



2020
Annual Report
For the year ended March 31, 2020

TONAMI HOLDINGS CO., LTD.

Capitalizing on expertise originally gained in the transportation business, the Tonami Group has long been a trailblazer in logistics.

We were among the first in the industry to introduce computer systems.

In recent years, we have taken systematized distribution services fully utilizing IT to new heights. In particular, our third-party logistics (3PL), offering companies the optimum solutions to their logistics needs, has enabled us to cultivate a loyal and growing customer base.

Tonami Holdings Co., Ltd. is now strengthening the fundamentals of the business as it embarks on a new round of development, bringing its capabilities as a pure holding company into full play. Leveraging the accumulated expertise and business know-how of the Tonami Holdings Group, we are sharpening our responsiveness to customer needs not only in the field of logistics but also in related businesses and new fields.

We strive to offer value-added services that transcend the traditional conception of logistics. As a pioneer with strengths in information processing, we are committed to delivering value a stride ahead.

By deploying IT infrastructure attuned to the increasingly diverse and sophisticated needs of the era, we aim to maximize the corporate value of the Tonami Holdings Group and be an enterprise needed and respected by society.

We are taking a big stride toward realization of our “More Than Transportation” vision.



We Want to Deliver Value a Stride Ahead



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Forward-Looking Statements

This annual report includes forward-looking statements that represent Tonami's assumptions and expectations in light of currently available information. These statements reflect industry trends, clients' situations and other factors, and involve risks and uncertainties which may cause actual performance results to differ from those discussed in the forward-looking statements in accordance with changes in the business environment.

Consolidated Financial Highlights

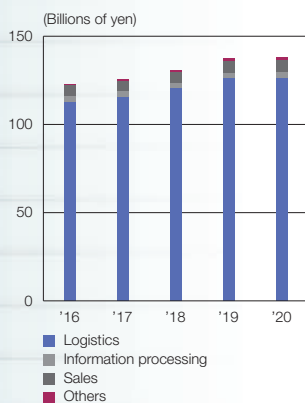
TONAMI HOLDINGS CO., LTD.
AND CONSOLIDATED SUBSIDIARIES

Years ended March 31, 2020 and 2019

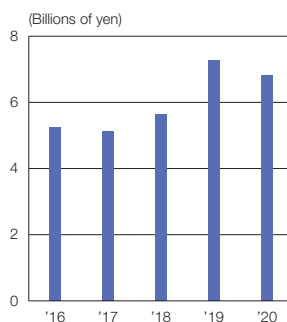
	Millions of yen		Thousands of U.S. dollars (Note 1)
	2020	2019	2020
FOR THE YEAR:			
Operating revenues:	¥138,167	¥137,436	\$1,269,572
Logistics	126,778	126,211	1,164,926
Information processing	3,064	2,836	28,157
Sales	6,620	6,723	60,829
Others	1,704	1,665	15,659
Operating income	6,824	7,275	62,705
Net income	4,125	4,539	37,910
Comprehensive income	2,387	6,237	21,934
PER SHARE (Yen and U.S. dollars):			
Net income, basic	¥ 455.18	¥ 500.74	\$ 4.1825
Net income, diluted	—	—	—
Cash dividends	100.00	90.00	0.9189
AT YEAR-END:			
Total assets	¥145,531	¥136,759	\$1,337,238
Total net assets	71,225	69,754	654,465

- Notes: 1. U.S. dollar amounts presented herein are included solely for convenience. The rate of ¥108.83 = U.S.\$1, prevailing on March 31, 2020, has been used for the translation into U.S. dollar amounts. Such translations should not be construed as indications that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.
2. The computation of net income per share of common stock is based on the weighted average number of shares outstanding (which represents the number of issued shares less treasury stock) during each fiscal year.
3. Diluted net income per share is not presented for the years ended March 31, 2018 and 2017, since there were no potential securities.

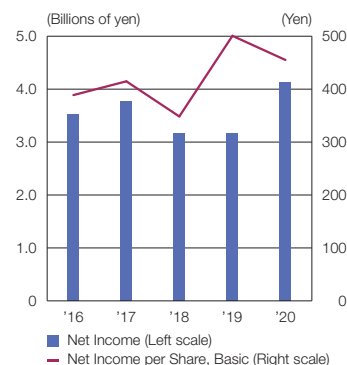
Operating Revenues by
Business Segment



Operating Income



Net Income and
Net Income per Share, Basic





President,
Katsusuke Watanuki

I welcome this opportunity to report to our shareholders and investors on the Group's operating environment and business results for the fiscal year ended March 31, 2020. At the same time, I would like to offer my heartfelt sympathies to those who are suffering from difficulties caused by the novel coronavirus (COVID-19) pandemic.

In the logistics industry, the movement of freight is slowing down further particularly in the BtoB sector on the back of declining economic activities caused by the COVID-19 pandemic since January, in addition to the slowdown caused by the trade friction between the US and China as well as the reactionary decline following the consumption tax hike. Furthermore, structural transformation of the industry appears to be continuing as can be seen in the smaller size of delivery goods, increased frequency of delivery and shorter distance of transport as a result of the stock-point strategy taken by shipping companies to shorten the distance to consumers.

Amid such circumstances, the Group continued its efforts to enhance the management foundation for ensuring business continuity in the 2nd year of the 21st Medium-Term Business Plan (from April 1, 2018 to March 31, 2021) under the corporate slogan, "Try & Growth 2020 - Evolving into a continuous growth company!"

Positioning work-style reform at the core of management and in pursuit of a "people-friendly corporate group," the Group has pushed ahead with efforts to "improve productivity per person-hour," "build a safe, secure, and stable work environment," "promote hiring activities," and "promote a mentor program," and also has implemented improvement measures for creating a better working environment in accordance with the work-style reform related laws and regulations.

Moreover, we continuously strive to enhance our logistics services by implementing meticulous strategies attuned to the competitive environment and regional characteristics relevant to each of our business offices and increasing the quality and speed of our marketing activities by precisely identifying customer needs.

As a result, the Group's operating revenues amounted to ¥138,167 million, an increase of ¥730 million or 0.5% from the previous year.

With regard to profits, operating income declined by ¥451 million or 6.2% from the previous year to ¥6,824 million due to an increase in costs required for implementing business continuity measures for improving the working environment and employee benefits as well as reviewing the organizational structure, despite our efforts to increase revenue by acquiring new customers, enhance cost control capability and improve productivity.

Based on comprehensive consideration of operating results, the financial position, future business environment, and other factors, the Company will pay out a year-end dividend of ¥50 per share. Combined with the interim dividend of ¥50 per share already paid out, total annual dividends will amount to ¥100 per share.

In order to achieve sustainable growth and increase our corporate value, the Group is determined to further strengthen its business foundation by growing business revenue through acquiring new customers and deepening relationships with existing customers, improving productivity through enhancing the efficiency of onsite operations using IoT, providing stable logistics services through the unification of the Group's multiple functions, such as transportation capacity, storage and cargo handling, and pursuing M&A activities, business & capital alliances, etc.

In all our endeavors, we will be grateful for your continued support and guidance.

Overview of Operations

In the logistics industry, the movement of freight has slowed down due to the trade friction between the US and China and the reactionary decline following the consumption tax hike. The condition was even more exasperated for the months of January to March due to the deteriorating economic activities caused by the COVID-19 pandemic. Furthermore, structural transformation of the industry appears to be continuing as can be seen in the smaller size of delivery goods, increased frequency of delivery and shorter distance of transport as a result of the stock-point strategy taken by shipping companies to shorten the distance to consumers.

The Group continued its efforts to enhance the management foundation for ensuring business continuity in the 2nd year of the 21st Medium-Term Business Plan (from April 1, 2018 to March 31, 2021) under the corporate slogan, "Try & Growth 2020 - Evolving into a continuous growth company!"

Positioning work-style reform at the core of management and in pursuit of a “people-friendly corporate group,” the Group has pushed ahead with efforts to “improve productivity per person-hour,” “build a safe, secure, and stable work environment,” “promote hiring activities,” and “promote a mentor program,” and also has implemented improvement measures for a better work environment in accordance with the work-style reform related laws and regulations.

In the road haulage business and the freight forwarding business, we have worked to further expand our business by offering optimal logistic services to meet customer needs by, for example, making a comprehensive proposal for combining warehousing and transport/delivery through the 3PL business, an area of focus, in addition to enhancing business revenue through acquiring new customers and deepening relationships with existing customers.

As a result, the Group’s operating revenues amounted to ¥138,167 million, an increase of ¥730 million or 0.5% from the previous year.

With regard to profits, we have worked to reduce costs by adopting various initiatives to enhance cost control capability and improve productivity, while working to increase revenue by acquiring new customers and conducting negotiations to revise freight charges. However, our efforts to maintain and enhance stable logistics services by providing our employees with better working environment and benefits, as well as reviewing the organizational structure have pushed up the costs required for implementing business continuity measures. Accordingly, operating income declined by ¥451 million or 6.2% from the previous year to ¥6,824 million.

Net income attributable to owners of the parent was ¥4,125 million, a decline of ¥413 million or 9.1% from the previous year.

Results by Segment

In the logistics-related business for the year under review, despite the decrease in freight volume in the months of January to March due to the impact of the COVID-19 pandemic, operating revenues increased by ¥567 million or 0.4% from the previous year to ¥126,778 million, owing to initiatives for collecting appropriate fees and growth of the 3PL business.

Segment income was ¥6,263 million, a decline of ¥336 million or 5.1% from the previous year due to higher cost related to the work-style reform and higher subcontracting costs arising from labor shortage.

Operating revenues from the information processing business increased by ¥227 million or 8.0% from the previous year to ¥3,064 million primarily due to the acquisition of new customers.

Segment income was ¥394 million, an increase of ¥52 million or 15.4% from the previous year.

Operating revenues from the sales business, which includes merchandising, consignment sales, and a non-life insurance agency, amounted to ¥6,620 million, a decrease of ¥103 million or 1.5% from the previous year.

Segment income was ¥221 million, a decrease of ¥83 million or 27.4% from the previous year.

Operating revenues from other businesses, which include automobile repair and other services, amounted to ¥1,704 million, an increase of ¥38 million or 2.3% from the previous year.

Segment income was ¥120 million, an increase of ¥6 million or 6.0% from the previous year.

Outlook for the Year Ending March 31, 2020

The economic outlook is expected to remain unclear due to a situation where it is uncertain as to when the COVID-19 pandemic will be contained, amid the extremely harsh conditions caused by the pandemic and the situation requiring full attention to the downside risks of the domestic and global economy.

In the logistics industry, the business environment is expected to become increasingly challenging, as the labor supply/demand situation is becoming tighter and the work-style reform-related laws, which are intended to correct the practice of long working hours and promote equal pay for equal work, are coming into effect one after another.

In these circumstances, the Group is promoting the following six reforms:

- Strengthen the business foundation to respond to changes in the market and customer needs
- Promote work-style reform
- Unify systems, standards, and methods to make the administration departments more efficient
- Promote high-quality management
- Strengthen the roles and functions as well as management infrastructure of Group companies
- Proactively promote capital and business alliances and M&A

By ensuring stable progress of the 21st Medium-Term Business Plan centering on the six reforms, we aim to achieve sustainable growth and enhancement of corporate value.

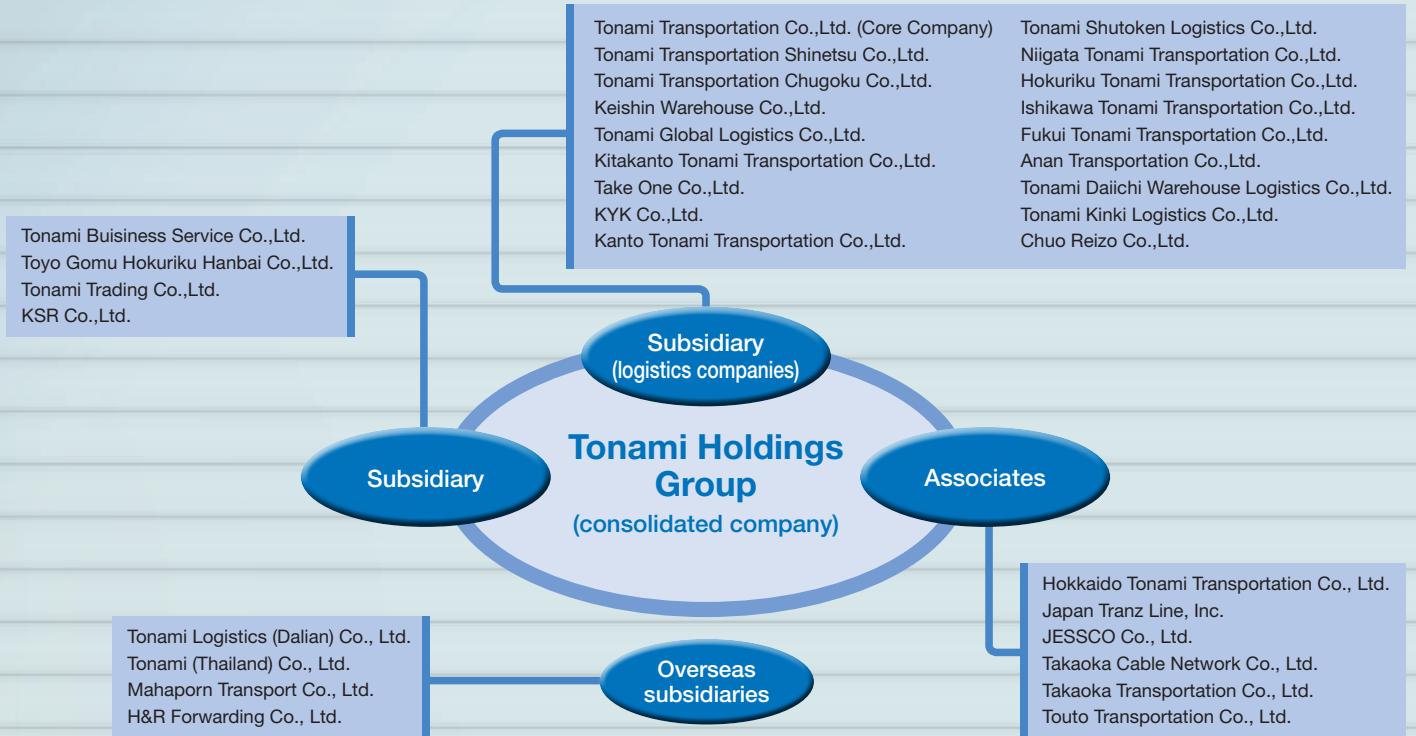
Meanwhile, with expected increases in personnel costs such as labor and subcontracting costs, we are determined to grow our business by continuing our efforts to realize appropriate collection of freight charges and rates in the road haulage business and the 3PL business and to improve productivity.

