



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2011



August 6, 2010

Vantec Corporation

URL: <http://www.vantec-gl.com/>

Securities Code: 9382,

First Section, Tokyo Stock Exchange

Representative Director and President: Toshiharu Yamada

Contact: Yoshirou Nakamura, Executive Officer, Tel: +81-44-233-9845

Date of submission of quarterly report: August 12, 2010

Scheduled commencement date of dividend payment: -

Supplementary material for quarterly financial results: None

Briefing meeting for quarterly financial results: None

Amounts less than one million yen are omitted; percentages represent changes from the corresponding period of the previous year.

1. Consolidated Performance for the First Quarter of the Fiscal Year ending March 31, 2011

1) Operating Results

(Millions of yen, unless otherwise stated)

First quarter ended	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
	Amount	Margin (%)	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)
June 30, 2010	31,268	30.5%	1,200	—	1,245	—	564	—
June 30, 2009	23,955	(39.9%)	(362)	—	(289)	—	(125)	—

First quarter ended	Net income per share (Yen)	Fully diluted net income per share (Yen)
June 30, 2010	2,410.42	2,407.85
June 30, 2009	(526.66)	—

2) Financial Position

(Millions of yen, unless otherwise stated)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of June 30, 2010	70,693	23,855	33.0%	100,448.26
As of March 31, 2010	68,456	24,222	34.7%	100,876.46

(Reference) Shareholders' equity: As of June 30, 2010 :¥23,300 million, As of March 31, 2010: ¥23,721 million

2. Dividend Payments

Record date	Dividend per share (Yen)				
	End of first quarter	End of interim period	End of third quarter	End of fiscal year	Full year
Fiscal Year Ended March 31, 2010	—	1,500.00	—	2,500.00	4,000.00
Fiscal Year Ending March 31, 2011	—	—	—	—	—
Fiscal Year Ending March 31, 2011 (Forecast)	—	2,000.00	—	2,000.00	4,000.00

(Note) Revisions to dividend forecast during the quarter under review: No

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2011 (April 1, 2010–March 31, 2011)

(Millions of yen, unless otherwise stated)

	Net sales		Operating income		Ordinary income		Net income		Net income per share (Yen)
	Amount	Margin (%)	Amount	Margin (%)	Amount	Margin (%)	Amount	Margin (%)	Amount
Interim term	61,000	17.7%	2,400	164.3%	2,400	140.4%	1,300	71.3%	5,578.13
Full year	126,000	10.9%	6,000	42.0%	6,000	32.7%	3,000	20.5%	12,902.84

(Note) Revisions to consolidated forecasts during the quarter under review: None

4. Other information

- 1) Changes in important subsidiaries during the term under review: No
- 2) Application of simplified accounting procedures and accounting procedures specific to the presentation of quarterly financial statements: Yes
- 3) Changes in accounting principles and procedures or method of presentation, and others for the presentation of consolidated statements (items noted in the section “Changes in the Basis of Presenting Consolidated Quarterly Financial Statements”):
 - a. Changes related to revision of accounting standards: Yes
 - b. Changes other than (a): Yes
- 4) Total number of issued shares (common stock)
 - a. Number of issued shares at the end of the term (including treasury stock)
As of June 30, 2010: 246,988 shares As of March 31, 2010: 246,988 shares
 - b. Number of treasury shares at the end of the term
As of June 30, 2010: 15,026 shares As of March 31, 2010: 11,837 shares
 - c. Average number of shares outstanding during the term
Quarter ended June 30, 2010: 234,143 shares Quarter ended June 30, 2009: 237, 973shares

Remarks: Vantec has introduced ESOP* trust from the first quarter. Vantec stocks held by ESOP trust are treated as Treasury stocks in the quarterly consolidated statements. Therefore, number of Treasury stocks at the end of the first quarter and average number of stocks include 2,434 stocks and 856 stocks respectively held by the ESOP trust.

* ESOP stands for Employee Stock Ownership Plan.

Note 1: Explanation about quarterly review

This report is out of the scope of the quarterly review based on the Financial Instruments and Exchange Act. The review had not been completed at the time of the report disclosed.

Note 2: Explanation about the proper use of financial forecasts and other important notes

The forecasts and future projections in the report have been produced based on a rational assessment of the information available as of the date of announcement of this summary information and uncertain factors that could impact future financial performance. Actual results could differ significantly from forecast figures depending on operating performance and a variety of other factors.

