

**Summary of Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2019
[Japan GAAP]**

February 8, 2019

Name of Listed Company: SENKO Group Holdings Co., Ltd. Stock Listed on: The First Section of the Tokyo Stock Exchange
Code Number: 9069 URL <http://www.senkogrouphd.co.jp/en/>
Representative: Title: President Name: Yasuhisa Fukuda
Inquiries: Title: Executive Officer, Public Relations and IR Name: Noburoh Sasaki Tel. (06) 6440-5155

Scheduled Date of Issue of Quarterly Financial Report: February 14, 2019 Scheduled Date of Dividend Paid: -
Quarterly Supplemental Information Materials: None
Scheduled Date of Quarterly Information Meeting: None

(Amounts less than ¥1 million have been rounded down)

1. Consolidated Operating Results for the Nine Months Ended December 31, 2018

(1) Consolidated Operating Results (Cumulative) (Percentage figures represent year-on-year changes)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------------------------|-------------------|-----|------------------|-------|-----------------|-------|-----------------------------------------|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended December 31, 2018 | 400,565 | 7.4 | 15,794 | 18.3 | 16,065 | 19.3 | 9,552 | 28.5 |
| Nine months ended December 31, 2017 | 373,008 | 8.5 | 13,346 | (6.5) | 13,466 | (6.7) | 7,435 | (2.7) |

(Note) Comprehensive income

Nine months ended December 31, 2018: ¥9,510 million (-10.0%) Nine months ended December 31, 2017: ¥10,562 million (10.3%)

| | Profit per share | Diluted profit per share |
|-------------------------------------|------------------|--------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2018 | 62.88 | 58.32 |
| Nine months ended December 31, 2017 | 49.03 | 45.46 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| As of December 31, 2018 | 342,836 | 125,749 | 34.4 | 777.61 |
| As of March 31, 2018 | 333,972 | 118,056 | 33.7 | 741.44 |

(Reference) Shareholders' equity:

As of December 31, 2018: ¥118,070 million As of March 31, 2018: ¥112,643 million

2. Dividends

| | Annual dividend | | | | |
|----------------------------------------------|-----------------|--------------|-------------|----------|-------|
| | June 30 | September 30 | December 31 | March 31 | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2018 | - | 11.00 | - | 11.00 | 22.00 |
| Fiscal year ending March 31, 2019 | - | 13.00 | - | - | - |
| Fiscal year ending March 31, 2019 (Forecast) | - | - | - | 13.00 | 26.00 |

(Note) Change in the estimation of dividend for the fiscal year in this period: None

3. Forecast of Consolidated Operating Results for the Fiscal Year Ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(Percentage figures represent year-on-year changes)

| | Operating revenue | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Profit per share |
|-----------------------------------|-------------------|-----|------------------|------|-----------------|------|-----------------------------------------|------|------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Fiscal year ending March 31, 2019 | 530,000 | 7.7 | 19,300 | 12.9 | 19,300 | 11.5 | 11,500 | 21.0 | 75.70 |

(Note) Change in the forecast made in this period: None

Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries associated with change in scope of consolidation): Yes

Newly included: 1 company (Company name) M-Senko Logistics Co., Ltd.

(2) Use of accounting methods specifically for the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting principles and estimates, and retrospective restatement

(a) Changes due to revision of accounting standards: None

(b) Changes other than in (a): None

(c) Changes in accounting estimates: None

(d) Retrospective restatement: None

(4) Shares outstanding (Common shares)

(a) Shares outstanding (including treasury shares)

| | | | |
|--------------------------|--------------------|-----------------------|--------------------|
| As of December 31, 2018: | 152,861,921 shares | As of March 31, 2018: | 152,861,921 shares |
|--------------------------|--------------------|-----------------------|--------------------|

(b) Treasury shares

| | | | |
|--------------------------|------------------|-----------------------|----------------|
| As of December 31, 2018: | 1,024,460 shares | As of March 31, 2018: | 937,015 shares |
|--------------------------|------------------|-----------------------|----------------|

