



Financial Report for Fiscal 2008 (Consolidated)

May 28, 2009

Company Name SG Holdings Co., Ltd.

URL <http://www.sg-hldgs.co.jp/>

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(Note: Amounts less than 1 million yen are rounded down to nearest million yen)

1. Consolidated Performance (March 21, 2008 - March 20, 2009)

(1) Consolidated Operation Results (Note: Percentage figures in table below represent changes from previous fiscal year.)

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2008	887,277	-0.2	21,986	-39.7	18,248	-42.2	4,188	—
Fiscal 2007	889,395	2.3	36,444	-8.0	31,572	-12.9	-59,013	—

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
Fiscal 2008	530,426	117,983	22.1	1,091.40
Fiscal 2007	552,399	117,040	20.9	1,073.26

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Outstanding Balance of Cash & Cash Equivalents at End of Fiscal Period
	Million yen	Million yen	Million yen	Million yen
Fiscal 2008	46,336	-44,077	-5,580	67,878
Fiscal 2007	27,928	-27,460	-3,707	71,954

2. Projection of Consolidated Performance for FY2009 (March 21, 2009-March 20, 2010)

(Note: Percentage figures in table below represent changes from previous fiscal year.)

	Revenue		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal 2009 (Annual)	890,000	0.3	30,000	36.5	26,000	42.5	11,000	162.7

3. Miscellaneous

- (1) Significant Transfer of Subsidiary during Fiscal Period (Transfer of Special Subsidiary causing any change in scope of consolidated accounting) Yes
One (1) new company (Company name: World Supply Co., Ltd.)
On February 20, 2009, SG Holdings Co., Ltd. acquired interest in World Supply Co., Ltd., from its parent, World Logi Co., Ltd., and made the company its consolidated subsidiary (Special Subsidiary).
- (2) Changes Implemented to Conventional Accounting Principles, Procedures, Method and Process in Relation to Production of Consolidated Financial Statement (Any information to be included in “Notes of Significant Changes,” providing basis for producing Consolidated Financial Statement)
- ① Changes implemented in accordance with revision of conventional accounting standard and legal requirements: None
- ② Changes other than those described in Item ① None

1. Status of Group Companies

SG Holdings Group (the Company and related companies) consists of the Company (SG Holdings Co., Ltd.), 35 subsidiaries and three affiliate companies, all engaged in Delivery Businesses, Logistics Businesses and other associated businesses.

Operations performed by SG Holdings Group, together with the individual positions taken by the Company and related companies for performance of these operations, are as follows:

Business Segment	Major Products and Services	Major Companies
Delivery Businesses	Hikyaku Express Hikyaku Cool Express Hikyaku Mail Express, etc. Moving transportation Route delivery service Charter transportation Art transportation Air transportation Collective delivery service Food delivery service	Sagawa Express Co., Ltd. Sagawa Moving Center Co., Ltd. Galaxy Airlines Co., Ltd. World Supply Co., Ltd. (Total: 4 companies)
Logistics Businesses	Lump-sum acceptance of orders for logistics services Development of logistics systems Control and management of inventory and orders placed and received Management of distribution centers Warehousing Transportation using public transport Hikyaku Air Transportation Sagawa Global Transportation Service sgx International air and marine transportation services	Sagawa Global Logistics Co., Ltd. Sagawa Express (H.K.) Co., Ltd. Poly-Sagawa Logistics Co., Ltd. Sagawa Express Vietnam Sagawa Express Philippines, Inc. Sagawa Express Singapore, Pte. Ltd. P.T. Sagawa Express Indonesia Plus 15 other companies (Total: 22 companies)
Other Businesses	e-Collect Service Automobile sale and services, and manufacture of auto bodies Facility maintenance and management Temporary staffing services Product sales Representation of insurance and travel companies System sales and maintenance Property management services	Sagawa Financial Co., Ltd. Sagawa Galaxy Motors Co., Ltd. Sagawa Advance Co., Ltd. Sagawa Computer Systems Co., Ltd. SG Realty Co., Ltd. Plus 8 other companies (Total: 13 companies)

* Major Companies of Other Businesses include SG Holdings Co., Ltd., a pure holding company.

