

Summary of Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2011

July 29, 2010

Name of Listed Company:	SENKO Co., Ltd.	Stock listed on:	the First Section of the Tokyo Stock Exchange and Osaka Securities Exchange
Code Number:	9069	URL	http://www.senko.co.jp
Representative:	Title: President	Name:	Yasuhisa Fukuda
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Scheduled Date of Issue of Financial Report:	August 12, 2010	Scheduled Date of Dividend Paid:	-
Supplemental Information Materials:	None		
Scheduled Date of Quarterly Information Meeting:	None		

1. Consolidated Operating Results for the First Quarter Ending March 2011 (From April 1, 2010 to March 31, 2011)

(1) Consolidated Operating Results

Note: Amounts less than one million yen have been rounded down.

	Operating Revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter ending March 31, 2011	58,899	13.2	1,479	8.0	1,526	7.8	654	34.2
First quarter ended March 31, 2010	52,009	(1.6)	1,370	0.6	1,415	1.8	487	(29.2)

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter ending March 31, 2011	5.89	5.31
First quarter ended March 31, 2010	4.44	4.00

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
First quarter ending March 31, 2011	170,769	59,562	33.9	463.50
Fiscal year ended March 31, 2010	168,131	55,123	32.0	489.99

(Reference) Shareholders' equity:

First quarter ending March 31, 2011 57,851 million yen Fiscal year ended March 31, 2010 53,809 million yen

2. Dividends

	Annual dividends				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2010	-	4.00	-	4.00	8.00
Fiscal year ending March 31, 2011	-				
Fiscal year ending March 31, 2011 (Forecast)		4.00	-	4.00	8.00

(Note) Revision of dividends forecast in the first quarter: No

3. Forecast of Consolidated Operating Results for the Year Ending March 2011 (From April 1, 2010 to March 31, 2011)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter ending September 2010	117,000	8.3	2,850	3.1	2,800	3.8	1,300	1.0	11.02
Fiscal year ending March 2011	240,000	5.4	6,500	5.7	6,500	4.3	3,100	5.2	25.11

(Note) Revision of consolidated results forecast in the first quarter: No

4. Others

(Note) Please see [Attached Information] "Other" on page 4 for details.

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries associated with change in scope of consolidation): None

(2) Application of simplified accounting procedures or of distinctive accounting procedures for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, accounting procedures and presentation methods related to preparation of consolidated financial statements (Changes to be stated in the section "Changes in significant matters providing the basis for preparing consolidated financial statements")

a. Changes involving amendments and revisions to accounting standards: Yes

b. Changes other than those included in the above a.: None

(4) Shares outstanding (Common shares)

a. Shares outstanding at fiscal year end (including treasury stocks)

First quarter ended March 31, 2011	126,989,476 shares	Fiscal year ended March 31, 2010	111,989,476 shares
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b. Treasury stocks at fiscal year end

First quarter ended March 31, 2011	2,174,664 shares	Fiscal year ended March 31, 2010	2,172,362 shares
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c. Average number of shares

First quarter ended March 31, 2011	111,133,831 shares	First quarter ended March 31, 2010	109,814,571 shares
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*Information concerning quarterly review procedure

- This quarterly financial report is not subject to the quarterly review procedure prescribed by the Financial Instruments and Exchange Law. The review procedure prescribed by the Financial Instruments and Exchange Law for the quarterly consolidated financial statements had not been completed when this quarterly financial report was released.

*About the Appropriate Use of Business Forecasts

- 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 Fiscal Year Ending March 2011" on page 3
- The number of shares outstanding increased by 17 million as a result of a public offering of new shares in June and a private placement of shares through a secondary offering (over allotment) in July. Net income per share for the fiscal year ending March 2011 reflects the above increase in outstanding shares.

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1. Results of Operations and Financial Condition

(1) Results of Operations

In the first quarter, Japan's economy recovered along with growth in exports and benefits of the government's economic stimulus measures. However, the recovery began to weaken in May and the pace of the recovery is currently slowing.

