for the year	—	—	—	12,151	—	12,151	—	—	—	—	—	12,151
Cash dividends	—	—	—	(2,189)	—	(2,189)	—	—	—	—	—	(2,189)
Purchases of treasury stock and fractional shares, net	—	—	—	—	(9)	(9)	—	—	—	—	—	(9)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	2,663	(1)	96	2,758	341	3,099
Balance at March 31, 2013	207,679,783	¥ 42,482	¥74,261	¥ 209,561	¥ (8,612)	¥ 317,692	¥ 6,172	¥ (133)	¥ (264)	¥ 5,775	¥ 8,235	¥ 331,702

	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
	Thousands of U.S. dollars										
Balance at March 31, 2012	$451,936	$790,011	$2,123,393	$ (91,521)	$3,273,819	$ 37,330	$ (1,404)	$ (3,830)	$ 32,096	$ 83,979	$3,389,894
Net income for the year	—	—	129,266	—	129,266	—	—	—	—	—	129,266
Cash dividends	—	—	(23,287)	—	(23,287)	—	—	—	—	—	(23,287)
Purchases of treasury stock and fractional shares, net	—	—	—	(96)	(96)	—	—	—	—	—	(96)
Net changes in items other than shareholders' equity	—	—	—	—	—	28,330	(11)	1,021	29,340	3,628	32,968
Balance at March 31, 2013	$451,936	$790,011	$2,229,372	$ (91,617)	$3,379,702	$ 65,660	$ (1,415)	$ (2,809)	$ 61,436	$ 87,607	$3,528,745

See accompanying Notes to Consolidated Financial Statements.

SEINO HOLDINGS CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended March 31, 2013, 2012 and 2011

	Millions of yen			Thousands of U.S. dollars
	2013	2012	2011	**2013**
Cash flows from operating activities:				
Income before income taxes and minority interests	**¥ 17,574**	¥ 18,514	¥ 13,136	**$ 186,957**
Adjustments for:				
Depreciation	**14,486**	15,324	16,695	**154,106**
Impairment loss on fixed assets	**2,199**	1,093	3,029	**23,394**
Amortization of negative goodwill	**(3,055)**	(3,255)	(5,374)	**(32,500)**
Amortization of goodwill	**499**	503	501	**5,309**
Gain on negative goodwill	**(36)**	—	(33)	**(383)**
Net provision for employee retirement benefit liability	**1,317**	249	444	**14,011**
(Gain) loss on sale or disposal of property and equipment	**(259)**	(18)	11	**(2,755)**
Equity in net (income) loss of affiliates	**(249)**	(28)	43	**(2,649)**
Loss on write-down of investment securities	**20**	22	413	**213**
Gain on sale of investment securities	**(2)**	(115)	(15)	**(21)**
Net provision (reversal) for accrued severance indemnities for directors and corporate auditors	**20**	(4)	(89)	**213**
(Decrease) increase in provision for loss on disaster	**(51)**	(134)	186	**(543)**
Loss on liquidation of subsidiaries and affiliates	**—**	—	178	**—**
Cumulative effect on adoption of accounting standard for asset retirement obligations	**—**	—	1,678	**—**
(Increase) decrease in trade receivables	**(525)**	(7,738)	287	**(5,585)**
Decrease (increase) in inventories	**324**	(2,422)	2,437	**3,447**
Increase (decrease) in trade payables	**1,312**	6,612	(1,192)	**13,957**
Other, net	**1,337**	2,494	1,607	**14,223**
Subtotal	**34,911**	31,097	33,942	**371,394**
Interest and dividend received	**620**	755	557	**6,596**
Interest paid	**(31)**	(38)	(51)	**(330)**
Income taxes paid	**(9,411)**	(6,907)	(6,493)	**(100,117)**
Net cash provided by operating activities	**26,089**	24,907	27,955	**277,543**
Cash flows from investing activities:				
Increase in property and equipment	**(12,539)**	(14,555)	(21,855)	**(133,394)**
Increase in long-term investments and loans	**(288)**	(425)	(25)	**(3,064)**
Decrease in property and long-term investments	**1,389**	1,441	1,047	**14,777**
(Increase) decrease in short-term investments	**(15,628)**	(187)	726	**(166,255)**
Net cash used in investing activities	**(27,066)**	(13,726)	(20,107)	**(287,936)**
Cash flows from financing activities:				
Repayment of long-term debt	**(257)**	(192)	(335)	**(2,734)**
Net (decrease) increase in short-term borrowings	**(4)**	(56)	200	**(42)**
Dividends paid to shareholders	**(2,189)**	(2,189)	(2,189)	**(23,287)**
Dividends paid to minority shareholders	**(39)**	(30)	(26)	**(415)**
Purchases of treasury stock, net of disposals	**(9)**	(2)	(11)	**(96)**
Other, net	**(83)**	(103)	(155)	**(883)**
Net cash used in financing activities	**(2,581)**	(2,572)	(2,516)	**(27,457)**
Effect of exchange rate changes on cash and cash equivalents	**18**	(6)	(7)	**191**
Net (decrease) increase in cash and cash equivalents	**(3,540)**	8,603	5,325	**(37,659)**
Cash and cash equivalents at beginning of year	**57,595**	48,992	43,667	**612,712**
Cash and cash equivalents at end of year	**¥ 54,055**	¥ 57,595	¥ 48,992	**$ 575,053**

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 ("IFRS").

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.

Certain comparative figures have been reclassified to conform to the current year's presentation.

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, 2013, which was ¥94 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, adjusted based on the fair value at the time of the acquisition, are deferred as goodwill and amortized over five years on a straight-line basis. From April 1, 2010, negative goodwill resulting from business combinations, measured by the excess of the underlying equity in the net assets over the acquisition cost, is credited to income. Negative goodwill resulting from acquisitions incurred prior to April 1, 2010, however, is amortized over five years on a straight-line basis. All intercompany transactions and accounts have been eliminated on consolidation.

