

2006 Semiannual Report

For the six-month period ended September 30, 2005

TONAMI TRANSPORTATION CO., LTD.



TONAMI

A MESSAGE FROM THE PRESIDENT

Performance

During the first six-month period ended September 30, 2005, the Japanese economy was on a modest recovery track as capital investment increased in line with the improvement in corporate earnings and personal consumption continued to be relatively buoyant. However, the outlook for the Japanese economy remained unclear due to concerns such as the sharp rise in oil prices.

In the distribution industry, while domestic freight volumes continued to decline, there has been strong pressure from customers seeking enhanced distribution efficiency and lower costs. In addition, the cost burden increased due to higher fuel prices and implementation of environmental measures. As a result, the business environment remained tough.

In these circumstances, the Tonami Group is implementing the 17th medium-term business

plan launched in April 2005 with the aim of achieving corporate innovation. On the sales side, we enhanced sales functions of system logistics operations that provide comprehensive distribution services integrating transport, storage, distribution processing, inventory control, delivery and information processing, and worked to build up the distribution solutions business by strengthening proposal functions and sales capabilities.

We endeavored to offset the decline in operating revenues resulting from the lowering of the unit freight charge in the road haulage operations, which is our mainstay business, by promoting the system logistics operations. As a result, operating revenues were ¥63,131 million, down 1.0% compared with the same period of the previous year.

Looking at the composition of operational revenues, total revenues from logistics-related businesses were 1.9% lower than for the same

UNAUDITED CONSOLIDATED FINANCIAL HIGHLIGHTS

TONAMI TRANSPORTATION CO., LTD. AND CONSOLIDATED SUBSIDIARIES

Six months ended September 30, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
For the period:			
Operating revenues	¥ 63,131	¥ 63,764	\$ 557,744
Operating income	794	1,360	7,015
Net income (loss)	(5,780)	1,102	(51,065)
Per share (yen and U.S. dollars):			
Net income (loss)	¥ (63.52)	¥ 12.09	\$ (0.5612)
At period-end:			
Total assets	¥121,021	¥126,548	\$1,069,185
Total shareholders' equity	46,033	51,246	406,688

Notes: 1. U.S. dollar amounts presented herein are included solely for convenience. The rate of ¥113.19 = U.S.\$1, prevailing on September 30, 2005, has been used for the translation into U.S. dollar amounts.

2. The computation of net income (loss) 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 period.

period of the previous year. In logistics-related businesses, while revenues from the road haulage operations and the freight forwarding operations both declined 3.0% compared with the same period of the previous year and revenues from the harbor transport operations declined 5.7%, revenues from the warehousing operations rose 3.6%. Revenues from other businesses that include automobile repair and merchandising increased 10.3%.

Although the Tonami Group made a concerted effort to enhance operational efficiency through productivity improvement and to reduce costs by improving fuel efficiency, operating income fell 41.6% compared with the same period of the previous year, to ¥794 million. The net loss for the period amounted to ¥5,780 million as a result of the reporting of an extraordinary loss of ¥7,678 million due to the application of the accounting standards concerning impairment of fixed assets.

Capital expenditures during the period were used for the Nishi-yodogawa Distribution Center in Osaka, which started operation in July, and the setting up of an office in Shanghai, China, which opened in August. We intend to vigorously expand and upgrade our transportation network and facilities.

Outlook

The business environment is expected to remain tough throughout the year ending March 31, 2006, as there are numerous issues to be tackled. In view of the declining domestic freight volumes, the cost burden is increasing due to strengthened official regulations concerning the environment and safety and fuel prices hovering at high levels, whereas, on the other hand, there is an urgent need to propose

higher quality and more efficient logistics systems to customers.

In this context, we are strengthening our commitment to achievement of the goals of the 17th medium-term business plan in order to secure operating revenues and enhance profitability. At the same time, we will make a group-wide effort to enrich activities designed to fulfill our corporate social responsibility (CSR). For the year ending March 31, 2006, we plan to pay total annual dividends of ¥6.00 per share, which include an interim dividend of ¥3.00 per share.