In the logistics industry, the operating environment remains challenging. Cargo volume within Japan is expected to decline for the 11th consecutive year based on the outlook for a weak rebound in domestic demand in the current fiscal year, too.

The current fiscal year is the beginning of the Senko Group's new three-year medium-term management plan that is based on the slogan "Moving Global." In April, we started operations at the Fukui PD Center. In May, we established a joint venture in Horgos, Kazakhstan with a local company in order to start a logistics business. In June, we reached an agreement with two other companies, including a Chinese firm, to expand our Japan-China integrated fashion distribution operations in Qingdao.

As a result, first quarter operating revenues benefited from a number of factors. Most significant was aggressive measures to attract new customers, growth in sales in the existing business sectors of distribution logistics, homebuilding logistics and chemical logistics, the addition of Marufuji Co., Ltd. to the Senko Group, and higher sales of petroleum products. Overall, consolidated first quarter operating revenues totaled 58,899 million yen, 13.2% higher than one year earlier.

Operating income increased 8.0% to 1,479 million yen, ordinary income increased 7.8% to 1,526 million yen and net income was up 34.2% to 654 million yen.

First quarter business segment performance was as follows.

Logistics

Operating revenues increased 6.1% to 51,406 million yen mainly because of aggressive actions to capture new business and growth in revenues in current operations.

Trading and Commerce

Operating revenues increased 133.6% to 6,711 million yen due to the acquisition of Marufuji and higher sales of petroleum products.

Others

Operating revenues increased 11.0% to 782 million yen because of growth in the outsourced information processing business.

Reference

Starting with the first quarter of the fiscal year ending March 31, 2011, Senko has changed its business segments due to adoption of "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20, March 31, 2008). The new business segments for financial reporting are as follows.

(Unit: ¥ million)

	Three months ended March 31, 2009	Three months ended March 31, 2010	Change
Logistics	48,431	51,406	6.1%
Trading and Commerce	2,872	6,711	133.6%
Others	704	782	11.0%
Total	52,009	58,899	13.2%

(2) Financial Condition

(a) Assets, liabilities and net assets

Total assets were 170,769 million yen at the end of the first quarter, 2,638 million yen more than at the end of the previous fiscal year. The main reason was an increase of 2,844 million yen in fixed assets because of the newly completed Fukui PD Center and construction of the Kanazawa PD Center, which started operations in July.

Total liabilities decreased 1,801 million yen to 111,206 million yen. This was the result of decreases of 1,666 million yen in accrued income taxes, 1,789 million yen in the allowance for bonuses and declines in other items.

(b) Net assets

Net assets increased 4,439 million yen to 59,562 million yen. This was mainly the result of increases of 1,919 million yen in common stock and in the capital surplus because of the June public offering of stock. The equity ratio increased by 1.9 percentage point to 33.9%.

(c) Cash flows

There was a net decrease of 937 million yen in cash and cash equivalents to 13,567 million yen at the end of the first quarter.

Net cash used in operating activities was 1,836 million yen. Cash was provided by income before income taxes and minority interests of 1,230 million yen and depreciation and amortization of 1,326 million yen. Cash was used by a 1,789 million yen decrease in accrued bonuses to employees and income tax paid of 1,699 million yen.

Net cash used in investing activities was 2,046 million yen. The largest use of cash was 1,285 million yen for purchases of fixed assets.

Net cash provided by financing activities was 2,440 million yen. There were proceeds of 3,839 million yen from the issuance of stock and payments of 500 million yen for the repayment of short-term loans and 406 million yen for dividends.

(3) Forecast for Fiscal Year Ending March 2011

Although Japan's economy is recovering, the upturn has been losing momentum since May. As a result, the operating environment for the Senko Group is expected to remain difficult.