June 2020

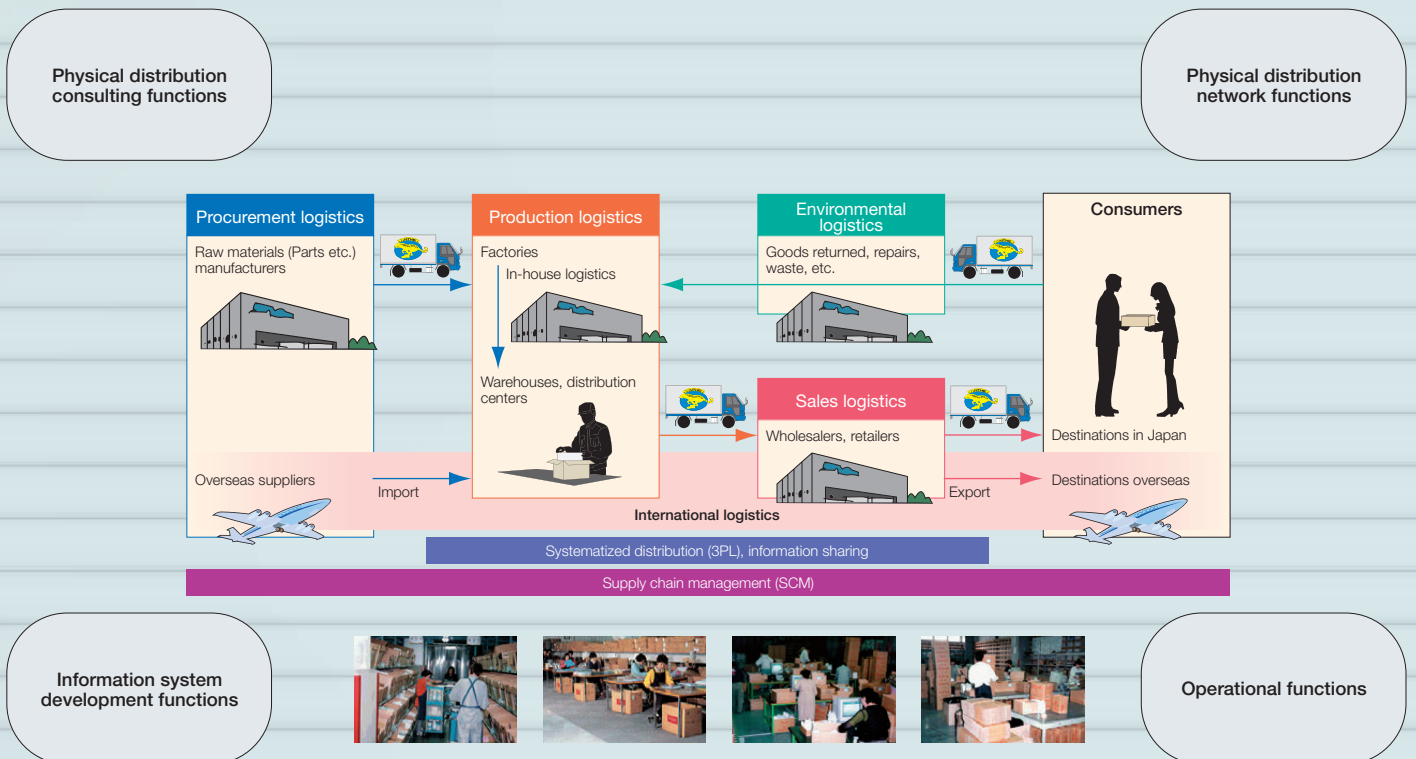


Katsusuke Watanuki
President and Representative Director

Tonami Holdings' Operating Subsidiaries and Affiliates



Tonami Logistics Solutions



At a meeting of the Board of Directors held on October 1, 2008, the Company passed a resolution concerning a basic policy for the corporate governance. The Company, with the Internal Control Committee in a central role, is implementing sound internal control systems in accordance with the policy, aiming to increase the corporate value of the Tonami Holdings Group.

(1) Overview of the Corporate Governance System and Reason for Adopting the System

1) Overview of the Corporate Governance System

The Board of Directors of the Company is the organization responsible for important matters concerning business policy and business strategy. The Board of Directors meets in accordance with the Board of Directors Regulations.

The Company's Board of Directors consists of nine directors: Katsusuke Watanuki, Kazuo Takata, Shinichi Izumi, Yasuo Terabayashi, Toyonobu Terahai, Yasuhiro Saegusa, and Masaaki Sato, and Outside Directors Shinichiro Inushima and Ichiro Tanaka.

The meetings of the Board of Directors, chaired by President and Director Katsusuke Watanuki, are held, in principle, once a month, and as necessary, enabling the directors to attain mutual understanding and engage in mutual supervision of the execution of business. The Board of Directors utilizes the services of outside experts as necessary to prevent violations of the law or the Articles of Incorporation.

The Company employs a corporate auditor system as part of its internal control framework. The Board of Corporate Auditors consists of four corporate auditors: Standing Corporate Auditors Masafumi Takebe and Mitsuharu Wadachi and Outside Corporate Auditors Atsuki Matsumura and Toshiyuki Oda.

The Board of Corporate Auditors, led by Standing Corporate Auditor Masafumi Takebe, who chairs the board, audits the execution of business by the directors and its legality in accordance with the auditing policy and task assignments decided by the Board of Corporate Auditors, by attending meetings of the Board of Directors and other important meetings, expressing their opinions, and other means.

The progress of their audits is reported to and confirmed at periodic meetings of the Board of Corporate Auditors.

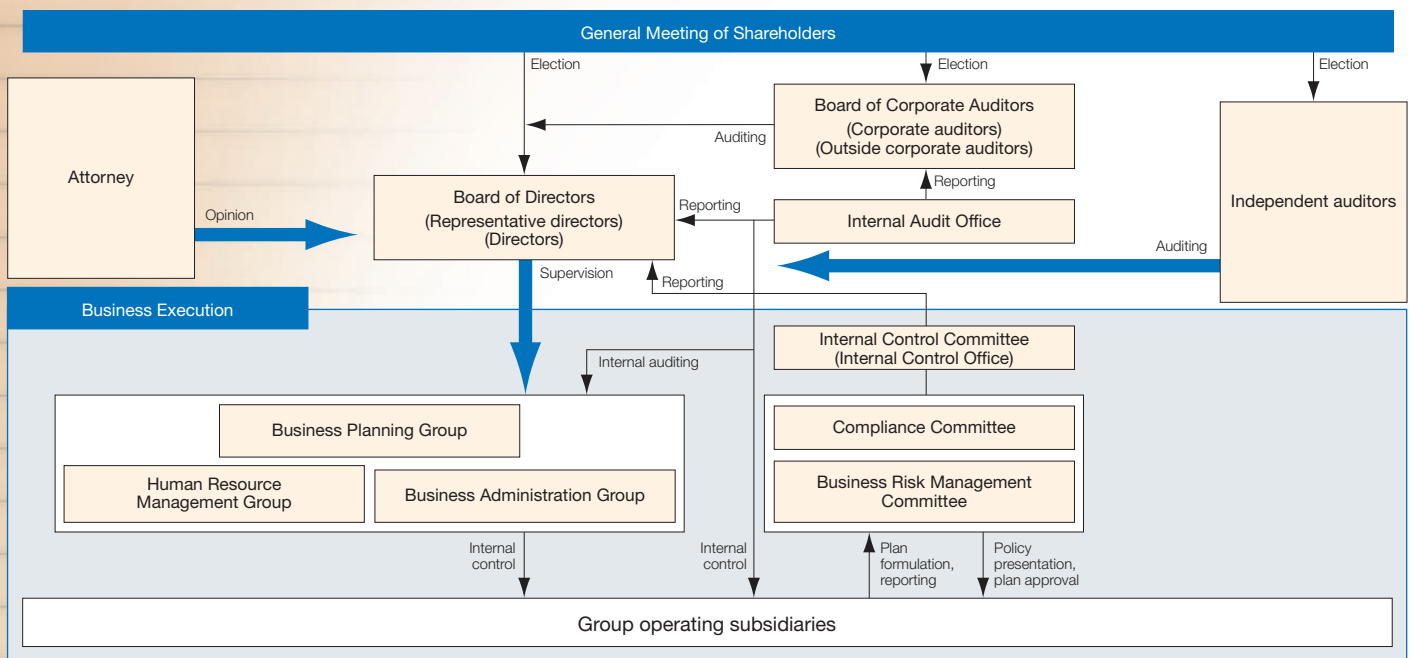
In the event that a director discovers a violation of the law or the Articles of Incorporation on the part of another director, the director is required to promptly report the violation to the corporate auditors and the Board of Directors and a remedy will be sought. The Company has an internal auditing unit, the Internal Audit Office, which is an organization independent of the business units.

Moreover, the Company has established the Tonami Group Employee Code of Conduct as the foundation of the Group's compliance system and the Internal Control Committee, chaired by President and Director Katsusuke Watanuki, as the decision-making body. The Company's effort to enhance its internal control systems is led by an officer responsible for internal control.

The Compliance Committee is a compliance control organization, and the Internal Control Team within the Internal Audit Office performs control, operation and training in order to maintain and enhance internal control systems.

To ensure the propriety of business operations of the Group's operating subsidiaries, the Company applies the Tonami Group Employee Code of Conduct and the Group Operation Regulations to all operating subsidiaries of the Group, and each of the Group's operating subsidiaries has established its own regulations based on them. With regard to administration of operating subsidiaries, the Group Company Administration Procedures specify matters requiring approval by the headquarters and those to be reported.

2) The Relationship between the Management Organization and Internal Control



3) Reason for Adopting the System

In order to make decisions swiftly and accurately in response to the rapidly changing business environment, the Company needs to have human resources well versed in the characteristics of the logistics business. The Board of Directors includes outside directors who are specialists in their fields and have objective viewpoints, in addition to other directors with a wealth of experience and insight, which secures management transparency and soundness. Corporate auditors audit the decision-making at the Board of Directors and the directors' performance of duties. The effectiveness of the monitoring function is ensured by appointment of independent outside corporate auditors. Thus, it is judged that necessary systems are put in place for the Group to further enhance corporate value.

4) State of Internal Auditing and Auditing by Corporate Auditors

Internal auditing at the Company is led by the Internal Audit Office, which is independent of the business units, and its staff assists with the work of the corporate auditors. The Internal Audit Office's independence from the Board of Directors is ensured since decisions of the Board of Directors on Internal Audit Office staff changes require approval of the Board of Corporate Auditors. The Internal Audit Office conducts periodic and unscheduled internal audits of the Company's business, reports to the Board of Corporate Auditors and the Board of Directors, and requests improvements.

The Company's corporate auditors exchange information with the independent auditors, cooperate with the Internal Audit Office, conduct appropriate audits, and hold periodic meetings of the Board of Corporate Auditors.

One standing corporate auditor and two outside corporate auditors possess significant expertise concerning financial and accounting matters gained through their experience over many years. In addition, one substitute corporate auditor has been elected under Article 329, Paragraph 3 of the Companies Act to prepare for any situation in which the number of corporate auditors falls below the number prescribed by laws and regulations.

5) Relationships between Outside Directors and Outside Corporate Auditors

The Company has appointed two outside directors. Directors Mr. Shinichiro Inushima and Mr. Ichiro Tanaka have no capital or business relationships with the Company or other interests in the Company.

The Company considers individuals who have no personal, capital, or business relationships with the Company or other interests in the Company, possess expertise, and are capable of overseeing the Company's overall management based on excellent insight to be suitable for election as outside directors.

Neither of the two outside directors have any of the above-mentioned relationships with the Company. The Company appointed one of the outside directors as an independent officer as required by the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange accordingly.

In accordance with the provision of the Companies Act (Article 335, Paragraph 3), the Company has appointed four corporate auditors, including standing and part-time corporate auditors, of whom two are outside corporate auditors who are working to strengthen the audit function from a third-party stance without being involved in business execution of the Company.

Currently, regarding the supervisory function, which is the principal function of the Board of Directors, outside corporate auditors are working to strengthen the audit function from a third-party stance without being involved in business execution of the Company.

The Company has appointed two outside corporate auditors. Although Corporate Auditor Mr. Yohji Ishiguro owns shares of the Company, the capital relationship between him and the Company is negligible and he has no business relationships with the Company or other interests in the Company. Corporate Auditor Mr. Atsuki Matsumura has no capital or business relationships with the Company or other interests in the Company.

The Company considers individuals who have no personal, capital, or business relationships with the Company or other interests in the Company, possess expertise, and are capable of overseeing management based on excellent insight to be suitable for election as outside corporate auditors.

Neither of the two outside corporate auditors have any of the above-mentioned relationships with the Company. The Company appointed one of the outside corporate auditors as an independent officer as required by the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange accordingly.

The Company has selected one candidate for substitute corporate auditor as provided for in Article 329, Paragraph 3 of the Companies Act in case the number of outside corporate auditors falls below the number prescribed by laws and regulations.