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 a 15% to less than 20% owned enterprise that meets certain criteria. For the years ended March 31, 2013, 2012 and 2011, 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, 2013, 2012 and 2011 was as follows:

	2013	2012	2011
Subsidiaries:			
Domestic	58	58	57
Overseas	1	1	1
Affiliates accounted for by the equity method	4	4	4
Affiliates stated at cost	10	9	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 overseas 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., a subsidiary, changed its fiscal year-end from January 31 to March 31, and Darumaya Transportation Co., Ltd., another subsidiary, changed its fiscal year-end from December 31 to March 31. As a result, the consolidated financial statements for the year ended March 31, 2011 included the results of the two 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 consolidated financial statements include the accounts of the overseas subsidiary which are prepared under IFRS in accordance with Practical Issues Task Force ("PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" issued by the Accounting Standards Board of Japan ("ASBJ").

(a-ii) 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., a subsidiary, underwent a corporate separation in which its transportation business in Kyushu region was transferred to the newly founded subsidiary, Kyushu Seino Transportation Co., Ltd. The Company applied the 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 accounted for the separation as business transactions under common control.

(a-iii) Corporate separation and merger for the year ended March 31, 2013

Effective on April 1, 2012, Kyushu Seibu Transportation Co., Ltd. ("Kyushu Seibu"), a subsidiary, 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 was merged into Seibu Transportation Co., Ltd., another subsidiary. These subsidiaries had been engaged in the transportation service business, and the Company was aiming to increase service efficiencies for transportation services and to integrate the operations of these subsidiaries in the Kyushu region of Japan. The transactions were accounted for as business transactions under common control in accordance with ASBJ Statement No. 21 and ASBJ Guidance No. 10.

(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, 2013 and 2012, 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.

(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 for which the cost was not less than ¥100,000 but below ¥200,000 and depreciate it over three years on a straight-line basis.

Expenditures on maintenance and repairs are 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 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. Depreciation of leased assets capitalized in finance lease transactions as lessee is computed by the straight-line method over the lease term as the useful life with the assumption of no residual value. As permitted, finance leases which commenced prior to April 1, 2008 and have been accounted for with accounting treatment similar to that used for operating leases continue to be accounted for with accounting treatment similar to that used for 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, 2013, 2012 and 2011, recoverable amounts of assets were measured based on value in use calculated using discounted future cash flows at interest rates principally of 1.9%, 2.5% and 3.1%, respectively, or net selling prices using primarily appraisal valuations. As a result, the Seino Group recognized impairment losses as follows:

	Millions of yen			Thousands of U.S. dollars
	2013	2012	2011	**2013**
Property subject to impairment:	42 business branches and 5 idle properties	36 business branches and 9 idle properties	56 business branches and 6 idle properties	
Impairment loss recorded:				
for land	**¥ 2,174**	¥ 845	¥ 2,737	**$ 23,128**
for buildings and structures	**20**	244	291	**213**
for other property	**5**	4	1	**53**
	¥ 2,199	¥ 1,093	¥ 3,029	**$ 23,394**

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

(k) Provision for loss on disaster

Provision for loss on disaster was provided for at an amount estimated at the end of the fiscal year-end in order for the restoration of the property damaged or destroyed by the Great East Japan Earthquake incurred in March 2011.

(l) 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 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 were 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 past 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.

(m) Severance indemnities for directors and corporate auditors

The Seino Group may pay severance indemnities to directors and corporate auditors subject to the approval of the shareholders. The Company and certain subsidiaries provide for accrued severance indemnities for directors and corporate 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 Japanese Institute of Certified Public Accountants ("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."

(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) Income taxes

Income taxes are accounted for by the asset-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 promulgation date.

(p) 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.

(q) 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.

(r) 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.

(s) Per share data

Basic net income per share is computed by dividing income 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 not disclosed as Seino Group had no dilutive common shares for the years ended March 31, 2013, 2012 and 2011.

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

(t) Adoption of consolidated taxation system

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

(u) Accounting changes

(Changes in accounting policies with amendment of respective law or regulation that are not distinguishable from changes in accounting estimates)

From the year ended March 31, 2013, in accordance with the amendment in Corporate Tax Law, the Company and its domestic subsidiaries have changed its depreciation method for property and equipment. Assets acquired on or after April 1, 2012 are depreciated using the method prescribed in amended Corporate Tax Law. The effects due to this change in the profit or loss for the year ended March 31, 2013 were not material.

(Adoption of accounting standards for asset retirement obligations)

Effective April 1, 2010, the Company and its 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). Under this accounting standard, an asset retirement obligation is defined as a legal obligation imposed either by law or contract as a result of an acquisition, construction, development and/or normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. An asset retirement obligation is recognized as the sum of the discounted cash flows required for future asset retirement and is recorded in the period in which such obligation arises if a reasonable estimate thereof can be made. If a reasonable estimate of such asset retirement obligation cannot be made in the period in which such obligation arises, such obligation will be recognized as liability when a reasonable estimate thereof becomes available. Upon initial recognition of an asset retirement obligation as liability, such obligation is capitalized by increasing the carrying amount of the related fixed asset by the amount of such obligation. Such amount of obligation is subsequently allocated to expense through depreciation over the remaining useful life of the related tangible fixed asset. Over time, the liability representing such obligation is accreted to its present value for each period. Any subsequent revision to the timing or amount of the original estimate of undiscounted cash flows are reflected as adjustments to the carrying amount of the liability representing such obligation and to the capitalized amount of such obligation.

