



# **BUSINESS REPORT 2011**



**NISSIN CORPORATION**

## ***Basic business policy***

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Based on the philosophy of “something new every day” from which the name “Nissin” derives, Nissin Group is committed to a process of constant renewal. Our basic business policy is to meet the expectations of shareholders and other stakeholders by continually enhancing the corporate value, while contributing to the creation of an affluent society through the provision of safe, fast, high-quality logistics-and travel-related services at a competitive cost.

To adhere to this policy, we seek to operate logistics-and travel-related services globally that are essential for economic and social development, while also fulfilling our corporate social responsibility in terms of compliance with business ethics, laws and regulations and involvement in activities to protect the global environment.

## *To Our Shareholders*

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We wish to thank all our shareholders for their continuing support and encouragement as we report on the performance of Nissin Corporation for the fiscal year ended March 31, 2011.

An overseas network and international logistics expertise are two of the main strengths of Nissin Group. Leveraging these advantages, we aim to generate sustained future growth by continuing to develop new business models that make full use of the Group's resources.

We ask your continuing support and encouragement.



Hiroshi Tsutsui

Chairman of the Board and Chief Executive Officer

Masahiro Tsutsui

President and Chief Operative Officer

## *Company Information:*

*Name:*

Nissin Corporation

*Head Office:*

6-84 Onoe-cho, Naka-ku, Yokohama, Japan

*Tokyo General Office:*

No.5, Sanban-cho, Chiyoda-ku, Tokyo, Japan

*Establishment:*

December 14, 1938

*Capital:*

6,097,263,500 yen (as of March 31, 2011)

*Business Term:*

Commencing April 1 and closing March 31  
of the following year

*Regular General Meeting  
of Shareholders:*

To be held in June

*Web site:*

<http://www.nissin-tw.co.jp/>



## ***Business Activities and Results***

During the fiscal year ended March 31, 2011, the world economy was on a recovery track led by rapid growth in China and in the emerging economies elsewhere in Asia and recovery in the U.S. and Europe. However, the pace of the recovery of the world economy slowed in the second half of the fiscal year as the U.S. and European economies slowed and political instability spread across North Africa and the Middle East.

Although a moderate export-led recovery of the Japanese economy continued, a robust self-sustaining recovery did not take hold owing to the slowdown of the world economy and the sharp appreciation of the yen. Moreover, the Great East Japan Earthquake of March 2011 disrupted business and dealt the economy a heavy blow.

In these circumstances, Nissin Group stepped up efforts to develop its business centering on international logistics and to enhance operational efficiency throughout the Group. We focused on two key regions: China where we promoted collaboration among Nissin Group companies and strengthened systems and structures, and the emerging economies elsewhere in Asia where we concentrated on upgrading the transportation infrastructure in each country. We also strengthened the foundation of the business in Eastern Europe, for example by expanding warehouse facilities in Poland. Measures to enhance the Group's operational efficiency included integration of accounting systems throughout the Group and introduction of a cash management system (CMS). At the same time, the Group implemented thorough cost management to further improve earnings power.

Although we had initially leased the premises of the Sakai Logistics Center opened in the previous fiscal year, we purchased it in March 2011 in order to reduce financial costs and to ensure stable services for our customers over the long term.

We recorded a provision for casualty loss amounting to ¥189 million as expenses for repairing facilities damaged by the Great East Japan Earthquake. The Company was investigated by the U.S. Justice Department about price adjustment concerning fuel surcharges in Japan. Accordingly, we recorded a provision for antitrust proceedings amounting to ¥222 million, which is the present estimated amount of a possible future loss.

As a result, consolidated net sales for the year under review increased 17.1% from the previous year to ¥192,617 million. Consolidated operating income soared 404.0% to ¥4,128 million and consolidated ordinary income jumped 322.9% to ¥4,357 million. Although an extraordinary loss of ¥1,229 million was recorded, consolidated net income amounted to ¥1,984 million, having increased 223.3% from the previous year.



## Segmental Overview

### I. Logistics Business

In Japan, handling of export ocean freight was upbeat. In addition to a great increase in the movement of finished four-wheel vehicles, complete knock-down (CKD) and other automobile-related parts, handling of solar power-related facilities and parts for Europe and petrochemicals was robust. Regarding import ocean freight, although handling of dairy products was sluggish, handling of home appliances and lumber and plywood increased and handling of sundries and furniture from China continued to be robust. Regarding export air freight, handling of electronic parts and automobile-related parts for North America, ASEAN countries, and China grew. Regarding import air freight, in addition to fruits and vegetables, fresh foods and other foods, handling of apparel and flowers increased. During the year under review, we started loading and unloading vehicles for domestic vessels, an environmentally friendly means of transportation, at the Port of Yokohama. The facility utilization rate of the Sakai Logistics Center remained high.

Overseas, in the Americas, both air and ocean transport of automobile-related parts for imports and exports recovered in line with the recovery of automobile production. Also, international air freight forwarding of fresh foods and handling of electronic parts made in Japan contributed to revenues. In Europe, both air and marine transport of automobile-related parts increased for imports to the UK. In China, handling of export air freight of electronic parts increased.

As a result, consolidated segment sales were ¥144,229 million and segment income (consolidated operating income) was ¥3,414 million.

### II. Travel Service Business

Business travel services trended upward thanks to the winning of new customers as well as recovery of corporate earnings and companies' ongoing globalization. Group travel services were robust centering on educational and cultural travel. However, recovery of the overall travel services was modest because of lost profit due to the cancellation of overseas business travel and group travel in the aftermath of the earthquake that occurred in March.

As a result, consolidated segment sales were ¥47,345 million and segment income consolidated operating income was ¥56 million.



## Segmental Overview

### III. Real Estate Business

Leasing of commercial buildings and commercial sites in the Keihin district was robust and the revenue stream was stable.

Consolidated segment sales were ¥1,042 million and segment income consolidated operating income was ¥654 million.