2. Business Performance

(1) Overview of Business Performance in Fiscal 2008

During fiscal 2008, the Japanese economy was affected by the downturn of the global economy, which was further decelerated by sharp fluctuations of resource and energy prices, as well as by destabilization of financial systems. The worldwide economic slowdown hampered exports, which was a major factor shrinking corporate profits of Japanese companies, consequently deteriorating the employment situation and consumer spending.

Delivery Businesses, SG Holdings Group's pillar business, experienced the impact of the economic slowdown in the delivery market, where growth remained sluggish while competition among delivery service providers was more intensified. In Delivery Businesses and other business segments alike, customer needs are becoming more sophisticated and diverse, while corporate investment in equipment and consumer spending are declining. In such circumstances, more firms are going out of business in each industry, indicating a severer business environment.

Based on the SgH First Stage Plan, the Group's medium-term corporate management plan that has been operative for two years, SG Holding Group therefore concentrated its efforts on not only developing and expanding the strength of Delivery Businesses but also enhancing and strengthening its business foundation toward further growth of the Group's companies.

Despite all such endeavors, due to a drastic decline in exports and a sharp fall in shipping volume of Japanese companies, caused by further deterioration in the global economy and the strong yen, the entire Group's revenue results declined by 0.2% to 887,277 million yen from the previous fiscal year. In addition, due to cost-increasing factors, such as soaring fuel prices, the Group recorded an operating income of 21,986 million yen and ordinary income of 18,248 million yen, representing decreases of 39.7% and 42.2%, respectively, from the previous fiscal year. Also, because of an extraordinary loss caused mainly by the business withdrawal of Galaxy Airlines, Co., Ltd., the Group's net income was 4,188 million yen for fiscal 2008.

Below is an overview of individual business segments and their respective performances.

• Delivery Businesses

The annual transaction quantity of Hikyaku Express, e-Collect Service and Hikyaku Cool Express is shown below.

Category	Fiscal 2007	Fiscal 2008	Change from previous fiscal year	Growth rate (%)
Hikyaku Express (million parcels)	1,049	1,061	12	1.1
e-Collect Service (million parcels)	94	105	11	11.6
Hikyaku Cool Express (million parcels)	29	33	4	13.1

SG Holdings Group focused on strengthening the operational base of Delivery Businesses by introducing new products and services, such as "Hikyaku Express with CO₂ Emissions Credit" Service, Hikyaku Special Mail Delivery and Hikyaku Confidential Document Recycling Service, as well as by enhancing the convenience of existing products and services, such as e-Collect Service and Hikyaku Express/Safety Service and expanding their delivery service areas. In addition, Large Furniture/Domestic Electronic Device Transportation and Installation Service and Recipient-Confirmed Delivery Service, which are the Group's highly value-added transportation services, went into full-scale operation. SG Holdings Group implemented such strategic investment in strengthening corporate competitive power, improving service quality and enriching and expanding its products and services, so as to ensure "peace of mind," "satisfaction" and "trust" of our customers. At the same time, the Group endeavored to make its operations and structure more cost-efficient. Also, Hikyaku Cool Express has been very well received among customers since implementation of complete temperature control, resulting in steady increase in transaction volume.

In February, 2009, SG Holdings Group acquired World Supply Co., Ltd, a leading logistics solution provider, and made the company its subsidiary, with an eye to entry into a new business field. World Supply Co., Ltd. has original management resources related to logistics of farm and marine products. The acquisition will contribute to expanding and strengthening the Group's transportation and delivery businesses in this field.

Meanwhile, Galaxy Airlines Co., Ltd., which commenced operating in October 2006 in order to enhance and expand the Group's delivery structure, ceased operating in September 2008 because of no prospect of recovery in earnings. At an extraordinary shareholders' meeting held on March 17, 2009, a decision was made to dissolve the company. The company's withdrawal from business resulted in a withdrawal loss of 9,950 million yen, which was recorded as an extraordinary loss in fiscal 2008.