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 year ended March 31, 2011 from the amounts that would have been reported without the change, and the cumulative effect at beginning of the year ended March 31, 2011 was recorded as other expenses in the accompanying consolidated statements of income for the 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).

(v) 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 from the fiscal year ended March 31, 2011.

(Adoption of accounting standards for accounting changes and error corrections)

The Company and its 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 after the beginning of the fiscal year ended March 31, 2012.

(w) Accounting standard issued but not yet adopted

The following standard and guidance have been issued but not yet adopted or early adopted in these consolidated financial statements.

ASBJ issued ASBJ statement No. 26, "Accounting Standard for Retirement Benefits," and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," issued on May 17, 2012, which replaces the current standards and the other practical guidance.

(1) Major changes due to the issuance of the above new standard and related guidance are as follows:
Under the revised standard, actuarial differences and past service costs that have not been recognized in profit or loss are recognized within the net asset section after adjusting for tax effects, and the deficit or surplus is recognized as a liability or asset without any adjustments.
In determining the method of attributing expected benefit to periods, the revised standard allows a choice between the benefit formula method and the straight-line method. The revised standard also

amends the method for determining the discount rate.

(2) Effective dates

The revised standard and guidance will generally become effective for the end of annual periods ending on or after March 31, 2014. Amendments relating to determination of retirement benefit obligations and current service costs, however, are effective from the beginning of annual period ending on or after March 31, 2015.

(3) Effect of application of the standard

The Company and its domestic subsidiaries are currently in the process of determining the effects of these standards on the consolidated financial statements.

3. Financial Instruments

Information on financial instruments for the years ended March 31, 2013 and 2012 is set forth below.

(1) Qualitative information on financial instruments

(a) Policies on Financial Instruments

The Seino Group implements its Cash Management System for the effective investments or funding. 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 fluctuation risk.

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

Trade payables 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 foreign currency fluctuation risk.

Some bank loans are used principally for capital investments are 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 management methods which comply 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, since certain assumptions are used in the computation of the reasonable estimates, the result may be different if alternative assumptions are used.

(2) Fair values of financial instruments

The fair and carrying values of the financial instruments included in the consolidated balance sheets at March 31, 2013 and 2012, other than those for which the fair value was extremely difficult to determine, are set forth in the table below.

	Carrying value	Fair value	Difference
	Millions of yen		
At March 31, 2013:			
Cash and cash equivalents	¥ 54,055	¥ 54,055	¥ —
Short-term investments	22,879	22,879	—
Trade receivables	102,618	102,618	—
Investment securities	19,753	19,753	—
Total assets	¥ 199,305	¥ 199,305	¥ —
Trade payables	¥ 57,767	¥ 57,767	¥ —
Short-term borrowings	2,473	2,473	—
Long-term bank loans, including current portion	289	288	(1)
Total liabilities	¥ 60,529	¥ 60,528	¥ (1)

	Carrying value	Fair value	Difference
	Millions of yen		
At March 31, 2012:			
Cash and cash equivalents	¥ 57,595	¥ 57,595	¥ —
Short-term investments	7,231	7,232	1
Trade receivables	102,079	102,079	—
Investment securities	16,175	16,175	—
Total assets	¥ 183,080	¥ 183,081	¥ 1
Trade payables	¥ 56,421	¥ 56,421	¥ —
Short-term borrowings	2,475	2,475	—
Long-term bank loans, including current portion	457	453	(4)
Total liabilities	¥ 59,353	59,349	¥ (4)

	Carrying value	Fair value	Difference
	Thousands of U.S. dollars		
At March 31, 2013			
Cash and cash equivalents	$ 575,053	$ 575,053	$ —
Short-term investments	243,394	243,394	—
Trade receivables	1,091,681	1,091,681	—
Investment securities	210,138	210,138	—
Total assets	$ 2,120,266	$ 2,120,266	$ —
Trade payables	$ 614,543	$ 614,543	$ —
Short-term borrowings	26,309	26,309	—
Long-term bank loans, including current portion	3,074	3,063	(11)
Total liabilities	$ 643,926	$ 643,915	$ (11)

Notes:

i) Methods of measuring the fair value of financial instruments are as follows:

Assets:

(1) Cash and cash equivalents

As these instruments are settled within a short term and their fair value and carrying value are nearly identical, their carrying 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 discounting using an estimated credit risk adjusted interest rate. The carrying amounts of trade receivables other than installment sales receivables approximate fair value because of the short maturity of these instruments.

(3) Short-term investments and investment securities

The fair value of marketable securities equals the quoted market price, if available. The fair value of debt securities equals the 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 5.

Liabilities:

(1) Trade payables

As these instruments are settled within a short term and their fair values and carrying values are nearly identical, their carrying 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 carrying values are nearly identical, their carrying values are assumed as their fair values.

(3) Long-term bank loans

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 comparable maturity.

ii) The following were not included in the table above because the fair value was extremely difficult to determine:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Carrying value:			
Unlisted equity securities, other than affiliates	¥ 1,563	¥ 1,580	$ 16,628
Preferred equity securities	500	500	5,319
	¥ 2,063	¥ 2,080	$ 21,947

iii) The redemption schedule for financial assets with maturities at March 31, 2013 was as follows:

	Due in 1 year	Due after 1 years through 5 years	Due after 5 years through 10 years	Due after 10 years
	Millions of yen			
At March 31, 2013:				
Cash and cash equivalents	¥ 54,055	¥ —	¥ —	¥ —
Short-term investments	22,879	—	—	—
Trade receivables	80,871	20,633	1,114	—
Investment securities – bonds and other	—	300	—	—
	¥ 157,805	¥ 20,933	¥ 1,114	¥ —

	Due in 1 year	Due after 1 years through 5 years	Due after 5 years through 10 years	Due after 10 years
	Thousands of U.S. dollars			
At March 31, 2013:				
Cash and cash equivalents	$ 575,053	$ —	$ —	$ —
Short-term investments	243,394	—	—	—
Trade receivables	860,330	219,500	11,851	—
Investment securities – bonds and other	—	3,191	—	—
	$ 1,678,777	$ 222,691	$ 11,851	$ —

iv) For the repayment schedule for long-term loans payable at March 31, 2013, see Note 9, "Short-term Borrowings and Long-term Debt."

