Japan Transcity Corporation

Consolidated Financial Statements

March 31, 2009 and 2008

Independent Auditors' Report

To the Board of Directors of Japan Transcity Corporation:

We have audited the accompanying consolidated balance sheets of Japan Transcity Corporation and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in net assets and cash flows for the years then ended expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Japan Transcity Corporation and subsidiaries as of March 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.
Nagoya, Japan
June 26, 2009

Japan Transcity Corporation and Consolidated Subsidiaries
Consolidated Balance Sheets
March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Current assets:			
Cash and cash equivalents	¥ 10,702	¥ 11,143	$ 109,204
Short-term investments (Notes 3 and 4)	251	429	2,561
Trade receivables:			
Notes	611	814	6,235
Accounts	10,352	13,080	105,632
Allowance for doubtful accounts	(16)	(18)	(163)
	10,947	13,876	111,704
Inventories	117	81	1,194
Deferred tax assets (Note 10)	472	500	4,816
Other current assets	1,449	1,639	14,786
Total current assets	23,938	27,668	244,265
Property and equipment (Note 4):			
Land	29,028	29,003	296,204
Buildings and structures	47,149	44,292	481,112
Machinery and equipment	11,204	10,430	114,327
Vehicles and vessels	7,118	7,252	72,633
Construction in progress	1	505	10
Total property and equipment	94,500	91,482	964,286
Less accumulated depreciation	(44,177)	(42,905)	(450,786)
Net property and equipment	50,323	48,577	513,500
Investments and other assets:			
Investment securities (Note 3)	5,337	7,415	54,459
Investments in unconsolidated subsidiaries and affiliates	3,442	3,231	35,123
Deferred tax assets (Note 10)	701	609	7,153
Lease deposits	978	991	9,980
Other assets	1,731	1,760	17,663
Allowance for doubtful accounts	(35)	(23)	(357)
Total investments and other assets	12,154	13,983	124,021
Total assets	¥ 86,415	¥ 90,228	$ 881,786

See accompanying Notes to Consolidated Financial Statements.

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Current liabilities:			
Short-term borrowings (Note 4)	¥ 3,661	¥ 2,675	$ 37,357
Current maturities of long-term debt (Note 4)	3,495	10,235	35,663
Trade payables:			
Notes	1,232	1,473	12,571
Accounts	5,027	6,695	51,296
	6,259	8,168	63,867
Accrued expenses	1,605	1,707	16,378
Income taxes payable	123	355	1,255
Other current liabilities	1,289	2,116	13,153
Total current liabilities	16,432	25,256	167,673
Long-term debt (Note 4)	22,884	15,578	233,510
Employee retirement benefit liability (Note 5)	2,015	2,746	20,561
Guarantee deposits received	4,115	4,247	41,990
Deferred tax liabilities for revaluation	5,281	5,281	53,888
Deferred tax liabilities (Note 10)	528	1,035	5,388
Accrued severance indemnities for directors and corporate auditors	52	394	531
Other long-term liabilities	663	169	6,765
Total liabilities	51,970	54,706	530,306
Commitments and contingent liabilities (Notes 7 and 8)			
Net assets (Note 6):			
Shareholders’ equity:			
Common stock: 240,000,000 shares authorized and 67,142,417 shares issued	8,428	8,428	86,000
Capital surplus	6,735	6,738	68,724
Retained earnings	20,933	19,978	213,602
Less treasury stock, at cost: 2,169,742 shares in 2009 and 1,319,830 shares in 2008	(941)	(645)	(9,602)
Total shareholders' equity	35,155	34,499	358,724
Accumulated losses from valuation and translation adjustment	(1,731)	(95)	(17,663)
Minority interests	1,021	1,118	10,419
Total net assets	34,445	35,522	351,480
Total liabilities and net assets	¥ 86,415	¥ 90,228	$ 881,786

Japan Transcity Corporation and Consolidated Subsidiaries
Consolidated Statements of Income
For the Years Ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Operating revenue (Note 11)	¥ 82,496	¥ 86,461	$ 841,796
Operating costs and expenses (Notes 5, 8 and 11)	80,178	82,454	818,143
Operating income	2,318	4,007	23,653
Other income (expenses):			
Interest and dividend income	230	241	2,347
Interest expenses	(391)	(438)	(3,990)
Equity in net earnings of unconsolidated subsidiaries and affiliates	349	271	3,561
Loss on sale or disposal of property and equipment	(61)	(65)	(622)
Impairment loss on fixed assets (Note 2(i))	(47)	(31)	(480)
Other, net	2	(66)	21
	82	(88)	837
Income before income taxes and minority interests	2,400	3,919	24,490
Income taxes:			
Current	514	1,005	5,245
Deferred	382	540	3,898
Total income taxes	896	1,545	9,143
Less minority interests in net income of consolidated subsidiaries	51	69	520
Net income	¥ 1,453	¥ 2,305	$ 14,827

	Yen		U.S. dollars
Per share:			
Net income:			
-Basic	¥ 22.21	¥ 34.68	$ 0.23
-Diluted	21.03	32.87	0.21
Cash dividends	8.50	8.50	0.09

See accompanying Notes to Consolidated Financial Statements.