(c) Average number of shares (Cumulative)

| | | | |
|--------------------------------------|--------------------|--------------------------------------|--------------------|
| Nine months ended December 31, 2018: | 151,918,117 shares | Nine months ended December 31, 2017: | 151,662,782 shares |
|--------------------------------------|--------------------|--------------------------------------|--------------------|

(Note) Starting with the third quarter of the fiscal year ended March 31, 2018, the number of treasury shares at term-end includes Senko shares owned by the trust accounts of Performance-linked Stock Compensation Plan for Employees (as of December 31, 2018: 351,500 shares; as of March 31, 2018: 349,900 shares) and Performance-linked Stock Compensation Plan for Directors (as of December 31, 2018: 353,000 shares; as of March 31, 2018: 210,200 shares).

Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

Cautionary statement regarding forecasts of operating results and special notes

Forward-looking statements in these materials are based on information available to management at the time this report was prepared and assumptions that management believes are reasonable. Actual results may differ significantly from these statements for a number of reasons. For information about the assumptions used for forecasts and precautions concerning the use of forecasts, please see "Forecast for the full-term of the fiscal year ending March 31, 2019" on page 3.

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1. Results of Operations and Financial Condition

(1) Results of operations

In the nine-month period of the fiscal year ending March 31, 2019 (April 1, 2018 to December 31, 2018), the Japanese economy has been on a path of recovery due to factors that include improvement in the employment and income environment as well as corporate earnings. The overseas economy continued to mount a modest recovery on the whole, although it continues to have an unclear outlook due to concerns regarding the broadening trade friction between the United States and China and the effects that could result from the UK leaving the EU.

In the logistics industry where our core business lies, freight volume has been firm particularly for consumer-related and production-related cargo.

In this environment, the Senko Group has been working to expand its business areas, upgrade its operating system and strengthen its earnings capacity, as the second year of "Senko Innovation Plan 2021 (SIP21)" five-year medium-term business plan.

The following provides an outline of our main activities in the nine-month period.

To expand its business areas, SENKO Co., Ltd. commenced operations of Higashi Fuji PD Center (Fuji City, Shizuoka Prefecture) in April, Nagareyama Logistics Center (Nagareyama City, Chiba Prefecture) in May, Koga PD Center (Koga City, Ibaraki Prefecture) and Kazo PD Center Warehouse No. 2 (Kazo City, Saitama Prefecture) in August, and Koto Warehouse (Higashi Omi City, Shiga Prefecture) in November.

The Kazo PD Center Warehouse No. 2 is the first three-temperature-zone center operated jointly by SENKO Co., Ltd. and Runtec Corporation.

In April, Runtec Corporation commenced operations of its Osaka Branch Nanko Center (Osaka City), expanded its Fukuoka Branch Center (Kasuya County, Fukuoka Prefecture), and opened Keihin Branch Kawasaki FAZ Center (Kawasaki City) in December.

Outside Japan, in May SHANGHAI SENKO INTERNATIONAL FREIGHT FORWARDING INC. commenced operations of its Qingpu Logistics Center (Shanghai, China), and in November SINOTRANS SENKO INTERNATIONAL COLD LOGISTICS CO., LTD. commenced operations of its Beijing Logistics Center (Beijing, China).

In Thailand, M-Senko Logistics Co., Ltd., a joint venture with MK Restaurant Group Public Company Limited, a major restaurant chain conglomerate, started business operations in July. Moreover, we have been working to strengthen operations in the ASEAN region, having made Thailand-based Best Global Logistics Co., Ltd., which engages in the business of air and marine transport and other such operations, a Group company in September.

To upgrade the operating system, we have been actively moving ahead with labor-saving and mechanization initiatives in our distribution centers by adopting the latest technologies such as robotic arms and unmanned forklifts. Aiming to accelerate such labor-saving and mechanization initiatives, we set up the AI Project and the Robotics Project in April to promote R&D and other such endeavors and established innovatech studio Co., Ltd. in July to develop next-generation technologies and engage in system sales.

Moreover, having succeeded SENKO Co., Ltd.'s marine shipping business, Senko Line Co., Ltd. started business operations in April, and aims to expand the marine shipping business.