As a result, the revenue from this business segment rose by 0.7% to 776,754 million yen from the previous fiscal year.

- Logistics Business

In Logistics Businesses, toward development of an operating base that can promptly respond to changes in external environment, SG Holdings Group promoted its efforts to strengthen management of budget and productivity and ability to propose at respective operation sites. As part of the efforts, the Group opened two new logistics facilities, Higashi-Ogishima Sales Office in the Kanto region and Kasugai Sales Office in the Nagoya region, which enabled the Group to consolidate its internal logistics functions, including distribution and processing services and air- and international freight transportation services. This led to the development of a system capable of providing integrated domestic and international logistics services, as well as implementation of aggressive sales promotion activities.

Despite all these efforts, the Group recorded sluggish sales, affected by a very severe business environment within Japan and overseas, which curbed the shipping volumes of existing customers and increased the number of customers who withdrew from business. Strong yen that caused the export cargo volume to drop sharply also negatively affected the Group's sales. In addition, with respect to domestic air-freight transportation businesses, the Group changed its accounting procedures in October 2007 by transferring corresponding figures and data from Logistics Businesses to Delivery Businesses. As a result, revenue from this business segment decreased 18.8% to 54,673 million yen from the previous fiscal year.

- Other Businesses

In Finance Businesses, SG Holdings Group recorded an increase in revenue due to solid growth in the e-Collect Service business. In response to the current operational performance and future operational cost burden of Online Account Settlement Service, the Group shifted the Service's settlement management system from its own system to an external system by outsourcing the operation to an external contractor. The Group continues to provide the Online Account Settlement Service as part of its comprehensive settlement services.

In Systems Business, HG Holdings Group focused on active sales promotion to unaffiliated companies, which led to a new major customer in the scanning business and new orders of developing sales management systems, which indicates solid expansion of the business.

In Real Estate Businesses, HG Holdings Group commenced full-scale business operations in fiscal 2008 and promoted a strategic operation of the real estate business. As part of its efforts to promote real-estate transactions with unaffiliated companies, the Group acquired leasehold properties in December 2008, with a view to further expansion of business.

As a result, this business segment generated revenue of 55,849 million yen, a 9.7% increase since the previous fiscal year.

(2) Future Challenge

On the axis of the SgH First Stage Plan, a medium-term management plan incorporating the Group's management vision "Encouraging Individual Group Companies to Establish Necessary Bases for Performing Operations and Create Value-Added Businesses," SG Holdings Group is endeavoring to develop a well-balanced profit-making base, rather than one heavily reliant on Delivery Businesses alone. Since this SgH First Stage Plan has only one year remaining before completion, looking towards the next medium-term management plan, SG Holdings Group commenced on March 21, 2009 clarification of its management and operation functions and implemented an organizational change toward developing more strategic corporate management.

In Delivery Businesses, the pillar business of the Group, demand for parcel delivery service from the mail-order sales market is increasing and it is expected that the parcel delivery business will grow steadily but the market has already matured surely to a great extent and therefore its growth will slow down. Under these circumstances, with an eye to entry into a new business field, SG Holdings Group acquired World Supply Co., Ltd and made the company a subsidiary of Sagawa Express Co., Ltd, which encourages the development of corporate synergy within the Group and expansion of business segments. SG Holdings Group is further strengthening and expanding Delivery Businesses, the pillar business of Sagawa Express Co., Ltd, by focusing on enhancing service quality and developing new value-added products and services. The company commenced mail delivery service to cash-card holders, entrusted by financial institutions and obtained a permit to serve as a special mail delivery service operator. SG Holding Group continues its endeavors to establish a more solid business basis for Delivery Businesses and improves the convenience of existing products and services so as to ensure that the pillar business of the Group will grow steadily, consequently benefiting our customers.