Japan Transcity Corporation and Consolidated Subsidiaries
Consolidated Statements of Changes in Net Assets
For the Years Ended March 31, 2009 and 2008

		Shareholders' equity					Accumulated (losses) gains from valuation and translation adjustment					
	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 adjustment	Total accumulated losses from valuation and translation adjustment	Minority interests	Total net assets
		Millions of yen										
Balance at March 31, 2007	67,142,417	¥ 8,428	¥ 6,738	¥ 18,253	¥ (138)	¥ 33,281	¥ 3,589	¥ (2,018)	¥ 57	¥ 1,628	¥ 1,350	¥ 36,259
Net income for the year	-	-	-	2,305	-	2,305	-	-	-	-	-	2,305
Cash dividends	-	-	-	(566)	-	(566)	-	-	-	-	-	(566)
Decrease in retained earnings upon changes in scope of consolidation	-	-	-	(14)	-	(14)	-	-	-	-	-	(14)
Purchase of treasury stock and fractional shares, net	-	-	-	-	(507)	(507)	-	-	-	-	-	(507)
Net changes other than shareholders' equity	-	-	-	-	-	-	(1,750)	-	27	(1,723)	(232)	(1,955)
Balance at March 31, 2008	67,142,417	8,428	6,738	19,978	(645)	34,499	1,839	(2,018)	84	(95)	1,118	35,522
Net income for the year	-	-	-	1,453	-	1,453	-	-	-	-	-	1,453
Cash dividends	-	-	-	(558)	-	(558)	-	-	-	-	-	(558)
Increase in retained earnings upon changes in scope of consolidation	-	-	-	59	-	59	-	-	-	-	-	59
Purchase of treasury stock and fractional shares, net	-	-	(3)	-	(296)	(299)	-	-	-	-	-	(299)
Reversal of land revaluation decrement		-	-	1	-	1	-	-	-	-	-	1
Net changes other than shareholders' equity	-	-	-	-	-	-	(1,395)	(1)	(240)	(1,636)	(97)	(1,733)
Balance at March 31, 2009	67,142,417	¥ 8,428	¥ 6,735	¥ 20,933	¥ (941)	¥ 35,155	¥ 444	¥ (2,019)	¥ (156)	¥ (1,731)	¥ 1,021	¥ 34,445
		Thousands of U.S. dollars										
Balance at March 31, 2008		$ 86,000	$ 68,755	$ 203,857	$ (6,582)	$ 352,030	$ 18,766	$ (20,592)	$ 857	$ (969)	$ 11,408	$ 362,469
Net income for the year		-	-	14,827	-	14,827	-	-	-	-	-	14,827
Cash dividends		-	-	(5,694)	-	(5,694)	-	-	-	-	-	(5,694)
Increase in retained earnings upon changes in scope of consolidation		-	-	602	-	602	-	-	-	-	-	602
Purchase of treasury stock and fractional shares, net		-	(31)	-	(3,020)	(3,051)	-	-	-	-	-	(3,051)
Reversal of land revaluation decrement		-	-	10	-	10	-	-		-	-	10
Net changes other than shareholders' equity		-	-	-	-	-	(14,235)	(10)	(2,449)	(16,694)	(989)	(17,683)
Balance at March 31, 2009		$ 86,000	$ 68,724	$ 213,602	$ (9,602)	$ 358,724	$ 4,531	$ (20,602)	$ (1,592)	$ (17,663)	$ 10,419	$ 351,480

See accompanying Notes to Consolidated Financial Statements.

Japan Transcity Corporation and Consolidated Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 2,400	¥ 3,919	$ 24,490
Adjustments for:			
Depreciation	3,137	2,981	32,010
Net reversal of employee retirement benefit liability	(728)	(1,124)	(7,429)
Loss on sale or disposal of property and equipment	61	65	622
Impairment loss on fixed assets	47	31	480
Decrease in trade receivables	2,861	707	29,194
(Increase) decrease in inventories	(37)	5	(377)
(Decrease) increase in trade payables	(1,968)	279	(20,082)
Increase in prepaid pension cost	(79)	(315)	(806)
Other, net	(578)	(510)	(5,898)
Sub-total	5,116	6,038	52,204
Interest and dividend received	358	281	3,653
Interest paid	(401)	(435)	(4,092)
Income taxes paid	(755)	(1,119)	(7,704)
Net cash provided by operating activities	4,318	4,765	44,061
Cash flows from investing activities:			
Increase in property and equipment and intangible assets	(5,444)	(4,465)	(55,551)
Decrease in property and equipment and intangible assets	95	238	970
Increase in investments in subsidiaries	(23)	(261)	(235)
Decrease in short-term investments	128	285	1,306
Other, net	(214)	(257)	(2,184)
Net cash used in investing activities	(5,458)	(4,460)	(55,694)
Cash flows from financing activities:			
Increase in long-term debt	11,050	12	112,755
Repayment of long-term debt	(2,364)	(1,017)	(24,122)
Redemption of bonds	(8,000)	-	(81,633)
Increase (decrease) in short-term borrowings	986	(35)	10,061
Purchase of treasury stock and fractional shares, net	(299)	(507)	(3,051)
Dividends paid	(558)	(566)	(5,694)
Other, net	(46)	(6)	(469)
Net cash provided by (used in) financing activities	769	(2,119)	7,847
Effect of exchange rate changes on cash and cash equivalents	(139)	11	(1,418)
Net decrease in cash and cash equivalents	(510)	(1,803)	(5,204)
Cash and cash equivalents at beginning of year	11,143	12,946	113,704
Increase in cash and cash equivalents upon inclusion of additional subsidiary on consolidation	69	-	704
Cash and cash equivalents at end of year	¥ 10,702	¥ 11,143	$ 109,204

See accompanying Notes to Consolidated Financial Statements.