The Senko Group has started a new three-year medium-term management plan that is based on the slogan "Moving Global." The objective is to leverage all of the group's strengths to become a "logistics and information company." We are determined to be a global source of high-quality services with outstanding performance in relation to cost. We are also dedicated to co-existing with society and enabling our employees to develop and achieve their goals.

At this time, there are no revisions to the first half and fiscal year consolidated forecasts that were announced on April 27, 2010.

2. Other Information

(1) Changes in major subsidiaries

None

(2) Summary of simplified or special accounting methods

(a) Method for estimating losses on ordinary receivables

To estimate losses on ordinary receivables, the actual loss ratio used at the end of the previous fiscal year was used because the Company believes there was no significant change between this loss ratio and the loss ratio at the end of the first quarter.

(b) Method for calculating deferred tax assets and liabilities

To determine the likelihood of collecting deferred tax assets, business forecasts and tax planning that were used for this determination at the end of the previous fiscal year were used because the Company believes there have been no significant changes since the end of the previous fiscal year in the operating environment and in the occurrence of one-time items and other items.

(3) Summary of changes in accounting principles and procedures, presentation methods and other items

Starting with the first quarter of the fiscal year ending March 31, 2011, "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, March 31, 2008) have been applied. This change reduced first quarter operating income and ordinary income by 4 million yen each and reduced first quarter income before income taxes and minority interests by 134 million yen.

(4) Significant items about going-concern assumption

None

3. Consolidated financial statements
 (1) Consolidated balance sheets

(Unit: ¥ million)

	June 30, 2010	March 31, 2010
Assets		
Current assets	13,567	14,504
Cash and deposits	30,825	30,364
Notes and accounts receivable	839	1,237
Merchandise	24	24
Real estate for sale	139	112
Supplies	254	202
Work in process	5,635	5,043
Allowance for doubtful accounts	(47)	(44)
Total current assets	51,239	51,445
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	38,562	36,669
Land	35,408	35,401
Other (net)	10,178	10,164
Total Property, plant and equipment	84,149	82,235
Intangible assets	4,089	3,616
Investments and other assets		
Guarantee deposits	8,690	8,728
Deferred tax assets	5,115	5,007
Other	17,737	17,348
Allowance for doubtful accounts	(252)	(251)
Total investments and other assets	31,290	30,832
Total noncurrent assets	119,529	116,685
Total assets	170,769	168,131

(Unit: ¥ million)

	June 30, 2010	March 31, 2010
Liabilities		
Current liabilities		
Notes and operating accounts payable- trade	21,988	22,473
Short-term loans payable	14,817	15,320
Income taxes payable	178	1,845
Provision for bonuses	1,594	3,384
Provision for directors' bonuses	21	84
Other	10,251	8,251
Total current liabilities	48,852	51,359
Noncurrent liabilities		
Bonds	7,000	7,000
Convertible bond-type bonds with subscription rights	4,900	4,900
Long-term loans payable	31,294	31,396
Provision for retirement benefits	9,945	9,907
Provision for directors' retirement benefits	42	53
Provision for special repairs	59	25
Assets retirement obligations	287	-
Other	8,826	8,366
Total noncurrent assets	62,354	61,648
Total liabilities	111,206	113,008
Net assets		
Shareholders' equity		
Capital stock	20,265	18,345
Capital surplus	18,527	16,607
Retained earnings	19,834	19,604
Treasury stock	(773)	(772)
Total shareholders' equity	57,853	53,785
Valuation and translation adjustments		
Valuation differences on available-for-sale securities	(2)	49
Deferred gains or losses on hedges	(19)	(22)
Foreign currency translation adjustment	21	(3)
Total valuation and translation adjustments	(1)	23
Subscription rights to shares	80	80
Minority interests	1,631	1,233
Total net assets	59,562	55,123
Liabilities and net assets	170,769	168,131

(2) Consolidated statements of income

(Unit: ¥ million)