#### <About Segment Classification>

Effective from the year under review, we have applied the Accounting Standard for Disclosures about Segments of an Enterprise and Related information and changed the segment classification to: Logistics Business, Travel Service Business, and Real Estate Business.

Forecasts of consolidated business results for the year ending March 31, 2012, are as follows:

Forecasts of consolidated business results

Net sales:	¥178,400 million (a year-on-year increase of 1.4%)
Operating income:	¥4,000 million (a year-on-year decrease of 3.1%)
Ordinary income:	¥4,000 million (a year-on-year decrease of 8.2%)
Net income:	¥2,000 million (a year-on-year increase of 0.8%)

The amount of net sales presented is the amount reflecting the accounting policy to be introduced from the fiscal year ending March 31, 2012. Net sales for the fiscal year ended March 31, 2011, would have been ¥175,968 million, under the new accounting policy.

Business Unit	Fiscal 2010		Fiscal 2011	
	Millions of yen	% of total	Millions of yen	% of total
Logistics Business	128,015	77.9	144,229	74.9
Travel Service Business	35,420	21.5	47,345	24.6
Real Estate Business	985	0.6	1,042	0.5
Total	164,420	100.0	192,617	100.0





## Topics

### Strengthened Operations of the Sakai Logistics Center

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Since April 2009 we had leased the premises of the Sakai Logistics Center under a fixed-term building lease agreement. However, in order to ensure provision of stable services over the long term, we purchased it in March 2011. Ownership of this facility enables us to strengthen the Sakai Logistics Center's operations.

The Sakai Logistics Center is the core facility underpinning our systems and structures as a global logistics service provider with comprehensive capabilities. Taking advantage of its prime location, the Center is addressing diverse needs. We are also reducing the environmental impact of the Center's operations. For example, a photovoltaic power generation system has been installed and a greening project is underway to create an attractive environment.

We are resolved to meet our customers' expectations by providing high-quality logistics services.

#### <Overview of the Sakai Logistics Center>

Name: Sakai Logistics Center, Nissin Corporation

Address: 138-3 Chikkoyawatamachi, Sakai-ku, Sakai City, Osaka

Land area: 32,522.47 m<sup>2</sup>

Building: 4-story steel construction with alloy-coated steel roofing

Total floor area: 63,597.34 m<sup>2</sup>



### Poland Nissin Expands Distribution Center to Meet Increasing Volume

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Poland Nissin increased the floor area of its distribution center opened in 2008 by 10,120 m<sup>2</sup> to 26,086 m<sup>2</sup> in response to the recent increase in freight volume. The expanded distribution center commenced operation in February 2011.

Fully utilizing the latest IT systems, this warehouse offers, in addition to storage, meticulous services, including receiving of products as they come off factory production lines, management of products according to their quality inspection status, transfer of ownership within the warehouse to distributors, and responses to various requests from destinations throughout Europe.

The eastward expansion of the EU means Eastern Europe and Russia are increasingly important for production and sales. Leveraging this state-of-the-art warehouse together with its approximately 100-strong workforce, Poland Nissin is strengthening marketing to win more business.





## Topics

### The 4th Mid-term Business Plan

#### ■ Basic Policy

#### Flourish as a Global Logistics Service Provider

- Business development by shifting the focus to international business  
➔ Increase international sales
- Strengthen earnings power  
➔ Improve profit margin

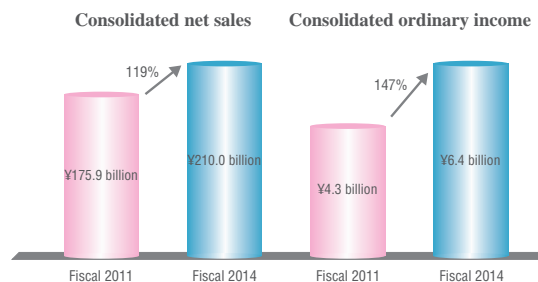
Nissin Group has formulated the 4th mid-term business plan covering a three-year period from the fiscal year started April 2011. Aspiring to be a flourishing global logistics service provider, we will pursue business development by shifting the focus to international business and strengthening earnings power to enhance international competitiveness. Quantitative targets for the fiscal year ending March 2014 are consolidated net sales of ¥210 billion, ordinary income of ¥6.4 billion, and net income of ¥4.0 billion.

In international business, we will emphasize allocation of resources to rapidly growing economies, namely, China, India and Southeast Asia. By developing human resources with a global perspective, putting in place sales & marketing and administrative systems and structures at overseas sites, and improving global capabilities in line with the progress of IT, we intend to strengthen the foundation of the international business with the aim of increasing sales of overseas subsidiaries. Moreover, by reviewing business processes and the organizational structure, we will improve operational efficiency and streamline organizations. Shifting resources to key fields, we intend to become an enterprise with high earnings power capable of improving profit margins.

#### Key strategies

1. Strengthen the forwarding business
2. Reinforce the domestic business
3. Focus on high-growth emerging economies
4. Develop and foster a new business model for growth
5. Establish a robust management foundation

#### Quantitative targets



\* The amount of net sales presented for the fiscal year ended March 31, 2011, is the amount reflecting the accounting policy to be introduced for the fiscal year ending March 31, 2012.



## Business Outline

(as of March 31, 2011)

### Stock Information

1. Total number of authorized shares 200,000,000 shares
2. Total number of issued shares 101,363,846 shares  
(Of which treasury stock: 1,202,468 shares)
3. Total number of shareholders 5,027
4. Main shareholders (Top 10 shareholders)

List of Main Shareholders	Investment in Nissin
	No. of shares held*
THE DAI-ICHI MUTUAL LIFE INSURANCE COMPANY	6,810
THE BANK OF TOKYO-MITSUBISHI UFJ, LTD.	4,972
THE BANK OF YOKOHAMA, LTD.	4,890
NIPPON LIFE INSURANCE COMPANY	4,594
NISSIN SHOJI CO., LTD.	4,099
NIPPONKOA INSURANCE CO., LTD.	3,429
TOKIO MARINE & NICHIDO FIRE INSURANCE CO., LTD.	3,325
SUMITOMO MITSUI BANKING CORPORATION	3,248
JAPAN TRUSTEE SERVICES BANK, LTD. (Trust Account)	3,118
Aioi Nissay Dowa Insurance Co., Ltd.	2,980

\*in thousands

### Employees

Number of Employees	Average age of employees	Average length of service
Total 1,227	39.66	13.45

\* The number of employees excludes loaned employees working for the Company.