We will strive to improve our performance so as to meet the expectations of our shareholders. In these endeavors, we request your continued support.

December 2005



Katsusuke Watanuki
President and Representative Director

UNAUDITED CONSOLIDATED BALANCE SHEETS
TONAMI TRANSPORTATION CO., LTD. AND CONSOLIDATED SUBSIDIARIES

As of September 30, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
ASSETS			
Current assets:			
Cash and time deposits	¥ 13,672	¥ 15,341	\$ 120,788
Marketable securities (Note 2)	1,000	1,096	8,835
Trade receivables:			
Notes and accounts	21,510	21,728	190,035
Less: allowance for doubtful accounts	(39)	(82)	(345)
Inventories	796	814	7,032
Deferred tax assets	709	689	6,264
Other current assets	2,568	2,214	22,688
Total current assets	40,216	41,800	355,297
Property and equipment (Notes 3 and 4):			
Land	38,260	41,254	338,016
Buildings and structures	22,631	24,704	199,938
Machinery and vehicles.....	3,026	3,252	26,734
Other	973	2,251	8,596
Total property and equipment	64,890	71,461	573,284
Investments and other assets:			
Investments in securities (Notes 2 and 3)	8,943	6,755	79,009
Deferred tax assets	2,301	1,510	20,328
Other	4,671	5,022	41,267
Total investments and other assets	15,915	13,287	140,604
Total assets	¥121,021	¥126,548	\$1,069,185

The accompanying Notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term bank loans (Note 3)	¥ 15,827	¥ 15,900	\$ 139,827
Current portion of long-term debt (Note 3)	417	900	3,684
Trade notes and accounts payable	10,788	10,375	95,309
Income taxes payable	437	720	3,861
Other current liabilities	7,426	7,233	65,606
Total current liabilities	34,895	35,128	308,287
Long-term liabilities:			
Long-term debt, less current portion (Note 3)	11,200	11,297	98,949
Deferred tax liabilities from revaluation reserve for land (Note 8) ..	5,801	4,595	51,250
Employees' severance and retirement benefits	19,137	19,771	169,070
Consolidation difference	327	565	2,889
Other long-term liabilities	2,981	3,224	26,336
Total long-term liabilities	39,446	39,452	348,494
Total liabilities	74,341	74,580	656,781
Minority interests	647	722	5,716
Contingent liabilities			
Shareholders' equity:			
Common stock:			
Authorised: 299,200,000 shares in 2004			
299,200,000 shares in 2005			
Issued: 97,610,118 shares in 2004			
97,610,118 shares in 2005	14,183	14,183	125,303
Capital surplus	14,687	14,687	129,755
Retained earnings	10,936	16,681	96,616
Revaluation reserve for land (Note 8)	6,245	6,768	55,173
Unrealized gain on securities	1,939	862	17,131
Treasury stock, at cost: 6,568,899 shares in 2004 and			
6,631,468 shares in 2005	(1,957)	(1,935)	(17,290)
Total shareholders' equity	46,033	51,246	406,688
Total liabilities, minority interests, and shareholders' equity ...	¥121,021	¥126,548	\$1,069,185

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
TONAMI TRANSPORTATION CO., LTD. AND CONSOLIDATED SUBSIDIARIES

For the six months ended September 30, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
Operating revenues:			
Operating revenues	¥63,131	¥63,764	\$557,744
	63,131	63,764	557,744
Operating costs and selling, general and administrative expenses:			
Operating cost	59,248	59,228	523,438
Selling, general and administrative expenses	3,089	3,176	27,291
	62,337	62,404	550,729
Operating income	794	1,360	7,015
Other income and expenses:			
Interest and dividend income	142	122	1,255
Equity in earnings of unconsolidated subsidiaries and affiliates	98	106	866
Loss on sells of property and equipment, net	(51)	(78)	(451)
Interest expenses	(159)	(153)	(1,405)
Impairment losses (Note 4)	(7,678)	—	(67,833)
Other, net	214	413	1,891
	(7,434)	410	(65,677)
Income (loss) before income taxes and minority interests	(6,640)	1,770	(58,662)
Income taxes:			
Current	350	646	3,092
Deferred	(1,176)	(8)	(10,389)
	(826)	638	(7,297)
Minority interests	(34)	30	(300)
Net income (loss)	¥(5,780)	¥ 1,102	\$ (51,065)