In Logistics Businesses, the Group's second pillar business, the corporate tendency to outsource Logistics Businesses to service providers continues to grow. At the same time, more diverse and higher value-added solutions and services are sought. In response, SG Holding Group seeks to further expand services and improve service quality, focusing on subcontracting of logistics services (Third-Party Logistics or 3 PL). Through the utilization of networks of overseas corporations mainly in Asia, SG Holding Group is promoting through Group-wide cooperation the development of a combined multimodal transportation system involving Logistics Businesses and Forwarding Businesses within Japan and overseas that can improve the Group's profitability.

In Other Businesses, SG Holdings Group continues to implement strategic and optimal investment in Real Estate Businesses under the Group's CRE (corporate real estate) strategy.

SG Holdings Group changed the corporate name of Sagawa Galaxy Motors Co., Ltd. to SG Motors Co., Ltd. on March 21, 2009 to promote a unified corporate image. The company is planning to open new branch offices for strategic development of the business. The SG Holdings Group is encouraging the development of a solid business foundation through closer cooperation and information sharing among respective companies of the Group, so as to enhance growth in respective business segments, which will lead to the development of a third and a fourth pillar business.

3. Consolidated Financial Statement

(1) Consolidated Balance Sheet

Account Category	Fiscal 2007 (as of March 20, 2008)		Fiscal 2008 (as of March 20, 2009)		Change from previous fiscal year
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	Amount (million yen)
(Assets)					
I Current Assets					
1. Cash and Cash Equivalents	72,780		68,176		-4,604
2. Trade Notes and Accounts Receivable	126,673		120,335		-6,337
3. Inventory	2,617		1,780		-837
4. Deferred Tax Assets	13,391		5,288		-8,102
5. Other	19,027		12,697		-6,330
6. Provision for Bad Debt	-958		-793		165
Total Current Assets	233,531	42.3	207,485	39.1	-26,046
II Fixed Assets					
(1) Tangible Assets					
1. Buildings and Structures	69,942		67,806		-2,135
2. Vehicles and Transportation Equipment	16,331		14,058		-2,273
3. Aircraft	9,651		1,302		-8,348
4. Land	114,553		119,339		4,785
5. Construction in Progress	1,429		701		-727
6. Other	12,358		12,103		-255
Total Tangible Assets	224,267	40.6	215,312	40.6	-8,955
(2) Intangible Assets					
1. Computer Software	9,032		11,091		2,058
2. Other	6,677		9,239		2,562
Total Intangible Assets	15,710	2.8	20,331	3.8	4,620
(3) Investments and Other Assets					
1. Investment Securities	2,393		1,582		-810
2. Deferred Tax Assets	41,034		50,009		8,975
3. Guarantee Money Paid	32,925		33,626		701
4. Other	6,383		5,227		-1,156
5. Provision for Bad Debt	-3,846		-3,147		698
Total Investments and Other Assets	78,889	14.3	87,297	16.5	8,408
Total Fixed Assets	318,868	57.7	322,941	60.9	4,073
III Deferred Assets	—	—	—	—	—
Total Assets	552,399	100.0	530,426	100.0	-21,972

Account Category	Fiscal 2007 (as of March 20, 2008)		Fiscal 2008 (as of March 20, 2009)		Change from previous fiscal year
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	Amount (million yen)
(Liabilities)					
I Current Liabilities					
1. Trade Notes Payable and Accounts Due	52,706		44,646		-8,059
2. Short-term Debt	—		9,655		9,655
3. Long-term Debt with Repayment Scheduled within One Year	33,357		29,273		-4,083
4. Accrued Income Taxes and Other	2,353		2,020		-332
5. Deposit received	27,688		34,268		6,579
6. Provision for Bonuses	3,895		3,639		-255
7. Other provisions	281		13		-267
8. Other	34,650		28,977		-5,672
Total Current Liabilities	154,932	28.0	152,495	28.7	-2,437
II Long-term Liabilities					
1. Long-term Debts	228,812		218,536		-10,275
2. Provision for Retirement Benefits	34,912		34,797		-115
3. Other provisions	1,352		861		-490
4. Other	15,349		5,752		-9,596
Total Long-term Liabilities	280,426	50.8	259,948	49.0	-20,478
Total Liabilities	435,359	78.8	412,443	77.7	-22,916
(Net Assets)					
I Stockholders' Equity					
1. Capital Stock	11,383		11,383		—
2. Capital Reserve	383		383		—
3. Retained Earnings	102,237		105,715		3,478
Total Stockholders' Equity	114,003	20.6	117,481	22.1	3,478
II Differences in Valuations and Foreign Exchange Translations, and Other					
1. Differences in Valuations of Other Securities	582		222		-359
2. Provision for Adjustment of Foreign Exchange Translations	636		-491		-1,127
Total of Differences in Valuations and Foreign Exchange Translations, and Other	1,218	0.2	-268	0.0	-1,487
III Minority Interest	1,817	0.3	770	0.1	-1,047
Total Net Assets	117,040	21.2	117,983	22.2	943
Total Liabilities and Net Assets	552,399	100.0	530,426	100.0	-21,972