1. Basis of Consolidated Financial Statements

The accompanying consolidated financial statements of Japan Transcity Corporation (the "Company") and its consolidated subsidiaries (together with the Company, the “Japan Transcity Group”) have been prepared in accordance with the provisions set forth in the Financial Instrument and Exchange Law of Japan and its related accounting regulations and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accounts of the Company’s overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles prevailing in the respective countries of domicile. The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instrument and Exchange Law of Japan. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

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 prevailing exchange rate at March 31, 2009, which was approximately ¥98 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) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and its significant subsidiaries. Investments in significant unconsolidated subsidiaries and affiliates are accounted for by the equity method. Investments in unconsolidated subsidiaries and 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 acquisition, are principally deferred as goodwill or negative goodwill and amortized over five years.

The number of consolidated subsidiaries, unconsolidated subsidiaries and affiliates for the years ended March 31, 2009 and 2008 was as follows:

	2009	2008
Consolidated subsidiaries:		
Domestic	24	23
Overseas	3	3
Unconsolidated subsidiaries and affiliates accounted for by the equity method	5	5
Unconsolidated subsidiaries stated at cost	13	14
Affiliates stated at cost	5	5

All intercompany accounts and transactions have been eliminated on consolidation.

The accompanying consolidated financial statements include the accounts of overseas consolidated subsidiaries (three subsidiaries in 2009 and 2008). These overseas consolidated subsidiaries close their books at December 31, three months earlier than the Company and the domestic consolidated subsidiaries. The Company consolidated the overseas subsidiaries' financial statements as of their year-end. Significant transactions for the period between the subsidiaries' year-end and the Company's year-end are adjusted for on consolidation.

(Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)
On March 17, 2006, the Accounting Standards Board of Japan issued Practical Issues Task Force No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" ("PITF No. 18"). PITF No. 18 requires that accounting policies and procedures applied by a parent company and its subsidiaries to similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements. PITF No. 18, however, as a tentative measure, allows a parent company to prepare consolidated financial statements using foreign subsidiaries' financial statements prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles. In this case, adjustments for the following six items are required in the consolidation process so that their impact on net income is accounted for in accordance with Japanese GAAP unless the impact is immaterial.
(a) Goodwill not subject to amortization
(b) Actuarial gains and losses of defined-benefit retirement plans recognized outside profit or loss
(c) Capitalized expenditures for research and development activities
(d) Fair value measurement of investment properties and revaluation of property, plant and equipment and intangible assets
(e) Retrospective treatment of changes in accounting policies
(f) Accounting for net income attributable to minority interests

The adoption of PITF No. 18 had no effect on the consolidated financial statements for the year ended March 31, 2009.

(b) Cash equivalents

The Japan Transcity 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 Japan Transcity Group classifies certain investments in debt and equity securities as "held-to-maturity," "trading" or "available-for-sale," the classification of which determines the respective accounting method as stipulated by the accounting standard for financial instruments. Marketable securities with available market quotations for available-for-sale securities are stated at fair value and net unrealized gains or 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. Non-marketable 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

Derivatives are valued at fair value, if hedge accounting is not appropriate or where there is no hedging designation, and the gains or losses on the derivatives are recognized in current earnings.

According to the special treatment permitted by the accounting standard for financial instruments, hedging interest rate swaps are accounted for on an accrual basis and recorded net of interest expenses generated from the hedged borrowings if certain conditions are met.

(e) Inventories

Inventories consisted of supplies and other. Supplies are stated at cost, using the moving-average method.

(New accounting standard for inventories)
On July 5, 2006, the Accounting Standards Board of Japan issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories." As permitted under the superseded accounting standard, the Company and domestic consolidated subsidiaries previously stated inventories at cost. The new accounting standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net realizable value. Replacement cost may be used in lieu of the net realizable value, if appropriate.

The adoption of the new standard had no effect on the consolidated financial statements for the year ended March 31, 2009.

(f) Allowance for doubtful accounts

An allowance for doubtful accounts is provided 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 calculated based on historical loss experience for a certain past period.

(g) Property and equipment, and depreciation (except for leases)

Property and equipment, including significant renewals and additions, are stated at cost, and depreciated principally by the declining-balance method at rates based on the estimated useful life of the asset. Buildings acquired on and after April 1, 1998 are depreciated by the straight-line method. Property with the cost of not less than ¥100,000 but below ¥200,000 each is capitalized and depreciated over three years on a straight-line basis.

Expenditures on maintenance and repairs are charged to operating income as incurred.

The capital gains directly offset against the acquisition costs of tangible fixed assets to obtain tax benefits were ¥100 million ($1,020) for the year ended March 31, 2009.

(Change in depreciation method)
In accordance with the amendment of the Corporation Tax Law of Japan, effective April 1, 2007, the Company and its domestic consolidated subsidiaries changed the depreciation method for property and equipment acquired on and after April 1, 2007 to the method pursuant to the amended Corporation Tax Law of Japan. As a result, operating income decreased by ¥105 million and income before income taxes and minority interests decreased by ¥106 million for the year ended March 31, 2008, respectively, as compared with the previous accounting method. The effects on segment information are described in Note 11.

(Additional information)
As for property and equipment acquired before April 1, 2007, from the year ended March 31, 2008, the residual value is depreciated over five years using the straight-line method from the fiscal year following the year in which the depreciable limit (5% of the acquisition cost) is reached. As a result, this change resulted in decreases in operating income by ¥107 million and income before income taxes and minority interests by ¥116 million, respectively, for the year

ended March 31, 2008. The effect on segment information is described in Note 11.

In accordance with the amendment of the Corporation Tax Law of Japan, the Company and its domestic consolidated subsidiaries changed the useful life of machinery from a range of 5 to 7 years to 10 to 12 years based on the reassessment of the useful lives in light of the change in the Corporation Tax Law of Japan. As a result, operating income and income before income tax and minority interests increased by ¥71 million ($724 thousand) for the year ended March 31, 2009 as compared with the previous accounting method. The effect on segment information are described in Note 11.