The accompanying Notes are an integral part of these statements.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
TONAMI TRANSPORTATION CO., LTD. AND CONSOLIDATED SUBSIDIARIES

For the six months ended September 30, 2005 and 2004

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2005	2004	2005
Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	¥ (6,640)	¥ 1,770	\$ (58,662)
Depreciation and amortization	1,178	1,293	10,407
Impairment losses	7,678	—	67,833
Gain on disposal of property and equipment	23	86	203
Gain on sales of investments in securities	35	(16)	309
Loss on devaluation of investments in securities	0	0	0
Loss on devaluation of golf club memberships	8	4	71
Bond issue expenses	—	31	—
Amortization of consolidation difference	(75)	(83)	(663)
Equity in earnings of unconsolidated subsidiaries and affiliates	(98)	(106)	(866)
Decrease in allowance for doubtful accounts	(50)	(120)	(442)
Decrease in employees' severance and retirement benefits	(240)	(339)	(2,120)
Increase in accrued bonuses to employees	74	56	654
Interest and dividend income	(142)	(121)	(1,255)
Interest expenses	159	153	1,405
Decrease in trade receivables	1,224	2,492	10,814
Increase in inventories	(250)	(238)	(2,209)
Decrease in accounts payable	(525)	(2,140)	(4,638)
Decrease in accrued consumption taxes	(48)	(23)	(424)
Other, net	(823)	(276)	(7,271)
Subtotal	1,488	2,423	13,146
Interest and dividends received	142	121	1,255
Interest paid	(158)	(153)	(1,396)
Income taxes paid	(601)	(886)	(5,310)
Net cash provided by operating activities	871	1,505	7,695
Cash flows from investing activities:			
Purchase of time deposits	(78)	(61)	(689)
Proceeds from redemption of time deposits	130	103	1,149
Purchase of marketable securities	(0)	—	(0)
Proceeds from sales of marketable securities	65	15	574
Purchase of property and equipment	(2,105)	(2,571)	(18,597)
Proceeds from sales of property and equipment	92	1	813
Purchase of investments in securities	(36)	(10)	(318)
Proceeds from sales of investments in securities	70	20	618
Investments in loans receivable	(1)	(45)	(9)
Proceeds from collection of loans receivable	16	68	141
Other, net	15	(98)	133
Net cash used in investing activities	(1,832)	(2,578)	(16,185)
Cash flows from financing activities:			
Net decrease in short-term loans	(136)	(163)	(1,201)
Proceeds from long-term debt	280	82	2,474
Repayment of long-term debt	(449)	(487)	(3,967)
Proceeds from issuance of bonds	—	2,469	—
Purchase of treasury stock	(8)	(196)	(71)
Dividends paid	(273)	(275)	(2,412)
Dividends paid to minority interests	(8)	(10)	(71)
Net cash (used in) provided by financing activities	(594)	1,420	(5,248)
Net (decrease) increase in cash and cash equivalents	(1,555)	347	(13,738)
Cash and cash equivalents at beginning of year	16,040	15,800	141,709
Cash and cash equivalents at end of year	¥14,485	¥16,147	\$127,971

The accompanying Notes are an integral part of these statements.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
TONAMI TRANSPORTATION CO., LTD. AND CONSOLIDATED SUBSIDIARIES

1. Basis of presenting financial statements

The accompanying unaudited consolidated financial statements of Tonami Transportation Co., Ltd. (the "Company") and consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan.

U.S. dollar amounts presented in the unaudited financial statements are included solely for convenience and should not be construed as representations that Japanese yen amounts have been or could in the future be converted into U.S. dollars. The rate of ¥113.19 = U.S.\$1, prevailing on September 30, 2005, has been used for the translation into U.S. dollar amounts in the unaudited financial statements.

2. Fair Value of Securities

No trading securities or held-to-maturity securities were held at September 30, 2005 or 2004. Securities classified as other securities are included in "marketable securities" and "investments in securities" in the accompanying unaudited consolidated balance sheets.

