

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

October 27, 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>  
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 Scheduled Date of Issue of Financial Report: November 11, 2010 Scheduled Date of Dividend Paid: December 7, 2010  
 Supplemental Information Materials: Yes  
 Scheduled Date of Quarterly Information Meeting: Yes (for institutional investors)

1. Consolidated Operating Results for the Second Quarter Ending March 2011 (From April 1, 2010 to September 30, 2010)

(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	%
Second quarter ending March 31, 2011	118,551	9.8	2,759	(0.1)	2,820	4.5	1,322	2.7
Second quarter ended March 31, 2010	107,994	(1.8)	2,763	2.6	2,698	2.2	1,287	(1.1)

	Net income per share	Diluted net income per share
	Yen	Yen
Second quarter ending March 31, 2011	11.13	10.07
Second quarter ended March 31, 2010	11.72	10.56

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Second quarter ending March 31, 2011	170,332	60,611	34.6	465.11
Fiscal year ended March 31, 2010	168,131	55,123	32.0	489.99

(Reference) Shareholders' equity:

Second quarter ending March 31, 2011 58,984 million yen Fiscal year ended March 31, 2010 53,809million 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	-	5.00			
Fiscal year ending March 31, 2011 (Forecast)			-	5.00	10.00

(Note) Revision of dividends forecast in the second quarter: Yes

The Company revised the forecast of dividends announced on April 27, 2010 at Summary of Financial Statements for the Fiscal Year Ended March 31, 2010. Please see [Attached Information] "Basic Dividend Policy and Dividends for the Fiscal Year Ending March 2011" on page 3 for details.

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
Fiscal year ending March 2011	243,000	6.7	6,400	4.1	6,500	4.3	3,100	5.2	25.25

(Note) Revision of consolidated results forecast in the second quarter: Yes

(1) The Company revised its business forecast announced on April 27, 2010 at Summary of Financial Statements for the Fiscal Year Ended March 31, 2010. Please see [Attached Information] "Forecast for Fiscal Year Ending March 2011" on page 3 for details.

4. Others

(Note) Please see [Attached Information] "Other Information" on page 3 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.: No

(4) Shares outstanding (Common shares)

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

Second quarter ended March 31, 2011	128,989,476 shares	Fiscal year ended March 31, 2010	111,989,476 shares
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b. Treasury stocks at fiscal year end

Second quarter ended March 31, 2011	2,172,419 shares	Fiscal year ended March 31, 2010	2,172,362 shares
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c. Average number of shares

Second quarter ended March 31, 2011	118,777,329 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 and other special instruction

- 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.

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## 1. Results of Operations and Financial Condition

### (1) Results of Operations

The Japanese economy has shown signs of a mild recovery in the first half of 2010, however the upturn has been losing momentum.

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 business plan based on the slogan "Moving Global." In April, we started operations at the Fukui PD Center. In May, we established a joint venture company in Kazakhstan. In June, we settled a joint venture company in Qingdao, China so as to expanding Japan-China integrated fashion distribution operations.

As a result, second quarter operating revenues benefited from a number of factors. Most significant was aggressive measures to attract new customers, growth in sales by large scale capital investment, and the addition of Marufuji Co., Ltd. to the Senko Group. Overall, consolidated second quarter operating revenues totaled 118,551 million yen, 9.8% higher than one year earlier.

Operating income, on the other hand, affected by negative factors such as price corrections and fuel price rises even though the operating revenues grown, slightly decreased 0.1% to 2,759 million yen. However, ordinary income increased 4.5% to 2,820 million yen and net income was up 2.7% to 1,322 million yen by improvement in balance of non-operating income and expenses.

Second quarter business segment performance was as follows.

#### Distribution

Operating revenues increased 6.5% to 103,915 million yen mainly because of aggressive actions to capture new business and growth in revenues in current operations.

#### Trading and Commerce

Operating revenues increased 42.6% to 131,440 million yen due to the acquisition of Marufuji and higher sales of petroleum products.

#### Others

Operating revenues increased 27.2% to 1,491 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)

	For the six-month period ended September 30, 2009	For the six-month period ended September 30, 2010	Change
Distribution	97,605	103,915	6.5%
Trading and Commerce	9,216	13,144	42.6%
Others	1,172	1,491	27.2%
Total	107,994	118,551	9.8%

### (2) Financial Condition

#### (a) Assets, liabilities and net assets

Total assets were 170,332 million yen at the end of the second quarter, 2,201 million yen more than at the end of the previous fiscal year. The main reason was an increase of 3,409 million yen in fixed assets mainly because of the newly constructed Kanazawa PD Center and Fukui PD Center.

Total liabilities decreased 3,287 million yen to 109,720 million yen. This was the result of decreases of 827 million yen in short term loans, 663 million yen in accrued income taxes, 729 million yen in long term loans and declines in other items.

#### (b) Net assets

Net assets increased 5,488 million yen to 60,611 million yen. This was mainly the result of increases of 2,175 million yen in common stock and in the capital surplus because of the June public offering of stock. The equity ratio increased by 2.6 percentage point to 34.6%.