(2) Consolidated Profit & Loss Statement

Account Category	Fiscal 2007 〔 March 21, 2007- March 20, 2008 〕		Fiscal 2008 〔 March 21, 2008- March 20, 2009 〕		Change from previous fiscal year
	Amount (million yen)	Ratio (%)	Amount (million yen)	Ratio (%)	Amount (million yen)
I Revenue	889,395	100.0	887,277	100.0	-2,117
II Cost of Sales	822,548	92.5	835,637	94.2	13,089
Total Revenue	66,847	7.5	51,640	5.8	-15,206
III Selling, General and Administrative Expenses	30,403	3.4	29,654	3.3	-748
Operating Income	36,444	4.1	21,986	2.5	-14,458
IV Other Income	2,555	0.3	2,750	0.3	194
1. Interest and Dividends Received	239		254		15
2. Equity in earnings of affiliates	—		15		15
3. Amortization of negative goodwill	85		75		-9
4. Other	2,230		2,405		174
V Other Expenses	7,427	0.8	6,487	0.7	-939
1. Interest Paid	4,448		5,489		1,041
2. Loss from equity method investment	56		—		-56
3. Other	2,922		998		-1,924
Ordinary Income	31,572	3.5	18,248	2.1	-13,323
VI Extraordinary Income	198	0.0	413	0.0	215
1. Profit from Sale of Fixed Assets	151		39		-111
2. Other	47		373		326
VII Extraordinary Loss	121,532	13.7	13,470	1.5	-108,061
1. Loss from Disposal of Fixed Assets	115,766		1,975		-113,791
2. Special donations	2,968		—		-2,968
3. Loss on business withdrawal	—		9,950		9,950
4. Other	2,796		1,544		-1,252
Net income or net loss (-) before income taxes and others	-89,761	-10.1	5,191	0.6	94,953
Corporate, Residential and Business Taxes	3,677		1,546		-2,130
Adjustment of Corporate Tax and Other	-32,983	-3.7	-665	-0.1	32,318
Loss Owed to Minority Owners	-1,440	0.2	121	0.0	1,562
Net income or net loss (-) incurred during fiscal period	-59,013	-6.6	4,188	0.5	63,202

(3) Consolidated Statement of Changes in Stockholders' Equity
 Previous Fiscal Year (March 21, 2007 - March 20, 2008)

(Million yen)

	Stockholders' Equity			
	Capital Stock	Capital Reserve	Retained Earnings	Total Stockholders' Equity
Balance, March 20, 2007	11,275	275	161,905	173,455
Changes in fiscal period				
Dividend paid from retained earnings			-653	-653
Net loss incurred during fiscal period			-59,013	-59,013
New stocks issued for transfer of equity to subsidiaries	108	108		216
Changes in account items other than stockholders' equity during fiscal period (net amount)	—	—	—	—
Total changes in fiscal period	108	108	-59,667	-59,451
Balance, March 20, 2008	11,383	383	102,237	114,003

