

01635 NIPPON EXPRESS U.S.A. (ILLINOIS), INC. 1978

01635
Freight Forwarders
(Class A)

Annual Report Form
F-1

1978

Due: March 31, 1979

Approved by GAO
B-180230 (R0254)
Expires 12-31-78

1. CORRECT NAME AND ADDRESS IF DIFFERENT THAN
SHOWN. (See instructions)

NIPPON EXPRESS USA (INCORP.) INC.
1450 BRUMMEL DRIVE
ELK GROVE VILLAGE, ILLINOIS
60007

NAME AND ADDRESS OF REPORTING CARRIER (Attach
label from carrier's original copy in full on

INTERSTATE
COMMERCE COMMISSION
RECEIVED

APR 14 1979

ADMINISTRATIVE SERVICES
MAIL UNIT

2. State whether respondent is an individual owner, partnership, corporation, association, etc.

CORPORATION

3. If a partnership, state the names and addresses of each partner including silent or limited, and their interests:

Name

Address

Proportion
of Interest

NOT APPLICABLE

4. If a corporation, association or other similar form of enterprise, give:

(a) Dates and States of incorporation or organization:

FEBRUARY 10, 1977 - ILLINOIS

(b) Directors' names, addresses, and expiration dates of terms of office:

Name

Address

Term Expires

HIROSHI MIZUTANI

1850 BRUMMEL DR. ELK GROVE VILLAGE, ILL.

JULY 30, 1979

NORIO WATANABE

MINORU SHIMADA

CARMEN A. RUSSO

TAKEISHI KUMANO

(c) The names and titles of principal general officers:

Name

Title

HIROSHI MIZUTANI

PRESIDENT

NORIO WATANABE

VICE PRESIDENT

HIROSHI FUJIOKA

TREASURER

CARMEN A. RUSSO

SECRETARY

MAKOTO HIGUCHI

ASSISTANT SECRETARY

5. Give the voting power, elections, and stockholders, as follows:

A. Total voting securities outstanding

(1) Common 10

shares 10

votes

(2) 1st Preferred NONE

shares

votes

(3) 2nd Preferred NONE

shares

votes

(4) Other securities

shares

votes

B. Does any class of securities carry any special privileges in any elections or in the control of corporate action?

NO

If so, describe each such class or issue, showing the character and extent of such privileges:

C. State for each class of stock the total number of stockholders of record at the latest date of closing of stock book or compilation of list of stockholders prior to date of submitting this report.

(1) Common 1 (2) 1st Preferred _____ (3) 2nd Preferred _____
 (4) Other _____ (5) Date of closing stock book December 31

D. Give names of the ten security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent (if within a year prior to the actual filing of this report), had the highest voting powers of the respondent, showing for each his address, the number of votes which he would have had a right to cast on that date had a meeting then been in order, and the classification of the number of votes to which he was entitled, with respect to securities held by him. If any such holder held securities in trust, give (in a footnote) the particulars of the trust. If the stock book was not closed or the list of stockholders compiled within such year, show such ten security holders as of the close of the year.

Name of security holder (a)	Address (b)	Number of votes to which entitled (c)	Number of votes, classified			
			Common (d)	1st Preferred (e)	2nd Preferred (f)	Other securities (g)
NIPPON EXPRESS USA, INC.	645 5TH AVENUE N.Y., N.Y. 10022	1000	1000			

7. The respondent is required to send to the Bureau of Accounts, immediately upon preparation two copies of its latest annual report to stockholders.

Check appropriate box

☐ Two copies are attached to this report.

☐ Two copies will be submitted _____

(date)

☒ No annual report to stockholders is prepared.

8. If the respondent was formed as a result of consolidations or mergers during the year, name all constituent companies, and give specific references to charters or general laws governing each organization, date and authority for each consolidation and each merger received from a regulatory body, and date of consummation.

9. If the respondent was reorganized during the year, give name of original corporation and the laws under which it was organized, or the name of owner or partners, the reason for the reorganization, and date of reorganization.

10. If the respondent was subject to a receivership during the year, state:

A. Date of receivership _____

B. Court of jurisdiction under which operations were conducted _____

C. Date when possession under it was required _____

D. Name of receiver, receivers, or trustee _____

11. If any individual, individuals, association, or corporation held control, as trustee, other than receivership, over the respondent at the close of the year, state--
- A. Date of trusteeship _____
- B. Authority for trusteeship _____ *NOT APPLICABLE*
- C. Name of trustee _____
- D. Name of beneficiary or beneficiaries _____
- E. Purpose of trust _____

12. Give a list of companies under common control with respondent:

NIPPON EXPRESS USA, INC.
NEW YORK, NEW YORK

13. Furnish a complete list of all companies controlled by the respondent, either directly or indirectly, at the close of the year. List under each directly controlled company the companies controlled by it and under each company any others of more remote control. Each step of control should be appropriately indented from the left margin. After each company state the percentage, if any, of the voting power represented by securities owned by the immediately controlling company.

NONE

14. Give a complete list showing companies controlling the respondent, as of the close of the year. Commence with the company which is the most remote and list under each such company the company immediately controlled by it. Each step of control should be appropriately indented from the left margin. After each company state the percentage, if any, of the voting power represented by securities owned by the immediately controlling company. When any company listed is immediately controlled by or through two or more companies jointly, list all such companies and list the controlled company under each of them, indicating its status by appropriate cross references.