Linkage among auditing by corporate auditors, including outside corporate auditors, internal auditing, and accounting auditing as well as relationships with the internal control unit are described in 4) State of Internal Auditing and Auditing by Corporate Auditors. Through reporting and

exchange of opinions at meetings of the Board of Directors, the Company strives to strengthen collaboration among supervision by the outside directors, auditing by corporate auditors, internal auditing, and accounting auditing and establish fruitful relationships between the outside directors and the internal control unit.

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded contracts with the outside directors and outside corporate auditors that limit their liability under Article 423, Paragraph 1 of the said Act. The liability for damages pursuant to these contracts is limited to the liability amount prescribed by laws and regulations. The limitation of liability stated above is only applicable if the outside director or outside corporate auditor is without knowledge and is not grossly negligent in performing his duties causing such liability.

(2) State of Development of the Risk Management Structure

In accordance with the Tonami Group Business Risk Management Regulations, the president serves as the Chief Risk Management Officer, risk management officers are appointed for each type of risk, and a risk management structure is established.

In the event of unforeseen circumstances, in accordance with the Tonami Group Large-scale Disaster Response Regulations and the Tonami Group Emergency Response Regulations, the Company will establish an Emergency Response Headquarters, which will be headed by the president. The Company will mount a rapid and appropriate response in accordance with the regulations and put in place a structure to prevent the spread of damage and minimize damage.

The status of operation of systems for ensuring appropriateness of business operations of the Company in the fiscal year ended March 31, 2017 is as follows. Periodic meetings of the Company's Board of Directors were held 11 times during the year under review. In addition to regular reporting and confirmation of matters, the Board of Directors deliberated and made decisions on important matters stipulated in the Board of Directors Regulations. Also, the results of monitoring of the statuses of directors' performance of duties were reported to the Board of Directors.

The Compliance Committee consisting of the president, directors in charge of compliance, and other members met every month and reported the statuses of compliance and operational risk management to subsidiaries' boards of directors and the Company's Board of Directors. Regarding retention and management of information concerning directors' performance of duties, documents pertaining to the Board of Directors meetings and other documents concerning directors' performance of duties were retained in chronological order in accordance with the Document Handling Regulations and the Document Retention Regulations.

To manage risks of loss, the Company received periodic reporting on major risks to which the Group's operating subsidiaries are exposed from the president of each operating subsidiary or its officer in charge via the Compliance Committee and checked the statuses of risk management.

To ensure the propriety of business operations of the Group's operating subsidiaries, the Company has established the Tonami Group Employee Code of Conduct, consisting of action guidelines, and the Group's operating subsidiaries have established regulations based on the code of conduct.

With regard to administration of the Group's operating subsidiaries, matters requiring approval by the headquarters and those to be reported are specified in the Group Company Administration Procedures and management of operations is in accordance with the Group Operation Regulations.

In the event that a director discovers a violation of the law or any other important matter related to compliance in an operating subsidiary of the Group, the director is required to report the matter to a corporate auditor. In the event that an operating subsidiary of the Group finds that the administration by the Company or management instructions issued by the Company violate the law or

becomes aware of any other compliance-related problem, the subsidiary is required to report the matter to the Internal Audit Office. In such a case, the Internal Audit Office promptly reports the matter to a corporate auditor and the corporate auditor receiving the report may express an opinion and request improvement measures.

The Company has established the Tonami Group Internal Reporting Regulations and operates an internal reporting system concerning violations of the law and other matters related to compliance covering the entire Tonami Holdings Group.

The Company prohibits disadvantageous treatment of the Company's directors or employees who made such reports to the Group's corporate auditors on the grounds that they made such reports and ensures that the Group's directors and employees are thoroughly aware of this policy.

The Company will have no relationships with antisocial forces. The Company will take resolute action against any undue claims or actions by antisocial forces on the basis of cross-organizational cooperation in close collaboration with the police and other external specialist organizations and will never provide any benefit to antisocial forces.

Corporate Social Responsibility Activities

Basic Policy on Corporate Social Responsibility

Having positioned management that emphasizes fulfillment of social responsibility based on compliance as an essential element of its Three-year Medium-Term Business Plan, the Tonami Holdings Group aspires to contribute to society continuously from an increasingly global perspective.

Amid rapid change in the environment in which the logistics industry operates, the Legal Division is leading the Group's efforts to strengthen appropriate and flexible responses to legal and contractual risks.

Adhering to the Tonami Group Employee Code of Conduct, and with the action principle "Ensure compliance throughout business activities," the Tonami Holdings Group endeavors to create further value through its business and fulfill its corporate social responsibility (CSR).

In addition, we are working to bolster systems to ensure compliance based on appropriate operation of business processes by inspecting premises and issuing guidance to them through the business process improvement projects and periodic auditing of business processes by the Internal Audit Office.

As a logistics enterprise, we must ensure transportation safety, accord consideration to the environment, ensure legal compliance and compliance with other rules, respect human rights, and contribute to local communities. We are committed to further strengthening corporate governance and promoting compliance management.

Mindful that transportation is an aspect of social infrastructure and based on the concept of building a safe society, we are striving to protect the environment by promoting environmentally friendly business activities involving minimal waste of energy through our initiatives to improve logistics efficiency, encourage fuel-efficient driving by using digital tachographs, and promote joint transportation and delivery.

In view of the frequent occurrence of unprecedented disasters, we are working to compile business continuity plans (BCP) based on the Large-scale Disaster Response Regulations in order to swiftly obtain information on core business processes and fulfill our role as a logistics enterprise in the event of a disaster.

With an eye to the prosperity and quality of life of future generations, the Group endeavors to achieve sustainable growth of the business while minimizing environmental impacts. In this way, we are striving to fulfill our social responsibility far into the future.

Principal CSR Initiatives and State of Implementation

Environmental Protection Activities

Recognizing that environmental protection is a crucially important theme that concerns the maintenance of the ecosystem, adhering to our principle—"Contribute to society through transportation and strive to protect the environment"—we will act in accordance with the following policies.

1. We will do the following to mitigate environmental pollution associated with transportation services:
 - (a) We will introduce environmentally friendly vehicles.
 - (b) We will practice environmentally friendly driving.
 - (c) We will create eco-friendly distribution systems through more efficient distribution.
 - (d) We will establish a recycling system to contribute to establishment of a recycling-based society.
 - (e) We will promote development and provision of environmentally friendly products.
 - (f) We will make continuous efforts to save resources and energy and to achieve improvements every day.
2. We will ensure compliance with environment-related laws and regulations at the national and municipal levels and other requirements that the Company undertakes to fulfill in its efforts to protect the environment.
3. We will set specific environmental objectives and environmental goals, conduct periodic reviews, and work to achieve continuous improvement of environmental management systems.
4. We will communicate these policies to all employees through internal environmental education and awareness-raising initiatives, and we will disclose these policies to the public. We will also vigorously participate in environmental protection activities in local communities.



Introduce environmentally friendly vehicles



Corporate Social Responsibility Report



Encouraging local people to take up badminton

Social Contributions

The Tonami Holdings Group is contributing to society through involvement in various community activities, including providing support to welfare facilities and fostering of the next generation.

Our social contribution activities include participation in voluntary clean-up campaigns, such as "neighborhood adoption" programs promoted by local government, and the donation of vehicles to social welfare facilities through the General Incorporated Association "Tonami Holdings Shozyukai."

We transport relief supplies when natural disasters occur. The Tonami Transportation Badminton Club offers badminton coaching as a local sports promotion activity.



The donation of vehicles to social welfare facilities

Financial Section

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Consolidated Five-Year Summary

TONAMI HOLDINGS CO., LTD
AND CONSOLIDATED SUBSIDIARIES

Years ended March 31

	Millions of yen					Thousands of U.S. dollars
	2016	2017	2018	2019	2020	2020
RESULTS OF OPERATIONS:						
Operating revenues	¥122,959	¥125,509	¥130,886	¥137,436	¥138,167	\$1,269,572
Operating cost	111,666	113,674	118,141	122,932	124,097	1,140,291
Selling, general and administrative expenses	6,053	6,716	7,113	7,228	7,245	66,576
Operating income	5,239	5,118	5,631	7,275	6,824	62,705
Net income	3,526	3,762	3,159	4,539	4,125	37,910
Depreciation expenses	4,687	4,939	5,089	5,134	5,191	47,703
PER SHARE (yen and U.S. dollars):						
Net income	¥ 388.82	¥ 414.83	¥ 348.47	¥ 500.74	¥ 455.18	\$ 4.1825
Cash dividends	6.50	7.50	44.00	90.00	100.00	0.9189
YEAR-END FINANCIAL POSITION:						
Total current assets	¥ 37,418	¥ 40,352	¥ 42,644	¥ 45,871	¥ 58,480	\$ 537,355
Net property and equipment	70,857	71,465	70,669	71,421	69,781	641,197
Total assets	121,212	126,769	128,953	136,759	145,531	1,337,238
Total current liabilities	34,761	34,209	34,612	39,632	38,193	350,948
Long-term liabilities, excluding of current portion thereof	29,280	31,407	30,083	27,372	36,112	331,825
Total net assets	57,169	61,152	64,257	69,754	71,225	654,465
OTHER YEAR-END DATA:						
Number of employees	6,431	6,494	6,440	6,436	6,510	

Note: 1. The Company conducted a 1-for-10 reverse stock split of its shares of common stock effective October 1, 2017. Accordingly, net income per share was calculated under the assumption that the said reverse stock split had been conducted at the beginning of the fiscal year ended March 31, 2015.

2. Effective from the beginning of the fiscal year ending March 31, 2020, the Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting, etc." (ASBJ Statement No. 28, February 16, 2018) and other standards. Figures presented for key performance indicators, etc. for the fiscal year ended March 31, 2019 are after retrospective application of the said accounting standards.

Consolidated Financial Review

Forward-looking statements in the discussion below represent the best judgment of the Tonami Holdings Group as of the end of the fiscal year under review.

Significant Accounting Policies and Estimates

The consolidated financial statements of the Tonami Holdings Group have been prepared in accordance with accounting principles generally accepted in Japan. Estimates used in the preparation of the consolidated financial statements that may affect the reported amounts of assets and liabilities on the closing date and the reported revenues and expenses for the reporting period are principally deferred tax assets, the allowance for doubtful accounts, net defined benefit liability, and income taxes. These estimates are subject to continuous, reasonable assessment.

Estimates, judgments, and assessments are made on the basis of factors that are deemed reasonable in light of past performance and conditions. However, since estimates invariably involve uncertainties, actual results may differ from the estimates.

Analysis of Consolidated Operating Results

Operating Revenues

Operating revenues amounted to ¥138,167 million, an increase of 0.5% or ¥730 million year on year, owing to improved demand for 3PL services and other logistics services.

Composition of Operating Revenues

	Composition	Percentage point change from the previous year
Logistics:	91.8%	+0.4%
Road haulage operations and freight forwarding operations	68.1	-0.6
Warehousing operations	20.1	+3.6
Harbor transport operations	3.6	+3.2
Information processing business	2.2	+8.0
Sales businesses	4.8	-1.5
Other businesses	1.2	+2.3

Operating income

With regard to profits, we have worked to reduce costs by adopting various initiatives to enhance cost control capability and improve productivity, while working to increase revenues by acquiring new customers and conducting negotiations to revise freight charges. However, our efforts to maintain and enhance stable logistics services by providing our employees with better working environment and benefits, as well as reviewing the organizational structure have pushed up the costs required for implementing business continuity measures. Accordingly, operating income declined by ¥451 million or 6.2% from the previous year to ¥6,824 million.

Net income attributable to owners of the parent

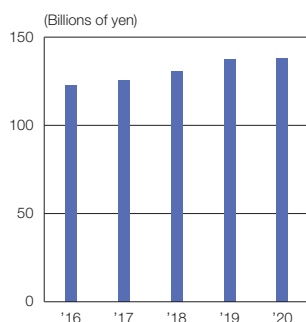
Net income attributable to owners of the parent was ¥4,125 million, a decline of ¥413 million or 9.1% from the previous year.

Analysis of the Financial Position

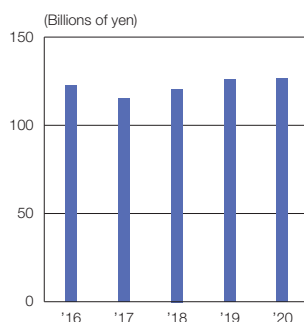
Assets

Current assets were ¥58,480 million, an increase of 27.5% from the previous year-end. This increase was mainly attributable to an increase of ¥13,247 million in cash and deposits and a decline of ¥525 million in trade accounts receivable.

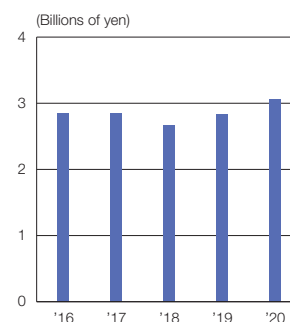
Operating Revenues



Sales of Logistics



Sales of Information Processing Business



Non-current assets amounted to ¥87,051 million, a decrease of 4.2% from the previous fiscal year-end. This was mainly attributable to declines of ¥972 million in buildings and structures, ¥593 million in land and ¥2,079 million in investments in securities.

As a result, total assets amounted to ¥145,531 million, an increase of 6.4% or ¥8,772 million from the previous fiscal year-end.

Liabilities

Current liabilities were ¥38,193 million, a decrease of 3.6% from the previous fiscal year-end. This was mainly attributable to an increase of ¥5.0 billion in current portion of corporate bonds, despite declines of ¥1,438 million in short-term debt, ¥3,544 million in current portion of long-term debt and ¥510 million in income taxes payable.

Long-term liabilities were ¥36,112 million, an increase of 31.9% from the previous fiscal year-end. This mainly reflects a decrease of ¥577 million in deferred tax liabilities, despite increases of ¥5.0 billion in corporate bonds and ¥4,527 million in long-term debt.

As a result, total liabilities amounted to ¥74,306 million, an increase of 10.9% or ¥7,301 million from the previous fiscal year-end.