The components of unrealized gain or loss on marketable securities classified as other securities at September 30, 2005 and 2004 are summarized as follows:—

	Millions of yen		
	2005 Acquisition costs	2005 Carrying value	Unrealized gain(loss)
Unrealized gain:			
Stocks	¥2,555	¥5,821	¥3,266
Bonds			
Corporate bonds	20	20	0
Other	—	—	—
Other	—	—	—
Unrealized loss:			
Stocks	8	7	(1)
Bonds			
Corporate bonds	—	—	—
Other	—	—	—
Other	100	99	(1)
Total	¥2,683	¥5,947	¥3,264
	Millions of yen		
	2004 Acquisition costs	2004 Carrying value	Unrealized gain(loss)
Unrealized gain:			
Stocks	¥2,277	¥3,745	¥1,468
Bonds			
Corporate bonds	90	91	1
Other	—	—	—
Other	—	—	—
Unrealized loss:			
Stocks	151	134	(17)
Bonds			
Corporate bonds	25	25	(0)
Other	—	—	—
Other	60	59	(1)
Total	¥2,603	¥4,054	¥1,451
	Thousands of U.S. dollars		
	2005 Acquisition costs	2005 Carrying value	Unrealized gain(loss)
Unrealized gain:			
Stocks	\$22,573	\$51,427	\$28,854
Bonds			
Corporate bonds	177	177	0
Other	—	—	—
Other	—	—	—
Unrealized loss:			
Stocks	71	62	(9)
Bonds			
Corporate bonds	—	—	—
Other	—	—	—
Other	883	874	(9)
Total	\$23,704	\$52,540	\$28,836

3. Short-term bank loans and long-term debt

(a) Short-term bank loans

Short-term bank loans as at September 30, 2005 and 2004 were as follows:—

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Secured	¥ 3,635	¥ 3,751	\$ 32,114
Unsecured	12,193	12,149	107,722

Interest rates range from 0.6% to 4.0%.

(b) Long-term debt

Long-term debt as at September 30, 2005 and 2004 was as follows:—

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
0.89% ¥6.4 billion unsecured straight bonds due 2008	¥ 6,400	¥ 6,400	\$56,542
0.52% ¥0.6 billion unsecured straight bonds due 2008	600	600	5,301
0.00% ¥2.5 billion unsecured convertible bond type—bonds with stock acquisition rights due 2009	2,500	2,500	22,087
0.6%–3.6% loans from financial institutions due 2005 to 2009 and thereafter			
Secured	1,369	1,737	12,095
Unsecured	748	960	6,608
Total	11,617	12,197	102,633
Less: amount due within one year	417	900	3,684
	¥11,200	¥11,297	\$98,949

The maturity date of the ¥6.4 billion 0.89% unsecured straight bonds, issued in June 2003, is June 30, 2008.

The maturity date of the ¥0.6 billion 0.52% unsecured straight bonds, issued in June 2003, is June 30, 2008.

The maturity of the ¥2.5 billion 0.00% unsecured convertible bond type—bonds with stock acquisition rights, issued in July 2004, is September 30, 2009.

(c) Pledged assets

Property and equipment having a net value of ¥22,326 million (\$197,244 thousand) was pledged as collateral for short-term bank loans and long-term debt.

4. Impairment Losses

(a) Accounting standards for impairment of fixed assets

Since the six-month period ended September 30, 2005, the Group has adopted “Accounting Standards for Impairment of Fixed Assets” (“Opinion concerning Establishment of Accounting Standards for Impairment of Fixed Assets” issued by the Business Accounting Council on August 9, 2002) and the “Implementation Guidance for Accounting Standards for Impairment of Fixed Assets” (“Financial Accounting Standard Implementation Guidance No. 6” issued by the Accounting Standards Board of Japan on October 31, 2003).

Consequently, income (loss) before income taxes and minority interests decreased by ¥7,678 million (US\$67,833 thousand).

Accumulated impairment losses have been directly deducted from the value of each relevant asset in accordance with the revised regulations concerning consolidated financial statements for interim periods.