NIPPON EXPRESS USA, INC. - 100%

15. States in which traffic is originated and/or terminated. (check appropriate boxes)

Alabama	Georgia	Maryland	New Jersey	South Carolina
Alaska	Hawaii	Massachusetts	New Mexico	South Dakota
Arizona	Idaho	Michigan	New York <i>X</i>	Tennessee
Arkansas	Illinois <i>X</i>	Minnesota	North Carolina	Texas
California <i>X</i>	Indiana	Mississippi	North Dakota	Utah
Colorado	Iowa	Missouri	Ohio	Vermont
Connecticut	Kansas	Montana	Oklahoma	Virginia
Delaware	Kentucky	Nebraska	Oregon	Washington <i>X</i>
District of Columbia	Louisiana <i>X</i>	Nevada	Pennsylvania	West Virginia
Florida	Maine	New Hampshire	Rhode Island	Wisconsin
				Wyoming

15. COMPARATIVE BALANCE SHEET STATEMENT - ASSET SIDE

Give the following financial data at the beginning of the year and at the close of the year (omit cents)

Line No.	Balance at beginning of year (a)	Item (b)	Balance at close of year (c)
		I. CURRENT ASSETS	
1	21,328	(100) Cash	9614
2		(101) Special cash deposits (Sec. 18)	
3		(102) Temporary cash investments	
4	XXXXXX	1. Pledged \$	XXXXXX
5		2. Unpledged \$	10,199
6	XXXXXX	(103) Working advances	XXXXXX
7	XXXXXX	(104) Notes receivable \$	XXXXXX
8		(105) Accounts receivable 62,274	62,274
9		(106) Less: Reserve for doubtful accounts \$	
10		(107) Accrued accounts receivable	
11	835	(108) Materials and supplies	
12		(109) Other current assets UNEXPIRED INSURANCE	
13	22,163	(110) Deferred income tax charges (Sec. 19)	83,087
		Total current assets	
		II. SPECIAL FUNDS AND DEPOSITS	
14	XXXXXX	(120) Sinking and other funds \$	XXXXXX
15		Less: Nominally outstanding \$	
16	XXXXXX	(121) Special deposits \$	XXXXXX
17		Less: Nominally outstanding \$	
18		Total special funds	
		III. INVESTMENT SECURITIES AND ADVANCES	
19		(130) Investments in affiliated companies (Sec. 20)	
20	XXXXXX	1. Pledged \$	XXXXXX
21		2. Unpledged \$	
22		Undistributed earnings from certain investments in affiliated companies (Sec. 21)	
23	XXXXXX	(131) Other investments (Sec. 20)	
24		1. Pledged \$	XXXXXX
25		2. Unpledged \$	
26		(132) Less: Reserve for adjustment of investments in securities	
27		(133) Allowance for net unrealized loss on noncurrent marketable equity securities	
		Total investment securities and advances	
		IV. TANGIBLE PROPERTY	
28	XXXXXX	(140) Transportation property (Sec. 22 A) \$	XXXXXX
29	1,492	(149) Less: Depreciation and amortization reserve	
30		Transportation property (Sec. 22 B)	28,606
31	XXXXXX	(160) Nontransportation property (Sec. 23) \$	XXXXXX
32		(161) Less: Depreciation reserve	
33		Nontransportation property (Sec. 23)	
34	1,492	Total tangible property	28,606
		V. INTANGIBLE PROPERTY	
35		(165) Organization	
36		(166) Other intangible property	
37		Total intangible property	
		VI. DEFERRED DEBITS AND PREPAID EXPENSES	
38		(170) Prepayments	
39		(172) Other deferred debits	
40		(173) Accumulated deferred income tax charges (Sec. 19)	
41		Total deferred debits and prepaid expenses	
		VII. REACQUIRED AND NOMINALLY ISSUED SECURITIES	
42	XXXXXX	(190) Reacquired and nominally issued long-term debt \$	XXXXXX
43	XXXXXX	Reacquired: 1. Pledged \$	XXXXXX
44	XXXXXX	2. Unpledged \$	XXXXXX
45	XXXXXX	Nominally issued: 1. Pledged \$	XXXXXX
46	XXXXXX	2. Unpledged \$	XXXXXX
47	XXXXXX	(191) Nominally issued capital stock \$	XXXXXX
48	XXXXXX	1. Pledged \$	
49	XXXXXX	2. Unpledged \$	
50	23,633	TOTAL ASSETS	111,693
51	NONE	Continuing assets (not included above)	NONE