### On a consolidated basis

Business segments	Number of employees
Logistics Business	4,319
Travel Service Business	385
Real Estate Business	9
Total	4,713



## **Directors and Auditors**

(as of June 24, 2011)

Chairman of the Board and Chief Executive Officer (Representative Director)	Hiroshi Tsutsui
President and Chief Operative Officer (Representative Director)	Masahiro Tsutsui
Director and Senior Managing Executive Officer	Mikio Araga
Director and Managing Executive Officer	Hiroaki Furuya
Director and Managing Executive Officer	Masahiko Nakamura
Director and Managing Executive Officer	Norihisa Sakaguchi
Director and Executive Officer	Tetsuo Komaki
Director and Executive Officer	Hideto Sakurai
Director and Executive Officer	Yoshio Akao
Standing Auditor	Toshio Ishikawa
Auditor	Takeshi Tsuda
Auditor	Osamu Takeda

Executive Officer	Masaji Fujii
Executive Officer	Tetsuhiro Onomoto
Executive Officer	Masahiro Fujii
Executive Officer	Yoshiyuki Ichikawa
Executive Officer	Yuji Azuma
Executive Officer	Yoshinobu Obayashi
Executive Officer	Noboru Nakama
Executive Officer	Junichiro Watanabe
Executive Officer	Satoshi Yamaoka
Executive Officer	Yoshio Tsutui

Note: Auditors Takeshi Tsuda and Osamu Takeda are outside auditors.



## Domestic Business Network

- ① Sapporo (Hokkaido Nissin Co., Ltd.) Head Office
- ② Ebetsu Office (Hokushin Sangyo)
- ③ Tomakomai Office (Hokkaido Nissin)
- ④ Hakodate (Hokushin Koun Co., Ltd.) Head Office
- ⑤ Kakuda Office
- ⑥ Kita Kanto Office
- ⑦ Tochigi Office
- ⑧ Haga Office
- ⑨ Takasaki Office
- ⑩ Ohta Office
- ⑪ Ibaraki Office
- ⑫ Saitamafujimino Office
- ⑬ Asaka Office
- ⑭ Chiba Branch
- ⑮ Chiba Warehouse
- ⑯ Chuoko Office
- ⑰ Shinko Office
- ⑱ Narashino Office
- ⑲ Ichihara Office
- ⑳ Narita Logistics Center
- ㉑ Tokyo General Office
- ㉒ Ohi CFS
- ㉓ Ohi Warehouse
- ㉔ Frozen Cargo Warehouse
- ㉕ Aomi Warehouse
- ㉖ Aomi Cargo Distribution Office
- ㉗ Heiwajima Center
- ㉘ Shibaura Office
- ㉙ Shinkiba Office
- ㉚ Tokyo East Office
- ㉛ Tokyo West Office
- ㉜ Head Office (Yokohama)
- ㉝ Detamachi Office
- ㉞ Minami Honmoku Distribution Center
- ㉟ Honmoku A-7 Office
- ㊱ Honmoku (East, West) Warehouse
- ㊲ Honmoku Pier-C Office
- ㊳ Honmoku Frozen Cargo Warehouse
- ㊴ Minami Honmoku Terminal Office
- ㊵ Minami Honmoku Office
- ㊶ Yokohama Air Cargo Terminal Office
- ㊷ Kanagawa Pier Office
- ㊸ Bankokubashi Warehouse
- ㊹ Yamashita (South, North) Warehouse
- ㊺ Daikoku Warehouse (Port of Yokohama)
- ㊻ Daikoku (L-2, L-5) Office
- ㊼ Daikoku Office
- ㊽ Daikoku Vehicle Terminal Center
- ㊾ Negishi Office
- ㊿ Shinko Warehouse
- 1 ㉑ Tsurumi Operation Center
- 2 ㉒ Yokohama Hazawa Office
- 3 ㉓ Higashi Ogishima Office
- 4 ㉔ Higashi Ogishima Distribution Center
- 5 ㉕ Kawasaki Office
- 6 ㉖ Kawasaki (Petrochemical Products) Tank Yard
- 7 ㉗ Atsugi Office
- 8 ㉘ Omi Office
- 9 ㉙ Kanazawa Office
- 10 ㉚ Fukui Office
- 11 ㉛ Hamamatsu Office
- 12 ㉜ Nagoya Office
- 13 ㉝ Koto Office
- 14 ㉞ Suzuka Office
- 15 ㉟ Kyoto Office
- 16 ㊱ Katsuragi Office
- 17 ㊲ Osaka Branch
- 18 ㊳ Nishitanabe Operation Center
- 19 ㊴ Minami Osaka Cargo Distribution Center
- 20 ㊵ Hirabayashi Cargo Distribution Center
- 21 ㊶ Nanko Office
- 22 ㊷ Nanko East Office
- 23 ㊸ Nanko Warehouse (Port of Osaka)
- 24 ㊹ Nanko Air Cargo Center
- 25 ㊺ Nanko West Warehouse
- 26 ㊻ Nanko Petrochemical Products Center
- 27 ㊼ Nanko L-2 Office
- 28 ㊽ Nanko Parts Center
- 29 ㊾ Sukematsu Pier Office
- 30 ㊿ Sukematsu Distribution Center
- 31 ㉑ Shiomi Pier Office
- 32 ㉒ Kansai International Airport Office
- 33 ㉓ LNG Operation Center
- 34 ㉔ Itotsu Office
- 35 ㉕ Minami Osaka Office
- 36 ㉖ Yumeshima Terminal Office
- 37 ㉗ Izumisano Distribution Center
- 38 ㉘ Sakai Logistics Center
- 39 ㉙ Sakai Office
- 40 ㉚ Kobe Branch Office
- 41 ㉛ Seishin Office
- 42 ㉜ Maya Warehouse (Port of Kobe)
- 43 ㉕ Maya West Warehouse
- 44 ㉖ Maya Frozen Cargo Warehouse
- 45 ㉗ Maya East Distribution Center
- 46 ㉘ PIL-13 Office
- 47 ㉙ PC-14 Office
- 48 ㉚ K-DIC Office
- 49 ㉛ Maniwa Office
- 50 ㉜ Hiroshima Office
- 51 ㉕ Fukuoka Office
- 52 ㉖ Tachiarai Office
- 53 ㉗ Omuta Office
- 54 ㉘ Miyazaki Office
- 55 ㉙ Okinawa Office