(h) Accounting for leases

Prior to April 1, 2008, the Company and its domestic consolidated subsidiaries accounted for finance leases which do not transfer ownership of the leased property to the lessee as operating leases with disclosure of certain “as if capitalized” information in the notes to the consolidated financial statements.
On March 31, 2007, the Accounting Standards Board of Japan issued Statement No. 13, “Accounting Standard for Lease Transactions” and Guidance No. 16, “Guidance on Accounting Standard for Lease Transactions.” The new accounting standards require that all finance lease transactions be treated as capital leases.

Effective April 1, 2008, the Company and its domestic consolidated subsidiaries adopted the new accounting standards for finance leases commencing after March 31, 2008 and capitalized assets used under such leases, except for certain immaterial or short-term finance leases, which are accounted for as operating leases. As permitted, finance leases which commenced prior to April 1, 2008 and have been accounted for as operating leases, continue to be accounted for as operating leases with disclosure of certain “as if capitalized” information.
The adoption of the new standards had no effect on income or loss for the year ended March 31, 2009.

(i) Accounting standard for impairment of fixed assets

The Company and its domestic consolidated subsidiaries 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. Impairment loss is to be recognized in the income statement by reducing the carrying amount of the impaired asset or group of assets to the recoverable amount, 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. For the purpose of recognition and measurement of impairment loss, fixed assets are principally grouped into cash-generating units, such as regional business divisions, other than idle or unused property. For the year ended March 31, 2009 and 2008, the Japan Transcity Group recognized impairment loss as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Buildings and structures to be disposed	¥ 47	¥ -	$ 480
Machinery and equipment to be disposed	-	31	-
	¥ 47	¥ 31	$ 480

(j) Revaluation of land

In accordance with the Law Concerning Revaluation of Land ("Law"), the Company elected the one-time revaluation to restate the cost of land used for the Company's business at values rationally reassessed effective on March 31, 2002, reflecting adjustments for land shape and other factors and based on municipal property tax bases. According to the Law, an amount equivalent to the tax effect on the difference between the original book value and the reassessed value is recorded as deferred tax liability for revaluation account. The rest of the difference, net of the tax effect and minority interests portion, is recorded as a component of the net assets section in the land revaluation decrement account in the accompanying consolidated balance sheets. At March 31, 2009 and 2008, the difference between the carrying value of land used for the Company's business after reassessment and the current market value at the fiscal year-end amounted to ¥7,223 million ($73,704 thousand) and ¥7,412 million, respectively.

(k) Employee retirement benefits

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

In accordance with the accounting standard for employee retirement benefits, the Japan Transcity Group recognizes retirement benefits for employees, including pension cost and related liability, based on actuarial present value of projected benefit obligation using actuarial appraisal approach and the value of pension plan assets available for benefits at the fiscal year-ends. Unrecognized actuarial differences as changes in the projected benefit obligation or pension plan assets resulting from the experience different from that assumed and from changes in the assumptions are amortized on a straight-line basis over ten years, a period within the remaining service years of the employees, from the year after which they arise. Unrecognized prior service cost is amortized using the straight-line method over ten years from the year in which it occurs.

(l) Accrued severance indemnities for directors and corporate auditors

The Japan Transcity Group may pay severance indemnities to directors and corporate auditors, which are subject to the approval of the shareholders. The Japan Transcity Group has provided for the full amount of the liabilities for directors' and corporate auditors' severance indemnities at the respective balance sheet dates.

(Additional information)
The Company has abolished the system of retirement benefits for directors and corporate auditors and was approved to pay the liabilities which were recognized prior to the abolishment by the resolution of shareholder's meeting at June 27, 2008. With this change, the liabilities in "Accrued severance indemnities for directors and corporate auditors" were reclassified to "Other long-term liabilities."

(m) Translation of foreign currency accounts

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

For financial statement items of overseas consolidated subsidiaries, all asset and liability accounts are translated into Japanese yen by applying the exchange rates in effect at the fiscal year-end. All income and expense accounts are translated at the average rates of exchange prevailing during the fiscal year. Translation differences are reported as foreign currency translation adjustment in a component of net assets in the accompanying consolidated balance sheets.

(n) Income taxes

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

(o) Enterprise taxes

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

(p) Appropriations of retained earnings

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

(q) 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 fiscal year. Diluted net income per share is computed assuming convertible bonds were converted at the time of issue unless having anti-dilutive effects. Cash dividends per share for each fiscal year in the accompanying consolidated statements of income represent dividends declared by the Company as applicable to the respective years.

3. Investments

At March 31, 2009 and 2008, short-term investments consisted of time deposits with an original maturity of more than three months.

At March 31, 2009 and 2008, investment securities consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Marketable securities:			
Equity securities	¥ 4,393	¥ 6,579	$ 44,827
Other	7	9	71
	4,400	6,588	44,898
Other non-marketable securities	937	827	9,561
	¥ 5,337	¥ 7,415	$ 54,459

Marketable investment securities classified as available-for-sale are stated at fair value with unrealized gains and losses excluded from the current earnings and reported as a net amount within the net assets account until realized. At March 31, 2009 and 2008, 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						
Available-for-sale securities at March 31, 2009:							
Equity securities	¥	3,572	¥	1,138	¥	(317)	¥ 4,393
Other		10		-		(3)	7
	¥	3,582	¥	1,138	¥	(320)	¥ 4,400
Available-for-sale securities at March 31, 2008:							
Equity securities	¥	3,398	¥	3,279	¥	(98)	¥ 6,579
Other		10		-		(1)	9
	¥	3,408	¥	3,279	¥	(99)	¥ 6,588
	Thousands of U.S. dollars						
Available-for-sale securities at March 31, 2009:							
Equity securities	$	36,449	$	11,612	$	(3,234)	$ 44,827
Other		102		-		(31)	71
	$	36,551	$	11,612	$	(3,265)	$ 44,898