4. Inventories

Inventories at March 31, 2013 and 2012 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Merchandise and finished products	¥ 7,118	¥ 7,829	$ 75,724
Work in process	771	876	8,202
Raw materials and supplies	699	759	7,436
	¥ 8,588	¥ 9,464	$ 91,362

5. Investments

At March 31, 2013 and 2012, short-term investments consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Marketable securities:			
Bonds and other	¥ 10,000	¥ 147	$ 106,383
Total marketable securities	10,000	147	106,383
Time deposits with an original maturity of more than three months	12,879	7,084	137,011
	¥ 22,879	¥ 7,231	$ 243,394

At March 31, 2013 and 2012, investment securities consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2011	2013
Marketable securities:			
Equity securities	¥ 19,327	¥ 15,571	$ 205,606
Bonds	302	499	3,213
Other	124	105	1,319
Total marketable securities	19,753	16,175	210,138
Other non-marketable securities	2,063	2,080	21,947
	¥ 21,816	¥ 18,255	$ 232,085

While no marketable securities classified as held-to-maturity were recorded at March 31, 2013, the fair value of marketable securities classified as held-to-maturity and the related net unrealized gains at March 31, 2012 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

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, 2013 and 2012, 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, 2013:				
Equity securities	¥ 8,784	¥ 10,639	¥ (96)	¥ 19,327
Bonds	300	2	—	302
Other	10,099	27	(2)	10,124
	¥ 19,183	¥ 10,668	¥ (98)	¥ 29,753
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
	Thousands of U.S. dollars			
At March 31, 2013:				
Equity securities	$ 93,446	$ 113,181	$ (1,021)	$ 205,606
Bonds	3,192	21	—	3,213
Other	107,436	287	(21)	107,702
	$ 204,074	$ 113,489	$ (1,042)	$ 316,521

At March 31, 2013 and 2012 investments in and long-term loans to affiliates consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Investments accounted for by the equity method for significant affiliates and at cost for others	¥ 2,985	¥ 2,869	$ 31,755
Interest bearing long-term loans	9	17	96
	¥ 2,994	¥ 2,886	$ 31,851

6. Property and Equipment

At March 31, 2013 and 2012, property and equipment consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	2013
Property and equipment, at cost:			
Land	¥ 169,794	¥ 171,564	$ 1,806,319
Buildings and structures	232,569	231,958	2,474,138
Vehicles	98,136	99,440	1,044,000
Machinery and equipment	32,106	31,112	341,553
Construction in progress	252	100	2,681
Other	438	438	4,660
	533,295	534,612	5,673,351
Less accumulated depreciation	(262,928)	(260,137)	(2,797,106)
Total property and equipment	¥ 270,367	¥ 274,475	$ 2,876,245

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, 2013 and 2012, 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 ¥1,643 million ($17,479 thousand) and ¥1,599 million, respectively.

7. Real Estate for Rent

Some of the Company's subsidiaries own land and facilities for rent at locations where the business branch was closed or redeployed branches used to be. The carrying values in the consolidated balance sheets, changes during the years ended March 31, 2013 and 2012 and the fair values of the rental properties were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Carrying value at the beginning of year	**¥ 13,888**	¥ 14,393	**$ 147,744**
Net changes during the year	**(245)**	(505)	**(2,606)**
Carrying value at the end of year	**¥ 13,643**	¥ 13,888	**$ 145,138**
Fair value at the end of year *	**¥ 17,609**	¥ 17,747	**$ 187,330**

*Note: * Fair value was measured at the reasonable estimated value based principally on a real estate appraisal or property tax bases.*

Profit and loss recorded for rental properties for the fiscal years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Operating revenue	**¥ 1,438**	¥ 1,416	**$ 15,298**
Operating costs	**241**	237	**2,564**
Income from rental operations	**1,197**	1,179	**12,734**
Gain/(loss) of disposal of rental property and other	**¥ (707)**	¥ (251)	**$ (7,521)**

8. Asset Retirement Obligations

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

Asset retirement obligations for the year ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
At the beginning of year	**¥ 2,463**	¥ 2,491	**$ 26,202**
New obligations	**5**	21	**53**
Changes in estimated obligations and accretion	**43**	45	**458**
Settlement payments	**(39)**	(86)	**(415)**
Other	**6**	(8)	**64**
At the end of year	**¥ 2,478**	¥ 2,463	**$ 26,362**

9. Short-term Borrowings and Long-term Debt

At March 31, 2013 and 2012, short-term borrowings consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Unsecured bank overdrafts with interest rates of 1.3% per annum at March 31, 2013	**¥ 33**	¥ 25	**$ 351**
Short-term bank loans, unsecured with interest rates ranging from 0.280% to 1.475% per annum at March 31, 2013	**2,440**	2,450	**25,958**
	¥ 2,473	¥ 2,475	**$ 26,309**

At March 31, 2013, 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 ($467,128 thousand). The Company and the subsidiaries were not obligated to pay commitment fees on the unused portions of such overdraft facilities.