	Differences in Valuations and Foreign Exchange Translations and Other				Minority Interest	Total Net Assets
	Differences in Valuations of Other Securities	Deferred Loss/Gain from Hedging Instruments	Provision for Adjustment of Foreign Exchange Translations	Total Differences in Valuations and Foreign Exchange Translations, and Other		
Balance, March 20, 2007	1,346	-7	720	2,060	4,323	179,839
Changes in fiscal period						
Dividend paid from retained earnings				—		-653
Net loss incurred during fiscal period				—		-59,013
New stocks issued for transfer of equity to subsidiaries				—		216
Changes in account items other than stockholders' equity during fiscal period (net amount)	-764	7	-84	-841	-2,506	-3,347
Total changes in fiscal period	-764	7	-84	-841	-2,506	-62,799
Balance, March 20, 2008	582	—	636	1,218	1,817	117,040

Fiscal 2008 (March 21, 2008 - March 20, 2009)

(Million yen)

	Stockholders' Equity			
	Capital Stock	Capital Reserve	Retained Earnings	Total Stockholders' Equity
Balance, March 20, 2008	11,383	383	102,237	114,003
Changes in fiscal period				
Dividend paid from retained earnings			-654	-654
Net income earned during fiscal period			4,188	4,188
Purchase of treasury stock				—
Disposal of treasury stock			-56	-56
Changes in account items other than stockholders' equity during fiscal period (net amount)	—	—	—	—
Total changes in fiscal period	—	—	3,478	3,478
Balance, March 20, 2009	11,383	383	105,715	117,481

	Differences in Valuations and Foreign Exchange Translations and Other			Treasury stock	Minority Interest	Total Net Assets
	Differences in Valuations of Other Securities	Provision for Adjustment of Foreign Exchange Translations	Total Differences in Valuations and Foreign Exchange Translations, and Other			
Balance, March 20, 2008	582	636	1,218	—	1,817	117,040
Changes in fiscal period						
Dividend paid from retained earnings			—			-654
Net income earned during fiscal period			—			4,188
Purchase of treasury stock			—	-400		-400
Disposal of treasury stock			—	400		344
Changes in account items other than stockholders' equity during fiscal period (net amount)	-359	-1,127	-1,487	—	-1,047	-2,534
Total changes in fiscal period	-359	-1,127	-1,487	—	-1,047	943
Balance, March 20, 2009	222	-491	-268	—	770	117,983

(4) Consolidated Cash Flow Statement

(Million yen)

Account Category	Fiscal 2007	Fiscal 2008	Change from previous fiscal year
	March 21, 2007- March 20, 2008	March 21, 2008- March 20, 2009	
	Amount	Amount	
I Cash Flows from Operating Activities			
Net income or net loss (-) before income taxes and others	-89,761	5,191	
Depreciation and Amortization	22,000	25,939	
Loss on business withdrawal	—	7,460	
Increase/Decrease in Provision for Retirement Benefits (In case of decrease, corresponding figure is indicated by "-")	-2,069	-84	
Increase/Decrease in Provision for Bonuses (In case of decrease, corresponding figure is indicated by "-")	712	-304	
Interest and Dividends Received	-239	-254	
Interest Paid	4,448	5,489	
Profit/Loss from Disposal/ Sale of Fixed Assets	115,615	1,973	
Special donations	2,968	—	
Decrease/Increase in notes and accounts receivable-trade (In case of increase, corresponding figure is indicated by "-")	-7,820	6,912	
Increase/Decrease in notes and accounts payable-trade (In case of decrease, corresponding figure is indicated by "-")	6,188	-8,952	
Other	-988	3,146	
Sub-Total	51,054	46,518	-4,536
Interest and Dividends Received	198	210	
Interest Paid	-4,297	-5,379	
Payment of Corporate and Other Taxes	-19,027	4,986	
Total Cash Flows from Operating Activities	27,928	46,336	18,408
II Cash Flows from Investing Activities			
Expenditure for Purchase/Acquisition of Tangible Assets	-21,935	-34,754	
Receipts from Sale of Tangible Assets	1,414	1,928	
Expenditure for Purchase/Acquisition of Intangible Assets	-7,584	-7,677	
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	-3,117	
Other	646	-455	
Total Cash Flows from Investing Activities	-27,460	-44,077	-16,616
III Cash Flows from Financing Activities			
Net Increase/ Decrease in Short-Term Debt	-2,987	9,600	
Proceeds from Issuing Long-Term Debt	163,016	18,002	
Repayment of Long-Term Debt	-82,712	-32,360	
Payments for Redemption of Corporate Bonds	-79,600	—	
Purchase of treasury stock	—	-400	
Proceeds from sales of treasury stock	—	344	
Dividend Payments made by Parent Company	-653	-654	
Dividend Payments to Minority Interest	-328	-112	
Payments to Minority Interest due to Reduction of Subsidiaries' Equity	-442	—	
Total Cash Flows from Financing Activities	-3,707	-5,580	-1,872
IV Differences in Cash and Cash Equivalents as result of foreign exchange translation	-62	-754	-691
V Increase/ Decrease in Cash and Cash Equivalents	-3,302	-4,076	-773
VI Outstanding Balance of Cash and Cash Equivalents, Beginning of Fiscal Period/Year	75,257	71,954	-3,302
VII Outstanding Balance of Cash and Cash Equivalents, End of Fiscal Period/Year	71,954	67,878	-4,076