4. Short-term Borrowings and Long-term Debt

At March 31, 2009 and 2008, short-term borrowings consisted of the following:

	Millions of yen				Thousands of U.S. dollars	
	2009		2008		2009	
Short-term bank loans and bank overdrafts with interest rates ranging from 0.75% to 1.30% per annum at March 31, 2009:						
Collateralized	¥	-	¥	10	$	-
Unsecured		3,661		2,665		37,357
	¥	3,661	¥	2,675	$	37,357

At March 31, 2009 and 2008, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
1.47% unsecured bonds due July 2008	-	2,500	-
1.41% unsecured bonds due July 2008	-	1,500	-
1.76% unsecured bonds due September 2008	-	4,000	-
Zero coupon unsecured convertible bonds due September 2009	1,500	1,500	15,306
Long-term loans from banks and other financial institutions due through 2022 with interest rates ranging from 0.65% to 6.97% per annum at March 31, 2009:			
Collateralized	409	439	4,173
Unsecured	24,470	15,874	249,694
	26,379	25,813	269,173
Less current maturities	(3,495)	(10,235)	(35,663)
	¥ 22,884	¥ 15,578	$ 233,510

At March 31, 2009, the current conversion price of zero coupon convertible bonds due September 2009 was ¥410 per share, all of which are subject to adjustment under certain circumstances, including stock splits. At March 31, 2009, the number of shares of common stock necessary for conversion of all convertible bonds outstanding was approximately 4 million.

The aggregate annual maturities of long-term debt at March 31, 2009 were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2010	3,495	35,663
2011	3,445	35,153
2012	733	7,480
2013	7,588	77,429
2014	3,922	40,020
2015 and thereafter	7,196	73,428
	¥ 26,379	$ 269,173

The aggregate annual maturities of long-term lease obligations at March 31, 2009 were as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2010	69	704
2011	71	724
2012	70	714
2013	57	582
2014	28	286
2015 and thereafter	16	163
	¥ 311	$ 3,173

At March 31, 2009 and 2008, the following assets were pledged as collateral for short-term borrowings and long-term liabilities:

	Millions of yen				Thousands of U.S. dollars	
	2009		2008		2009	
Time deposits included in short-term investments	¥	32	¥	32	$	326
Buildings and structures		743		802		7,582

As is customary in Japan, substantially all loans from banks (including short-term loans) are made under general agreements which provide that, at the request of the relevant bank, the Japan Transcity Group is required to provide collateral or guarantors (or additional collateral or guarantors, as appropriate) with respect to the loans and that all assets pledged as collateral under such agreements will be applicable to all present and future indebtedness to the bank concerned. The Japan Transcity Group has not received such requests. The general agreements further provide that the banks have the right, as indebtedness matures or becomes due prematurely by reason of default thereon, to offset deposits at the banks against indebtedness due to the banks.

5. Employee Retirement Benefits

The Company has defined benefit retirement plans that cover 100% of the retirement benefits for the employees of the Company who terminate at the compulsory retirement age and 70% of other retirement benefits of the Company. Some of the consolidated subsidiaries have similar retirement benefit plans. In addition, two consolidated subsidiaries have a defined contribution pension plan in certain pension funds organized by others.

The following table reconciles the benefit liability and net periodic retirement benefit expense as at or for the years ended March 31, 2009 and 2008:

	Millions of yen				Thousands of U.S dollars	
	2009		2008		2009	
Reconciliation of benefit liability:						
Projected benefit obligation	¥	12,969	¥	13,622	$	132,337
Less fair value of pension plan assets at end of year		(8,468)		(10,857)		(86,408)
		4,501		2,765		45,929
Unrecognized actuarial differences (loss)		(3,341)		(661)		(34,092)
Unrecognized prior service cost of retroactive benefits granted by the pension plan amendment		418		284		4,265
Accrued retirement and severance benefits		1,578		2,388		16,102
Prepaid pension cost		437		358		4,459
Net amount of employee retirement benefit liability recognized on the consolidated balance sheets	¥	2,015	¥	2,746	$	20,561

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

	Millions of yen		Thousands of U.S dollars
	2009	2008	2009
Components of net periodic retirement benefit expense:			
Service cost	¥ 575	¥ 603	$ 5,867
Interest cost	234	256	2,388
Expected return on pension plan assets	(201)	(245)	(2,051)
Amortization of actuarial differences	153	(88)	1,561
Amortization of prior service cost	(46)	(42)	(469)
Net periodic retirement benefit expense	¥ 715	¥ 484	$ 7,296

Major assumptions used in the calculation of the above information for the years ended March 31, 2009 and 2008 were as follows:

	2009	2008
Method to attribute the projected benefits to the periods of service	Straight-line method	Straight-line method
Discount rate	2.0%	2.0%
Expected rate of return on pension plan assets	2.0%	2.0%
Amortization of actuarial differences	10 years	10 years
Amortization of prior service cost	10 years	10 years

6. Net Assets

The Japanese Corporate Law (“the Law”) became effective on May 1, 2006, replacing the former Japanese Commercial Code. The Law is generally applicable to events and transactions occurring after April 30, 2006 and for fiscal years ending after that date.