Net assets

Total net assets amounted to ¥71,225 million, an increase of 2.1% from the previous fiscal year-end. This was mainly attributable to a ¥3,701 million increase in retained earnings as a result of recording ¥4,125 million in net income attributable to owners of the parent, despite a ¥1,456 million decline in unrealized gain on other securities and a ¥490 million decline in revaluation reserve for land.

Analysis of Cash Flows

Cash and cash equivalents on a consolidated basis for the year under review increased by ¥13,345 million from the previous year to ¥32,608 million as a result of net cash provided by operating activities amounting to ¥10,057 million, net cash used in investing activities amounting to ¥2,516 million, and net cash provided by financing activities amounting to ¥5,797 million.

Cash Flows from Operating Activities

Net cash provided by operating activities totaled ¥10,057 million, a decrease of ¥409 million from the previous year. The principal items were income before income taxes amounting to ¥6,441 million and income taxes paid amounting to ¥2,995 million.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥2,516 million, a decrease of ¥2,251 million from the previous year. The principal items were the payment of ¥2,851 million for the purchase of property and equipment and ¥28 million for the purchase of investments in securities.

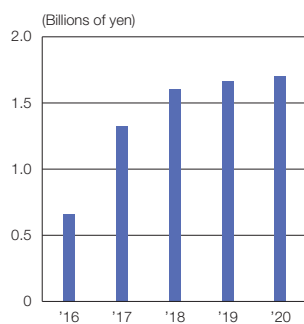
Cash Flows from Financing Activities

Net cash provided by financing activities totaled ¥5,797 million (compared with net cash used in financing activities of ¥3,698 million for the previous year). The principal items were proceeds from issuance of corporate bonds amounting to ¥10.0 billion, proceeds from long-term debt amounting to ¥5.0 billion, net increase (decrease) in short-term loans of ¥1,440 million, repayment of long-term debt amounting to ¥4,017 million, and dividends paid of ¥906 million.

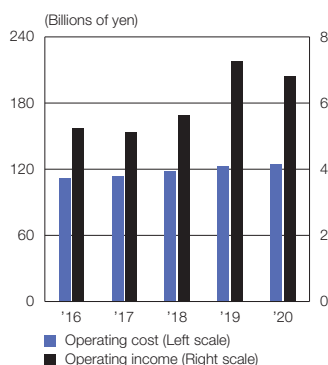
Risk Factors

The principal business of the Tonami Holdings Group is the logistics-related business centering on road haulage operations and freight forwarding operations. The Group's business is subject to impacts of fluctuation of the Japanese economy and the world economy, customers' streamlining of logistics, restructuring, and deterioration of business results, and suspension of business transactions with customers. The business environment in which

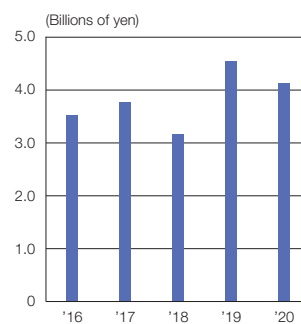
Sales of Other Business



Operating Cost and Operating Income



Net Income



the Group operates entails the risk of difficulty in absorbing cost increases due to such factors as sharp increases in the price of crude oil and interest rate increases that exceed expectations.

In the event of the occurrence of a major disaster, such as an earthquake, in the regions where the Group operates, there is a risk that damage to facilities may greatly affect the Group's business operations.

In the event that the retention, development and recruitment of human resources indispensable for business expansion do not progress as envisaged in the plan, strategic tie-ups including acquisitions and capital partnerships do not develop as planned, or that social risks materialize with respect to the Group's overseas business expansion, there may be an adverse impact on the Group's business activities and business results.

The Group handles a huge amount of customer information and strives to appropriately manage such information. However, in the event of leakage of information owing to trouble concerning safekeeping, the credibility of the Group may be undermined and claims may be made for damages against the Group. In the event of trouble concerning IT systems caused by a natural disaster, computer virus infection, etc., there may be an adverse impact on the Group's business results and financial condition.

There is also a possibility of cost increases due to the strengthening of environmental regulations and for ensuring compliance with stricter safety regulations, and the increased burden may have an adverse impact on the Group's business results and financial condition.

In the event of the occurrence of a serious problem, such as a vehicle accident, there is a risk of loss of customer confidence and public trust that could have an adverse impact on the Group's business results and financial position.

In the event that impairment becomes necessary in accordance with the impairment accounting applicable to fixed assets for business use or there is a great change in the estimates of future taxable income and reversal of deferred tax assets is required, there may be an adverse impact on the Group's business results and financial position.

The Group may launch a new business or invest in or acquire other companies in order to further expand the growth field. Such investment may not have the expected impact, a joint-venture company may not be operated in a manner the Company considers appropriate, the Company may bear an economic burden, and operations of the investing companies other than the Company may deteriorate or they may withdraw from the business.

On top of the operational adjustment being carried out by domestic manufacturing companies since the beginning of 2020 due to the COVID-19 pandemic, domestic consumption became stagnant due to stay-at-home requests and shorter opening hours of commercial facilities following the declaration of a state of emergency, resulting in a shrinkage of demand for logistics services and a fall in freight volume.

Going forward, it is uncertain as to when the COVID-19 pandemic will be contained, and thus it is difficult to predict its impact on our business environment as well as financial performance at the moment.

Therefore, we are not able to reasonably calculate the impact of the COVID-19 pandemic on our financial performance.

In case where any person within the Group will be infected with COVID-19 in the future, there is a risk of business operations being hindered, having an adverse impact on financial results.

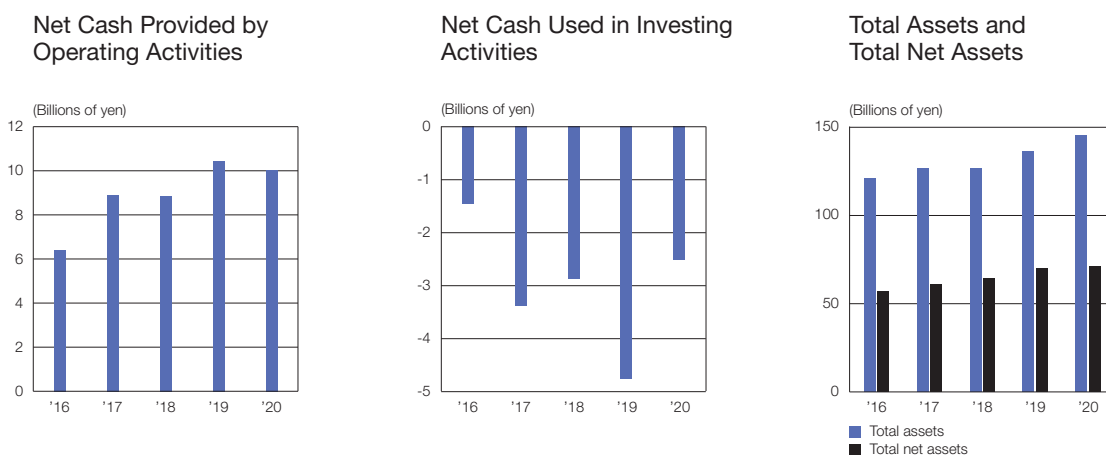
Strategic Position and Outlook

The economic outlook is expected to remain unclear due to a situation where it is uncertain as to when the COVID-19 pandemic will be contained, coupled with concerns over the downside risks of the domestic and global economy in which extremely harsh conditions persist.

The logistics industry is also expected to remain in a challenging operating environment amid continued worsening of labor shortage and weakening of domestic freight volume.

Under these circumstances, in accordance with the 21st Medium-Term Business Plan, the Group will continue to carry out the six reforms in order to achieve sustainable growth and enhancement of corporate value.

- Strengthen the business foundation to respond to changes in the market and customer needs
- Promote work-style reform
- Unify systems, standards, and methods to make the administration departments more efficient
- Promote high-quality management
- Strengthen the roles and functions as well as management infrastructure of Group companies
- Proactively promote capital and business alliances and M&A



Consolidated Balance Sheets

TONAMI HOLDINGS CO., LTD.
AND CONSOLIDATED SUBSIDIARIES

As of March 31, 2020 and 2019

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2020	2019	2020
Current assets:			
Cash and time deposits (Notes 10 and 12)	¥ 32,655	¥ 19,407	\$ 300,060
Trade receivables:			
Notes and accounts (Notes 5 and 12)	22,228	22,883	204,249
Less: allowance for doubtful accounts	(123)	(114)	(1,135)
Investments in lease assets	20	27	187
Inventories	788	689	7,247
Income taxes receivable	561	448	5,158
Other current assets	2,349	2,528	21,590
Total current assets	58,480	45,871	537,355
Property and equipment (Notes 3 and 6):			
Land	40,859	41,453	375,445
Buildings and structures	19,350	20,322	177,804
Machinery and vehicles	2,459	2,631	22,595
Leased assets (Note 11)	6,257	6,284	57,502
Construction in progress	14	5	133
Other	840	724	7,719
Total property and equipment	69,781	71,421	641,197
Investments and other assets:			
Investments in securities (Note 13)	10,881	12,961	99,984
Deferred tax assets (Note 17)	765	758	7,034
Goodwill	349	397	3,207
Other	5,273	5,348	48,461
Total investments and other assets	17,269	19,465	158,686
Total assets	¥145,531	¥136,759	\$1,337,238

The accompanying Notes are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2020	2019	2020
Current liabilities:			
Short-term bank loans (Notes 4, 7 and 12)	¥ 8,310	¥ 9,748	\$ 76,358
Current portion of long-term debt (Notes 4, 7, 12 and 14)	313	3,857	2,876
Current portion of corporate bonds(Notes 4)	5,000	—	45,943
Trade notes and accounts payable (Notes 12)	13,073	13,043	120,129
Lease obligations (Note 12)	2,369	2,444	21,773
Income taxes payable	1,381	1,892	12,697
Other current liabilities	7,744	8,644	71,163
Total current liabilities	38,193	39,632	350,948
Long-term liabilities:			
Long-term debt, less current portion thereof (Notes 4, 7, 12 and 14)	17,458	7,931	160,419
Lease obligations (Note 12)	4,701	4,650	43,203
Deferred tax liability (Note 17)	2,095	2,672	19,257
Deferred tax liabilities from revaluation reserve for land (Note 6)	3,523	3,765	32,381
Retirement benefits for directors and corporate auditors	170	186	1,566
Net defined benefit liability (Note 15)	7,369	7,095	67,713
Provision for loss on guarantees	57	57	525
Other long-term liabilities	735	1,013	6,761
Total long-term liabilities	36,112	27,372	331,825
Total liabilities	74,306	67,004	682,773
Net assets			
Shareholders' equity (Note 18):			
Common stock:			
Authorized: 29,920,000 shares in 2020 29,920,000 shares in 2019			
Issued: 9,761,011 shares in 2020 9,761,011 shares in 2019	14,182	14,182	130,319
Capital surplus	11,699	11,699	107,500
Retained earnings	38,294	34,583	351,873
Treasury stock, at cost: 697,273 shares in 2020 696,744 shares in 2019	(2,066)	(2,063)	(18,986)
Total shareholders' equity	62,109	58,402	570,706
Other comprehensive income			
Unrealized gain on other securities	3,241	4,697	29,785
Revaluation reserve for land (Note 6)	5,862	6,352	53,865
Remeasurements of defined benefit plans (Note 15)	(43)	259	(396)
Accumulated other comprehensive income (Note 9)	9,060	11,310	83,254
Minority interests:			
Minority interests	54	42	505
Total net assets	71,225	69,754	654,465
Total liabilities and net assets	¥145,531	¥136,759	\$1,337,238

The accompanying Notes are an integral part of these statements.

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

TONAMI HOLDINGS CO., LTD.
AND CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2020	2019	2020
Operating revenues (Note 20):			
Operating revenues	¥138,167	¥137,436	\$1,269,572
	138,167	137,436	1,269,572
Operating costs and selling, general and administrative expenses:			
Operating cost (Note 18)	124,097	122,932	1,140,291
Selling, general and administrative expenses (Note 18)	7,245	7,228	66,576
	131,342	130,161	1,206,867
Operating income (Note 20)	6,824	7,275	62,705
Other income and expenses:			
Interest and dividend income	389	356	3,577
Equity in earnings of unconsolidated subsidiaries and affiliates	107	103	985
Loss on sale of property and equipment, net	123	54	1,136
Interest expenses	(227)	(216)	(2,095)
Impairment losses (Note 8)	(1,129)	(347)	(10,381)
Other	354	31	3,260
	(383)	(18)	(3,517)
Income before income taxes and minority interests	6,441	7,257	59,188
Income taxes (Note 17):			
Current	2,379	2,683	21,863
Deferred	(84)	23	(772)
	2,295	2,707	21,091
Net income before minority interests	4,146	4,550	38,096
Minority interests	20	10	186
Net income	¥ 4,125	¥ 4,539	\$ 37,910
Minority interests	20	10	186
Net income before minority interests	4,146	4,550	38,096
Other comprehensive income (Note 9):			
Valuation difference on other securities	(1,452)	1,794	(13,351)
Revaluation reserve for land	—	—	—
Remeasurement of defined benefit plans	(302)	(109)	(2,780)
Share of other comprehensive income (loss) of associates accounting for using the equity method	(3)	2	(31)
Total other comprehensive income	(1,758)	1,687	(16,162)
Total comprehensive income for the year	¥ 2,387	¥ 6,237	\$ 21,934
Total comprehensive income attributable to:			
Owners of the parent	¥ 2,366	¥ 6,226	\$ 21,747
Minority interests	20	10	186

The accompanying Notes are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

TONAMI HOLDINGS CO., LTD.
AND CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2020 and 2019