(b) Impairment losses

During the six-month period ended September 30, 2005, the Group recorded impairment losses concerning the following asset groupings.

	Millions of yen			
	Usage	Location	Type	Impairment losses
Tonami Transportation Co., Ltd.	Haulage and warehouse facilities	Koto Ward, Tokyo and 37 other sites	Land and buildings	¥6,864
Tonami Transportation Co., Ltd.	Warehouse facilities	Noda, Chiba prefecture	Leased facilities	756
Kawai Transportation Co., Ltd. and 3 other companies	Facilities for lease and idle asset	Moriyama, Shiga prefecture, and 3 other sites	Land and buildings	58
Total				¥7,678

	Thousands of U.S. dollars			
	Usage	Location	Type	Impairment losses
Tonami Transportation Co., Ltd.	Haulage and warehouse facilities	Koto Ward, Tokyo and 37 other sites	Land and buildings	\$60,641
Tonami Transportation Co., Ltd.	Warehouse facilities	Noda, Chiba prefecture	Leased facilities	6,679
Kawai Transportation Co., Ltd. and 3 other companies	Facilities for lease and idle asset	Moriyama, Shiga prefecture, and 3 other sites	Land and buildings	513
Total				\$67,833

The Company is a comprehensive logistics enterprise and has six operations including the road haulage operation. Organizations belonging to operations implement management accounting. Business facilities in various

locations are bases for providing the Company's comprehensive distribution solution services to customers. In many cases, organizations of operations are located at these business facilities and deal with their customers.

Organizations of operations have complementary relationships. Business facilities constitute the unit for generating cash flows. The aggregate assets of organizations located at each business facility constitute an asset grouping.

At consolidated subsidiaries, decision-making on investment is done by each business unit. Accordingly, the aggregate assets of organizations belonging to a business unit constitute an asset grouping.

Regarding the asset groupings for which impairment losses were recorded, future cash flow losses were projected partly due to a large decline in land prices. Thus, the carrying values of the asset groupings were reduced by the unrecoverable values and an impairment loss amounting to ¥7,678 million (US\$67,833 thousand) was recorded as an extraordinary loss.

5. Cash flow statements

Reconciliation of cash and time deposits shown in the unaudited consolidated balance sheets and cash and cash equivalents shown in the unaudited consolidated statements of cash flows as at September 30, 2005 and 2004 is as follows:—

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Cash and time deposits	¥13,672	¥15,340	\$120,788
Time deposits with maturities exceeding three months	(187)	(193)	(1,652)
Cash equivalents included in marketable securities	1,000	1,096	8,835
Bonds with maturities exceeding three months	—	(96)	—
Cash and cash equivalents	¥14,485	¥16,147	\$127,971

6. Amounts per share

Net income (loss) per share has been computed using the weighted-average number of shares of common stock outstanding during each period.

Although dilutive securities were outstanding, diluted net income per share for the six months ended September 30, 2005 was not disclosed because of the net loss in this period.

The breakdown of the impairment losses is as follows: ¥3,922 million (US\$34,650 thousand) concerning land, ¥3,000 million (US\$26,504 thousand) concerning buildings and ¥756 million (US\$6,679 thousand) concerning leased facilities.

In regard to asset groupings, recoverable value of land and buildings is measured based on the net sales value. Net sales value is assessed based mainly on appraisal value provided by real-estate appraisers. Immaterial assets are assessed based on carrying value. Recoverable value of leased facilities is measured based on the use value and the present value is calculated based on a 3.6% discount of future cash flows.

Net assets per share has been computed using the number of shares of common stock outstanding at each balance sheet date.