For accompanying balances not legally restricted, see Sec. 17

COMPARATIVE BALANCE SHEET STATEMENT—LIABILITY SIDE

5

Line No.	Balance at beginning of year (a)	Item (b)	Balance at close of year (c)
5		VIII. CURRENT LIABILITIES	
48	30000	(200) Notes payable	116172
49	2420	(201) Accounts payable	
50	29	(202) Accrued interest	1752
51		(203) Dividends payable	
52	196	(204) Accrued taxes	846
53		(205) Accrued accounts payable	1559
54		(208) Deferred income tax credits (Sec. 19)	
55	212	(209) Other current liabilities <i>DUE TO PARENT COMPANY</i>	
56	32857	Total current liabilities	120329
		IX. LONG-TERM DEBT	
		(b1) Less—Nominally outstanding (b2) Less—Nominally issued	
57		(210) Funded debt (Sec. 29) \$ \$	
58		(210.5) Capitalized leased obligations	
59		(211) Receivers' and trustees' securities (Sec. 29)	
60		(212) Amounts payable to affiliated companies (Sec. 30)	
61		(213) Long-term debt in default (Sec. 29)	
62		(218) Discount on long-term debt	
63		(219) Premium on long-term debt	
64		Total long-term debt	
		X. RESERVES	
65		(220) Insurance reserves	
66		(221) Provident reserves	
67		(222) Other reserves	
68		Total reserves	
		XI. DEFERRED CREDITS	
69		(231) Other deferred credits	
70		(232) Accumulated deferred income tax credits (Sec. 19)	
71		Total deferred credits	
		XII. CAPITAL AND SURPLUS	
72	1000	(240) Capital stock (Sec. 31)	1000
73		(241) Premiums and assessments on capital stock	
74		Total (Lines 70 and 71)	1000
75		Less—Nominally issued capital stock	
76		(242) Discount, commission and expense on capital stock	
77		Total (Lines 73 and 74)	
78		Total (Lines 72 and 75)	1000
79		(243) Proprietary capital	
80		(250) Unearned surplus	
81	XXXXXX	1. Paid in \$ 2. Other \$	XXXXXX
82	(1000)	(260) Earned surplus—Appropriated	
83	XXXXXX	(270) Earned surplus—Unappropriated (Deficit in paren.) (Sec. 32)	(9636)
84		1. Distributed \$ 2. Undistributed \$	XXXXXX
85		(279) Net unrealized loss on noncurrent marketable equity securities	
86		(280) Less Treasury stock	
87	XXXXXX	1. Pledged \$ 2. Unpledged \$	XXXXXX
88	(9204)	Total capital and surplus	(9636)
89	23653	TOTAL LIABILITIES	111693
90	NONE	Contingent liabilities (not included above)	NONE

COMPARATIVE BALANCE SHEET STATEMENT - EXPLANATORY NOTES

Estimated accumulated net Federal income tax reduction realized since December 31, 1949, under section 168 (formerly section 124 A) of the Internal Revenue Code because of accelerated amortization of emergency facilities in excess of recorded depreciation: \$ NONE

Estimated accumulated savings in Federal income taxes resulting from computing book depreciation under Commission rules and computing tax depreciation using the items listed below: \$ NONE

Accelerated depreciation since December 31, 1953, under section 167 of the Internal Revenue Code:

Guideline lives since December 31, 1961, pursuant to Revenue Procedure 62-21:

Guideline lives under Class Life System (Asset Depreciation Ranges) since December 31, 1961, as provided in the Revenue Act of 1971:

(1) Estimated accumulated net income tax credit realized since December 31, 1961, pursuant to the investment tax credit section of the Revenue Act of 1962, as amended: \$ NONE

(2) If carrier elected, as provided in the Revenue Act of 1962, to compute tax on the investment tax credit under the deferred investment tax credit at beginning of year: \$ NONE

Add investment tax credits applied to reduction of current year's tax liability but deferred for accounting purposes: \$ NONE

Deduct deferred portion of prior year's investment tax credit used to reduce current year's tax liability: \$ NONE

Other adjustments (indicate nature such as recapture on early disposition): \$ NONE

Total deferred investment tax credit at close of year: \$ NONE

Investment tax credit carryover at year end: \$ NONE

Cost of pension plan:

Past service costs determined by actuarials at year end: \$ NONE

Total pension costs for year:

Normal costs: \$ NONE

Amortization of past service costs: \$ NONE

Estimated amount of future earnings which can be realized before paying Federal income taxes because of unused and available net operating loss carryover on January 1 of the year following that for which the report is made: \$ 9636

State whether a segregated political fund has been established as provided by the Federal Election Campaign Act of 1976 (P.L. 94-409): NO

Marketable Equity Securities—to be completed by companies with \$100 million or more in gross operating revenues:

Changes in Valuation Accounts

		Cost	Market	Dr (Cr) to Income	Dr (Cr) to Shareholders Equity
Current year	Current Portfolios	\$	\$	\$	\$
49-50	Noncurrent Portfolios				
Previous year	Current Portfolios				
as of	Noncurrent Portfolios				

NOT APPLICABLE

2. As gross unrealized gains and losses pertaining to marketable equity securities were as follows:

	Gains	Losses
Current	\$	\$
Noncurrent		

3. Net unrealized gain (loss) of \$ on the sale of marketable equity securities was included in net income for (year). The cost of securities sold was based on the method of all the shares of each security held at time of sale.

Significant net realized and net unrealized gains and losses arising after date of the financial statements but prior to their filing, applicable to marketable equity securities owned at balance sheet date shall be disclosed below:

(a) (1) date: Balance sheet date date of the current year unless specified as previous year

17.—COMPENSATING BALANCES AND SHORT-TERM BORROWING ARRANGEMENTS

Using the following notes as a guideline, show the requirements of compensating balances and short-term borrowing arrangements if operating revenues are \$10 million or more. Footnote disclosure is required even though the arrangement is not reduced to writing.