	Millions of yen											
	Shares of common stock (thousands)	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on other securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Accumulated other comprehensive income	Minority interests	Total net assets
Balance as at April 1, 2018	9,761	¥14,182	¥11,699	¥30,770	¥(2,055)	¥54,596	¥2,901	¥6,352	¥368	¥ 9,623	¥37	¥64,257
Cash dividends applicable to the year (¥90 per share)				(725)		(725)						(725)
Net income				4,539		4,539						4,539
Change in ownership interests of the parent arising from transactions with non-controlling shareholders						—						—
Reversal of Revaluation reserve for land						—						—
Change of scope of equity method						—						—
Treasury stock					(8)	(8)						(8)
Net changes in items other than shareholders' equity						—	1,796	—	(109)	1,687	4	1,691
Balance as at March 31, 2019	9,761	¥14,182	¥11,699	¥34,583	¥(2,063)	¥58,402	¥4,697	¥6,352	¥259	¥11,310	¥42	¥69,754
Balance as at April 1, 2019	9,761	¥14,182	¥11,699	¥34,583	¥(2,063)	¥58,402	¥4,697	¥6,352	¥259	¥11,310	¥42	¥69,754
Cash dividends applicable to the year (¥100 per share)				(906)		(906)						(906)
Net income				4,125		4,125						4,125
Change in ownership interests of the parent arising from transactions with non-controlling shareholders				(4)		(4)						(4)
Reversal of Revaluation reserve for land				5		5						5
Change of scope of equity method				490		490						490
Treasury stock					(2)	(2)						(2)
Net changes in items other than shareholders' equity						—	(1,456)	(490)	(302)	(2,249)	12	(2,237)
Balance as at March 31, 2020	9,761	¥14,182	¥11,699	¥38,294	¥(2,066)	¥62,109	¥3,241	¥5,862	¥(43)	¥9,060	¥54	¥71,225

	Thousands of U.S. dollars (Note 1)											
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gain on other securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Accumulated other comprehensive income	Minority interests	Total net assets	
Balance as at April 1, 2019	\$130,319	\$107,500	\$317,778	\$(18,961)	\$536,637	\$43,167	\$58,375	\$2,385	\$103,927	\$390	\$640,954	
Cash dividends applicable to the year (\$0.9188 per share)			(8,330)		(8,330)						(8,330)	
Net income			37,910		37,910						37,910	
Change in ownership interests of the parent arising from transactions with non-controlling shareholders			(42)		(42)						(42)	
Reversal of Revaluation reserve for land			46		46						46	
Change of scope of equity method			4,510		4,510						4,510	
Treasury stock				(25)	(25)						(25)	
Net changes in items other than shareholders' equity					—	(13,382)	(4,510)	(2,780)	(20,673)	115	(20,558)	
Balance as at March 31, 2020	\$130,319	\$107,500	\$351,873	\$(18,986)	\$570,706	\$29,785	\$53,865	\$(396)	\$83,254	\$505	\$654,465	

1. The accompanying Notes are an integral part of these statements.

Consolidated Statements of Cash Flows

TONAMI HOLDINGS CO., LTD.
AND CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2020	2019	2020
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 6,441	¥ 7,257	\$ 59,188
Depreciation and amortization	5,191	5,134	47,703
Impairment losses	1,129	347	10,381
Gain on disposal of property and equipment	(123)	(54)	(1,136)
Gain on sales of investment in securities	—	(0)	—
Loss on devaluation of investments in securities	3	114	35
Loss on devaluation of golf club memberships	1	—	17
Amortization of goodwill	74	60	687
Equity in earnings of unconsolidated subsidiaries and affiliates	(107)	(103)	(985)
(Decrease) increase in allowance for doubtful accounts	19	(9)	179
Decrease in net defined benefit liability	(190)	27	(1,753)
Increase (decrease) in directors' and corporate auditors' retirement benefits	(16)	16	(151)
Increase in accrued bonuses to employees	(50)	157	(461)
Interest and dividend income	(389)	(356)	(3,577)
Interest expenses	227	216	2,095
Decrease (increase) in trade receivables	655	(729)	6,021
Decrease (increase) in inventories	(99)	(134)	(912)
(Decrease) increase in accounts payable	(670)	158	(6,161)
Increase in accrued consumption taxes	525	(62)	4,831
Other, net	229	474	2,105
Subtotal	12,853	12,515	118,105
Interest and dividends received	410	375	3,775
Interest paid	(211)	(215)	(1,940)
Income taxes paid	(2,995)	(2,208)	(27,526)
Net cash provided by operating activities	10,057	10,466	92,414
Cash flows from investing activities:			
Purchase of time deposits	(35)	(30)	(327)
Proceeds from redemption of time deposits	133	22	1,229
Purchase of property and equipment	(2,851)	(3,517)	(26,198)
Proceeds from sales of property and equipment	325	155	2,987
Purchase of investments in securities	(28)	(751)	(260)
Proceeds from redemption of investments in securities	0	0	1
(Payment for) proceeds from purchase of investments in consolidated subsidiaries	—	(409)	—
Investments in loans receivable	(365)	(457)	(3,359)
Proceeds from collection of loans receivable	404	277	3,714
Other, net	(99)	(57)	(912)
Net cash used in investing activities	(2,516)	(4,768)	(23,124)
Cash flows from financing activities:			
Net increase (decrease) in short-term loans	(1,440)	—	(13,232)
Proceeds from long-term debt	5,000	600	45,943
Repayment of long-term debt	(4,017)	(711)	(36,917)
Proceeds from issuance of corporate bonds	10,000	—	91,886
Repayments of lease obligations	(2,827)	(2,847)	(25,983)
Purchase of treasury stock	(2)	(8)	(25)
Dividends paid	(906)	(725)	(8,330)
Dividends paid to minority interests	(7)	(6)	(71)
Net cash used in financing activities	5,797	(3,698)	53,271
Net increase (decrease) in cash and cash equivalents	13,338	2,000	122,561
Cash and cash equivalents at beginning of year	19,262	17,262	176,995
Increase in cash and cashequivalents resulting from merger with unconsolidated subsidiaries	7	—	70
Cash and cash equivalents at end of year (Note 12)	¥ 32,608	¥ 19,262	\$ 299,626

The accompanying Notes are an integral part of these statements.

Notes to the Consolidated Financial Statements

TONAMI HOLDINGS CO., LTD.
AND CONSOLIDATED SUBSIDIARIES

1 Basis of presenting financial statements

The accompanying consolidated financial statements have been prepared based on the accounts maintained by Tonami Holdings Co., Ltd. (the “Company”) and consolidated subsidiaries in accordance with accounting principles generally accepted in Japan, which differ in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the Company’s consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥108.83 to U.S.\$1, the approximate rate of exchange at March 31, 2020. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2 Summary of significant accounting policies

(a) Consolidation

The accompanying consolidated financial statements as of March 31, 2020 include the accounts of the Company and its 22 (24 in 2019) consolidated subsidiaries and 6 (6 in 2019) affiliates accounted for by the equity method.

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Company has the ability to exercise significant influence are accounted for by the equity method. Four subsidiaries and one affiliate considered insignificant in view of total assets, operating revenues, net income and retained earnings are excluded from the scope of consolidation and not accounted for by the equity method.

The difference between the cost of an acquisition and the fair value of the net assets of the acquired subsidiary at the date of acquisition is being equally amortized over a period of 5 years after incurred. However, if the amount is immaterial, it is fully charged to income at the date of acquisition.

All significant intercompany balances and transactions have been eliminated in consolidation.

(b) Marketable securities and investments in securities

Securities, except for investments in unconsolidated subsidiaries and affiliates, are classified as trading securities, held-to-maturity securities or other securities. Trading securities are carried at fair value. Held-to-maturity securities are carried at amortized cost. Marketable securities classified as other securities are carried at fair value with any unrealized gain or loss reported as a separate component of net assets, net of taxes.

Non-marketable securities classified as other securities are carried at cost determined by the moving-average method.

Cost of securities sold is determined principally by the moving average method.

(c) Inventories

Inventories are stated at the lower of cost, determined principally by the last purchase price method or partially by the specific identification method, or net selling value.

(d) Derivatives

Derivative financial instruments are stated at fair value.

Interest-rate swaps which meet specific matching criteria and qualify for hedge accounting treatment are not re-measured at market value; however, the differentials paid or received under the respective swap agreements are recognized and included as interest expense or income.

(e) Property and equipment and intangible assets

Property and equipment are stated at cost. However, under Japanese tax law, capital gains arisen from disposals and other similar transactions are deducted from the cost of the property and equipment acquired in substitution.

Depreciation of property and equipment, except for leased assets, is computed by the declining balance method over the useful life of the assets as determined by law, except for buildings and structures, which are depreciated by the straight-line method.

The ranges of useful lives of principal property and equipment are as follows:

Buildings and structures 2–67 years

Machinery and vehicles 2–17 years

Leased assets under the finance lease arrangements which do not transfer ownership of the leased assets to the lessee are depreciated by the straight-line method over the respective lease periods without residual values. However, if the guaranteed salvage value is specified in the lease contracts, they are depreciated by the straight-line method considering such salvage value.

(f) Allowance for doubtful accounts

Allowance for doubtful accounts is provided in an amount sufficient to cover possible losses on collection. Said amount is computed by applying the rate of actual losses on collection experienced in the past with respect to general trade receivables and by individually reviewing their collectibility with respect to certain doubtful receivables.

(g) Provision for bonuses

Provision for bonuses is provided based on the estimated amount payable.

(h) Retirement benefits for directors and corporate auditors

Some consolidated subsidiaries provide necessary payments to directors and corporate auditors at the end of the fiscal year determined according to internal company rules to a reserve for retirement benefits for directors and corporate auditors.

(i) Provision for loss on guarantees

Provision for loss on guarantees is provided in an amount sufficient to cover a possible loss on guarantees, taking into consideration the financial condition of the parties to which guarantees have been provided.

(j) Accounting method for retirement benefits

Full-time employees of the Company and its consolidated subsidiaries are entitled to a lump-sum payment upon retirement or severance of employment. In order to provide for the employees' severance and retirement benefits, the Company and its consolidated subsidiaries record a net defined benefit liability, which is included in the liability section of the consolidated balance sheet, based on the estimated amounts of projected benefit obligation and plan assets at the balance sheet dates. In calculating the retirement benefit obligations, the benefit formula basis is used in determining the amount of the expected retirement benefit obligation attributed to service performed up to the end of the current fiscal year.

Actuarial gains and losses are recognized in expenses using the straight-line method over 9 years (a period not exceeding the employees' average remaining service years) commencing with the year following their occurrence.

Certain consolidated subsidiaries use the simplified method whereby the amount that would be required to be paid if all their eligible employees voluntarily terminated their employment as of the balance sheet date is treated as projected benefit obligation for the calculation of net defined benefit liability and retirement benefit cost.

(k) Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated into yen at the current exchange rates at the balance sheet date, and any gain or loss on translation is credited or charged to income.

(l) Income taxes

Income taxes consist of corporate income tax, inhabitant taxes and enterprise tax.

The Company and its consolidated subsidiaries recognize tax effects of temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting.

(m) Cash equivalents

Cash equivalents include deposits placed with banks on demand and highly liquid investments with insignificant risk of changes in value which have maturities of three months or less when purchased.

(n) Net income per share

Basic income per share is computed using the weighted-average number of shares of common stock outstanding, which represents the number of issued shares less treasury stock, during each year.

(Additional Information)

(Impact of the COVID-19 pandemic on accounting)

Economic activities have been severely impacted by the stay-at-home requests and business suspension requests, etc. by national and local governments in response to the COVID-19 pandemic.

Referring to the information on the COVID-19 pandemic provided by the Japanese government, the duration required from the spread of infections to their containment overseas, etc. the Group has performed accounting estimates related to the determination of impairment and recoverability of deferred tax assets based on the assumption that it will take approximately six months for the freight volume to recover to the pre-COVID-19 level, although a certain amount of rebound is expected after the stay-at-home requests and business suspension requests are lifted.

However, considering the fact that it is uncertain when the coronavirus disease comes to an end, and if the prolonged impacts continue, financial condition, operational performance and cash flow status concerned with the Group could be even more affected.

3 Property and equipment

Property and equipment are stated at the net book value in the consolidated balance sheets.

The amounts of accumulated depreciation were ¥66,893 million (\$614,664 thousand) and ¥64,815 million on March 31, 2020 and 2019, respectively. Capital gains resulting from disposals and other similar transactions are deducted from the cost of property and equipment acquired in substitution.

The amounts deducted from the cost of property and equipment were ¥180 million (\$1,655 thousand) and ¥180 million on March 31, 2020 and 2019, respectively.

4 Short-term bank loans and long-term debt

(a) Short-term bank loans

Short-term bank loans as at March 31, 2020 and 2019 were as follows:—

	Millions of yen		Thousands of
	2020	2019	U.S. dollars
Secured	¥ 1,380	¥ 1,970	\$ 12,680
Unsecured	6,930	7,778	63,677

Interest rates range from 0.33% to 1.500%.

(b) Long-term debt

Long-term debt as at March 31, 2020 and 2019 was as follows:—

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
0.48% ¥5.0 billion unsecured straight bonds due 2021	¥ 5,000	¥ 5,000	\$ 45,943
0.48% ¥10.0 billion unsecured straight bonds due 2029	10,000	—	91,886
0.150%-1.500% loans from financial institutions due 2021 to 2026 and thereafter:			
Secured	58	86	536
Unsecured	7,713	6,703	70,873
Total	22,771	11,789	209,239
Less: amount due within one year	5,313	3,857	48,819
	¥17,458	¥ 7,931	\$160,419

The maturity date of the ¥5.0 billion 0.48% unsecured straight bonds, issued in February 2016, is February 4, 2021.

The unsecured corporate bonds of ¥10.0 billion at the coupon rate of 0.40% issued in October 2019 is scheduled to be redeemed on October 18, 2029.

The annual maturities of long-term debt outstanding as at March 31, 2020 are as follows:—

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2021	¥ 5,313	\$ 48,819
2022	2,282	20,974
2023	210	1,936
2024	165	1,523
2025	1,965	18,062
2026	12,833	117,923

(c) Pledged assets

Property and equipment having a net value of ¥2,943 million (\$27,046 thousand) was pledged as collateral for short-term bank loans and long-term debt as at March 31, 2020.

