

Nippon Cargo Airlines Co., Ltd.

Statements of Income and Disposition of Deficit

Years ended March 31, 1996 and 1995

	Millions of yen		Thousands of U.S. dollars
	1996	1995	1996
Operating revenues:			
Cargo, mail and other freight revenues	¥ 50,074	¥ 44,636	\$ 470,850
Other operating revenues	1,549	850	14,566
	<u>51,624</u>	<u>45,486</u>	<u>485,417</u>
Aircraft, flight and other operating expenses:			
Aircraft depreciation	2,141	1,508	20,134
Other expenses (Note 5)	34,139	32,813	321,013
	<u>36,281</u>	<u>34,322</u>	<u>341,147</u>
Sales, general and administrative expenses	10,160	9,395	95,538
Operating income	5,182	1,769	48,730
Other income (expenses):			
Interest and dividend income	181	200	1,709
Interest expense (Note 4)	(1,426)	(1,641)	(13,415)
Others, net	420	(428)	3,955
	<u>(824)</u>	<u>(1,870)</u>	<u>(7,750)</u>
Income (loss) before income taxes	4,358	(101)	40,979
Income taxes	10	10	102
Net income (loss)	¥ 4,347	¥ (111)	\$ 40,877
Deficit at beginning of year			
	¥(14,234)	¥(14,386)	\$(133,844)
Undisposed deficit	(9,887)	(14,498)	(92,967)
Deficit carried forward to the next period (Note 8)	(9,623)	(14,234)	(90,484)
		Yen	U.S. dollars
Net income (loss) per 100 shares of common stock	¥ 1,006	¥ (26)	\$ 9.45

The accompanying notes are an integral part of these statements.