At March 31, 2013 and 2012, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Loans from government agencies and banks, repayable due through 2107, with interest rates ranging from 0.7% to 5.8% per annum at March 31, 2013:			
Secured	**¥ 227**	¥ 392	**$ 2,415**
Unsecured	**62**	65	**659**
Capitalized lease obligations	**25**	108	**266**
	314	565	**3,340**
Less current portion	**(137)**	(248)	**(1,457)**
	¥ 177	¥ 317	**$ 1,883**

At March 31, 2013 and 2012, the following assets were pledged as collateral for certain long-term debt, respectively:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Land	**¥ 3,926**	¥ 5,798	**$ 41,766**
Buildings and structures	**1,593**	1,920	**16,947**

The aggregate annual maturities of long-term debt as at March 31, 2013 were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2014	¥ 137	$ 1,457
2015	78	830
2016	33	351
2017	8	85
2018	6	64
Thereafter	52	553
	¥ 314	$ 3,340

10. Employee Retirement Benefits

The Company and its domestic subsidiaries have defined benefit plans. The following table reconciles the benefit liability as of March 31, 2013 and 2012:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Reconciliation of benefit liability:			
Projected benefit obligation *	**¥ 64,878**	¥ 59,090	**$ 690,191**
Less fair value of pension plan assets at end of year	**(2,792)**	(2,573)	**(29,702)**
	62,086	56,517	**660,489**
Unrecognized past service cost	**31**	8	**330**
Unrecognized actuarial differences (loss)	**(5,526)**	(1,258)	**(58,787)**
Net amounts of employee retirement benefit liability recorded on the consolidated balance sheets	**¥ 56,591**	¥ 55,267	**$ 602,032**

Note: 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, 2013, 2012 and 2011 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2013	2012	2011	**2013**
Net periodic retirement benefit expenses:				
Service cost	**¥ 3,288**	¥ 3,243	¥ 3,608	**$ 34,979**
Interest cost	**1,141**	1,173	1,219	**12,138**
Expected return on pension plan assets	**—**	(1)	(30)	**—**
Amortization of actuarial differences	**204**	715	790	**2,170**
Amortization of past service cost	**304**	247	269	**3,234**
(Gain) loss on abolishment of retirement benefit plan (*1)	**—**	(149)	107	**—**
Lump-sum payment to withdraw from employees pension fund (*2)	**—**	—	670	**—**
Retirement benefit expenses (*3)	**—**	—	166	**—**
Special extra retirement payments (*1)	**—**	421	—	**—**
Total retirement benefit expenses	**¥ 4,937**	¥ 5,649	¥ 6,799	**$ 52,521**

*Notes: *1) Some of the subsidiaries abolished the tax-qualified pension plan for the year ended March 31, 2011 and some of the other subsidiaries abolished the lump-sum retirement benefit plans for the year ended March 31, 2012. Then, these transactions were accounted for in accordance with the implementation guidance of accounting for transfer between retirement benefit plans and gain or loss on abolishment of retirement benefit plan was recorded as other income/(expenses). In addition, some subsidiaries paid special extra retirement benefits under the early retirement program for the year ended March 31, 2012.*

**2) 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 of ¥670 million were charged to such subsidiaries for the year ended March 31, 2012.*

**3) One of the Company's subsidiaries changed the calculation method from the simplified method to the principal method by merging with another subsidiary and calculating in accordance with the principal method for the year ended March 31, 2011. As a result, benefit liabilities increased and were accounted for as retirement benefit expenses of ¥166 million for the year ended March 31, 2011.*

Major assumptions used in the calculation of the above information for the years ended March 31, 2013, 2012 and 2011 were as follows:

	2013	2012	2011
Method attributing the projected benefits to periods of services	**Straight-line method**	Straight-line method	Straight-line method
Discount rate	**Principally 1.0%**	2.0%	2.0%
Expected rate of return on pension plan assets	**—**	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

11. Contingent Liabilities

At March 31, 2013 and 2012, 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 amount of ¥1,767 million ($18,798 thousand) and ¥1,291 million, respectively.

12. 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 with accounting treatment similar to that used for operating leases. The aggregate minimum future lease payments under such non-cancelable finance lease agreements, including the imputed interest portions, as at March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2011	**2013**
Finance leases:			
Due within one year	**¥ 12**	¥ 19	**$ 128**
Due after one year	**3**	15	**32**
	¥ 15	¥ 34	**$ 160**

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. The aggregate minimum future lease payments for such non-cancelable operating lease agreements, including the imputed interest portion, as lessee at March 31, 2013 and 2012 were as follows.

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Operating leases:			
Due within one year	**¥ 523**	¥ 517	**$ 5,564**
Due after one year	**1,237**	1,336	**13,159**
	¥ 1,760	¥ 1,853	**$ 18,723**

A certain subsidiary engaged in leasing operations as lessor enters into various lease agreements with third parties principally for the lease of vehicles. As disclosed in Note 2(h), the finance leases which commenced prior to April 1, 2008 as lessor also have been accounted for with accounting treatment similar to that used for operating leases. At March 31, 2013 and 2012 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
	2013	2012	**2013**
Finance leases:			
Due within one year	**¥ —**	¥ 12	**$ —**
Due after one year	**—**	—	**—**
	¥ —	¥ 12	**$ —**
Operating leases:			
Due within one year	**¥ 268**	¥ 268	**$ 2,851**
Due after one year	**580**	644	**6,170**
	¥ 848	¥ 912	**$ 9,021**

13. Net Assets

(a) Under the Japanese Corporate Law (the "Law") 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, 2013 and 2012, 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 ($45,340 thousand) at March 31, 2013 and 2012.

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 26, 2013, the shareholders approved cash dividends of ¥11 per share, amounting to ¥2,189 million ($23,287 thousand). The appropriation has not been accrued in the consolidated financial statements as of March 31, 2013 as such appropriations are recognized in the period in which they are approved by the shareholders.