1. Disclose compensating balances not legally restricted, lines of credit used and unused, average interest rate of short-term borrowings outstanding at balance sheet date, maximum amount of outstanding borrowings during the period and the weighted average rate of those borrowings.
2. Time deposits and certificates of deposit constituting compensating balances not legally restricted should be disclosed.
3. Compensating balance arrangements need only be disclosed for the latest fiscal year.
4. Compensating balances under an agreement which legally restricts the use of such funds, and which constitute support for short-term borrowing arrangements, should be included in section 18, account 101, Special cash deposits.
5. Compensating balances under an agreement which legally restricts the use of such funds and which constitute support for long-term borrowing arrangements and are reported in account 121, Special deposits, should also be separately disclosed below.
6. Compensating balance arrangements are sufficiently material to require disclosure in footnotes when the aggregate of written and oral agreement balances amount to 15 percent or more of liquid assets (current cash balances, restricted and unrestricted plus marketable securities).
7. When a carrier is not in compliance with a compensating balance requirement, that fact should be disclosed along with stated and possible sanctions whenever such possible sanctions may be immediate (not vague or unpredictable) and material.

NOT APPLICABLE

18.—SPECIAL CASH DEPOSITS

For other than compensating balances, state separately each item of \$10,000 or more reflected in account 101, Special cash deposits, at the close of the year. Items of less than \$10,000 may be combined in a single entry and described as "Minor items less than \$10,000". For compensating balances, state separately the total amounts held on behalf of respondent and held on behalf of others.

Line No.	Purpose of deposit (a)	Balance at close of year (b)
	Interest special deposits	
1		
2		
3		
4		
5		
6	Total	
	Dividend special deposits	
7		
8		
9		
10		
11		
12	Total	
	Miscellaneous special deposits	
13		
14		
15		
16		
17		
18	Total	
	Compensating balances legally restricted	
19	Held on behalf of respondent	
20	Held on behalf of others	
21	Total	

NOT APPLICABLE

Indicate in column (c) the net change in accounts 110, 173, 208 and 232 for the net tax effect of timing difference originating and reversing in the current accounting period.

Indicate in column (d) any adjustment as appropriate, including adjustments to eliminate or restate deferred tax effect credits or debits due to applying or recognizing a loss carryforward or a loss carryback.

Indicate in column (e) the cumulative total of columns (b), (c) and (d). The total of column (e) must agree with the balances in accounts 110, 123, 208 and 252 in Section 16.

Line No.	Particulars	Beginning of Year Balance (\$)	Net credits (if negative) for Current Year (\$)	Adjustments (\$)	End of Year Balance (\$)
1	Accelerated depreciation Sec. 167 J.R.C. Guideline lives pursuant to Rev. Proc. 62-21				
2	Accelerated amortization of intangibles Sec. 168 I.R.C.				
3	Other (Specify)				
4					
5					
6					
7	Investment tax credit				
8	TOTALS				

20 Give the details called for of investments in securities and advances held at the close of the year as stated for accounts 1100 and 1130 in section 16.

[illegible]

Enter in column 14 the share of undistributed earnings (i.e., less dividends) of foreign

40.

21. Report below the status of all investments in common stocks included in items 18 and 19.

Investments in affiliated companies which qualify for the equity method of accounting, item 28, in

the Uniform System of Accounts for Foreign Forwarders.

Enter in column 15 the amount necessary to reflect the above share investments qualifying

for the equity method of accounting in accordance with instruction 28(b)(1)(1) of the Uniform

System of Accounts.

Enter in column 15 the amount for the year of the excess of cost over equity (see item 28(b)(4)).

The total of column 14 must agree with column 10, line 21, Section 16.

UNDISTRIBUTED EARNINGS FROM CERTAIN INVESTMENTS IN AFFILIATED COMPANIES

Line No.	Name of issuing company and description of security held	Balance at beginning of year	Adjustment for investment quality	Equity in undistributed earnings (dividend) during year	Amortization during year	Adjustment for investments (amount of loss) during year	Balance at close of year
1							
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100							

Total

Non-affiliated (Show totals only for each item)

Total lines 18 and 19

NOT APPLICABLE

Property accounts	Balance at beginning of year	Charges	Credits	Adjustments Dr. - Debit Cr. - Credit	Balance at close of year
	\$ 1574	\$ 16561	\$	\$	\$ 18135
141. Furniture and office equipment					
142. Motor and other highway vehicles					
143. Land and public improvements					
144. Terminal and platform equipment		9387			9387
145. Other property account charges		2670			2670
Total	1574	28618			30192

Property accounts	Balance at beginning of year	Charges	Credits	Adjustments Dr. - Debit Cr. - Credit	Balance at close of year
141. Furniture and office equipment	\$ 84	\$ 902	\$	\$	\$ 986
142. Motor and other highway vehicles					
143. Land and public improvements (depreciable property)					
144. Terminal and platform equipment		467			467
145. Other property account charges (depreciable property)		133			133
Total	84	1502			1586

23 Give details of investment in nontransportation property, and depreciation reserve for balances at close of the year, as stated for accounts (160) and (161) in section 16.