Amounts per share of common stock for the six months ended September 30, 2005 and 2004 were as follows:—

	Yen		U.S. dollars
	2005	2004	2005
Net income (loss) per share:			
Basic	(¥ 63.52)	¥ 12.09	(\$ 0.56)
Diluted	—	11.26	—
Net assets per share	¥505.97	¥562.88	\$4.4701

Basis for the calculation of net income (loss) per share and diluted net income per share for the six months ended September 30, 2005 and 2004 was as follows:—

	Millions of yen		Thousands of U.S. dollars
	2005	2004	2005
Net income (loss) available to shareholders of common stock:			
Net income (loss)	(¥5,780)	¥1,102	(\$51,065)
Net income (loss) not available to shareholders of common stock:	—	—	—
[of which appropriation of bonuses to directors and statutory auditors]	(—)	(—)	(—)
Net income (loss) available to shareholders of common stock	(¥5,780)	¥1,102	(\$51,065)
Weighted-average number of shares of common stock outstanding	90,991,074	91,132,931	—
Diluted net income available to shareholders of common stock:			
Adjustments to net income:	¥ —	¥ 0	\$ —
[of which commission for bonds]	(—)	(0)	(—)
Incremental number of shares of common stock:	—	6,738,544	—
[of which stock acquisition rights]	(—)	(6,738,544)	—
Common stock equivalents not included computation of diluted net income per share due to their anti-dilutive effect	—	—	—

(a) Stock acquisition rights
(The ¥2.5 billion convertible bond type-bonds with stock acquisition rights to mature on September 30, 2009)

(b) Stock options (The grant of 1,340 options was approved at the Company's Annual General Meeting of Shareholders held on June 29, 2005.)

7. Subsequent event

At a meeting held on November 14, 2005, the board of directors of the Company resolved the following interim cash dividends:—

	Millions of yen	Thousands of U.S. dollars
Dividends (¥3.00 per share)	¥275	\$2,412

8. Additional Information

Deferred taxes concerning land revaluation

Previously, regarding handling of deferred taxes concerning land revaluation, revaluation gains were offset by revaluation losses and deferred tax liabilities for net revaluation gains were recorded. On February 17, 2004, "Auditing Treatment of Application of Tax Effect Accounting to Differences in Valuation of Other Securities" (The Japanese Institute of Certified Public Accountants Auditing Committee Report No. 70) was revised and renamed as "Auditing Treatment of Application of Tax Effect Accounting to Differences in Valuation of Other Securities and Losses on Impairment of

Fixed Assets," which has clarified the necessity of individually determining the recoverability of deferred tax assets concerning land revaluation losses. As a result of the necessary treatment, the amount of land revaluation differences at September 30, 2005, is ¥929 million (US\$8,207 thousand) lower than the amount based on the previous method, and the amount of deferred tax liabilities concerning revaluation is increased by the same amount. This has no impact on net loss.

9. Segment Information

The Company's business segments consist of logistics related services classified as Logistics and non-logistics services classified as Others.

A summary of segment information by industry segment for the six months ended September 30, 2005 and 2004 is as follows:—

	For the six months ended September 30, 2005				
	Millions of yen				
	Logistics	Others	Total	Eliminations (Note)	Consolidated
Net Sales:					
Outside customers	¥57,794	¥ 5,337	¥ 63,131	¥ —	¥ 63,131
Inter segment sales	146	3,675	3,821	(3,821)	—
Total	57,940	9,012	66,952	(3,821)	63,131
Costs and expenses	57,499	8,592	66,091	(3,754)	62,337
Operating income	¥ 441	¥ 420	¥ 861	¥ (67)	¥ 794
	For the six months ended September 30, 2004				
	Millions of yen				
	Logistics	Others	Total	Eliminations (Note)	Consolidated
Net Sales:					
Outside customers	¥58,925	¥ 4,839	¥ 63,764	¥ —	¥ 63,764
Inter segment sales	10	3,188	3,198	(3,198)	—
Total	58,935	8,027	66,962	(3,198)	63,764
Costs and expenses	57,807	7,726	65,533	(3,129)	62,404
Operating income	¥ 1,128	¥ 301	¥ 1,429	¥ (69)	¥ 1,360
	For the six months ended September 30, 2005				
	Thousands of U.S. dollars				
	Logistics	Others	Total	Eliminations (Note)	Consolidated
Net Sales:					
Outside customers	\$510,593	\$ 47,151	\$ 557,744	\$ —	\$ 557,744
Inter segment sales	1,290	32,467	33,757	(33,757)	—
Total	511,883	79,618	591,501	(33,757)	557,744
Costs and expenses	507,987	75,907	583,894	(33,165)	550,729
Operating income	\$ 3,896	\$ 3,711	\$ 7,607	\$ (592)	\$ 7,015

Note: Operating cost and expenses included in the column "Eliminations" mainly consist of those charged by the general affairs and finance divisions of the Company, amounting to ¥95 million (\$839 thousand) and ¥97 million (\$857 thousand) for the six months ended September 30, 2005 and 2004, respectively.