Qualitative Information, Financial Statements

Qualitative Information on Consolidated Business Performance

Vantec group is an integrated logistic service provider based on two main business areas: contract logistics and air and ocean freight forwarding services. In contract logistics, we take pride in our many years of experience and expertise as one of the world's leading companies in automotive logistics. In freight forwarding, we have a network that has over 40 worldwide operating bases that can meet the various global needs of our customers.

We are realizing further integration of services as hybrid service and are able to provide global supply chain management covering land, sea, and air intercontinental transportation as a global SCM service provider. We are committed to serving the diversified customers' needs based on customers' specific needs and requirements to increase customers' satisfaction.

We emphasized on rationalization and cost management in our business management last year. However, in the first quarter of this fiscal year ending March 2011, we now focus on achieving new level of growth of Vantec Group. We aim to develop logistic services that are more customer-oriented, featuring enhanced planning and marketing capabilities, and embrace changes to evolve as a corporate group.

During the first quarter, volume of automotive production in Japan recovered significantly from the same period of the previous year when the volume had declined to the bottom. Logistics volume had been recovering in Japan and in overseas mainly in Asia and China. Income of the period showed great increase due to volume effect based on bigger sales in addition to the rationalization effect carried over from the previous fiscal year. As a result, including an extraordinary loss caused by withdrawal from moving service and machinery installation business, consolidated financial result of the first quarter is as follows:

(Millions of yen, unless otherwise stated)

	1st Quarter of this fiscal year	1st Quarter of the last year	Variance vs. previous year	
			+ / -	%
Net sales	31,268	23,955	7,312	30.5
Operating income (loss)	1,200	(362)	1,563	-
Ordinary income (loss)	1,245	(289)	1,534	-
Net income (loss)	564	(125)	689	-

Net sales and operating income by industry segment for the first quarter of the fiscal year were as follows:

The industry segment has changed as a result of introduction of management approach from the 1st quarter of this fiscal year. Reporting segments have been set as 1) Domestic logistics, 2) Domestic forwarding, and 3) overseas logistics and forwarding. In the new segments, previous global logistics is divided into 2 segments such as 2) Domestic forwarding, and 3) overseas logistics and forwarding. Previous segment "others" was integrated into 1) Domestic logistics. In the following explanation about variance from the previous year, the segment information of the previous year was prepared in the newly introduced segments for comparison purpose.

1) Domestic logistics

Our major automobile manufacturing clients increased their automotive production, which lead especially to big increase of automobiles loaded to ships for export. This resulted in significant increase of our service volume. As a result, segment net sales totaled ¥20,640 million, up ¥4,078 million, or 24.6%, from the previous year. Segment operating income totaled ¥705 million, up ¥1,270 million.

2) Domestic forwarding

The volume of air freight to and from Japan had been recovering continuously from the previous year, but streamlining of air routes and reduction of air freights lead to supply shortage of transportation space and spike of air freight cost. As a result, our net sales totaled ¥5,797 million, up ¥1,735 million or 42.7 %, from the previous year, but operating income totaled ¥221 million, down ¥16million, or 6.9%.

3) Overseas logistics and forwarding

Volume of air freight export, especially in Asia and China, increased comparing to the same period of the previous year when air transportation volume declined suddenly and significantly. Increase of Automotive production and automotive parts in China lead to expansion of automotive related logistics. As a result, segment net sales totaled ¥4,830 million, up ¥1,499 million, or 45.0%, from the previous year, and operating income totaled ¥273 million, up ¥308 million.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	June 30, 2010	March 31, 2010
Assets		
Current assets		
Cash and time deposits	10,687	12,032
Notes and accounts receivable—trade	20,624	19,747
Short-term investments in securities	2,007	8
Inventories	100	90
Deferred tax assets	945	931
Other current assets	2,669	1,913
Allowance for doubtful accounts	(95)	(89)
Total current assets	36,939	34,634
Fixed assets		
Tangible fixed assets		
Building and structures	20,090	19,990
Accumulated depreciation	(10,561)	(10,457)
Building and structures, net	9,528	9,532
Machinery and vehicles	4,206	4,198
Accumulated depreciation	(3,532)	(3,535)
Machinery and vehicles, net	674	663
Land	13,797	13,797
Construction in progress	4	2
Other fixed assets	1,729	1,741
Accumulated depreciation	(1,291)	(1,294)
Other fixed assets, net	438	446
Total tangible fixed assets	24,442	24,442
Intangible fixed assets		
Goodwill	2,379	2,420
Other intangible fixed assets	1,749	1,705
Total intangible fixed assets	4,128	4,125
Investment and other assets	5,160	5,226
Total fixed assets	33,731	33,794
Deferred assets	22	27
Total assets	70,693	68,456