Description of property	Book cost of property	Depreciation reserve
	\$	\$
NOT APPLICABLE		
Total		

24.—RENTAL EXPENSE OF LESSEE

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Otherwise, show total rental expense (reduced by rentals from subleases) entering into the determination of results of operations for each period for which an income statement is presented. Rental payments under short-term leases for a month or less which are not expected to be renewed need not be included. Contingent rentals, such as those based on usage or sales, shall be reported separately from the basic or minimum rentals.

Line No.	Type of lease (a)	Current year (b)	Prior year (c)
	Financing leases		
1	Minimum rentals		
2	Contingent rentals		
3	Sublease rentals		
4	Total financing leases		
	Other leases		
5	Minimum rentals		
6	Contingent rentals		
7	Sublease rentals		
8	Total other leases		
9	Total rental expense of lessee		

NOTE: As used in sections 24 through 28, a "financing lease" is defined as a lease which, during the noncancellable lease period, either (a) covers 75% or more of the economic life of the property or (b) has terms which assure the lessor a full recovery of the fair market value (which would normally be represented by his investment) of the property at the inception of the lease plus a reasonable return on the use of the assets invested subject only to limited risk in the realization of the residual interest in the property and the credit risks generally associated with secured loans.

NOT APPLICABLE

25.—MINIMUM RENTAL COMMITMENTS

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) gross rental expense in the most recent fiscal year exceeds one percent of operating revenue.

Show the minimum rental commitments under all noncancellable leases, as of the date of the latest balance sheet presented, in the aggregate (with disclosure of the amounts applicable to noncapitalized financing leases) for (a) each of the five succeeding fiscal years, (b) each of the next three five-year periods, and, (c) the remainder as a single amount. The amounts so determined should be reduced by rentals to be received from existing noncancellable subleases (with disclosure of the amounts of such rentals). For purposes of this rule, a noncancellable lease is defined as one that has an initial or remaining term of more than one year and is noncancellable, or is cancellable only upon the occurrence of some remote contingency or upon the payment of a substantial penalty.

Line No.	Year ended	A			B	
		Financing leases (b)(1)	Other leases (b)(2)	Total (b)(3)	Sublease rentals*	
	(a)				Financing leases (b)(4)	Other leases (b)(5)
1	1978					
2	1979					
3	1980					
4	1981					
5	1982					
6	1983-1987					
7	1988-1992					
8	1993-1997					
9	1998+*					

* The rental commitments reported in Part A of this schedule have been reduced by these amounts.

NOT APPLICABLE

26.—LESSEE DISCLOSURE

Complete this schedule only if carrier operating revenues are \$10 million or more.

Relate in general terms: (a) the basis for calculating rental payments if dependent upon factors other than the lapse of time; (b) existence and terms of renewal or purchase options, escalation clauses, etc.; (c) the nature and amount of related guarantees made or obligations assumed; (d) restrictions on paying dividends, incurring additional debt, further leasing, etc.; and, (e) any other information necessary to assess the effect of lease commitments upon the financial position, results of operations, and changes in financial position of the lessee.

Line No.	
1	(a)
2	
3	
4	
5	
6	
7	
8	
9	(b)
10	
11	
12	
13	
14	
15	
16	
17	(c) NOT APPLICABLE
18	
19	
20	
21	
22	
23	
24	(d)
25	
26	
27	
28	
29	
30	
31	
32	
33	(e)
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27.—LEASE COMMITMENTS—PRESENT VALUE

Complete this schedule only if (a) carrier operating revenues are \$10 million or more and (b) if the present value of the minimum lease commitments are more than five percent of the sum of the long-term debt, stockholders' equity and the present value of the minimum lease commitments, or if the impact on net income (as computed in section 28, Income impact—Lessee) is three percent or more of the average net income for the most recent three years.

Show all noncapitalized financing leases, the present value of the minimum lease commitments in the aggregate and by major categories of properties. Present values shall be computed by discounting net lease payments (after subtracting, if practicable, estimated, or actual amounts, if any, applicable to taxes, insurance, maintenance and other operating expenses) at the interest rate implicit in the terms of each lease at the time of entering into the lease.

Show either the weighted average interest rate (based on present value) and range of rates or specific interest rates for all lease commitments.

Line No.	Asset category (a)	Present value		Range		Weighted average	
		Current year (b)	Prior year (c)	Current year (d)	Prior year (e)	Current year (f)	Prior year (g)
1	Structures						
2	Revenue equipment						
3	Shop and garage equipment						
4	Service cars and equipment						
5	Noncarrier operating property						
	Other (Specify)						
6							
7							
8							
9							
10	Total						

NOT APPLICABLE

28.—INCOME IMPACT—LESSEE

Complete this schedule only if carrier operating revenues are \$10 million or more.

If the impact on net income is less than three percent of the average net income for the most recent three years, a statement to that effect will suffice to complete this schedule. Otherwise, show the impact on net income for each period for which an income statement is presented if all noncapitalized financing leases were capitalized, related assets were amortized on a straight-line basis and interest cost was accrued on the basis of the outstanding lease liability. The amounts of amortization and interest cost shall be separately identified.