	Three months ended June 30, 2009	Three months ended June 30, 2010
Operating revenues	52,009	58,899
Cost of sales	47,552	53,886
Gross profit	4,456	5,013
Selling, general and administrative expenses	3,085	3,533
Operating income	1,370	1,479
Non-operating income		
Interest income	50	48
Dividends income	235	235
Other	160	167
Total non-operating income	446	451
Non-operating expenses		
Interest expenses	282	293
Other	119	112
Total non-operating expenses	401	405
Ordinary income	1,415	1,526
Extraordinary loss		
Loss on retirement of noncurrent assets	195	143
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	130
Loss on cancellation of lease contracts	68	22
Loss on prior periods adjustment	180	-
Total extraordinary loss	444	295
Income before income taxes	971	1,230
Income taxes- current	145	123
Income taxes- deferred	349	440
Total income taxes	494	563
Income before minority interests	-	666
Minority interest in income or loss	(11)	11
Net income	487	654

(3) Consolidated statements of cash flows

(Unit: ¥ million)

	Three months ended June 30, 2009	Three months ended June 30, 2010
Cash flows from operating activities		
Income before income taxes	971	1,230
Depreciation and amortization	1,207	1,326
Loss on retirement of noncurrent assets	195	143
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	130
Increase (decrease) in provision for retirement benefits	(261)	38
Increase (decrease) in provision for bonuses	(1,301)	(1,798)
Interest and dividends income	(286)	(284)
Interest expenses	282	293
Increase (decrease) in notes and accounts receivable- trade	12	(446)
Increase (decrease) in inventories	(315)	318
Increase (decrease) in notes and accounts payable- trade	(136)	75
Other	(540)	(1,014)
Sub-total	(172)	20
Interest and dividends income received	87	87
Interest expenses paid	(229)	(244)
Income taxes paid	(875)	(1,699)
Net cash provided by (used in) operating activities	(1,190)	(1,836)
Cash flows from investing activities		
Purchase of property, plant and equipment	(504)	(1,285)
Proceeds from sales of property, plant and equipment	165	22
Purchase of investment securities	(4)	(4)
Proceeds from sales of investment securities	21	2
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(216)	-
Purchase of stocks of subsidiaries and affiliates	-	(10)
Other	(17)	(771)
Net cash provided by (used in) investing activities	(555)	(2,046)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	7,000	(500)
Repayment of long-term loans payable	(257)	(105)
Redemption of bonds	(7,000)	-
Repayments of finance lease obligations	(225)	(321)
Proceeds from issuance of common stock	-	3,839
Purchase of treasury stock	(1)	(1)
Proceeds from sales of treasury stock	0	0
Cash dividends paid	(411)	(406)
Other	(47)	(64)
Net cash provided by (used in) financing activities	(942)	2,440
Effect of exchange rate change on cash and cash equivalents	3	9
Net increase (decrease) in cash and cash equivalents	(2,684)	(1,433)
Cash and cash equivalents at beginning of year	11,748	14,504
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	35	495
Cash and cash equivalents at end of year	9,068	13,567

(4) Notes to assumption of going concern
Not applicable.

(5) Segment information

[Segment information by business segment]

Three months ended June 30, 2009

(Unit: ¥ million)

	Transport	Retail logistics and processing	Others	Total	Elimination or corporate	Consolidated
Operating revenues						
(1) Revenues from customers	30,653	17,778	3,577	52,009	-	52,009
(2) Inter-segment revenues or transfers	714	1,111	2,347	4,174	(4,147)	-
Total	31,368	18,890	5,925	56,183	(4,147)	52,009
Operating income	780	458	118	1,357	13	1,370

Note:

1. Business segments above are based on the grouping used internally.

2. Each segment includes the following products:

(1) Transport	Truck transport, special cargo transport, cargo transport using trucks, cargo transport using railways, international and domestic marine cargo transport, harbor transport services, international cargo transport services, others.
(2) Retail logistics and processing	Warehouse operations, packaging, movement and other tasks for raw materials and finished products at customers' business sites, operation of distribution centers, others.
(3) Others	Sales of petroleum products, sales of information processing equipment, outsourced information processing services, motor vehicle maintenance and repairs, others.