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Law, legal earnings reserve and additional paid-in capital can 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, 2009 and 2008, respectively, capital surplus principally consisted of additional paid-in capital. In addition, retained earnings included legal earnings reserve of the Company in the amount of ¥1,200 million ($12,245 thousand) at March 31, 2009 and 2008, respectively.

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.

During the year ended March 31, 2009, the Company paid interim dividends of ¥4.00 per share. In addition, at the annual shareholders' meeting held on June 26, 2009, the shareholders approved cash dividends of ¥4.50 per share, amounting to ¥292 million ($2,980 thousand). These appropriations have not been accrued in the consolidated financial statements as of March 31, 2009 as such appropriations are recognized in the period in which they are approved by the shareholders.

7. Contingent Liabilities

At March 31, 2009 and 2008, the Japan Transcity Group was contingently liable for guarantees of indebtedness of others in the amounts of ¥934 million ($9,531 thousand) and ¥1,072 million, respectively. Such amounts included the guarantees of indebtedness of 50%-ownded affiliates in the amount of ¥911 million ($9,296 thousand) and ¥1,046 million at March 31, 2009 and 2008, respectively.

8. Lease Commitments (Contracted before March 31, 2008)

The Japan Transcity Group leases, as lessee, land and buildings to be used for office spaces and warehouses principally under long-term cancelable or non-cancelable operating lease agreements. The Japan Transcity Group also leases computer equipment, other equipment and vehicles under leases which are not generally cancelable.

Total rental and lease expenses, including cancelable and non-cancelable leases, for the years ended March 31, 2009 and 2008 were ¥4,641 million ($47,357 thousand) and ¥6,541 million, respectively. For the years ended March 31, 2009 and 2008, the lease expenses for non-cancelable lease agreements which were categorized as financing leases amounted to ¥516 million ($5,265 thousand) and ¥473 million, respectively.

The aggregate future minimum payments for non-cancelable operating leases and financing leases, including the imputed interest, at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Operating leases:			
Due within one year	¥ 757	¥ 580	$ 7,725
Due after one year	3,343	3,362	34,112
	¥ 4,100	¥ 3,942	$ 41,837
Financing leases:			
Due within one year	¥ 494	¥ 504	$ 5,041
Due after one year	1,956	2,352	19,959
	¥ 2,450	¥ 2,856	$ 25,000

9. Derivative Instruments

For hedging purposes, the Japan Transcity Group is a party to derivative instruments such as interest rate swap contracts in the normal course of business to reduce its own exposure to fluctuations in interest rates. In addition, during the year ended March 31, 2007, the Company entered into a derivative contract relating to earthquakes for hedging purposes. The outstanding contract amount was ¥300 million ($3,061 thousand) at March 31, 2009 and 2008, respectively. As the fair value for such a contract is not considered determinable, that derivative contract has not been accounted for at fair value. All other derivative instrument contracts qualify for hedge accounting. The Japan Transcity Group is exposed to credit loss in the event of nonperformance by other parties. However, the Japan Transcity Group does not expect nonperformance by the counterparties, as the counterparties of the derivative transactions are limited to major banks with relatively high credit ratings.

10. Income Taxes

The tax effects of temporary differences that gave rise to a significant portion of the deferred tax assets and liabilities at March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Deferred tax assets:			
Enterprise tax accruals	¥ 11	¥ 38	$ 112
Accrued bonuses to employees	446	459	4,551
Employee retirement benefit liability	1,526	1,950	15,572
Accrued severance indemnities for directors and corporate auditors	21	159	214
Long-term accounts payable	148	-	1,510
Intercompany capital gains	322	333	3,286
Net operating loss carryforwards	175	168	1,786
Impairment loss on fixed assets	1,187	1,200	12,112
Other	381	357	3,888
	4,217	4,664	43,031
Less valuation allowance	(1,556)	(1,568)	(15,878)
Deferred tax assets	2,661	3,096	27,153
Deferred tax liabilities:			
Deferred capital gain	1,263	1,314	12,888
Unrealized gains on available-for-sale securities	333	1,280	3,398
Other	420	428	4,286
Deferred tax liabilities	2,016	3,022	20,572
Net deferred tax assets	¥ 645	¥ 74	$ 6,581

At March 31, 2009 and 2008, deferred tax assets and liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Deferred tax assets:			
Current	¥ 472	¥ 500	$ 4,816
Non-current	701	609	7,153
Deferred tax liabilities:			
Non-current	528	1,035	5,388

In assessing the realizability of deferred tax assets, management of the Japan Transcity 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, 2009 and 2008, a valuation allowance was provided to reduce the deferred tax assets to the extent that management believes that the deferred tax assets were realizable.

A reconciliation of the difference between the Japanese statutory effective tax rate and the actual effective income tax rate on pre-tax income reflected in the accompanying consolidated statements of income for the year ended March 31, 2009 was as follows:

	Percentage of pre-tax income
Japanese statutory effective tax rate	40.1%
Increase (decrease) due to:	
Permanently non-deductible expenses	2.3
Tax exempt income	(4.9)
Local minimum taxes per capita levy	1.6
Equity in net earnings of unconsolidated subsidiaries and affiliates	(5.8)
Change in valuation allowance	0.5
Other	3.5
Actual effective income tax rate	37.3%

A reconciliation for the year ended March 31, 2008 was not disclosed because the difference was immaterial.

11. Related Party Transaction

Information on related party transactions for the years ended March 31, 2009 and 2008 and the related amounts as of those dates is summarized as follows.