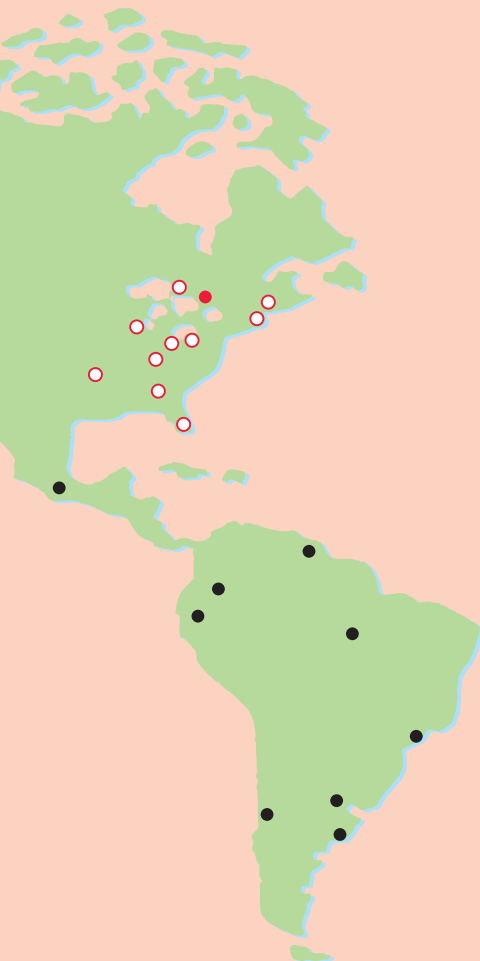




## Overseas Network



- Head Office
- Branch
- Representative Office
- Agency Office



## Europe

- Nissin Transport GmbH Head Office
- Neuss Branch
- Duesseldorf Airport Office
- Frankfurt Airport Office
- Hamburg European Logistics Center
- Hamburg Airport Office
- Hamburg Parts Center
- Nissin (U.K.) Ltd. Head Office
- Swindon Office
- Mill Road Branch
- Nissin Transport Ges. mbH Head Office (Vienna)
- Nissin Transports Espana S.A. Head Office (Barcelona)
- Nissin Transport France S.A.S. Head Office
- Nissin Belgium N.V. Head Office
- Limited Liability Company "Nissin Rus"
- Moscow Rep. Office
- Poland Nissin Sp. zo. o. Head Office

## Middle East

- Nissin Middle East FZE Head Office (Dubai)

## Asia

- Nissin Transport Singapore Pte. Ltd. Head Office and Tuas Office
- Airport Office
- Siam Nistrans Co., Ltd. Head Office (Bangkok)
- Airport Office
- Laem Chabang Branch
- Cargo Distribution Center Office
- Chiangmai Branch
- Rangsit Branch
- Rojana Branch
- Nistrans (M) SDN. BHD. Head Office
- Airport Office
- Port Klang Office
- DOH Parts Center
- Johor Bahru Branch
- Penang Branch
- Malacca Logistics Center
- Nissin Transport Philippines Corporation Head Office (Manila)
- Anchor Logistics Head Office
- Nissin ABC Logistics Private Ltd.
- Haldia Office
- Greater Noida Office
- Mumbai Office
- Gurgaon Office
- PT.Nissin Transport Indonesia
- Airport Office
- Nissin Logistics (VN) Co., Ltd.
- Ho Chi Minh Branch
- VSIP Distribution Center
- NR Greenlines Logistics co., Ltd. Head Office
- Almaty Rep. Office
- Yangon Rep. Office

## China

- Nissin Transportation & Warehousing (H.K.) Head Office
- Airport Office

- Shenzhen Office
- Kwai Chung Logistics Division Office
- Shanghai Gaosin Trade & Warehousing Industrial Co., Ltd. Head Office
- Ningbo Office
- Airport Office
- Logistics Zone Branch
- Changshu Nissin Sinotrans Transportation Co., Ltd. Head Office
- Development Zone Office
- Jiangsu Nissin Sinotrans International Transportation Co., Ltd. Head Office
- Wuxi Branch
- Suzhou Branch
- Nantong Branch
- Nissin-Sinotrans International Logistics Co., Ltd. Head Office
- Beijing Branch
- Beijing Airport Office
- Qingdao Branch
- Guanzhou Branch
- Dalian Branch
- Wuhan Branch
- Tianjin Branch
- Zhongshan Branch
- Foshan Branch
- Nissin (Shanghai) Logistics Co., Ltd.
- Beijing Rep. Office
- Shanghai Rep. Office

## North America

- Nissin International Transport U.S.A., Inc. Head Office
- Los Angeles Branch
- Rancho Cucamonga Branch
- San Francisco Branch
- Seattle Branch
- Portland Branch
- San Diego Branch
- Chicago Branch
- South Chicago Branch
- Columbus Branch
- Indianapolis Branch
- Memphis Branch
- Texas Branch
- Atlanta Branch
- Alabama Office
- New York Branch
- New Jersey Branch
- Miami Branch
- Nissin Transport (Canada) Inc. Head Office
- Vancouver Branch
- Alliston Branch
- Nissin Transport (Mexico) Inc. Head Office
- Logistics Center (Rosarito)