14. Income Taxes

The tax effects of temporary differences that give rise to a significant portion of deferred tax assets and liabilities at March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Deferred tax assets:			
Employee retirement benefit liability	**¥ 21,015**	¥ 20,499	**$ 223,564**
Enterprise tax accruals	**336**	439	**3,574**
Accrued bonuses	**3,467**	3,367	**36,883**
Intercompany capital gains	**1,028**	999	**10,936**
Operating loss carryforwards	**590**	2,171	**6,277**
Loss on assets transferred	**1,471**	1,543	**15,649**
Impairment loss on fixed assets	**14,929**	13,185	**158,819**
Allowance for doubtful accounts	**173**	102	**1,840**
Other	**4,383**	5,776	**46,628**
	47,392	48,081	**504,170**
Less valuation allowance	**(18,820)**	(20,316)	**(200,213)**
	28,572	27,765	**303,957**
Deferred tax liabilities:			
Deferred capital gains	**5,870**	5,949	**62,447**
Unrealized gains on available-for-sale securities	**3,363**	2,288	**35,776**
Valuation adjustments for consolidation	**12,373**	12,991	**131,628**
Other	**315**	329	**3,351**
	21,921	21,557	**233,202**
Net deferred tax assets	**¥ 6,651**	¥ 6,208	**$ 70,755**

At March 31, 2013 and 2012, deferred tax assets and liabilities were recorded as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Deferred tax assets:			
Current	**¥ 4,627**	¥ 5,073	**$ 49,223**
Noncurrent	**9,487**	9,353	**100,926**
Deferred tax liabilities:			
Current	**—**	—	**—**
Noncurrent	**7,463**	8,218	**79,394**

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, 2013 and 2012, a valuation allowance was provided to reduce 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 income for the years ended March 31, 2013, 2012 and 2011 was as follows:

	Percentage of pretax income		
	2013	2012	2011
Japanese statutory tax rate	**37.2%**	40.4%	40.4%
Increase (decrease) due to:			
Permanently nondeductible expenses	**0.7**	0.7	1.0
Tax exempt income	**(0.4)**	(0.8)	(1.0)
Local minimum taxes - per capita levy	**3.7**	3.5	4.9
Amortization of goodwill and negative goodwill	**(6.3)**	(6.9)	(16.3)
Equity in net (income)/loss of affiliates	**(0.5)**	(0.1)	0.1
Changes in valuation allowance	**(6.3)**	(11.6)	3.9
Adjustment of deferred tax assets and liabilities for income tax rate changes	**—**	4.0	—
Other	**0.6**	1.2	(0.1)
Effective income tax rate	**28.7%**	32.9%	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 and after April 1, 2012 and 34.8% for years beginning on and 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 and 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 as of March 31, 2012 and deferred income tax expense recognized for the year ended March 31, 2012 increased by ¥740 million from the amounts that would have been reported without the amendments.

15. Comprehensive Income

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 years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2013	2012	**2013**
Unrealized gains (losses) on securities			
Increase (decrease) during the year	**¥ 3,742**	¥ (244)	**$ 39,808**
Reclassification adjustments	**3**	18	**32**
Subtotal, before tax	**3,745**	(226)	**39,840**
Tax effect	**(1,078)**	447	**(11,468)**
Subtotal, net of tax	**2,667**	221	**28,372**
Foreign currency translation adjustments			
Increase (decrease) during the year	**96**	(44)	**1,021**
Reclassification adjustments	**—**	—	**—**
Subtotal, before tax	**96**	(44)	**1,021**
Tax effect	**—**	—	**—**
Subtotal, net of tax	**96**	(44)	**1,021**
Shares of other comprehensive income of affiliates accounted for using equity method			
Increase (decrease) during the year	**2**	—	**21**
Reclassification adjustments	**—**	—	**—**
Subtotal	**2**	—	**21**
Total other comprehensive income	**¥ 2,765**	¥ 177	**$ 29,414**

Providing the corresponding information for the year ended March 31, 2011 was not required under the accounting standard for presentation of comprehensive income due to an exemption applicable to the first year in which the new standard is adopted. Thus, such information is not disclosed herein.

16. Supplementary Cash Flows Information

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

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

17. 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 reportable 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 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 and other material items

Information about reportable segment for the years ended March 31, 2013, 2012 and 2011 is summarized as follows:

For the year 2013:	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other (*4)	Total	Adjustments (*1)	Consolidated
	Millions of yen							
Operating revenue:								
External customers	**¥ 371,546**	**¥ 96,148**	**¥ 32,457**	**¥ 1,438**	**¥ 14,596**	**¥ 516,185**	**¥ —**	**¥ 516,185**
Intersegment sales or transfer	**1,536**	**7,908**	**25,094**	**—**	**9,394**	**43,932**	**(43,932)**	**—**
Total operating revenue	**373,082**	**104,056**	**57,551**	**1,438**	**23,990**	**560,117**	**(43,932)**	**516,185**
Segment income (*2)	**¥ 6,918**	**¥ 5,442**	**¥ 736**	**¥ 1,215**	**¥ 495**	**¥ 14,806**	**¥ (460)**	**¥ 14,346**
Segment assets (*3)	**¥ 379,649**	**¥ 97,683**	**¥ 14,357**	**¥ 12,653**	**¥ 19,129**	**¥ 523,471**	**¥ (13,004)**	**¥ 510,467**
Depreciation	**12,639**	**1,732**	**65**	**48**	**256**	**14,740**	**(254)**	**14,486**
Amortization of goodwill	**415**	**78**	**—**	**—**	**6**	**499**	**—**	**499**
Investments in affiliates accounted for using the equity method	**2,783**	**—**	**—**	**107**	**—**	**2,890**	**(2)**	**2,888**
Increase in tangible and intangible fixed assets	**9,877**	**3,524**	**14**	**25**	**349**	**13,789**	**(336)**	**13,453**
For the year 2012:								
Operating revenue:								
External customers	¥ 370,592	¥ 87,755	¥ 30,144	¥ 1,416	¥ 14,370	¥ 504,277	¥ —	¥ 504,277
Intersegment sales or transfer	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
Segment income (*2)	¥ 7,240	¥ 4,464	¥ 723	¥ 1,196	¥ 697	¥ 14,320	¥ (453)	¥ 13,867
Segment assets (*3)	¥ 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 using the equity method	2,724	—	—	67	—	2,791	(3)	2,788
Increase in tangible and intangible fixed assets	12,798	2,726	38	2	121	15,685	(303)	15,382
For the year 2011:								
Operating revenue:								
External customers	¥ 368,771	¥ 87,075	¥ 27,104	¥ 1,429	¥ 13,233	¥ 497,612	¥ —	¥ 497,612
Intersegment sales or transfer	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
Segment income (*2)	¥ 6,494	¥ 3,830	¥ 561	¥ 1,197	¥ 780	¥ 12,862	¥ (536)	¥ 12,326
Segment assets (*3)	¥ 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 using the equity method	2,891	—	—	2	—	2,893	(2)	2,891
Increase in tangible and intangible fixed assets	22,001	3,361	105	4	257	25,728	(443)	25,285

For the year 2013:	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other (*4)	Total	Adjustments (*1)	Consolidated
	Thousands of U.S. dollars							
Operating revenue:								
External customers	**$ 3,952,617**	**$ 1,022,851**	**$ 345,287**	**$ 15,298**	**$ 155,277**	**$ 5,491,330**	**$ —**	**$ 5,491,330**
Intersegment sales or transfer	**16,340**	**84,128**	**266,958**	**—**	**99,936**	**467,362**	**(467,362)**	**—**
Total operating revenue	**3,968,957**	**1,106,979**	**612,245**	**15,298**	**255,213**	**5,958,692**	**(467,362)**	**5,491,330**
Segment income (*2)	**$ 73,596**	**$ 57,894**	**$ 7,830**	**$ 12,925**	**$ 5,266**	**$ 157,511**	**$ (4,894)**	**$ 152,617**
Segment assets (*3)	**$ 4,038,819**	**$ 1,039,181**	**$ 152,734**	**$ 134,606**	**$ 203,500**	**$ 5,568,840**	**$ (138,340)**	**$ 5,430,500**
Depreciation	**134,457**	**18,426**	**692**	**511**	**2,723**	**156,809**	**(2,703)**	**154,106**
Amortization of goodwill	**4,415**	**830**	**—**	**—**	**64**	**5,309**	**—**	**5,309**
Investments in affiliates accounted for using the equity method	**29,607**	**—**	**—**	**1,138**	**—**	**30,745**	**(22)**	**30,723**
Increase in tangible and intangible fixed assets	**105,074**	**37,489**	**149**	**266**	**3,713**	**146,691**	**(3,574)**	**143,117**

*Note: *1) Adjustment column in the table above represents principally the elimination of intersegment transactions or balances, except for (*2) and (*3).*

**2) Segment income is reconciled to operating income in the accompanying consolidated statements of income. Segment income in the adjustments column represents unallocated general corporate expenses which were not assigned to specific reportable segments, net of intersegment transactions.*

**3) Segment assets in the adjustments column represent unallocated general corporate items which were not assigned to specific reportable segments such as cash, short-term and long-term investments in securities, net of intersegment balances.*

**4) Other segment represents the business segment not included in the reportable segments, and includes the information services business, the housing sales business, the passenger transportation business and other business.*

(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 by geographic area 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 by geographic area 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.

4. Information on impairment loss by reportable segments:

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
	Millions of yen					
Impairment loss:						
For the year 2013	¥ 1,422	¥ 84	¥ —	¥ 691	¥ 2	¥ 2,199
For the year 2012	833	247	—	—	13	1,093
For the year 2011	2,518	145	—	366	—	3,029
	Thousands of U.S. dollars					
Impairment loss:						
For the year 2013	$ 15,128	$ 894	$ —	$ 7,351	$ 21	$ 23,394

5. Information on goodwill and negative goodwill incurred due to business combinations before April 1, 2010 by reportable segments:

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
	Millions of yen					
For the year 2013:						
Amortization of goodwill	¥ 415	¥ 78	¥ —	¥ —	¥ 6	¥ 499
Amortization of negative goodwill	2,972	—	19	—	64	3,055
As of March 31, 2013:						
Balance of goodwill	17	59	—	—	2	78
Balance of negative goodwill	2,975	—	9	—	61	3,045
For the year 2012:						
Amortization of goodwill	¥ 419	¥ 78	¥ —	¥ —	¥ 6	¥ 503
Amortization of negative goodwill	3,168	—	20	—	67	3,255
As of March 31, 2012:						
Balance of goodwill	432	137	—	—	8	577
Balance of negative goodwill	5,947	—	28	—	125	6,100
For the year 2011:						
Amortization of goodwill	¥ 417	¥ 78	¥ —	¥ —	¥ 6	¥ 501
Amortization of negative goodwill	3,265	1,986	19	—	104	5,374
As of March 31, 2011:						
Balance of goodwill	824	215	—	—	14	1,053
Balance of negative goodwill	9,115	—	48	—	192	9,355

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
	Thousands of U.S. dollars					
For the year 2013:						
Amortization of goodwill	$ 4,415	$ 830	$ —	$ —	$ 64	$ 5,309
Amortization of negative goodwill	31,617	—	202	—	681	32,500
As of March 31, 2013:						
Balance of goodwill	181	628	—	—	21	830
Balance of negative goodwill	31,649	—	96	—	648	32,393

6. Information on gain on negative goodwill by reportable segments:

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
	Millions of yen					
Gain on negative goodwill:						
For the year 2013	¥ 20	¥ 16	¥ —	¥ —	¥ —	¥ 36
For the year 2012	—	—	—	—	—	—
For the year 2011	—	—	—	—	33	33

	Transportation services	Vehicle sales	Merchandise sales	Leasing for real estate services	Other	Total
	Thousands of U.S. dollars					
Gain on negative goodwill:						
For the year 2013	$ 213	$ 170	$ —	$ —	$ —	$ 383

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).