	June 30, 2010	March 31, 2010
Liabilities		
Current liabilities		
Notes and accounts payable–trade	10,958	11,035
Short-term bank loans	10,291	8,189
Current portion of long-term debt	5,545	1,823
Income taxes payable	451	1,400
Deferred tax liabilities	0	1
Accrued bonuses to employees	2,222	1,623
Provision for directors' bonuses	29	29
Other current liabilities	4,019	3,410
Total current liabilities	33,519	27,513
Long-term liabilities		
Bonds	2,000	2,000
Long-term debt, less current portion	3,828	7,254
Long-term deposits payable	853	838
Long-term accounts payable	771	829
Deferred tax liabilities	218	197
Deferred tax liabilities on land revaluation differences	1,922	1,922
Accrued retirement benefits for employees	2,860	2,897
Accrued retirement benefits for directors and corporate auditors	36	35
Accrued fines under the antitrust act	417	417
Negative goodwill	87	92
Other long-term liabilities	322	234
Total long-term liabilities	13,319	16,720
Total liabilities	46,838	44,234
Net assets		
Shareholders' equity		
Common stock	3,857	3,857
Capital surplus	13,775	13,775
Retained earnings	8,815	8,839
Treasury stock at cost	(1,995)	(1,618)
Total shareholders' equity	24,453	24,854
Valuation and translation adjustments		
Net unrealized holding gains on securities	35	49
Foreign currency translation adjustments	(1,189)	(1,182)
Total valuation and translation adjustments	(1,153)	(1,133)
Minority interests	555	501
Total net assets	23,855	24,222
Total liabilities and net assets	70,693	68,456

(2) Consolidated Statements of Income

(Millions of yen)

	Apr 1, 2009–Jun 30, 2009	Apr 1, 2010–Jun 30, 2010
Net sales	23,955	31,268
Cost of sales	20,869	26,526
Gross profit	3,086	4,741
Selling, general and administrative expenses	3,448	3,540
Operating income (loss)	(362)	1,200
Other income		
Interest income	11	6
Dividends income	16	16
Foreign currency exchange gains, net	26	51
Amortization of negative goodwill	55	5
Equity in earnings of affiliated companies	9	7
Others	23	21
Total other income	143	108
Other expenses		
Interest expenses	52	49
Amortization of equity issuance	3	3
Commissions paid	4	3
Others	9	7
Total other expenses	70	63
Ordinary income (loss)	(289)	1,245
Extraordinary gains		
Gain on sales of fixed assets	5	4
Gain on sales of investment securities	—	1
Litigation settlement received	220	—
Other extraordinary gains	0	4
Total extraordinary gains	225	9
Extraordinary losses		
Loss on sales of fixed assets	0	0
Loss on disposals of fixed assets	17	12
Loss on valuation of investment securities	—	51
Restructuring loss	—	87
Special extra retirement payments	71	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	19
Other extraordinary losses	0	5
Total extraordinary losses	88	177
Income (loss) before income taxes and minority interests	(152)	1,078
Income taxes	(0)	473
Income before minority interests	—	604
Minority interests in income (loss)	(26)	40
Net income (loss)	(125)	564

(3) Segment information

Financial summary by industry segment (April 1, 2010–June 30, 2010)

(Millions of yen)

	Reporting Segment			Subtotal	Adjustment	Quarterly consolidated statements amount
	Domestic logistics	Domestic forwarding	Overseas logistics and forwarding			
Net sales						
(1) Net sales to outside customers	20,640	5,797	4,830	31,268	—	31,268
(2) Inter-segment sales/transfers	199	42	24	266	(266)	—
Total net sales	20,840	5,839	4,854	31,534	(266)	31,268
Operating income	705	221	273	1,200	0	1,200