In calculating average net income, loss-years should be excluded. If losses were incurred in each of the most recent three years, the average loss shall be used for purposes of this test.

Line No.	Item (a)	Current year (b)	Prior year (c)
1	Amortization of lease rights	\$	\$
2	Interest		
3	Rent expense		
4	Income tax expense		
5	Impact (reduction) on net income		

NOT APPLICABLE

32. Show items of Earned surplus—Unappropriated for the year, classified in accordance with the Uniform System of Accounts for Freight Forwarders. All contra entries hereunder should be indicated in parentheses. Include in column (b) only amounts applicable to earned surplus exclusive of any amounts included in column (c). Segregate in column (c) all amounts applicable to the equity in undistributed earnings (losses) of affiliated companies based on the equity method of accounting. See account (270) in section 16.

Line No.	Item (a)	Retained earnings accounts (b)	Equity in undistributed earnings of affiliated companies (c)
1	(270) Earned surplus (or deficit) at beginning of year	\$ 102047	xxx
2	(300) Equity in undistributed earnings (losses) of affiliated companies at beginning of year	xxx	
3	(300) Income balance (Sec. 33)	255	407
4	(301) Miscellaneous credits	608	
5	(302) Prior period adjustments to beginning earned surplus account		
6	(310) Miscellaneous debits		
7	(311) Miscellaneous reservations of earned surplus		xxx
8	(312) Dividend appropriations of earned surplus		xxx
9	(270) Earned surplus (or deficit) at close of year	9636	xxx
10	Equity in undistributed earnings (losses) of affiliated companies at end of year	xxx	
11	Balance from line 10		xxx
12	Total unappropriated earned surplus and equity in undistributed earnings (losses) of affiliated companies at end of year (lines 9 and 11)	9636	xxx

Net of assigned income taxes: account 301 \$ (explain)
account 310 (explain)

* AUDIT ADJUSTMENT RE: QUARTER ENDING 3/31/78.

33.—INCOME STATEMENT FOR THE YEAR

Give the following income account for the year (omit cent):

Line No.	Item (a)	Amount (b)
ORDINARY ITEMS		
FORWARDER OPERATING INCOME		
1	(400) Operating revenues (Sec. 34)	260 054
2	(410) Operating expenses (Sec. 35)	254 789
3	*Net revenue from forwarder operations (line 1, line 2)	5 265
4	(411) Transportation tax accruals (Sec. 36)	68
5	*Net revenue, less taxes, from forwarder operations (line 3, line 4)	5 197
OTHER INCOME		
6	(401) Dividend (other than from affiliates) and interest income	
7	(402) Release of premium on long-term debt	
8	(403) Miscellaneous income	
9	Income from affiliated companies	
10	Dividends	
11	Equity in undistributed earnings (losses)	
12	Total other income	5 197
13	*Total income (line 5, line 11)	
MISCELLANEOUS DEDUCTIONS FROM INCOME		
14	(412) Provision for uncollectible accounts	
15	(413) Miscellaneous tax accruals	
16	(414) Miscellaneous income charges	
17	Total income deductions	5 197
18	*Income from continuing operations before fixed charges (Lines 12, 16)	
FIXED CHARGES		
19	(420) Interest on long-term debt	5 237
20	(421) Other interest deductions	
21	(422) Amortization of discount on long-term debt	5 237
22	Total fixed charges	
23	(423) Unusual or infrequent items	(Loss) (40)
24	*Income from continuing operations before income taxes (lines 17, 21, 22)	
PROVISION FOR INCOME TAXES		
25	(431) Income taxes on income from continuing operations (Sec. 36)	
26	(432) Provision for deferred taxes	(Loss) (40)
27	Income (loss) from continuing operations (lines 23-25)	
DISCONTINUED OPERATIONS		
28	(433) Income (loss) from operations of discontinued segments**	
29	(434) Gain (loss) on disposal of discontinued segments**	
30	Total income (loss) from discontinued operations (lines 27, 28)	(Loss) (40)
31	*Income before extraordinary items (lines 26, 29)	
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES		
32	(435) Extraordinary items: Net Credit (Debit) (p. 20)	
33	(436) Income taxes on extraordinary and prior period items: Debit (Credit) (p. 20)	
34	(437) Provision for deferred taxes: Extraordinary and prior period items	
35	Total extraordinary items	
36	(438) Cumulative effect of changes in accounting principles**	
37	Total extraordinary items and accounting changes (lines 34, 35)	(Loss) (40)
38	*Net income, transferred to earned surplus (lines 30, 36)	

(If a loss or debit, show the amount in parentheses)

**Less applicable income taxes of
 (433) Income (loss) from operations of discontinued segments
 (434) Gain (loss) on disposal of discontinued segments
 (438) Cumulative effect of changes in accounting principles

33.—INCOME STATEMENT - EXPLANATORY NOTES

1. (a) Indicate method elected by carrier, as provided in the Revenue Act of 1971, to account for the investment tax credit:
 Flow-through—X Deferral—
- (b) If flow-through method was elected, indicate net decrease (or increase) in tax accrual because of investment tax credit—\$ NONE
- (c) If deferral method was elected, indicate amount of investment tax credit utilized as reduction of tax liability for current year—\$ NONE
- Deduct amount of current year's investment tax credit applied to reduction of tax liability but deferred for accounting purposes—(\$ NONE)
- Balance of current year's investment tax credit used to reduce current year's tax accrual—\$ NONE
- Add amount of prior years' deferred investment tax credits being amortized and used to reduce current year's tax accrual—\$ NONE
- Total decrease in current year's tax accrual resulting from use of investment tax credits—\$ NONE
2. An explanation of all items included in accounts 435, "Extraordinary items," and 450, "Income taxes on extraordinary items" should be made in the space below. (See instruction 540.0-4, Uniform System of Accounts for Freight Forwarders.)