## Consolidated Balance Sheet

Assets		
<b>Current assets</b>	(millions of yen)	(thousands of US dollars)
Cash and deposits	¥ 10,106	\$ 121,548
Notes and accounts receivable-trade	27,141	326,411
Short-term investment securities	87	1,053
Raw materials and supplies	56	683
Deferred tax assets	850	10,223
Other	3,233	38,883
Allowance for doubtful accounts	(256)	(3,079)
<b>Current assets</b>	<b>41,219</b>	<b>495,725</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	21,299	256,154
Machinery, equipment and vehicles, net	1,618	19,462
Land	16,934	203,663
Other, net	888	10,688
<b>Property, plant and equipment</b>	<b>40,740</b>	<b>489,968</b>
<b>Intangible assets</b>		
Goodwill	267	3,221
Other	3,741	44,991
<b>Intangible assets</b>	<b>4,008</b>	<b>48,213</b>
<b>Investments and other assets</b>		
Investment securities	12,143	146,038
Long-term loans receivable	473	5,700
Deferred tax assets	492	5,923
Other	4,325	52,021
Allowance for doubtful accounts	(462)	(5,556)
Allowance for investment loss	(147)	(1,772)
<b>Investments and other assets</b>	<b>16,825</b>	<b>202,354</b>
<b>Noncurrent assets</b>	<b>61,575</b>	<b>740,536</b>
<b>Assets</b>	<b>¥ 102,795</b>	<b>\$ 1,236,261</b>

\*as of March 31, 2011 (Exchange Rate: ¥83.15 / USD)

Liabilities		
<b>Current liabilities</b>	(millions of yen)	(thousands of US dollars)
Notes and accounts payable-trade	¥ 14,204	\$ 170,827
Short-term loans payable	11,374	136,791
Current portion of bonds	200	2,405
Lease obligations	183	2,212
Income taxes payable	928	11,169
Provision for bonuses	1,620	19,483
Provision for directors' bonuses	20	240
Provision for casualty loss	189	2,274
Provision for antitrust proceedings	222	2,680
Other	5,298	63,717
<b>Current liabilities</b>	<b>34,241</b>	<b>411,803</b>
<b>Noncurrent liabilities</b>		
Bonds payable	2,400	28,863
Long-term loans payable	22,726	273,315
Lease obligations	216	2,604
Long-term accounts payable-other	243	2,933
Deferred tax liabilities	2,146	25,819
Provision for retirement benefits	1,236	14,866
Provision for directors' retirement benefits	117	1,414
Other	1,800	21,653
<b>Noncurrent liabilities</b>	<b>30,887</b>	<b>371,471</b>
<b>Liabilities</b>	<b>65,129</b>	<b>783,274</b>
Net assets		
<b>Shareholders' equity</b>	(millions of yen)	(thousands of US dollars)
<b>Capital stock</b>	<b>6,097</b>	<b>73,328</b>
<b>Capital surplus</b>	<b>4,380</b>	<b>52,678</b>
<b>Retained earnings</b>	<b>27,217</b>	<b>327,326</b>
<b>Treasury stock</b>	<b>(316)</b>	<b>(3,807)</b>
<b>Shareholders' equity</b>	<b>37,378</b>	<b>449,526</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,093	25,183
Deferred gains or losses on hedges	0	8
Foreign currency translation adjustment	(2,474)	(29,764)
Accumulated other comprehensive income	(380)	(4,573)
<b>Minority interests</b>	<b>667</b>	<b>8,033</b>
<b>Net assets</b>	<b>37,665</b>	<b>452,986</b>
<b>Liabilities and net assets</b>	<b>102,795</b>	<b>1,236,261</b>

## Consolidated Statement of Income

(April 1, 2010 through March 31, 2011)	Itemized Amount	Total Amount	Itemized Amount	Total Amount
	(millions of yen)	(millions of yen)	(thousands of US dollars)	(thousands of US dollars)
Net sales		¥ 192,617		\$ 2,316,504
Cost of sales		166,475		2,002,108
<b>Gross profit</b>		<b>26,142</b>		<b>314,396</b>
Selling, general and administrative expenses		22,013		264,747
<b>Operating income</b>		<b>4,128</b>		<b>49,648</b>
<b>Non-operating income</b>				
Interest income	32		386	
Dividends income	244		2,937	
Equity in earnings of affiliates	278		3,354	
Foreign exchange gains	35		432	
Other	432	1,023	5,197	12,309
<b>Non-operating expenses</b>				
Interest expenses	603		7,262	
Other	190	794	2,296	9,558
<b>Ordinary income</b>		<b>4,357</b>		<b>52,399</b>
<b>Extraordinary income</b>				
Gain on sales of noncurrent assets	59	59	711	711
<b>Extraordinary loss</b>				
Loss on valuation of investment securities	438		5,271	
Loss on antitrust violation	222		2,680	
Casualty loss	189		2,274	
Provision of allowance for investment loss	147		1,772	
Loss on adjustment for changes of accounting standard for asset retirement obligations	136		1,636	
Loss on retirement of noncurrent assets	41		499	
Loss on sales of investment securities	41		493	
Impairment loss	13	1,229	158	14,786
<b>Income before income taxes</b>		<b>3,186</b>		<b>38,323</b>
Income taxes-current	1,269		15,265	
Income taxes-deferred	(130)	1,139	(1,566)	13,698
<b>Income before minority interests</b>		<b>2,047</b>		<b>24,625</b>
<b>Minority interests in income</b>		<b>62</b>		<b>757</b>
<b>Net income</b>		<b>1,984</b>		<b>23,867</b>

## Consolidated Statement of Changes in Net Assets

(April 1, 2010 through March 31, 2011)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the end of previous period	6,097	4,380	25,933	(313)	36,097
Changes of items during the period					
Dividends from surplus			(701)		(701)
Net income			1,984		1,984
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(0)	1,283	(2)	1,280
Balance at the end of current period	6,097	4,380	27,217	(316)	37,378