With respect to our modal shift, in June we received the Logistics Environment Grand Prix Award (the highest Logistics Environment Award) and three Logistics Environment Special Awards from the Japan Association for Logistics and Transport in recognition of our initiatives that include switching from the previous use of trucks to the use of railroads and marine vessels for long-distance transport. In November, we received four Awards for Excellent Business Entities Working on Modal Shift.

To strengthen the earnings capacity, we worked on streamlining back office operations, improving productivity at distribution sites and other initiatives.

The nine-month-period performance was as follows.

| | Nine months ended December 31, 2017 | Nine months ended December 31, 2018 | Change | (Unit: Millions of Yen) % |
|--------------------------------------------|----------------------------------------|----------------------------------------|--------|------------------------------|
| Operating revenue | 373,008 | 400,565 | 27,557 | 7.4 |
| Operating profit | 13,346 | 15,794 | 2,447 | 18.3 |
| Ordinary profit | 13,466 | 16,065 | 2,599 | 19.3 |
| Profit attributable to owners of parent | 7,435 | 9,552 | 2,117 | 28.5 |

Consolidated operating revenue for the nine-month period ended December 31, 2018 of the current fiscal year increased 7.4% year on year to ¥400,565 million. This result mainly reflected effects of expanding sales and revising the freight charges, year-on-year differences arising with respect to ANZEN YUSO CO., LTD. and OKUMURA CO., LTD. which became consolidated subsidiaries in the previous fiscal year, as well as the effects of making operating companies of living support services (KEIHANNA helper station Co., Ltd., VENUS CO., LTD., BLUE EARTH JAPAN Co., Ltd., etc.) and M-Senko Logistics Co., Ltd. into consolidated subsidiaries in April and in July, respectively.

On the profit front, despite factors that include higher costs largely stemming from rises in outsourcing costs and increases in fuel prices, consolidated operating profit increased to ¥15,794 million, up 18.3% year on year, and consolidated ordinary profit increased to ¥16,065 million, up 19.3% year on year. The upturn in profits was largely attributable to positive effects on profits brought about by expanding sales, revising freight charges and making entities into consolidated subsidiaries, and furthermore due to the decrease in the amount amortized for actuarial differences in accounting for retirement benefit obligations. Profit attributable to owners of parent increased to ¥9,552 million, up 28.5% year on year, partially as a result of having made Runtec Corporation and other entities into wholly owned subsidiaries.

The nine-month-period operating revenue by segment was as follows.

Logistics

Operating revenue grew 8.3% year on year to ¥283,706 million in this segment. This was mainly attributable to higher revenues generated by large facilities newly opened, expansion of sales of daily-use items, food products, apparel, and chemical products, effects of revising the freight charges, year-on-year differences related to the timing of consolidation of ANZEN YUSO CO., LTD., and making M-Senko Logistics Co., Ltd. into a consolidated subsidiary.

Trading & commerce

Operating revenue grew 1.8% year on year to ¥108,094 million in this segment. This was attributable to higher revenues mainly from trade operations and sales of petroleum products, and also due to year-on-year differences related to the timing of consolidation of OKUMURA CO., LTD.

Others

Operating revenue rose 79.7% year on year to ¥8,764 million in this segment. This was mainly attributable to higher revenues due to the consolidation of operating companies of living support services.

(2) Financial condition

Assets, liabilities and net assets

Total assets

Total assets as of December 31, 2018 were ¥342,836 million, ¥8,864 million higher than at the end of the previous fiscal year.

Current assets amounted to ¥121,374 million, up ¥7,225 million from the end of the previous fiscal year. This mainly reflected increases of ¥5,252 million in notes and operating accounts receivable, ¥1,192 million in securities and ¥735 million in merchandise and finished goods.

Non-current assets totaled ¥221,423 million, up ¥1,656 million from the end of the previous fiscal year. This was primarily due to increases of ¥3,031 million in property, plant and equipment and ¥425 million in intangible assets, despite a decrease of ¥1,799 million in investments and other assets.

Liabilities

Liabilities as of December 31, 2018 increased ¥1,171 million from the end of the previous fiscal year to ¥217,087 million.