34.—OPERATING REVENUES

Show the forwarder operating revenues of the respondent for the year, classified by accounts as follows (omit cents):

Line No.	Account (a)	Amount (b)
	I. TRANSPORTATION REVENUE	\$ 585 358
1	501. Forwarder revenue—	
	II. TRANSPORTATION PURCHASED—DR.	60 527
2	511. Railroad transportation—	25 582
3	512. Motor transportation—	96 933
4	513. Water transportation—	12 261
5	514. Pick-up, delivery, and transfer service—	
6	515. Other transportation purchased*	325 304
7	Total transportation purchased—	260 054
8	Revenue from transportation (line 1 minus line 7)	
	III. INCIDENTAL REVENUE	
9	521. Storage—Freight—	
10	522. Rent revenue—	
11	523. Miscellaneous—	
12	Total incidental revenues—	260 054
13	Total operating revenues (line 8 plus line 12)	

*Report separately hereunder, by type of transport (air, express, forwarder, or any other type), the amounts included in Account 515, "Other transportation purchased".

35.—OPERATING EXPENSES

Show the forwarder operating expenses of the respondent for the year, classified by accounts as follows (omit cents)

Line No.	Account (a)	Amount (b)
1	601 General office salaries	\$ 492.43
2	602 Traffic department salaries	11 870
3	603 Law department salaries	4500
4	604 Station salaries and wages*	52 860
5	605 Loading and unloading by others	3 387
6	606 Operating rents	79 977
7	607 Traveling and other personal expenses	11 074
8	608 Communications	8480
9	609 Postage	1741
10	610 Stationery and office supplies	5 368
11	611 Tariffs	7 120
12	612 Loss and damage—Freight	
13	613 Advertising	1787
14	614 Heat, light, and water	4035
15	615 Maintenance	2448
16	616 Depreciation and amortization	1502
17	617 Insurance	2330
18	618 Payroll taxes (Sec. 36)	5877
19	619 Commissions and brokerage	7176
20	620 Vehicle operation (Sec. 36)	
21	621 Law expenses	1500
22	622 Depreciation adjustment	
23	630 Other expenses	32492
24	Total operating expenses	254789

*Includes debits totaling \$ 37356 for the pay of employees engaged in handling freight over platforms

36.—TAXES

Give particulars called for with respect to taxes and licenses accrued to accounts (411) and (431) in Section 33, and accounts (618) and (620) in Section 35.

Line No.	Kind of tax	(411) Transportation tax accruals (a)	(431) Income taxes on income from continuing operations (c)	(618) Payroll taxes (d)	(620) Vehicle operation (e)	Total (f)
1	Social security taxes	\$	\$	\$ 4441	\$	\$ 4441
2	Real estate and personal property taxes					
3	Gasoline, other fuel, and oil taxes					
4	Vehicle licenses and registration fees					
5	Corporation taxes					
6	Capital stock taxes					
7	Federal excise taxes					
8	Federal excess profits taxes					
9	Federal income taxes					
10	State income taxes					
11	Other taxes (describe)			272		272
12	(a) FEDERAL UNEMPLOYMENT			1164		1164
13	(b) STATE UNEMPLOYMENT					43
14	(c) FRANCHISE TAX	43				30
15	(d) LICENSE AND FEES	30				
16	Total	73		5877		5950

37 Give particulars as called for with respect to motor vehicles owned outright and held under purchase obligations at the close of the year:

Line No.	Vehicle		Book value included in account (140) of sec. 16	Accrued depreciation included in account (149) of sec. 16
	Make, kind and capacity (a)	Number of (b)		
1			\$	\$
2				
3				
4				
5				
6				
7				
8	Total			

NOT APPLICABLE

38 Give the particulars as called for concerning the respondent's employees and their compensation for the year. The data on number of employees shall be based on the number of employees on the payroll at close of pay period containing the 12th day of the months specified. If operations were interrupted during such period due to strikes, fires, floods, etc., the data should be reported for the nearest representative payroll period. Enter the total number of employees in each class on the payrolls covered by this report who worked full or part time or received pay for any part of the period reported.