Segment Information

1. Segment Information by Business Type

Previous Fiscal Year (March 21, 2007-March 20, 2008)

(million yen)

	Delivery Businesses	Logistics Businesses	Other Businesses	Total	Balance of Offsetting or Entire Group Account	On Consolidated Basis
Revenue						
(1) Revenue from Customers Outside Group	771,133	67,329	50,932	889,395	—	889,395
(2) Revenue from Internal Transactions Between Different Segments / Transfer of Balances Between Different Segments	40,428	22,937	33,271	96,637	(96,637)	—
Total	811,562	90,266	84,203	986,032	(96,637)	889,395
Operating Expenses	783,826	85,998	80,418	950,242	(97,291)	852,951
Operating Income	27,735	4,268	3,785	35,789	654	36,444

Fiscal 2008 (March 21, 2008-March 20, 2009)

(million yen)

	Delivery Businesses	Logistics Businesses	Other Businesses	Total	Balance of Offsetting or Entire Group Account	On Consolidated Basis
Revenue						
(1) Revenue from Customers Outside Group	776,754	54,673	55,849	887,277	—	887,277
(2) Revenue from Internal Transactions Between Different Segments/ Transfer of Balances Between Different Segments	55,629	23,940	48,949	128,519	(128,519)	—
Total	832,384	78,613	104,798	1,015,796	(128,519)	887,277
Operating Expenses	814,994	76,854	102,469	994,318	(129,027)	865,291
Operating Income	17,389	1,759	2,329	21,478	507	21,986

(Notes) 1. Business Type Categorization Method

The Company categorized the Group's business types by considering the content of products and services provided as part of individual operations, and similarities of related markets.

2. Major Products by Business Type

Business Segment	Major Products
Delivery Businesses	Hikyaku Express Hikyaku Cool Express Hikyaku Mail Express, etc. Moving transportation Route delivery service Charter transportation Art transportation Air transportation Collective delivery services Food delivery service
Logistics Businesses	Lump-sum acceptance of orders for logistics services Development of logistics systems Control and management of inventory and orders placed and received Management of distribution centers Warehousing Transportation using public transport Hikyaku Air Transportation Sagawa Global Transportation Service sgx International air and marine transportation services
Other Businesses	e-Collect Service Automobile sale and services, and manufacture of auto bodies Facility maintenance and management Temporary staffing services Product sales Representation of insurance and travel companies System sales and maintenance Property management services

3. For the purpose of calculating revenue by business type, SG Holdings Group specified the major business type for each Group company and subsequently totaled all revenue recorded by the company and posted the lump-sum amount to the relevant business type account. For this reason, figures and data corresponding to domestic air freight transportation business transactions implemented in and after October 2007 were transferred from Sagawa Global Logistics Co., Ltd. to Sagawa Express Co., Ltd. and accordingly included in accounts related to Delivery Businesses. If the Group had continued employing the conventional accounting method, the effect would have been 6,746 million yen.