(Millions of yen)

	Accumulated other comprehensive income				Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the end of previous period	2,517	(11)	(1,732)	772	618	37,488
Changes of items during the period						
Dividends from surplus						(701)
Net income						1,984
Purchase of treasury stock						(3)
Disposal of treasury stock						0
Net changes of items other than shareholders' equity	(423)	12	(742)	(1,153)	49	(1,103)
Total changes of items during the period	(423)	12	(742)	(1,153)	49	177
Balance at the end of current period	2,093	0	(2,474)	(380)	667	37,665

## Non-Consolidated Balance Sheet

Assets		
<b>Current assets</b>	(millions of yen)	(thousands of US dollars)
Cash and deposits	¥ 3,345	\$ 40,231
Notes receivable-trade	411	4,946
Accounts receivable-trade	18,229	219,234
Short-term investment securities	87	1,053
Raw materials and supplies	13	160
Prepaid expenses	595	7,166
Short-term loans receivable	38	465
Short-term loans receivable from subsidiaries and affiliates	453	5,451
Accounts receivable-duty etc.	1,967	23,660
Deferred tax assets	515	6,198
Other	729	8,775
Allowance for doubtful accounts	(65)	(787)
<b>Current assets</b>	<b>26,321</b>	<b>316,557</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings, net	17,546	211,027
Structures, net	1,109	13,344
Machinery and equipment, net	838	10,078
Vehicles, net	151	1,827
Tools, furniture and fixtures, net	207	2,490
Land	12,214	146,898
Construction in progress	275	3,314
<b>Property, plant and equipment</b>	<b>32,343</b>	<b>388,980</b>
<b>Intangible assets</b>		
Leasehold right	2,524	30,356
Software	993	11,951
Telephone subscription right	57	693
Other	7	85
<b>Intangible assets</b>	<b>3,582</b>	<b>43,085</b>
<b>Investments and other assets</b>		
Investment securities	8,984	108,048
Stocks of subsidiaries and affiliates	8,362	100,567
Investments in capital	9	118
Investments in capital of subsidiaries and affiliates	1,718	20,666
Long-term loans receivable	355	4,275
Long-term loans receivable from employees	0	5
Long-term loans receivable from subsidiaries and affiliates	1,734	20,862
Claims provable in bankruptcy, claims provable in rehabilitation and other	351	4,232
Long-term prepaid expenses	129	1,560
Prepaid pension cost	1,298	15,611
Lease deposits	592	7,130
Guarantee deposits	814	9,791
Other	247	2,979
Allowance for doubtful accounts	(522)	(6,287)
Allowance for investment loss	(853)	(10,268)
<b>Investments and other assets</b>	<b>23,223</b>	<b>279,294</b>
<b>Noncurrent assets</b>	<b>59,149</b>	<b>711,360</b>
<b>Assets</b>	<b>85,471</b>	<b>1,027,918</b>

\*as of March 31, 2011 (Exchange Rate: ¥83.15 / USD)



Liabilities		
<b>Current liabilities</b>	(millions of yen)	(thousands of US dollars)
Accounts payable-trade	¥ 11,040	\$ 132,776
Short-term loans payable	5,257	63,226
Current portion of long-term loans payable	4,473	53,794
Current portion of bonds	200	2,405
Lease obligations	30	365
Accounts payable-other	241	2,907
Accrued expenses	485	5,833
Income taxes payable	533	6,414
Deposits received	26	318
Accounts payable-duty etc.	1,709	20,559
Provision for bonuses	868	10,450
Provision for directors' bonuses	20	240
Provision for casualty loss	159	1,922
Provision for antitrust proceedings	222	2,680
Other	617	7,430
<b>Current liabilities</b>	<b>25,886</b>	<b>311,326</b>
<b>Noncurrent liabilities</b>		
Bonds payable	2,400	28,863
Long-term loans payable	22,346	268,744
Lease obligations	94	1,133
Long-term accounts payable-other	236	2,842
Deferred tax liabilities	1,331	16,010
Asset retirement obligations	135	1,633
Long-term deposits received	1,120	13,474
<b>Noncurrent liabilities</b>	<b>27,664</b>	<b>332,703</b>
<b>Liabilities</b>	<b>53,551</b>	<b>644,030</b>
Net assets		
<b>Shareholders' equity</b>	(millions of yen)	(thousands of US dollars)
<b>Capital stock</b>	<b>6,097</b>	<b>73,328</b>
<b>Capital surplus</b>		
Legal capital surplus	4,366	52,516
Other capital surplus	21	254
<b>Capital surplus</b>	<b>4,387</b>	<b>52,770</b>
<b>Retained earnings</b>		
Legal retained earnings	1,524	18,329
Other retained earnings	18,170	218,523
Reserve for property replacement	1,269	15,270
Reserve for reduction entry of land	259	3,122
General reserve	15,000	180,396
Retained earnings brought forward	1,640	19,733
<b>Retained earnings</b>	<b>19,694</b>	<b>236,853</b>
<b>Treasury stock</b>	<b>(270)</b>	<b>(3,248)</b>
<b>Shareholders' equity</b>	<b>29,909</b>	<b>359,704</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	2,010	24,175
Deferred gains or losses on hedges	0	8
<b>Valuation and translation adjustments</b>	<b>2,010</b>	<b>24,183</b>
<b>Net assets</b>	<b>31,920</b>	<b>383,888</b>
<b>Liabilities and net assets</b>	<b>85,471</b>	<b>1,027,918</b>