	Millions of yen		Thousands of U.S. dollars
At the year-end:	2009	2008	2009
Guarantees of indebtedness	¥ 761	¥ 1,046	$ 7,765

(Additional information)

ASBJ Statement No. 11, "Accounting Standard for Related Party Disclosures" and ASBJ Guidance No. 13, "Guidance on Accounting Standard for Related Party Disclosures" issued by the Accounting Standards Board of Japan on October 17, 2006, require certain additional related party disclosures effective for years beginning on or after April 1, 2008. Pursuant to the new accounting standards, information on Chubu Coal Center Co., Ltd. is disclosed for the year ended March 31, 2009.

	Millions of yen	Thousands of U.S. dollars
Total current assets	537	5,480
Total fixed assets	9,633	98,296
Total current liabilities	2,363	24,112
Total fixed liabilities	3,199	32,643
Total net assets	4,608	47,020
Operating revenue	3,350	34,184
Income before income taxes	1,003	10,235
Net income	599	6,112

12. **Segment Information**

The Japan Transcity Group's operations are classified into two major segments: “Integrated logistics services” and “Other services.” The “Other services” segment includes the real estate trading operations, golf club operations and other services. Information by industry segment for the years ended March 31, 2009 and 2008 is summarized as follows:

	Integrated logistics services	Others	Total	Elimination	Consolidated
	Millions of yen				
For the year ended March 31, 2009:					
Operating revenue:					
External customers	¥ 81,384	¥ 1,112	¥ 82,496	¥ -	¥ 82,496
Intersegment sales	26	1,077	1,103	(1,103)	-
Total operating revenue	81,410	2,189	83,599	(1,103)	82,496
Operating costs and expenses	79,260	2,066	81,326	(1,148)	80,178
Operating income	¥ 2,150	¥ 123	¥ 2,273	¥ 45	¥ 2,318
Identifiable assets	¥ 87,474	¥ 1,760	¥ 89,234	¥ (2,819)	¥ 86,415
Depreciation	3,085	52	3,137	-	3,137
Impairment loss on fixed assets	47	-	47	-	47
Capital expenditures	5,272	11	5,283	-	5,283
For the year ended March 31, 2008:					
Operating revenue:					
External customers	¥ 85,037	¥ 1,424	¥ 86,461	¥ -	¥ 86,461
Intersegment sales	28	1,285	1,313	(1,313)	-
Total operating revenue	85,065	2,709	87,774	(1,313)	86,461
Operating costs and expenses	81,250	2,551	83,801	(1,347)	82,454
Operating income	¥ 3,815	¥ 158	¥ 3,973	¥ 34	¥ 4,007
Identifiable assets	¥ 91,843	¥ 1,901	¥ 93,744	¥ (3,516)	¥ 90,228
Depreciation	2,813	168	2,981	-	2,981
Impairment loss on fixed assets	-	31	31	-	31
Capital expenditures	4,198	20	4,218	-	4,218
	Thousands of U.S. dollars				
For the year ended March 31, 2009:					
Operating revenue:					
External customers	$ 830,449	$ 11,347	$ 841,796	$ -	$ 841,796
Intersegment sales	265	10,990	11,255	(11,255)	-
Total operating revenue	830,714	22,337	853,051	(11,255)	841,796
Operating costs and expenses	808,775	21,082	829,857	(11,714)	818,143
Operating income	$ 21,939	$ 1,255	$ 23,194	$ 459	$ 23,653
Identifiable assets	$ 892,592	$ 17,959	$ 910,551	$ (28,765)	$ 881,786
Depreciation	31,479	531	32,010	-	32,010
Impairment loss on fixed assets	480	-	480	-	480
Capital expenditures	53,796	112	53,908	-	53,908

(Change in depreciation method)

As disclosed in Note 2(g), the Company and its domestic consolidated subsidiaries changed the depreciation method for property and equipment acquired on and after April 1, 2007 to the method pursuant to the amended Corporation Tax Law of Japan. As a result, for the year ended March 31, 2008, the depreciation expenses increased, and operating income for the "Integrated logistics services" segment and for the "Others" segment decreased by ¥103 million and ¥2 million , respectively, as compared with the previous accounting method.

(Additional information)

As also described in Note 2(g), as for the property and equipment acquired before April 1, 2007, from the current year ended March 31, 2008, the residual value is depreciated over five years using the straight-line method from the fiscal year following the year in which the depreciable limit is reached. As a result, for the year ended March 31, 2008, operating income for the "Integrated logistics services" segment and for the "Others" segment decreased by ¥93 million and ¥14 million, respectively, as compared with previous accounting method.

In accordance with the amendment of the Corporation Tax Law of Japan, the Company and its domestic consolidated subsidiaries change the useful life of machinery from in a range of 5 to 7 years to in the range of 10 to 12 years based on the reassessment of the useful lives in light of the change in the Corporation Tax Law of Japan. As a result, operating income for the “Integrated logistics services” segment and for the “Other” segment increased by ¥69 million ($704 thousand) and ¥2 million ($20 thousand), respectively, for the year ended March 31, 2009 as compared with the previous accounting method.

Geographic segment information is not shown, as operating revenue of the overseas subsidiaries was immaterial. Information for overseas sales is not disclosed, as such sales were also immaterial.

13. Condensed Financial Statements of Japan Transcity Corporation (Parent)

Presented below are the condensed non-consolidated balance sheets, non-consolidated statements of income and changes in net assets of Japan Transcity Corporation, the parent company.