The two business segments mainly consist of the following services:

Logistics Road haulage, freight forwarding, warehousing, and harbor transport and customs services

Others Vehicle maintenance, casualty insurance, leasing, merchandising and commissioned sales and purchases, travel services, mail order services, travel inn, and other businesses

Neither geographical segment information nor overseas sales have been presented because none of the Company's consolidated subsidiaries are domiciled outside Japan, and the Company and its consolidated subsidiaries had no overseas sales for the six months ended September 30, 2005 and 2004.

BOARD OF DIRECTORS AND STATUTORY AUDITORS

Chairman and Representative Director

Yoshihiro Minami

President and Representative Director

Katsusuke Watanuki

Senior Managing Director

Akiyoshi Kunisada

Managing Director

Kohichi Kishida

Director and Adviser

Yohsuke Konishi

Directors

Noriaki Murata

Kiyomi Asamizu

Yasuo Terabayashi

Yoshinobu Watanabe

Toshiyuki Koroku

Shigeyuki Okada

Standing Statutory Auditors

Makoto Nagai

Nariyuki Aoki

Statutory Auditors

Shinichiro Inushima

Toshio Yaeda

Yohji Ishiguro

(As of September 30, 2005)

CORPORATE DATA

Head Office

2-12, Showa-machi 3-chome,
Takaoka,
Toyama Prefecture 933-8566, Japan
Phone: (0766) 21-1073
Fax: (0766) 21-3640

Tokyo Headquarters

3-8, Higashinohonbashi 3-chome,
Chuo-ku,
Tokyo 103-0004, Japan
Phone: (03) 3664-5401
Fax: (03) 3664-5405

Date of Establishment

June 1943

Common Stock

¥14,183 million

Issued and Outstanding Shares

97,610,118 shares

Shareholders

8,044

Employees

5,423

Terminals

84

Warehouses

48

Motor Vehicles

5,600

(As of September 30, 2005)

Consolidated Subsidiaries

Road haulage

Kanto Tonami Transportation Co., Ltd.
Gosei Tonami Transportation Co., Ltd.
Osaka Tonami Transportation Co., Ltd.
Shonan Tonami Transportation Co., Ltd.
Ibaraki Tonami Transportation Co., Ltd.
Fukui Tonami Transportation Co., Ltd.
Ishikawa Tonami Transportation Co., Ltd.
Kanagawa Tonami Transportation Co., Ltd.
Kansai Tonami Transportation Co., Ltd.
Zento Transportation Co., Ltd.
Takefu Transportation Co., Ltd.
Kawai Transportation Co., Ltd.
Chukyo Tonami Transportation Co., Ltd.
Saitama Tonami Transportation Co., Ltd.
ATS Co., Ltd.

Niigata Tonami Transportation Co., Ltd.

Warehousing

Keishin Warehousing Co., Ltd.

Ocean-freight forwarder

Tonami Global Logistics Co., Ltd.

Customs clearance service

Tonami Air Service Co., Ltd.

Trading Company

Tonami Trading Co., Ltd.

Sale of tires

Toyo Gomu Hokuriku Hanbai Co., Ltd.

Travel inns

Shogawa Kanko Co., Ltd.

Sale of liquor

Toyama Jizake Hanbai Co., Ltd.

Automobile technology R&D

Tonami Automobile Technology Research
Institute Co., Ltd.

Development and sale of software

Keishin System Research Co., Ltd.

Sale of tires

Toyo Tire Toyama Shop Co., Ltd.

Sale of bed-clothes

Toyo Shinso Co., Ltd.

Financial service

Tonami Business Service Co., Ltd.



TONAMI

TONAMI TRANSPORTATION CO., LTD.

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