#### (c) Cash flows

There was a net decrease of 1,477 million yen in cash and cash equivalents to 13,027 million yen at the end of the second quarter.

Net cash used in operating activities was 1,079 million yen. Cash was provided by income before income taxes and minority interests of 2,445 million yen and depreciation and amortization of 2,722 million yen. Cash was used by a 408 million yen decrease in accrued bonuses to employees, a 520 million yen decrease in interest and dividends receivable, a 509 million yen decrease in account payable, interest paid of 589 million yen, and income tax paid of 1,699 million yen.

Net cash used in investing activities was 4,649 million yen. The largest use of cash was 3,179 million yen for purchases of fixed assets, 1,407 million yen paid for long-term loans receivable.

Net cash provided by financing activities was 1,616 million yen. There were proceeds of 2,950 million yen in revenue from long-term loans, 4,350 million yen from the issuance of stock and payments, 450 million yen for the repayment of short-term loans and payment of 626 million yen for the repayment of finance lease debt.

(3) Forecast for Fiscal Year Ending March 2011

Although Japan's economy is recovering, given that the upturn has been losing momentum, the operating environment for the Senko Group is expected to remain difficult.

The Senko Group has started a new three-year medium-term business plan 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, we revised consolidated forecasts for the fiscal year ending March 2011 announced on April 27, 2010, increased 1.3% to 243 billion yen, following a growth in the logistics business.

Looking at profits, we revised operating income to ¥6.4 billion, decreased by 1.5 percentage point because of negative factors affection including price corrections and fuel price rises. Meanwhile, there are no changes in consolidated ordinary income and consolidated net income.

*Reference*

Basic Dividend Policy and Dividends for the fiscal ending March 2011

Our basic policy on profit distribution has been to continue to retain the internal reserves necessary to provide for future business development and strengthen business structure. At the same time, to further increase the return of profits to shareholders, in addition to maintaining stable dividends, we have linked dividends to performance.

In the fiscal year, considering performance of second quarter for the fiscal and future prospects, would like to live up to expectations of shareholders, we decided to increase dividends as follows:

	Dividends per share		
	Second quarter	Year end	Total
	Yen	Yen	Yen
Latest projection (announced on April 27, 2010)	4.00	4.00	8.00
Current projection (announced on October 27, 2010)		5.00	10.00
Detailed dividends resolved to be distributed	5.00		
Results for FY ended March 31, 2010	4.00	4.00	8.00

2. Other Information

(1) Changes in Material 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 second 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 second quarter operating income and ordinary income by 9 million yen each and reduced second quarter income before income taxes and minority interests by 139 million yen.

(4) Significant Items about Going-Concern Assumption

None

3. Consolidated Financial Statements  
 (1) Consolidated Balance Sheets

(Unit: ¥ million)

	As of September 30, 2010	As of March 31, 2010
<b>Assets</b>		
Current assets		
Cash and deposits	13,027	14,504
Notes and accounts receivable	30,484	30,364
Merchandise	775	1,237
Real estate for sale	24	24
Supplies	125	112
Work in process	106	202
Others	5,741	5,043
Allowance for doubtful accounts	(47)	(44)
Total current assets	50,237	51,445
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	38,187	36,669
Land	35,408	35,401
Other (net)	10,016	10,164
Total Property, plant and equipment	83,613	82,235
Intangible assets	3,983	3,616
Investments and other assets		
Guarantee deposits	8,508	8,728
Deferred tax assets	5,106	5,007
Other	19,159	17,348
Allowance for doubtful accounts	(275)	(251)
Total investments and other assets	32,498	30,832
Total noncurrent assets	120,095	116,685
Total assets	170,332	168,131

(Unit: ¥ million)

	As of September 30, 2010	As of March 31, 2010
<b>Liabilities</b>		
Current liabilities		
Notes and operating accounts payable- trade	21,824	22,473
Short-term loans payable	14,493	15,320
Income taxes payable	1,181	1,845
Provision for bonuses	2,975	3,384
Provision for directors' bonuses	48	84
Other	7,906	8,251
Total current liabilities	48,430	51,359
Noncurrent liabilities		
Bonds	7,000	7,000
Convertible bond-type bonds with subscription rights	4,900	4,900
Long-term loans payable	30,667	31,396
Provision for retirement benefits	9,840	9,907
Provision for directors' retirement benefits	35	53
Provision for special repairs	30	25
Assets retirement obligations	289	-
Other	8,527	8,366
Total noncurrent assets	61,290	61,648
Total liabilities	109,720	113,008
<b>Net assets</b>		
Shareholders' equity		
Capital stock	20,521	18,345
Capital surplus	18,782	16,607
Retained earnings	20,501	19,604
Treasury stock	(772)	(772)
Total shareholders' equity	59,033	53,785
Valuation and translation adjustments		
Valuation differences on available-for-sale securities	(21)	49
Deferred gains or losses on hedges	(17)	(22)
Foreign currency translation adjustment	(10)	(3)
Total valuation and translation adjustments	(48)	23
Subscription rights to shares	107	80
Minority interests	1,519	1,233
Total net assets	60,611	55,123
Liabilities and net assets	170,332	168,131