5 Contingent liabilities

As at March 31, 2020, the Company was contingently liable as follows:—

	Millions of yen	Thousands of U.S. dollars
Notes endorsed	¥ 2	\$ 27
Others	¥ 65	\$ 598

6 Revaluation reserve for land

In accordance with the Law concerning Revaluation of Land enacted on March 31, 1998, the Company has revaluated its owned land used for business operations as at March 31, 2000 and reported a revaluation reserve for land under “Net assets.”

The revaluated book value of land was determined based on the value of land registered on the cadastres or their supplementary records, which are provided by the Local Tax Law under the Law Concerning Revaluation of Land, after making reasonable adjustments.

	Millions of yen	Thousands of U.S. dollars
Difference between the fair market value of revalued land at March 31, 2018 and the revalued book value	¥7,341	\$67,456

7 Restrictive financial covenants

(1) The Company has entered into overdraft facility and credit line commitment agreements (term of contract of three years) with ten banks for the purpose of efficient procurement of working capital.

Outstanding balance of unused credit concerning overdraft facility and credit line commitment agreements at March 31, 2020, was as follows:

	Millions of yen	Thousands of U.S. dollars
Maximum credit line of overdraft facility and commitment agreement	¥3,000	\$27,566
Used credit	—	—
Total	¥3,000	\$27,566

The agreements include restrictive financial covenants requiring net assets as of the fiscal year end to exceed predetermined amount.

8 Impairment losses

The Group recorded impairment losses on the asset groups stated below.

Fiscal year ended March 31, 2019

As a comprehensive logistics enterprise, the Group employs management accounting at offices that belong to road haulage business or other business groups.

The Group's business sites nationwide are the Group's bases for offering services as a comprehensive logistics enterprise to customers and, in many cases, offices of two or more business groups are located at a business site to respond to customers.

Offices of business groups complement one another and a business site is a unit that generates cash flows. Thus, the aggregate of assets of business groups' offices located at a business site constitutes an asset group.

With regard to an asset group for which the Company recognized impairment loss, the future cash flow is expected to be insufficient due to factors such as increases in personnel expenses, fuel costs, and subcontractor fees. Accordingly, the book value of the asset group was reduced to the recoverable amount and ¥347 million (\$3,131 thousand) was recognized as an impairment loss.

The breakdown is as follows: 47 million (US\$432 thousand) for land, ¥29 million (US\$268 thousand) for buildings, and ¥3 million (US\$33 thousand) for structures regarding freight forwarding facilities (Hakui-gun, Ishikawa Prefecture, etc.); ¥19 million (US\$173 thousand) for buildings, ¥3 million (US\$28 thousand) for structures, and ¥7 million (US\$69 thousand) for other (machinery) regarding warehouse facilities (Kashiwa-shi, Chiba Prefecture, etc.); ¥229 million (US\$2,072 thousand) for land and ¥6 million (US\$55 thousand) for buildings regarding leased property (Toyama-shi, Toyama Prefecture, etc.).

The recoverable amounts of the impaired asset group are measured by net sales value. Net sales value is assessed principally based on the appraisal value quoted by a real-estate appraiser.

Fiscal year ended March 31, 2020

As a comprehensive logistics enterprise, the Group employs management accounting at offices that belong to road haulage business or other business groups.

The Group's business sites nationwide are the Group's bases for offering services as a comprehensive logistics enterprise to customers and, in many cases, offices of two or more business groups are located at a business site to respond to customers.

Offices of business groups complement one another and a business site is a unit that generates cash flows. Thus, the aggregate of assets of business groups' offices located at a business site constitutes an asset group.

With regard to an asset group for which the Company recognized impairment loss, the future cash flow is expected to be insufficient due to factors such as increases in personnel expenses, fuel costs, and subcontractor fees. Accordingly, the book value of the asset group was reduced to the recoverable amount and ¥1,129 million (\$10,381 thousand) was recognized as an impairment loss.

The breakdown is as follows: ¥367 million (US\$3,378 thousand) for land, ¥105 million (US\$970 thousand) for leasehold, ¥105 million (US\$966 thousand) for buildings, and ¥28 million (US\$266 thousand) for structures regarding freight forwarding facilities (Amagasaki-shi, Hyogo Prefecture, etc.); ¥447 million (US\$4,110 thousand) for land, ¥75 million (US\$690 thousand) for buildings, ¥0 million (US\$1 thousand) for structures and ¥0 million (US\$0 thousand) for tools, furniture and fixtures regarding company housing facilities (Yachiyo-shi, Chiba Prefecture, etc.).

The recoverable amounts of the impaired asset group are measured by net sales value. Net sales value is assessed principally based on the appraisal value quoted by a real-estate appraiser.

9 Consolidated statement of comprehensive income

Reclassification adjustments and tax effects relating to other comprehensive income

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Valuation difference on other securities:			
Amount arising during the year	¥(2,084)	¥ 2,582	\$ (19,158)
Reclassification adjustment	0	(0)	1
Before tax-effect adjustment	(2,084)	2,582	(19,157)
Tax effect	631	(788)	5,806
Valuation difference on other securities	(1,452)	1,794	(13,351)
Revaluation reserve for land:			
Tax effect	—	—	—
Remeasurements of defined benefit plans:			
Amount arising during the year	(336)	(169)	(3,090)
Reclassification adjustment	(98)	16	(905)
Before tax-effect adjustment	(434)	(153)	(3,995)
Tax effect	132	43	1,214
Remeasurements of defined benefit plans	(302)	(109)	(2,780)
Share of other comprehensive income of affiliates accounted for using equity method:			
Amount arising during the year	(3)	2	(31)
Total other comprehensive income	(1,758)	1,687	(16,162)

10 Cash flow statements

Reconciliation of cash and time deposits shown in the consolidated balance sheets and cash and cash equivalents shown in the consolidated statements of cash flows as at March 31, 2020 and 2019 are as follows:—

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Cash and time deposits	¥32,655	¥19,407	\$300,060
Time deposits with maturities exceeding three months	(47)	(145)	(434)
Cash and cash equivalents	¥32,608	¥19,262	\$299,626

11 Leases

- (a) Finance leases other than those which are deemed to transfer the ownership of the leased assets to the lessee
- Contents of leased assets: Tangible fixed assets (mainly, machinery, equipment and vehicles for distribution-related business)
 - Depreciation method: Leased assets are depreciated by the straight-line method over the respective lease periods without residual values. However, if the guaranteed salvage value is specified in the lease contracts, they are depreciated by the straight-line method considering such salvage value.

- (b) Finance lease transactions which commenced prior to April 1, 2008 and do not transfer ownership of the leased assets to the lessee are accounted for as operating lease transactions as before.

The following are pro forma amounts of the acquisition costs, accumulated depreciation, accumulated impairment losses and net book value of leased property if they were capitalized as of March 31, 2020 and 2019 for finance leases accounted for as operating leases:—

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Acquisition costs:			
Buildings	¥ 2,316	¥ 2,316	\$ 21,290
	¥ 2,316	¥ 2,316	\$ 21,290
Accumulated depreciation:			
Buildings	¥ 1,388	¥ 1,330	\$ 12,756
	¥ 1,388	¥ 1,330	\$ 12,756
Accumulated impairment losses:			
Buildings	¥ 756	¥ 756	\$ 6,948
	¥ 756	¥ 756	\$ 6,948
Net book value:			
Buildings	¥ 172	¥ 230	\$ 1,585
	¥ 172	¥ 230	\$ 1,585

Amounts of depreciation expense equivalents and interest expense equivalents for the years ended March 31, 2020 and 2019 were as follows:—

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Depreciation expense	¥58	¥58	\$534
Interest expense	16	20	152

Lease payments relating to finance leases accounted for as operating leases amounted to ¥187 million (\$1,726 thousand) and ¥187 million, which were equal to the depreciation expense of the leased assets computed by the straight-line method over the lease terms, for the years ended March 31, 2020 and 2019, respectively.

In the year ended March 31, 2020, impairment losses on leased assets amounting to ¥756 million were recorded. Since these leased assets are off-balance-sheet, the equivalent amount is included in “Other long-term liabilities.”

Impairment losses on leased assets are realized over the lease term. Reversal of impairment losses on leased assets recorded in the fiscal years ended March 31, 2020 and 2019, amounted to ¥42 million (\$386 thousand) and ¥42 million, respectively.

Future minimum lease payments (including the interest portion thereon) and the balance of impairment losses on leased assets as at March 31, 2020 and 2019 for finance leases accounted for as operating leases are summarized as follows:—

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Due within one year	¥115	¥112	\$1,065
Due over one year	305	421	2,807
Total	¥421	¥533	\$3,872
Impairment losses on leased assets	¥126	¥168	\$1,158

(c) Operating leases

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Due within one year	¥ 2,726	¥ 2,563	\$ 25,056
Due over one year	9,380	9,166	86,190
Total	¥12,106	¥11,730	\$111,246

12 Financial instruments and related disclosures

(a) Financial instruments

The Group invests cash surplus, if any, in low risk financial assets and raises funds for short-term working capital by bank borrowings. For capital investment, the Group raises necessary funds in light of the capital investment plan by bank borrowings or issuance of corporate bonds. Derivatives are employed to mitigate the risk of fluctuations in interest rates, and not used for speculative purposes.

Trade receivables such as notes and accounts are exposed to customer credit risk. For such credit risk, the Group has established the risk management system to monitor and control payment term and balances of customers.

Investments in securities such as equity securities are exposed to the market risk of fluctuation in market prices, but major components are equity securities issued by the business partners and their fair values are periodically reported to the directors responsible.

Almost all the trade payables such as notes and accounts payable are due within one year.

Of borrowings, short-term bank loans are used mainly to procure funds for operating transactions and long-term debt and corporate bonds are used to procure funds for capital investment. For floating-rate debt, derivative transactions (interest rate swaps) are used as hedges to avoid the risk of interest rate fluctuations and fix interest payments.

The Company executes and manages derivative transactions in accordance with internal rules that specify transaction authority, and since large borrowings are subject to the decision of the board of directors, the board of directors also decides whether to enter into corresponding swap agreements. Moreover, the Company enters into derivative transactions only with financial institutions with high credit ratings to mitigate counterparty default risk.

Trade payables and loans are exposed to the liquidity risk, but the Group controls such liquidity risk by the monthly cash management plans prepared by each company.

(b) Fair value of financial instruments

The carrying amount, fair value and the related difference of the financial instruments as of March 31, 2020 and 2019 were as indicated below. Financial instruments whose fair values are extremely difficult to determine are not included in the following tables.

For the year ended March 31, 2020

	Millions of yen		
	Carrying amount	Fair value	Difference
Assets:			
Cash and time deposits	¥32,655	¥32,655	¥ —
Trade receivables – notes	2,985	2,985	—
Trade receivables – accounts	19,242	19,242	—
Investments in securities (other securities)	8,202	8,202	—
Total asset	¥63,086	¥63,086	¥ —
Liabilities:			
Trade notes payable	¥ 1,058	¥ 1,058	¥ —
Trade accounts payable	12,016	12,016	—
Short-term bank loans	8,310	8,310	—
Bonds	15,000	14,768	(231)
Long-term debt	7,771	7,887	115
Lease obligations	7,071	7,326	254
Total liabilities	¥51,227	¥51,366	¥ 139
Derivatives:	—	—	—

For the year ended March 31, 2019

	Millions of yen		
	Carrying amount	Fair value	Difference
Assets:			
Cash and time deposits	¥ 19,407	¥ 19,407	¥ —
Trade receivables – notes	3,115	3,115	—
Trade receivables – accounts	19,768	19,768	—
Investments in securities (other securities)	10,259	10,259	—
Total asset	¥ 52,550	¥ 52,550	¥ —
Liabilities:			
Trade notes payable	¥ 993	¥ 993	¥ —
Trade accounts payable	12,051	12,051	—
Short-term bank loans	9,748	9,748	—
Bonds	5,000	5,013	13
Long-term debt	6,789	6,838	49
Lease obligations	7,094	7,262	167
Total liabilities	¥ 41,676	¥ 41,907	¥ 231
Derivatives:	—	—	—

For the year ended March 31, 2020

	Thousands of U.S. dollars		
	Carrying amount	Fair value	Difference
Assets:			
Cash and time deposits	\$ 300,060	\$ 300,060	\$ —
Trade receivables – notes	27,437	27,437	—
Trade receivables – accounts	176,812	176,812	—
Investments in securities (other securities)	75,372	75,372	—
Total asset	\$ 579,681	\$ 579,681	\$ —
Liabilities:			
Trade notes payable	\$ 9,725	\$ 9,725	\$ —
Trade accounts payable	110,413	110,413	—
Short-term bank loans	76,358	76,358	—
Bonds	137,830	135,704	(2,126)
Long-term debt	71,409	72,474	1,065
Lease obligations	64,976	67,319	2,342
Total liabilities	\$ 470,711	\$ 471,992	\$ 1,281
Derivatives:	—	—	—

For cash and time deposits, trade notes receivable and trade accounts receivable, the carrying amount is presented as the fair value since the fair value approximates the carrying amount because of the short maturity of these instruments.

For investments in securities, the fair value of equity securities is determined using the quoted prices of the stock exchanges. Unlisted equity securities whose fair value is extremely difficult to identify in the carrying amount of ¥2,678 million (\$24,612 thousand) are not included in the above table. The unlisted equity securities were restated at fair value and related loss on impairment amounting to ¥3 million was charged to income for the year ended March 31, 2020.

For trade notes payable, trade accounts payable and short-term bank loans, the carrying amount is presented as the fair value since the fair value approximates the carrying amount because of the short maturity of these instruments.

For bonds, lease obligations and long-term debt, the fair value is determined using the present value of aggregated principal and interest discounted at a rate assumed if the new loans or lease arrangements were made.

For derivatives, please see Note 14 “Derivative transactions”.