## Non-Consolidated Statement of Income

(April 1, 2010 through March 31, 2011)	Itemized Amount	Total Amount	Itemized Amount	Total Amount
	(millions of yen)	(millions of yen)	(thousands of US dollars)	(thousands of US dollars)
Net sales		¥ 117,244		\$ 1,410,030
Cost of sales		104,705		1,259,239
<b>Gross profit</b>		<b>12,538</b>		<b>150,791</b>
Selling, general and administrative expenses		10,388		124,932
<b>Operating income</b>		<b>2,150</b>		<b>25,858</b>
<b>Non-operating income</b>				
Interest income	59		712	
Interest on securities	0		5	
Dividends income	626		7,537	
Rent income	40		492	
Foreign exchange gains	79		955	
Other	150	957	1,811	11,514
<b>Non-operating expenses</b>				
Interest expenses	506		6,086	
Interest on bonds	23		278	
Other	83	613	1,008	7,373
<b>Ordinary income</b>		<b>2,494</b>		<b>29,999</b>
<b>Extraordinary income</b>				
Reversal of allowance for doubtful accounts	141		1,699	
Gain on sales of noncurrent assets	3	145	45	1,745
<b>Extraordinary loss</b>				
Loss on valuation of investment securities	434		5,225	
Loss on antitrust violation	222		2,680	
Provision of allowance for investment loss	190		2,285	
Casualty loss	159		1,922	
Loss on adjustment for changes of accounting standard for asset retirement obligations	109		1,321	
Loss on sales of investments in capital of subsidiaries and affiliates	41		493	
Loss on retirement of noncurrent assets	25		305	
Impairment loss	2	1,186	34	14,267
<b>Income before income taxes</b>		<b>1,453</b>		<b>17,477</b>
Income taxes-current	642		7,725	
Income taxes-deferred	89		1,070	
<b>Net income</b>		<b>721</b>		<b>8,681</b>

## Non-Consolidated Statement of Changes in Net Assets

(April 1, 2010 through March 31, 2011)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings				Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings				
						Reserve for property replaced	Reserve for reduction entry of land	General reserve	Retained earnings brought forward	
Balance at the end of previous period	6,097	4,366	21	4,387	1,524	1,347	259	14,000	2,542	19,673
Changes of items during the period										
Reversal of reserve for property replacement						(77)			77	—
Provision of general reserve								1,000	(1,000)	—
Dividends from surplus									(701)	(701)
Net income									721	721
Purchase of treasury stock										
Disposal of treasury stock			(0)	(0)						
Net changes of items other than shareholders' equity										
Total changes of items during the period	—	—	(0)	(0)	—	(77)	—	1,000	(901)	20
Balance at the end of current period	6,097	4,366	21	4,387	1,524	1,269	259	15,000	1,640	19,694

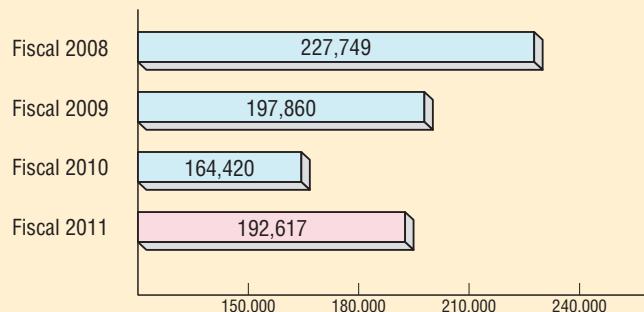
(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the end of previous period	(267)	29,891	2,453	(11)	2,442	32,333
Changes of items during the period						
Reversal of reserve for property replacement		—				—
Provision of general reserve		—				—
Dividends from surplus		(701)				(701)
Net income		721				721
Purchase of treasury stock	(3)	(3)				(3)
Disposal of treasury stock	0	0				0
Net changes of items other than shareholders' equity			(443)	12	(431)	(431)
Total changes of items during the period	(2)	17	(443)	12	(431)	(413)
Balance at the end of current period	(270)	29,909	2,010	0	2,010	31,920

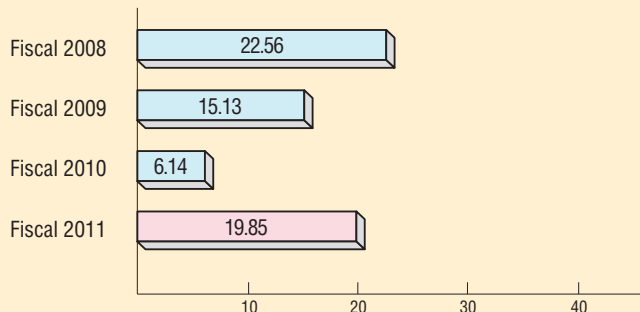


## Consolidated Financial Highlights (for the last 4 years)

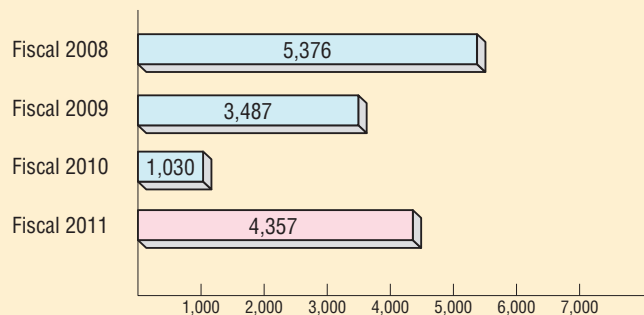
### Net sales (millions of yen)



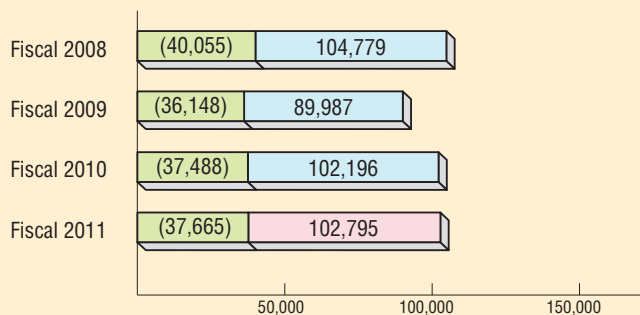
### Earnings per Share (yen)