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, 2013 and 2012, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in net assets and consolidated statements of cash flows for each of the years in the three-year period ended March 31, 2013, 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, 2013, and 2012, and their financial performance and cash flows for each of the years in the three-year period ended March 31, 2013, in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(u) of the Notes to Consolidated Financial Statements. Effective from the year ended March 31, 2011, the Company and its domestic subsidiaries have adopted the new accounting standard for the asset retirement obligations.

Convenience Translation

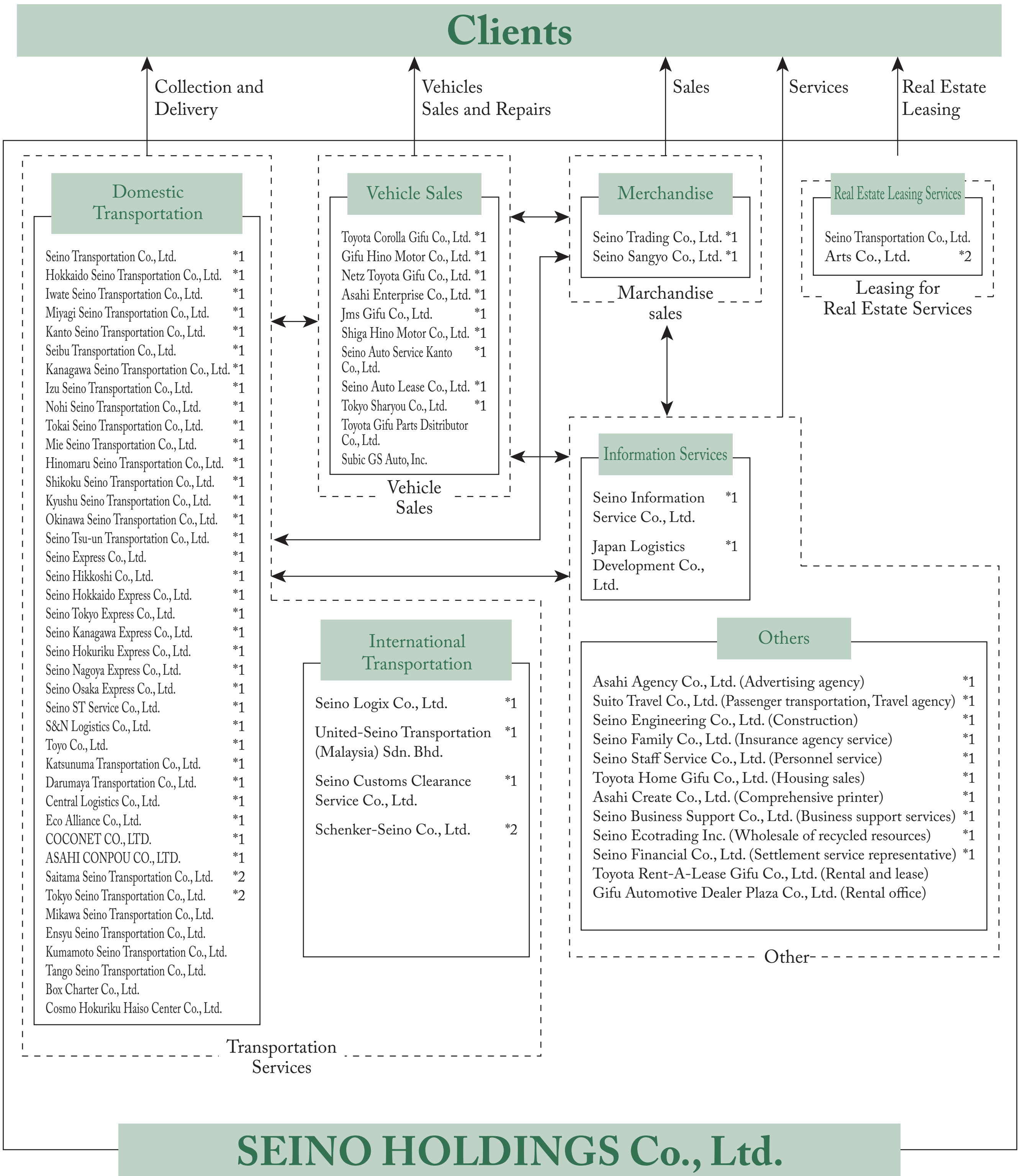
The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2013 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 of the Notes to Consolidated Financial Statements.

KPMG AZSA LLC

August 27, 2013
Nagoya, Japan

Seino Group

The Seino Group consists of Seino Holdings Co., Ltd. and 59 consolidated subsidiaries and 14 affiliates. The Seino Group operates in five business segments: transportation services, vehicle sales, merchandise sales, leasing for real estate services and other services. The business relationship in the Seino Group is as follows.



Note	*1: Consolidated subsidiaries	59
	*2: Affiliates (under the equity method)	4
	Companies except those mentioned above are affiliates under the cost method.	10

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