(c) Information about maturities of financial instruments

Annual maturities of monetary receivables and other securities with contractual maturities as of March 31, 2020 and 2019 were as follows:

For the year ended March 31, 2020

	Millions of yen			
	Due in one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Time deposits	¥32,633	¥—	¥—	¥—
Trade notes receivable	2,985	—	—	—
Trade accounts receivable	19,242	—	—	—
Investments in securities (other securities with maturities)	—	—	30	—
Total	¥54,862	¥—	¥30	¥—

For the year ended March 31, 2019

	Millions of yen			
	Due in one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Time deposits	¥19,383	¥—	¥—	¥—
Trade notes receivable	3,115	—	—	—
Trade accounts receivable	19,768	—	—	—
Investments in securities (other securities with maturities)	—	—	30	—
Total	¥42,267	¥—	¥30	¥—

For the year ended March 31, 2020

	Thousands of U.S. dollars			
	Due in one year	Due after one year through five years	Due after five years through ten years	Due after ten years
Time deposits	\$299,860	\$—	\$—	\$—
Trade notes receivable	27,437	—	—	—
Trade accounts receivable	176,812	—	—	—
Investments in securities (other securities with maturities)	—	—	275	—
Total	\$504,109	\$—	\$275	\$—

Annual maturities of bonds, long-term debt, lease obligations, and other interest-bearing debts as of March 31, 2020 and 2019 are as follows:

For the year ended March 31, 2020

	Millions of yen					
	Due in one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term debt	¥ 8,310	¥ —	¥ —	¥ —	¥ —	¥ —
Bonds	5,000	—	—	—	—	10,000
Long-term debt	313	2,282	210	165	1,965	2,833
Lease obligations	2,369	1,764	1,363	935	434	203
Total	¥15,992	¥4,046	¥1,574	¥1,101	¥2,400	¥13,037

For the year ended March 31, 2019

	Millions of yen					
	Due in one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term debt	¥ 9,748	¥ —	¥ —	¥ —	¥ —	¥ —
Bonds	—	5,000	—	—	—	—
Long-term debt	3,857	129	2,200	61	515	24
Lease obligations	2,444	1,870	1,273	869	410	226
Total	¥16,050	¥6,999	¥3,473	¥931	¥926	¥250

For the year ended March 31, 2020

	Thousands of U.S. dollars					
	Due in one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term debt	\$ 76,358	\$ —	\$ —	\$ —	\$ —	\$ —
Bonds	45,943	—	—	—	—	91,886
Long-term debt	2,876	20,974	1,936	1,523	18,062	26,037
Lease obligations	21,773	16,210	12,530	8,597	3,996	1,870
Total	\$146,950	\$37,184	\$14,466	\$10,120	\$22,059	\$119,794

13 Marketable securities and investments in securities

The components of unrealized gain or loss on marketable securities classified as other securities at March 31, 2020 and 2019 are summarized as follows:—

At March 31, 2020

	Millions of yen		
	Carrying value	Acquisition costs	Unrealized gain (loss)
Unrealized gain:			
Stocks	¥6,649	¥1,581	¥5,068
Bonds	—	—	—
Other	—	—	—
Unrealized loss:			
Stocks	1,515	1,977	(462)
Bonds	37	37	(0)
Other	—	—	—
Total	¥8,202	¥3,597	¥4,605

At March 31, 2019

	Millions of yen		
	Carrying value	Acquisition costs	Unrealized gain (loss)
Unrealized gain:			
Stocks	¥ 9,495	¥2,489	¥7,006
Bonds	—	—	—
Other	—	—	—
Unrealized loss:			
Stocks	733	1,050	(316)
Bonds	30	30	—
Other	—	—	—
Total	¥10,259	¥3,570	¥6,689

At March 31, 2020

	Thousands of U.S. dollars		
	Carrying value	Acquisition costs	Unrealized gain (loss)
Unrealized gain:			
Stocks	\$61,102	\$14,530	\$46,572
Bonds	—	—	—
Other	—	—	—
Unrealized loss:			
Stocks	13,923	18,174	(4,250)
Bonds	346	349	(3)
Other	—	—	—
Total	\$75,372	\$33,053	\$42,319

In the fiscal year ended March 31, 2019, no impairment of shares of other investment securities was recognized.

In the fiscal year ended March 31, 2020, an impairment of shares of other investment securities was recognized in an amount of ¥0 million.

Equity securities whose fair value is 50% or less than the acquisition cost are necessarily restated at fair value and those whose fair value is between 50% and 30% of the acquisition cost are restated at fair value, if they are judged to be unrecoverable considering the trend of the market value for a past certain period and performances of the issuers.

14 Derivative transactions

(a) Derivative transactions to which hedge accounting is not applied

There is no applicable transaction.

(b) Derivative transactions to which hedge accounting is applied

Hedge accounting method: Special treatment for interest rate swaps

Type of transactions: Interest rate swaps:

Fixed rate payment/Floating rate receipt

Major hedged item: Long-term debt

	Millions of yen		Thousands of U.S. dollars
	2019	2018	2019
Contract amount	¥—	¥200	\$—
Contract amount due after one year	—	—	—
Fair value		*	

*The fair value is included in the fair value of the long-term debt as hedged instruments, since the interest rate swaps which qualify for hedge accounting and meet specific criteria are not remeasured at market value, but the differentials paid or received under the swap agreements are recognized and included in interest expenses or income (special treatment).

15 Employees' severance and retirement benefits

(a) Outline of retirement benefit plans

In order to provide for the employees' severance and retirement benefits, the Company and its consolidated subsidiaries have funded and unfunded defined benefit plans and defined contribution plans.

Under the defined benefit corporate pension plans (all of which are funded plans), a lump sum or a pension based on the salary and the service years is paid. However, the Company and certain consolidated subsidiaries have introduced cash balance plans for the defined benefit corporate pension plans. In these plans, hypothetical individual employee accounts correspond to the funded amount and the principal of the pension amount for each participant. In each hypothetical individual employee account, the contributions based on the salary standard and interest amount based principally on the market interest rates are accumulated.

Under the lump-sum payment plans (all of which are unfunded plans), a lump sum based on the salary and service years is paid as retirement benefits. The Company and certain consolidated subsidiaries transferred part of the lump-sum payment plans to the defined contribution pension plans.

In the defined benefit corporate pension plans and lump-sum payment plans of certain consolidated subsidiaries, net defined benefit liability and retirement benefit cost are calculated by the simplified method.

(b) Defined benefit plans

Reconciliation of beginning and ending balances of retirement benefit obligation (excluding the plan for which the simplified method is applied)

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Retirement benefit obligation at beginning of year	¥12,490	¥12,554	\$114,767
Cumulative effects of changes in accounting policies	—	—	—
Restated balance at beginning of year	12,490	12,554	114,767
Service cost	639	650	5,879
Interest cost	99	100	918
Actuarial gain or loss	67	57	621
Payment of retirement benefits	(836)	(873)	(7,687)
Retirement benefit obligation at end of year	¥12,460	¥12,490	\$114,498

Reconciliation of beginning and ending balances of plan assets (excluding the plan for which the simplified method is applied)

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Plan assets at beginning of year	¥6,380	¥6,556	\$58,631
Expected return on plan assets	159	163	1,466
Actuarial gain or loss	(268)	(111)	(2,469)
Contributions by the Company	77	76	709
Employee contributions	62	62	576
Payment of retirement benefits	(328)	(366)	(3,021)
Plan assets at end of year	¥6,082	¥6,380	\$55,892

Reconciliation of beginning and ending balances of net defined benefit liability for which the simplified method is applied

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Net defined benefit liability at beginning of year	¥986	¥932	\$9,063
Retirement benefit costs	116	124	1,073
Payment of retirement benefits	(87)	(65)	(805)
Contributions to the plan	(23)	(19)	(219)
Increase resulting from change in scope of consolidation	—	13	—
	(0)	—	(4)
Net defined benefit liability at end of year	¥991	¥986	\$9,108

Reconciliation of ending balances of retirement benefit obligation and plan assets and net defined benefit liability/asset on the consolidated balance sheets

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Funded retirement benefit obligation	¥ 7,745	¥ 7,679	\$ 71,172
Plan assets	(6,233)	(6,513)	(57,274)
	1,512	1,165	13,898
Unfunded retirement benefit obligation	5,856	5,929	53,815
Net amount of liability (asset) on the consolidated balance sheets	7,369	7,095	67,713
Net defined benefit liability	7,369	7,095	67,713
Net defined benefit asset	—	—	—
Net amount of liability (asset) on the consolidated balance sheets	¥ 7,369	¥ 7,095	\$ 67,713

Note: Including the plans for which the simplified method is applied

Retirement benefit costs and breakdown

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Service cost (Note 1)	¥ 577	¥ 587	\$ 5,303
Interest cost	99	100	918
Expected return on plan assets	(159)	(163)	(1,466)
Amortization of actuarial gain or loss	(98)	16	(905)
Retirement benefit costs calculated by the simplified method	116	124	1,073
Retirement benefit costs for defined benefit plans	¥ 535	¥ 665	\$ 4,923

(Note 1) Employee contributions to the corporate pension fund are not included in the amounts shown.

Items recorded in other comprehensive income

Breakdown of items recorded in remeasurements of defined benefit plans (before tax effect deduction)

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Actuarial gain or loss	¥(434)	¥(153)	\$(3,995)

Items recorded in accumulated other comprehensive income

Breakdown of items recorded in remeasurements of defined benefit plans (before tax effect deduction)

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Unrecognized actuarial gain or loss	¥47	¥(387)	\$435

Plan assets

Plan asset components as a percentage of total plan assets

	2020	2019
Bonds	52.9%	50.4%
Stocks	14.2%	26.3%
Insurance company general accounts	11.8%	12.2%
Cash and time deposits	8.8%	2.0%
Other	12.3%	9.1%
Total	100.0%	100.0%

Long-term expected rate of return on plan assets is determined considering the pension asset allocation and long-term expected return on plan assets composed of various types of assets, at the present and in the future.

Basis of actuarial calculation

	2020	2019
Discount rate	0.8%	0.8%
Long-term expected return on plan assets	2.5%	2.5%

(c) Defined contribution plan

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Required contributions to the defined contribution pension plan	¥302	¥315	\$2,777

16 Net assets

The Companies Act provides that an amount equal to at least 10% of the aggregate amount to be distributed as cash dividends or cash appropriations must be transferred to capital surplus, which is part of the capital surplus account, or retained earnings, which is part of the retained earnings account, until the aggregate amount of capital surplus and retained earnings equals 25% of the common stock account.

Transfers from the retained earnings to common stock, capital surplus, retained earnings, other capital surplus, and other retained earnings may be made by resolution of the shareholders.

Under the Companies Act, distributions of surplus to shareholders may be made at any time by resolution of the shareholders.

The Company's Articles of Incorporation also provide that the Company may make distributions to shareholders based on a resolution of the Board of Directors, provided that such distributions are limited to once per fiscal year.

Information concerning changes in net assets

Treasury stock

Class of shares	At March 31, 2019	Increase	Decrease	At March 31, 2020
Common stock (shares)	696,744	529	—	697,273

Reason for the change:

Breakdown of the increase:

Increase attributable to purchase of shares constituting less than one unit 529 shares

17 Income taxes

As described in Note 2(j), the Company and its consolidated subsidiaries recognize tax effects of temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting.

Significant components of deferred tax assets and liabilities were as follows:—

	Millions of yen		Thousands of U.S. dollars	
	2020	2019	2020	2019
Deferred tax assets:				
Provision for bonuses	¥ 515	¥ 533	\$ 4,735	\$ 4,805
Net defined benefit liability	2,160	2,132	19,855	19,212
Allowance for doubtful accounts in excess of deductible limit	167	161	1,538	1,458
Depreciation and amortization in excess of deductible limit	115	118	1,061	1,069
Accounts payable upon transfer to defined contribution pension plan	126	216	1,161	1,953
Accumulated loss on impairment of property and equipment	2,496	2,176	22,936	19,611
Accumulated loss on impairment of leased assets	38	51	353	461
Accrued enterprise tax	143	171	1,319	1,541
Other	566	425	5,202	3,834
Gross deferred tax assets	6,329	5,987	58,159	53,945
Valuation allowance	(2,716)	(2,397)	(24,964)	(21,600)
Total deferred tax assets	3,612	3,590	33,195	32,345
Deferred tax liabilities:				
Unrealized gain on other securities	(1,358)	(1,989)	(12,479)	
Reserve for advanced depreciation of non-current assets	(3,408)	(3,334)	(31,323)	
Undistributed earnings	(175)	(180)	(1,616)	
Total deferred tax liabilities	(4,942)	(5,504)	(45,418)	
Net deferred tax assets	¥(1,330)	¥(1,914)	\$ (12,223)	

Income taxes applicable to the Company consist of corporate income tax, inhabitant taxes and enterprise tax.