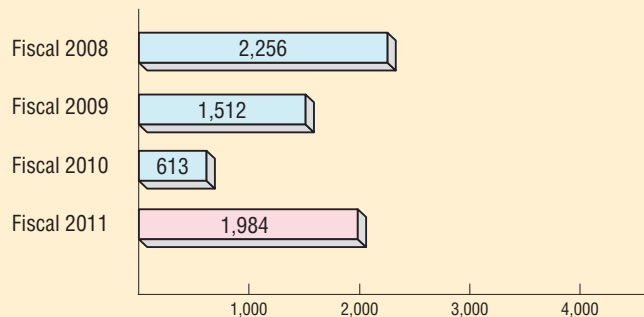
### Ordinary income (millions of yen)



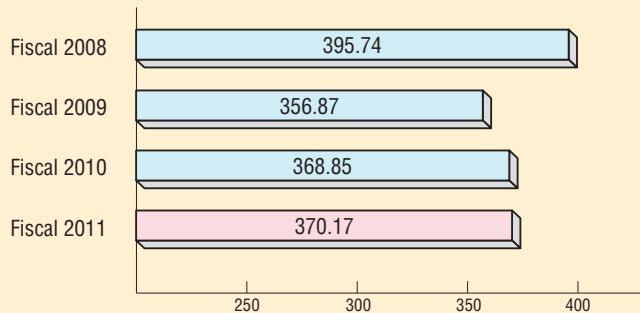
### Shareholders' Equity / Total Assets (millions of yen)



### Net Income (millions of yen)

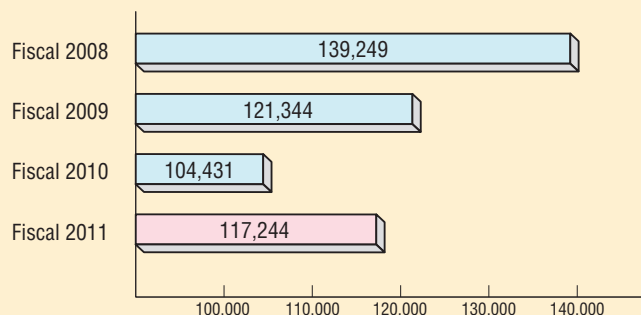


### Book Value per Share (yen)

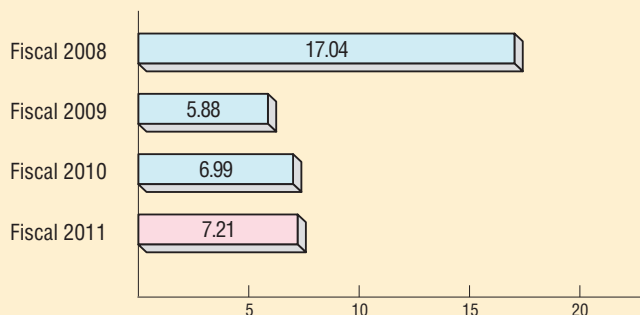


## Non-Consolidated Financial Highlights (for the last 4 years)

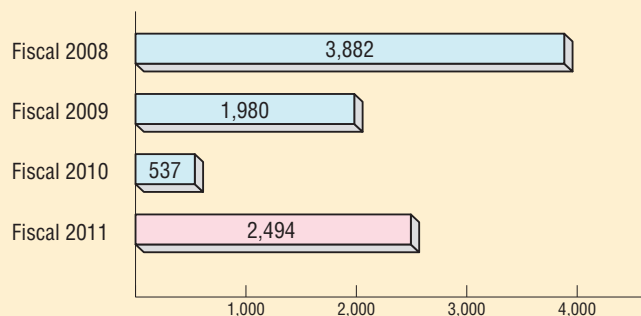
### Net sales (millions of yen)



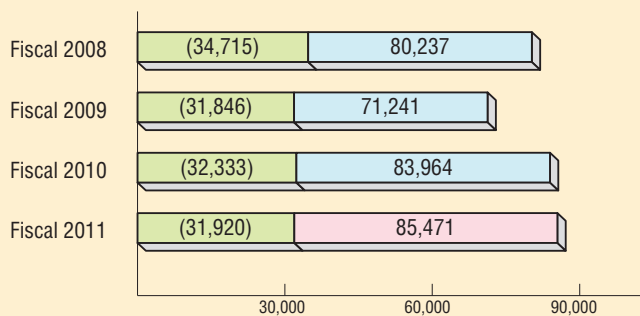
### Earnings per Share (yen)



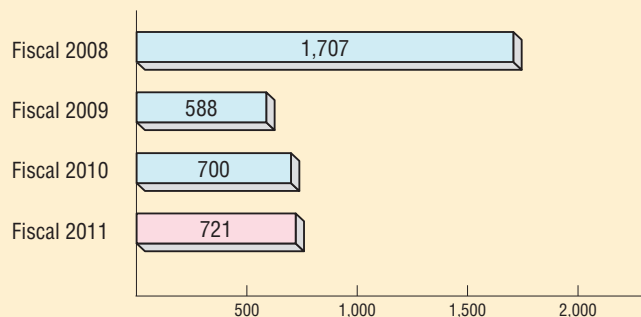
### Ordinary income (millions of yen)



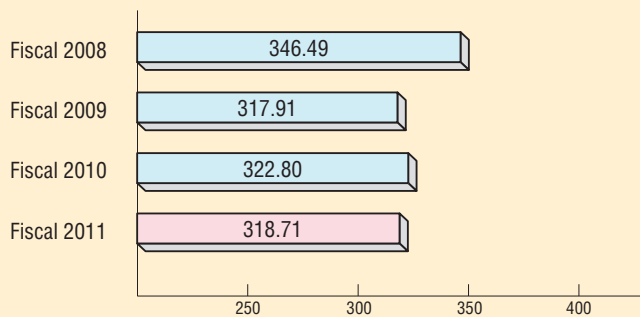
### Shareholders' Equity / Total Assets (millions of yen)



### Net Income (millions of yen)



### Book Value per Share (yen)







**NISSIN CORPORATION**