## (2) Consolidated Statements of Income

(Unit: ¥ million)

	Six-month period ended September 30, 2009	Six-month period ended September 30, 2010
Operating revenues	107,994	118,551
Cost of sales	98,902	108,690
Gross profit	9,092	9,860
Selling, general and administrative expenses	6,329	7,100
Operating income	2,763	2,759
Non-operating income		
Interest income	85	89
Dividends income	434	430
Other	310	353
Total non-operating income	830	874
Non-operating expenses		
Interest expenses	548	580
Other	346	232
Total non-operating expenses	895	813
Ordinary income	2,698	2,820
Extraordinary loss		
Loss on retirement of noncurrent assets	232	147
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	130
Special termination benefits	-	74
Loss on cancellation of lease contracts	69	22
Loss on prior periods adjustment	180	-
Total extraordinary loss	482	375
Income before income taxes	2,215	2,445
Income taxes- current	900	1,073
Income taxes- deferred	44	124
Total income taxes	944	1,198
Income before minority interests	-	1,247
Minority interest in income or loss	(16)	(74)
Net income	1,287	1,322



## (3) Consolidated Statements of Cash Flows

(Unit: ¥ million)

	Six-month period ended September 30, 2009	Six-month period ended September 30, 2010
<b>Cash flows from operating activities</b>		
Income before income taxes	2,215	2,245
Depreciation and amortization	2,410	2,722
Loss on retirement of noncurrent assets	232	147
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	130
Increase (decrease) in provision for retirement benefits	(185)	(67)
Increase (decrease) in provision for bonuses	(73)	(408)
Interest and dividends income	(519)	(520)
Interest expenses	548	580
Increase (decrease) in notes and accounts receivable- trade	(771)	(104)
Increase (decrease) in inventories	(26)	545
Increase (decrease) in notes and accounts payable- trade	312	(509)
Other	(1,119)	(1,711)
Sub-total	3,024	3,249
Interest and dividends income received	125	119
Interest expenses paid	(567)	(589)
Income taxes paid	(888)	(1,699)
Net cash provided by (used in) operating activities	1,693	1,079
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,026)	(3,179)
Proceeds from sales of property, plant and equipment	178	64
Purchase of investment securities	(8)	(9)
Proceeds from sales of investment securities	23	4
Long-term loans made	-	(1,407)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(384)	-
Purchase of stocks of subsidiaries and affiliates	-	(198)
Payments for investments in capital of subsidiaries and affiliates	-	(104)
Other	223	180
Net cash provided by (used in) investing activities	(995)	(4,649)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	7,000	(450)
Proceeds from long-term debt	4,400	2,950
Repayment of long-term loans payable	(797)	(4,056)
Redemption of bonds	(7,000)	-
Repayments of finance lease obligations	-	(626)
Proceeds from issuance of common stock	-	4,350
Purchase of treasury stock	(2)	(1)
Proceeds from sales of treasury stock	0	1
Cash dividends paid	(438)	(438)
Other	(632)	(113)
Net cash provided by (used in) financing activities	2,529	1,616
Effect of exchange rate change on cash and cash equivalents	2	(19)
Net increase (decrease) in cash and cash equivalents	3,230	(1,973)
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 period	15,013	13,027

(4) Notes to Assumption of Going Concern  
Not applicable.

(5) Consolidated Segment information  
[Segment information by business segment]

Six months period ended September 30, 2009

(Unit: ¥ million)

	Transport	Integrated Retail Logistics	Others	Total	Elimination or corporate	Consolidated
Operating revenues						
(1) Revenues from customers	62,368	35,237	10,388	107,994	-	107,994
(2) Inter-segment revenues or transfers	1,407	2,207	5,669	9,285	(9,285)	-
Total	63,776	37,445	16,058	117,279	(9,285)	107,994
Operating income	1,572	821	418	2,813	(50)	2,763

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) Integrated Retail Logistics	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]

Six months period ended September 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]

Six months period ended September 30, 2009

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

[Segment information]

- 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, and marine transport. 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, and 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

Six months period ended September 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	103,915	13,144	1,491	118,551	-	118,551
Inter-segment sales and transfer	359	4,338	2,002	6,700	(6,700)	-
Total	104,275	17,482	3,494	125,251	(6,700)	118,551
Operating income	2,278	227	314	2,821	(61)	2,759

(Note)

1. The amounts in "Adjustments" of ¥ (61) million include the eliminations of intersegment transactions of ¥ (6,700) million and the unallocated corporate expenses of ¥ (6,639) 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.

Following that, the amount of capital stock and capital surplus increased ¥ 1,919 million, respectively.

Furthermore, the Company issued new shares by way of third party allotment on July 22, and capital stock and capital surplus increased ¥255 million.

As a result, capital stock is ¥ 20,521 million, and capital surplus is ¥ 18,782 million at end of the second quarter.