Significant differences between the statutory tax rate and the Company's effective tax rate after applying the deferred tax accounting for the years ended March 31, 2020 and 2019 were as follows:—

	2020	2019
Statutory tax rate:	30.45%	30.45%
Increase (reduction) in tax resulting from:		
Nondeductible expenses including entertainment, etc.	0.67	0.58
Nontaxable income including dividends received deduction, etc.	(12.01)	(9.42)
Per capita portion of inhabitant taxes	3.59	3.20
	(3.75)	—
Equity in earnings of affiliates	(0.51)	(0.43)
Elimination of dividends received from consolidated subsidiaries, etc.	11.86	9.30
Amortization of goodwill	0.35	0.26
Change in valuation allowance related to deferred tax assets	5.18	2.22
Other	(0.20)	1.14
Effective tax rate	35.63%	37.30%

18 Supplementary income information

Supplementary income information for the years ended March 31, 2020 and 2019 is as follows:—

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Depreciation expenses	¥5,191	¥5,134	\$47,703
Lease and rental	7,051	7,060	64,796

19 Amounts per share

Amounts per share of common stock for the years ended March 31, 2020 and 2019 were as follows:—

	Yen		U.S. dollars
	2020	2019	2020
Net income per share:			
Basic	¥ 455.18	¥ 500.74	\$ 4.1825
Diluted	—	—	—
Cash dividends	100.00	90.00	0.9189
Net assets per share	¥7,852.22	¥7,690.92	\$72.1512

Basis for the calculation of net assets per share for the years ended March 31, 2020 and 2019 were as follows:—

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Total net assets as reported on the consolidated balance sheets	¥71,225	¥64,754	\$654,465
Deduction from total net assets:	54	42	505
Non-controlling interests	54	42	505
Adjusted net assets allocated in common stock	71,170	69,712	653,960
Number of shares of common stock outstanding at the end of year on which net assets per share is calculated	9,063,738	9,064,267	

Basis for the calculation of basic and diluted net income per share for the years ended March 31, 2020 and 2019 was as follows:—

	Millions of yen		Thousands of U.S. dollars
	2020	2019	2020
Net income attributable to owners of the parent	¥4,125	¥4,539	\$37,910
Amounts not attributable to shareholders of common stock	—	—	—
Net income attributable to common shareholders of the parent	4,125	4,539	37,910
Weighted-average number of shares of common stock outstanding (shares)	9,064,036	9,064,933	

20 Segment information

(1) Overview of reportable segments

The Company's segments are the Group's components for which discrete financial information is available and whose operating results are regularly reviewed by the Company's board of directors to make decisions on the allocation of resources to the segments and to assess their performance.

The Group, in doing business, classifies business models of operating companies, which are under the Company (pure holding company), according to the nature of services and formulates comprehensive strategies for individual business models.

Therefore, the Group consists of segments according to services based on these business models and the Group's reportable segments are: Logistics, Information Processing, and Sales.

Principal services of the Logistics segment are road haulage, freight forwarding, warehousing, and harbor transport. The principal service of the Information Processing segment is information processing. Principal services of the Sales segment are merchandising, consignment sales, and a non-life insurance agency.

(2) Methods of calculating operating revenues, income/loss, assets/liabilities, and other items by reportable segment

Accounting procedures applied to the reported operating segments are the same as those described in the “Basis of Presenting Consolidated Financial Statements.” Income of reportable segments is on an operating income basis. Intersegment revenues and transfers are based on market prices.

(3) Information on operating revenues, income/loss, assets/liabilities, and other items by reportable segment

For the year ended March 31, 2020

Millions of yen

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Logistics	Information processing	Sales	Total				
Operating revenues:								
Revenues from outside customers	¥126,778	¥3,064	¥6,620	¥136,463	¥1,704	¥138,167	¥—	¥138,167
Intersegment revenues or transfers	35	448	4,079	4,562	116	4,679	(4,679)	—
Total	126,814	3,512	10,699	141,026	1,820	142,846	(4,679)	138,167
Segment income	¥6,263	¥394	¥221	¥6,879	¥120	¥6,999	¥(175)	¥6,824
Segment assets	¥112,499	¥2,228	¥10,212	¥124,940	¥12,498	¥137,438	¥8,092	¥145,531
Other items:								
Depreciation	¥4,640	¥471	¥41	¥5,153	¥23	¥5,177	¥13	¥5,191
Amortization of goodwill	¥63	¥—	¥—	¥63	¥11	¥74	¥—	¥74
Impairment losses	¥1,129	¥—	¥—	¥1,129	¥—	¥1,129	¥—	¥1,129
Increases in property and equipment and intangible fixed assets	¥4,367	¥267	¥202	¥4,837	¥12	¥4,850	¥(25)	¥4,825

For the year ended March 31, 2019

Millions of yen

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Logistics	Information processing	Sales	Total				
Operating revenues:								
Revenues from outside customers	¥126,211	¥2,836	¥6,723	¥135,771	¥1,665	¥137,436	¥—	¥137,436
Intersegment revenues or transfers	31	252	4,407	4,691	131	4,823	(4,823)	—
Total	126,242	3,088	11,131	140,463	1,796	142,260	(4,823)	137,436
Segment income	¥6,600	¥341	¥304	¥7,246	¥113	¥7,360	¥(84)	¥7,275
Segment assets	¥113,224	¥2,070	¥10,200	¥125,495	¥13,389	¥138,885	¥(2,126)	¥136,759
Other items:								
Depreciation	¥4,482	¥569	¥39	¥5,091	¥24	¥5,115	¥18	¥5,134
Amortization of goodwill	¥49	¥—	¥—	¥49	¥11	¥60	¥—	¥60
Impairment losses	¥247	¥—	¥100	¥347	¥—	¥347	¥—	¥347
Increases in property and equipment and intangible fixed assets	¥6,095	¥123	¥147	¥6,366	¥37	¥6,403	¥(0)	¥6,402

For the year ended March 31, 2020

Thousands of U.S. dollars

	Reportable segments				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Logistics	Information processing	Sales	Total				
Operating revenues:								
Revenues from outside customers	\$ 1,164,926	\$ 28,157	\$ 60,829	\$ 1,253,913	\$ 15,659	\$ 1,251,194	\$ —	\$ 1,269,572
Intersegment revenues or transfers	323	\$ 4,121	\$ 37,484	\$ 41,928	\$ 1,070	\$ 42,997	\$(42,997)	\$ —
Total	1,165,249	\$ 32,278	\$ 98,314	\$ 1,295,840	\$ 16,728	\$ 1,312,569	\$(42,997)	\$ 1,269,572
Segment income	\$ 57,555	\$ 3,623	\$ 2,033	\$ 63,211	\$ 1,106	\$ 64,317	\$ (1,612)	\$ 62,705
Segment assets	\$ 1,033,717	\$ 20,473	\$ 93,842	\$ 1,148,032	\$ 114,844	\$ 1,262,876	\$ 74,362	\$ 1,337,238
Other items:								
Depreciation	\$ 42,642	\$ 4,331	\$ 384	\$ 47,358	\$ 217	\$ 47,575	\$ 128	\$ 47,703
Amortization of goodwill	\$ 580	\$ —	\$ —	\$ 580	\$ 107	\$ 687	\$ —	\$ 687
Impairment losses	\$ 10,381	\$ —	\$ —	\$ 10,381	\$ —	\$ 10,381	\$ —	\$ 10,381
Increases in property and equipment and intangible fixed assets	\$ 40,133	\$ 2,454	\$ 1,861	\$ 44,448	\$ 119	\$ 44,567	\$ (230)	\$ 44,336

Notes:

1. "Others" corresponds to operating segments that are not included in the reported operating segments and includes automobile repair and direct mail service.
2. Adjustments are as follows:
 - (1) Adjustments of segment income

For the fiscal years ended March 31, 2020 and 2019, adjustments of segment income amounted to ¥(175) million (\$1,612 thousand) and ¥(84) million (\$766 thousand), respectively. Adjustments include intersegment eliminations and corporate expenses not allocated to any reportable segments.

For the fiscal years ended March 31, 2020 and 2019, the above-mentioned intersegment eliminations amounted to ¥789 million (\$7,250 thousand) and ¥814 million (\$7,343 thousand), respectively, and corporate expenses not allocated to any reportable segments amounted to ¥(964) million (\$8,862 thousand) and ¥(899) million (\$8,108 thousand), respectively. Corporate expenses are mainly expenses of the Company's operations that do not belong to any reportable segments.
 - (2) Adjustments of segment assets

For the fiscal years ended March 31, 2020 and 2019, adjustments of segment assets amounted to ¥8,092 million (\$74,362 thousand) and ¥(2,126) million (\$19,156 thousand), respectively. Adjustments include intersegment eliminations and corporate assets not allocated to any reportable segments.

For the fiscal years ended March 31, 2020 and 2019, the above-mentioned intersegment eliminations amounted to ¥(33,839) million (\$310,988 thousand) and ¥(32,443) million (\$292,311 thousand), respectively, and corporate assets not allocated to any reportable segments amounted to ¥41,932 million (\$385,300 thousand) and ¥30,317 million (\$273,155 thousand), respectively. Corporate assets are mainly cash and time deposits and investments in securities of the head office that do not belong to any reportable segments.
 - (3) Adjustments of increases in property and equipment and intangible fixed assets

For the fiscal years ended March 31, 2020 and 2019, adjustments of increases in property and equipment and intangible fixed assets amounted to ¥(25) million (\$230 thousand) and ¥(0) million (\$8 thousand), respectively. Adjustments include intersegment eliminations and corporate assets not allocated to any reportable segments.

For the fiscal years ended March 31, 2020 and 2019, the above-mentioned intersegment eliminations amounted to ¥(28) million (\$259 thousand) and ¥(4) million (\$36 thousand), respectively, and corporate assets not allocated to any reportable segments amounted to ¥3 million (\$28 thousand) and ¥3 million (\$28 thousand), respectively.
3. Segment income is adjusted to operating income in the consolidated financial statements.

(4) Related information

For the year ended March 31, 2020

- 1) Information by product and service
Information by product and service is omitted because similar information is presented in the segment information.
- 2) Information by geographical area
Information about operating revenues by geographical area is omitted because operating revenues from outside customers in Japan exceeded 90% of operating revenues in the consolidated financial statements.
Not applicable for property and equipment because there is no property and equipment located in places other than Japan.
- 3) Information by major customer
Not applicable because, concerning operating revenues from outside customers, no outside customer accounts for 10% or more of operating revenues in the consolidated financial statements.

For the year ended March 31, 2019

- 1) Information by product and service
Information by product and service is omitted because similar information is presented in the segment information.
- 2) Information by geographical area
Information about operating revenues by geographical area is omitted because operating revenues from outside customers in Japan exceeded 90% of operating revenues in the consolidated financial statements.
Not applicable for property and equipment because there is no property and equipment located in places other than Japan.
- 3) Information by major customer
Not applicable because, concerning operating revenues from outside customers, no outside customer accounts for 10% or more of operating revenues in the consolidated financial statements.

(5) Information on fixed asset impairment losses by reportable segment

For the year ended March 31, 2020

Information on fixed asset impairment losses by reportable segment is omitted because similar information is presented in the segment information.

For the year ended March 31, 2019

Information on fixed asset impairment losses by reportable segment is omitted because similar information is presented in the segment information.

(6) Information on amortization of goodwill and unamortized balance by reportable segment

For the year ended March 31, 2020

Millions of yen

	Reportable segments				Others	Adjustment	Total
	Logistics	Information processing	Sales	Total			
Goodwill:							
Amortization	¥ 63	¥ —	¥ —	¥ 63	¥ 11	¥ —	¥ 74
Impairment losses	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Balance at end of year	¥334	¥ —	¥ —	¥334	¥ 14	¥ —	¥349

For the year ended March 31, 2019

Millions of yen

	Reportable segments				Others	Adjustment	Total
	Logistics	Information processing	Sales	Total			
Goodwill:							
Amortization	¥ 49	¥ —	¥ —	¥ 49	¥ 11	¥ —	¥ 60
Impairment losses	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
Balance at end of year	¥370	¥ —	¥ —	¥370	¥ 26	¥ —	¥397

For the year ended March 31, 2020

Thousands of U.S. dollars

	Reportable segments				Others	Adjustment	Total
	Logistics	Information processing	Sales	Total			
Goodwill:							
Amortization	\$ 580	\$ —	\$ —	\$ 580	\$107	\$ —	\$ 687
Impairment losses	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Balance at end of year	\$ 3,073	\$ —	\$ —	\$ 3,073	\$134	\$ —	\$ 3,207

(7) Information on gain on negative goodwill by reportable segment

For the year ended March 31, 2020

Not applicable

For the year ended March 31, 2019

Not applicable

21 Subsequent events

Cash dividends

The annual shareholders' meeting of the Company, which was held on June 26, 2020, duly approved the payment of dividends as follows:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥50.00 per share)	¥453	\$4,165

Consolidated Subsidiaries

Logistics

Company Name	Business Line
Tonami Transportation Co., Ltd.	Road haulage
Tonami Transportation Shinetsu Co., Ltd.	Road haulage
Tonami Transportation Chugoku Co., Ltd.	Road haulage
Kanto Tonami Transportation Co., Ltd.	Road haulage
Hokuriku Tonami Transportation Co., Ltd.	Road haulage
Tonami Shutoken Logistics Co., Ltd.	Road haulage
Tonami Kinki Logistics Co., Ltd.	Road haulage
Ishikawa Tonami Transportation Co., Ltd.	Road haulage
Tonami Daiichi Warehouse Logistics Co., Ltd.	Road haulage / Warehousing
Fukui Tonami Transportation Co., Ltd.	Road haulage
Niigata Tonami Transportation Co., Ltd.	Road haulage
Anan Transportation Co., Ltd.	Road haulage
Tonami Global Logistics Co., Ltd.	Harbor transport service
Keishin Warehouse Co., Ltd.	Warehousing
Kitakanto Tonami Transportation Co., Ltd.	Road haulage
Take One Co., Ltd.	Road haulage
KYK CO., Ltd.	Road haulage

Information Processing and Others

Company Name	Business Line
Tonami Trading Co., Ltd.	Trading Company
Toyo Gomu Hokuriku Hanbai Co., Ltd.	Sale of tires
KSR Co., Ltd.	Development and sale of software
Chuo Reizo Co., Ltd.	Other
Tonami Business Service Co., Ltd.	Financial service

Board of Directors and Corporate Auditors

President and Representative Director

Katsusuke Watanuki

Senior Managing Directors

Kazuo Takata

Shinichi Izumi

Directors

Yasuo Terabayashi

Toyonobu Terahai

Yasuhiro Saegusa

Masaaki Sato

Shinichiro Inushima

Ichiro Tanaka

Standing Corporate Auditors

Masafumi Takebe

Mitsuharu Wadachi

Corporate Auditors

Atsuki Matsumura

Toshiyuki Oda

(As of June 26, 2020)

Corporate Data

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Date of Established

June 1943

Common Stock

¥14,182 million

Issued and Outstanding Shares

9,761,011 shares

Shareholders

4,737

Employees

76

(As of March 31, 2020)



TONAMI

TONAMI HOLDINGS CO., LTD.

URL: <http://www.tonamiholdings.co.jp/>