[Segment information by geographic area]

Three months ended June 30, 2009

Operating revenues from overseas operations are not shown since they account for less than 10% of consolidated operating revenues.

[Operating revenues from overseas]

Three months ended June 30, 2009

Operating revenues from overseas operations are not shown since they account for less than 10% of consolidated operating revenues

[Segment information]

1. The reported segments of the Company are subject to periodic review so as to ensure that separate financial information on its constituent divisions is available and that the board of directors can decide on the deployment of operational assets and assess business performance.

Senko is engaged chiefly in the distribution business which contains truck transport, railway forwarding, marine transport. And the Company also offers the warehousing, in-factory works. Consequently, the Company forte lies in supplying integrated efficient distribution services, from distribution consulting to system design and operations that closely match customer needs. The other hand, the Company provides petroleum sales business, data processing equipment for sale, trading, data processing and vehicle repair business.

Accordingly, the Company is composed of business segments based on business operations and business organizations and the three reported segments of "Distribution business", "Commerce and Trading business", and "Other business".

"Distribution business" offers track transport, railway forwarding, marine transport, international transport, warehousing, in-factory works, distribution center operations.

"Commerce and Trading business" offers sales of petroleum, merchandise sales and trading.

"Other business" composed of order-made data processing, vehicle repair business and insurance agency business.

2. Difference between operating revenues and profit or loss amount for reported segments

Three months ended June 30, 2010

(Unit: ¥ million)

	Reported segment				Adjustments (Note) 1	Consolidated (Note) 2
	Distribution business	Commerce and trading business	Other business	Total		
Operating revenues						
Sales to external customers	51,406	6,711	782	58,899	-	58,899
Inter-segment sales and transfer	162	2,133	830	3,127	(3,127)	-
Total	51,568	8,844	1,613	62,027	(3,127)	58,899
Operating income	1,273	99	111	1,484	(4)	1,479

(Note)

1. The amounts in "Adjustments" of ¥ (4) million include the eliminations of intersegment transactions of ¥ (3,127) million and the unallocated corporate expenses of ¥ (3,122) million. Corporate expenses are chiefly SG&A expenses not belong to segments.
2. The aggregated amounts of operating income are adjusted and equal to those in the consolidated statements of income.

(Additional information)

From the three-month period ended June 30, 2010, the Company and its consolidated subsidiaries have adopted ASBJ Statement No. 17, "Revised Accounting Standard for Disclosure about Segments of an Enterprise and Related Information" and ASBJ Guidance No. 20, "Guidance on the Accounting Standard for Disclosures about Segments of on Enterprise and Related Information" issued by ASBJ on March 27, 2009 and March 21, 2008 respectively.

(6) Material changes in shareholders' equity

The Company made a public offering on June 22, 2010.

As a result, the amount of capital stock and capital surplus increased ¥ 1,919 million, respectively. At end of the first quarter, capital stock is ¥ 20,265 million, and capital surplus is ¥ 18,527 million.

(7) Other information

(Subsequent event)

The Company issued new shares to Daiwa Securities Capital Markets Co., Ltd. by way of third party allotment on June 22, 2010 based on a resolution at the board of directors' meeting held on June 7, 2010.

Summary is as follows:

a.	Type and number of shares:	Common stock: 2,000,000
b.	Issue price:	¥ 255.94 per share
c.	Total amount:	¥ 511 million
d.	Allocation amount to capital stock:	¥ 255 million
e.	Assignment to:	Daiwa Securities Capital Markets Co., Ltd.
f.	Date of payment:	June 22, 2010
g.	Purpose of use:	Purchase of land and construction costs for new facility in North-Kanto