Current liabilities totaled ¥107,000 million, up ¥951 million from the end of the previous fiscal year. This was mainly due to increases of ¥904 million in notes and operating accounts payable-trade and ¥3,329 million in short-term loans payable, despite decreases of ¥2,114 million in income taxes payable and ¥1,233 million in provision for bonuses.

Non-current liabilities totaled ¥110,086 million, up ¥219 million from the end of the previous fiscal year. This was primarily due to an increase of ¥3,359 million in long-term lease obligations, despite a decrease in long-term loans payable of ¥2,805 million.

Net assets

Net assets as of December 31, 2018 rose ¥7,692 million from the end of the previous fiscal year to ¥125,749 million. This was mainly attributable to increases of ¥5,593 million in retained earnings and ¥2,213 million in non-controlling interests. The equity ratio as of December 31, 2018 increased by 0.7 percentage points to 34.4% from the end of the previous fiscal year.

(3) Forecast for the full-term of the fiscal year ending March 31, 2019

No revisions have been made to the forecast of consolidated operating results for the fiscal year ending March 31, 2019, announced in "Summary of Financial Statements for the Fiscal Year Ended March 31, 2018" on May 10, 2018.

2. Consolidated Financial Statements

(1) Consolidated balance sheets

(Unit: Millions of Yen)

| | As of March 31, 2018 | As of December 31, 2018 |
|--------------------------------------------|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 24,995 | 24,967 |
| Notes and operating accounts receivable | 70,526 | 75,779 |
| Securities | – | 1,192 |
| Merchandise and finished goods | 7,293 | 8,028 |
| Work in process | 351 | 855 |
| Raw materials and supplies | 536 | 637 |
| Other | 10,460 | 9,920 |
| Allowance for doubtful accounts | (16) | (8) |
| Total current assets | 114,148 | 121,374 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 55,045 | 64,933 |
| Land | 59,613 | 59,238 |
| Other, net | 45,411 | 38,931 |
| Total property, plant and equipment | 160,071 | 163,102 |
| Intangible assets | | |
| Goodwill | 6,522 | 6,631 |
| Other | 4,225 | 4,541 |
| Total intangible assets | 10,747 | 11,172 |
| Investments and other assets | | |
| Investment securities | 22,642 | 20,225 |
| Long-term loans receivable | 3,709 | 3,006 |
| Net defined benefit asset | 3,658 | 4,126 |
| Guarantee deposits | 12,118 | 12,937 |
| Deferred tax assets | 4,317 | 3,472 |
| Other | 3,718 | 4,031 |
| Allowance for doubtful accounts | (1,216) | (651) |
| Total investments and other assets | 48,947 | 47,148 |
| Total non-current assets | 219,766 | 221,423 |
| Deferred assets | | |
| Business commencement expenses | 57 | 38 |
| Total deferred assets | 57 | 38 |
| Total assets | 333,972 | 342,836 |

| | As of March 31, 2018 | As of December 31, 2018 |
|-----------------------------------------------------------|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and operating accounts payable-trade | 37,418 | 38,323 |
| Electronically recorded obligations-operating | 7,189 | 7,508 |
| Current portion of bonds | 48 | 48 |
| Short-term loans payable | 29,351 | 32,680 |
| Lease obligations | 3,073 | 3,164 |
| Income taxes payable | 4,509 | 2,394 |
| Provision for bonuses | 4,625 | 3,392 |
| Provision for directors' bonuses | 197 | 233 |
| Provision for loss on disaster | – | 230 |
| Other | 19,634 | 19,023 |
| Total current liabilities | 106,048 | 107,000 |
| Non-current liabilities | | |
| Bonds payable | 17,168 | 17,120 |
| Convertible bond-type bonds with share acquisition rights | 10,039 | 10,032 |
| Long-term loans payable | 63,232 | 60,427 |
| Lease obligations | 7,342 | 10,702 |
| Provision for directors' retirement benefits | 159 | 173 |
| Provision for special repairs | 82 | 78 |
| Net defined benefit liability | 6,901 | 6,593 |
| Asset retirement obligations | 819 | 915 |
| Other | 4,120 | 4,042 |
| Total non-current liabilities | 109,866 | 110,086 |
| Total liabilities | 215,915 | 217,087 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 26,528 | 26,528 |
| Capital surplus | 29,730 | 30,006 |
| Retained earnings | 54,968 | 60,562 |
| Treasury shares | (590) | (697) |
| Total shareholders' equity | 110,637 | 116,398 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,775 | 1,238 |
| Deferred gains or losses on hedges | (61) | (25) |
| Foreign currency translation adjustment | 334 | 215 |
| Remeasurements of defined benefit plans | (42) | 243 |
| Total accumulated other comprehensive income | 2,005 | 1,671 |
| Share acquisition rights | 373 | 424 |
| Non-controlling interests | 5,040 | 7,253 |
| Total net assets | 118,056 | 125,749 |
| Total liabilities and net assets | 333,972 | 342,836 |