Line No.	Class	Number of employees on payroll at close of the pay period containing the 12th day of				Total compensation during year
		February	May	August	November	
1	General office employees:					
	Officers XX	XX	XX	XX	XX	\$ 41101
2	Clerks and attendants	1	1	2	1	8142
3	Total	1	1	2	1	49243
4	Traffic department employees:					
	Officers					
5	Managers	1	1	1	1	11890
6	Solicitors					
7	Clerks and attendants	1	1	1	1	11890
8	Total	1	1	1	1	
9	Law department employees:					
	Officers					
10	Solicitors					4500
11	Attorneys SECRETARY FEE					
12	Clerks and attendants					4500
13	Total					
14	Station and warehouse employees:					
	Superintendents					
15	Foremen	2	3	3	3	37953
16	Clerks and attendants		1	2	1	14907
17	Laborers	2	4	5	4	52860
18	Total	2	4	5	4	
19	All other employees (specify):					
20						
21						
22						
23	Total	4	6	8	6	118493
24	Grand total	4	6	8	6	

Length of payroll period (Check one) ☒ one week, ☐ two weeks, ☐ other (specify):

XX THE PARENT COMPANY CHARGES APPROXIMATELY \$4500/MONTH FOR THE TIME SPENT BY OFFICERS ON BUSINESS OF NIPON EXPRESS USA (ILLINOIS) INC.

39. Give the various statistical items called for concerning the forwarders' operations of the respondent during the year. State tons of 2,000 pounds.

Line No.	Item (a)	Number (b)
1	Tons of freight received from shippers	1877
2	Number of shipments received from shippers	834

40.—COMPENSATION OF OFFICERS, DIRECTORS, ETC.

Give the name, position, salary, and other compensation, such as bonus, commission, gift, reward, or fee, of each of the five persons named in Section 5, item (b) and (c) of this report to whom the respondent paid the largest amount during the year covered by this report as compensation for current or past service over and above necessary expenses incurred in discharge of duties and in addition, all other officers, directors, pensioners or employees, if any, to whom the respondent similarly paid \$40,000 or more. If more convenient, this schedule may be filled out for a group of companies considered as one system and shown only in the report of the principal company in the system, with references thereto in the reports of the other companies. Any large "Other compensation" should be explained in a footnote. If an officer, director, etc., receives compensation from another transportation company (whether a subsidiary or not), reference to this fact should be made if his aggregate compensation amounts to \$40,000 or more, and the details as to division of the salary should be stated. By salary column (c) is meant the annual rate at which an employee is paid, rather than the amount actually paid. If salary of an individual was changed during the year, show salary before each change as well as at close of year.

Line No.	Name of person (a)	Title (b)	Salary per annum as of close of year (see instructions) (c)	Other compensation during the year (d)
1			\$	\$
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
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NOT APPLICABLE (SEE NOTE ON PL. 22)

41.—COMPETITIVE BIDDING — CLAYTON ANTITRUST ACT

Section 10 of the Clayton Antitrust Act (15 U.S.C. 20) states that "no common carrier engaged in commerce shall have any dealings in securities, supplies or other articles of commerce, or shall make or have any contracts for construction or maintenance of any kind, to the amount of more than \$50,000, in the aggregate, in any one year, with another corporation, firm, partnership or association when the said common carrier shall have upon its board of directors or as its president, manager or as its purchasing or selling officer, or agent in the particular transaction, any person who is at the same time a director, manager, or purchasing or selling officer of, or who has any substantial interest in, such other corporation, firm, partnership or association, unless and except such purchases shall be made from, or such

dealings shall be made with, the bidder whose bid is the most favorable to such common carrier, to be ascertained by competitive bidding under regulations to be prescribed by rule or otherwise by the Interstate Commerce Commission." The specification for competitive bids is found in the Code of Federal Regulations, Part 1010-Competitive Bids through Part 1010.7.

Carriers Subject to the Interstate Commerce Act

In column (g), identify the company awarded the bid by including company name and address, name and title of respondent officers, directors, selling officer, purchasing officer and/or general manager that has an affiliation with the seller.

Line No.	Nature of bid (a)	Date Published (b)	Contract number (c)	No. of bidders (d)	Method of awarding bid (e)	Date filed with the Commission (f)	Company awarded bid (g)
1							
2							
3							
4							
5							
6							
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26							
27							
28							
29							
30							

Name, title, telephone number and address of the person to be contacted concerning this report:

NAME MICHAEL KATZIS TITLE ACCOUNTANT
 TELEPHONE NUMBER 312 782-1723
(Area code) (Telephone number)
 OFFICE ADDRESS 120 S LA SALLE ST CHICAGO, ILLINOIS 60603
(Street and number) (City, State, and ZIP Code)

OATH

(To be made by the officer having control of the accounting of the respondent)

STATE OF ILLINOIS

COUNTY OF COOK

NORIO WATANABE

makes oath and says that he is

VICE - PRESIDENT

(Insert here the official title of the affiant)

of NIPPON EXPRESS USA (ILLINOIS), INC.

(Insert here the exact legal title or name of the respondent)

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true, and that the said reports is a correct and complete statement of the business and affairs of the above-named respondent during the period of the time from and including JANUARY 1, 1978, to and including DECEMBER 31, 1978

Norio Watanabe

(Signature of affiant)

Subscribed and sworn to before me, a Notary Public, in and for the State and County above named.

this Thirteenth day of April, 1979

My commission expires December 14, 1982

[USE AN L.S.
IMPRESSION
SEAL]

[Signature]
 (Signature of officer authorized to administer oaths)