Non-Consolidated Balance Sheets
Japan Transcity Corporation (Parent)

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Current assets:			
Cash and cash equivalents	¥ 8,542	¥ 8,918	$ 87,163
Short-term investments	38	34	388
Trade receivables, net of allowance for doubtful accounts	10,390	13,101	106,020
Inventories	16	18	163
Deferred tax assets	262	277	2,674
Other current assets	1,879	1,484	19,174
Total current assets	21,127	23,832	215,582
Property and equipment, at cost	71,962	68,884	734,306
Less accumulated depreciation	(30,513)	(29,611)	(311,357)
Net property and equipment	41,449	39,273	422,949
Investments and other assets:			
Investment securities	4,934	6,919	50,347
Investments in and long-term loans to subsidiaries and affiliates	3,081	3,728	31,439
Lease deposits	938	949	9,571
Other assets	1,689	1,727	17,234
Allowance for doubtful accounts	(35)	(22)	(357)
Total investments and other assets	10,607	13,301	108,234
Total assets	¥ 73,183	¥ 76,406	$ 746,765

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Current liabilities:			
Short-term borrowings	¥ 5,885	¥ 4,793	$ 60,051
Current maturities of long-term debt	3,165	9,873	32,296
Trade payables	6,623	8,566	67,582
Accrued expenses	836	878	8,530
Income taxes payable	18	177	184
Other current liabilities	1,050	1,961	10,714
Total current liabilities	17,577	26,248	179,357
Long-term debt	19,018	11,180	194,061
Employee retirement benefit liability	913	1,625	9,316
Deferred tax liabilities for revaluation	5,281	5,281	53,888
Deferred tax liabilities	465	964	4,745
Accrued severance indemnities for directors and corporate auditors	-	340	-
Other long-term liabilities	629	246	6,419
Total liabilities	43,883	45,884	447,786
Net assets:			
Common stock	8,428	8,428	86,000
Capital surplus	6,735	6,738	68,724
Retained earnings	16,663	16,293	170,031
Less treasury stock, at cost	(941)	(645)	(9,602)
Total shareholders' equity	30,885	30,814	315,153
Accumulated losses from valuation adjustment	(1,585)	(292)	(16,174)
Total net assets	29,300	30,522	298,979
Total liabilities and net assets	¥ 73,183	¥ 76,406	$ 746,765

Non-Consolidated Statements of Income (Unaudited)
Japan Transcity Corporation (Parent)
For the Year Ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Operating revenue	¥ 76,507	¥ 80,431	$ 780,684
Operating costs and expenses	74,974	77,673	765,041
Operating income	1,533	2,758	15,643
Other income (expenses):			
Interest and dividend income	394	329	4,020
Interest expenses	(314)	(335)	(3,204)
Miscellaneous, net	(79)	(160)	(806)
	1	(166)	10
Income before income taxes	1,534	2,592	15,653
Income taxes:			
Current	227	570	2,316
Deferred	380	518	3,878
Total income taxes	607	1,088	6,194
Net income	¥ 927	¥ 1,504	$ 9,459

	Yen		U.S. dollars
Per share:			
Net income:			
-Basic	¥ 14.17	¥ 22.61	$ 0.14
-Diluted	13.42	21.43	0.14
Cash dividends	8.50	8.50	0.09

Non-Consolidated Statements of Changes in Net Assets
Japan Transcity Corporation (Parent)
For the Years Ended March 31, 2009 and 2008

	Shareholders’ equity					Accumulated (losses) gains from valuation adjustment			
	Common stock	Capital surplus	Retained Earnings	Treasury stock	Total shareholder’ equity	Net unrealized gains on available-for-sale securities	Land revaluation decrement	Total accumulated losses from valuation adjustment	Total net assets
	Millions of yen								
Balance at March 31, 2007	¥ 8,428	¥ 6,738	¥ 15,355	¥ (138)	¥ 30,383	¥ 3,387	¥ (2,018)	¥ 1,369	¥ 31,752
Net income for the year	-	-	1,504	-	1,504	-	-	-	1,504
Cash dividends	-	-	(566)	-	(566)	-	-	-	(566)
Purchase of treasury stock and fractional shares, net	-	-	-	(507)	(507)	-	-	-	(507)
Net changes other than shareholders’ equity	-	-	-	-	-	(1,661)	-	(1,661)	(1,661)
Balance at March 31, 2008	¥ 8,428	¥ 6,738	¥ 16,293	¥ (645)	¥ 30,814	¥ 1,726	¥ (2,018)	¥ (292)	¥ 30,522
Net income for the year	-	-	927	-	927	-	-	-	927
Cash dividends	-	-	(558)	-	(558)	-	-	-	(558)
Purchase of treasury stock and fractional shares, net	-	(3)	-	(296)	(299)	-	-	-	(299)
Reversal of land revaluation	-	-	1	-	1	-	-	-	1
Net changes other than shareholders’ equity	-	-	-	-	-	(1,292)	(1)	(1,293)	(1,293)
Balance at March 31, 2009	¥ 8,428	¥ 6,735	¥ 16,663	¥ (941)	¥ 30,885	¥ 434	¥ (2,019)	¥ (1,585)	¥ 29,300
	Thousands of U.S. dollars								
Balance at March 31, 2008	$ 86,000	$ 68,755	$ 166,256	$ (6,582)	$ 314,429	$ 17,612	$ (20,592)	$ (2,980)	$ 311,449
Net income for the year	-	-	9,459	-	9,459	-	-	-	9,459
Cash dividends	-	-	(5,694)	-	(5,694)	-	-	-	(5,694)
Purchase of treasury stock and fractional shares, net	-	(31)	-	(3,020)	(3,051)	-	-	-	(3,051)
Reversal of land revaluation	-	-	10	-	10	-	-	-	10
Net changes other than shareholders’ equity	-	-	-	-	-	(13,184)	(10)	(13,194)	(13,194)
Balance at March 31, 2009	$ 86,000	$ 68,724	$ 170,031	$ (9,602)	$ 315,153	$ 4,428	$ (20,602)	$ (16,174)	$ 298,979