(2) Consolidated statements of (comprehensive) income

(Consolidated statements of income)

(For the nine months ended December 31, 2017 and 2018)

(Unit: Millions of Yen)

| | Nine months ended December 31, 2017 (April 1, 2017–December 31, 2017) | Nine months ended December 31, 2018 (April 1, 2018–December 31, 2018) |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Operating revenue | 373,008 | 400,565 |
| Operating cost | 333,647 | 355,840 |
| Operating gross profit | 39,361 | 44,725 |
| Selling, general and administrative expenses | 26,014 | 28,931 |
| Operating profit | 13,346 | 15,794 |
| Non-operating income | | |
| Interest income | 74 | 94 |
| Dividend income | 132 | 142 |
| Other | 1,198 | 1,394 |
| Total non-operating income | 1,405 | 1,631 |
| Non-operating expenses | | |
| Interest expenses | 730 | 834 |
| Other | 555 | 526 |
| Total non-operating expenses | 1,286 | 1,360 |
| Ordinary profit | 13,466 | 16,065 |
| Extraordinary income | | |
| Subsidy income | 88 | 1,268 |
| Gain on sales of non-current assets | 369 | 346 |
| Gain on sales of investment securities | 66 | 178 |
| Gain on liquidation of subsidiaries and associates | – | 79 |
| Reversal of allowance for doubtful accounts for subsidiaries and associates | – | 43 |
| Delinquency charges | 157 | – |
| Total extraordinary income | 682 | 1,916 |
| Extraordinary losses | | |
| Loss on reduction of non-current assets | 101 | 1,256 |
| Loss on valuation of shares of subsidiaries and associates | – | 585 |
| Provision for loss on disaster | – | 204 |
| Loss on liquidation of subsidiaries | – | 168 |
| Loss on office withdrawal | 311 | 133 |
| Loss on retirement of non-current assets | 117 | 86 |
| Loss on disaster | – | 31 |
| Total extraordinary losses | 529 | 2,468 |
| Profit before income taxes | 13,619 | 15,514 |
| Income taxes-current | 3,649 | 4,650 |
| Income taxes-deferred | 920 | 976 |
| Total income taxes | 4,570 | 5,627 |
| Profit | 9,049 | 9,886 |
| Profit attributable to non-controlling interests | 1,613 | 334 |
| Profit attributable to owners of parent | 7,435 | 9,552 |

(Consolidated statements of comprehensive income)
(For the nine months ended December 31, 2017 and 2018)

(Unit: Millions of Yen)

| | Nine months ended December 31, 2017 <small>(April 1, 2017–December 31, 2017)</small> | Nine months ended December 31, 2018 <small>(April 1, 2018–December 31, 2018)</small> |
|----------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Profit | 9,049 | 9,886 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 738 | (548) |
| Deferred gains or losses on hedges | 10 | 35 |
| Foreign currency translation adjustment | 39 | (148) |
| Remeasurements of defined benefit plans, net of tax | 724 | 285 |
| Total other comprehensive income | 1,513 | (376) |
| Comprehensive income | 10,562 | 9,510 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 8,879 | 9,221 |
| Comprehensive income attributable to non-controlling interests | 1,682 | 288 |