

Summary of Financial Statements for the Nine Months Ended December 31, 2010

January 28, 2011

Name of Listed Company: SENKO Co., Ltd. Stock listed on: the First Section of the Tokyo Stock Exchange
 Code Number: 9069 and Osaka Securities Exchange
 URL <http://www.senko.co.jp>
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 Scheduled Date of Issue of Financial Report: February 10, 2011 Scheduled Date of Dividend Paid: -
 Supplemental Information Materials: None
 Scheduled Date of Quarterly Information Meeting: None

1. Consolidated Operating Results for the Nine Months Ended December 31, 2010

(From April 1, 2010 to December 31, 2010)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating Revenues		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Nine months ended								
December 31, 2010	182,076	7.6	5,327	(0.5)	5,387	4.0	2,754	5.9
December 31, 2009	169,141	2.1	5,355	9.7	5,179	8.7	2,601	10.1

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2010	22.68	20.55
December 31, 2009	23.69	21.33

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
As of December 31, 2010	176,565	61,404	33.9	471.45
As of March 31, 2010	168,131	55,123	32.0	489.99

(Reference) Shareholders' equity:

As of December 31, 2010: 59,787 million yen As of March 31, 2010: 53,809million yen

2. Cash Dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal 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 third quarter: None

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
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Fiscal year ending March 31, 2011	243,000	6.7	6,400	4.1	6,500	4.3	3,100	5.2	25.25

(Note) Revisions to the forecasts of cash dividends in the current quarter: None

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.: None

(4) Shares outstanding (Common shares)

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

As of December 31, 2010 128,989,476 shares

As of March 31, 2010 111,989,476 shares

b. Number of treasury shares at the end of the period

As of December 31, 2010 2,173,638 shares

As of March 31, 2010 2,172,362 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2010 121,466,726 shares

Nine months ended December 31, 2009 109,820,008 shares

*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 during the period under review, 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 the first half of the fiscal, we started operations at the Kanazawa PD Center, Qingdao PD Center, Maishima PD Center. Also, we established a joint venture company of Senko - Lancaster Silk Road Logistics LLP in Kazakhstan, and Qingdao Xuexing International Logistics Co., Ltd. in China. In October, we started construction of Noda No.1 PD Center and Noda No.2 PD Center (both are provisional names), and we embarked on expanding business in north district of Kanto.

As a result, third 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 182,076 million yen, 7.6% 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 0.5% to 5,327 million yen. However, ordinary income increased 4.0% to 2,754 million yen and net income was up 5.9% to 2,754 million yen by improvement in balance of non-operating income and expenses.

Third quarter business segment performance was as follows.

Distribution

Operating revenues increased 5.5% to 160,141 million yen mainly because of aggressive actions to capture new business and growth in revenues in current operations.

Trading and Commerce

Operating revenues increased 28.3% to 19,815 million yen due to the acquisition of Marufuji and higher sales of petroleum products.

Others

Operating revenues increased 14.5% to 2,119 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: Millions of Yen)

	Nine months ended December 31, 2009	Nine months ended December 31, 2010	Change
Distribution	151,840	160,141	5.5%
Trading and Commerce	15,448	19,815	28.3%
Others	1,851	2,119	14.5%
Total	169,141	182,076	7.6%

(2) Financial Condition

(a) Assets, liabilities and net assets

Total assets were 176,565 million yen at the end of the third quarter, 8,434 million yen more than at the end of the previous fiscal year. The main reason was an increase of 8,779 million yen in fixed assets mainly because of the newly constructed Noda No.1 PD Center and Noda No.2 PD Center (both are provisional names).

Total liabilities increased 2,152 million yen to 115,160 million yen. This was the result of increases of 1,015 million yen in notes and operating accounts receivable, 1,478 million yen in long term loans and in other items.

(b) Net assets

Net assets increased 6,281 million yen to 61,404 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 1.9 percentage point to 33.9%.

(c) Cash flows

There was a net decrease of 2,606 million yen in cash and cash equivalents to 11,898 million yen at the end of the third quarter.

Net cash used in operating activities was 3,254 million yen. Cash was provided by income before income taxes and minority interests of 4,944 million yen and depreciation and amortization of 4,127 million yen. Cash was used by a 2,575 million yen increase in account payable, and income tax paid of 2,837 million yen.

Net cash used in investing activities was 10,724 million yen. The largest use of cash was 8,772 million yen for purchases of tangible fixed assets, 1,557 million yen paid for long-term loans receivable.

Net cash provided by financing activities was 4,397 million yen. There were proceeds of 6,950 million yen in revenue from long-term loans, 4,350 million yen from the issuance of stock and payments, 4,143 million yen for the repayment of long-term loans, payment of 1,104 million yen for the repayment of finance lease debt, and 1,038 million yen for dividends.

(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.

There are no revisions to the fiscal year consolidated forecasts that the Company was announced on October 27, 2010.

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 third 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 third quarter operating income and ordinary income by 14 million yen each and reduced third quarter income before income taxes and minority interests by 144 million yen.

(4) Significant Items about Going-Concern Assumption

None

3. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Unit: Millions of Yen)

	As of December 31, 2010	As of March 31, 2010
Assets		
Current assets		
Cash and deposits	11,898	14,504
Notes and accounts receivable	32,963	30,364
Merchandise	783	1,237
Real estate for sale	15	24
Supplies	144	112
Work in process	172	202
Others	5,172	5,043
Allowance for doubtful accounts	(51)	(44)
Total current assets	51,099	51,445
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	37,711	36,669
Land	39,629	35,401
Other (net)	10,489	10,164
Total Property, plant and equipment	87,829	82,235
Intangible assets	4,437	3,616
Investments and other assets		
Guarantee deposits	8,731	8,728
Deferred tax assets	5,018	5,007
Other	19,706	17,348
Allowance for doubtful accounts	(257)	(251)
Total investments and other assets	33,198	30,832
Total noncurrent assets	125,465	116,685
Total assets	176,565	168,131

(Unit: Millions of Yen)

	As of December 31, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Notes and operating accounts payable- trade	23,489	22,473
Short-term loans payable	16,198	15,320
Income taxes payable	585	1,845
Provision for bonuses	1,604	3,384
Provision for directors' bonuses	75	84
Other	9,571	8,251
Total current liabilities	51,523	51,359
Noncurrent liabilities		
Bonds	7,000	7,000
Convertible bond-type bonds with subscription rights	4,900	4,900
Long-term loans payable	32,875	31,396
Provision for retirement benefits	9,807	9,907
Provision for directors' retirement benefits	37	53
Provision for special repairs	37	25
Assets retirement obligations	290	-
Other	8,688	8,366
Total noncurrent assets	63,637	61,648
Total liabilities	115,160	113,008
Net assets		
Shareholders' equity		
Capital stock	20,521	18,345
Capital surplus	18,782	16,607
Retained earnings	21,296	19,604
Treasury stock	(772)	(772)
Total shareholders' equity	59,828	53,785
Valuation and translation adjustments		
Valuation differences on available-for-sale securities	2	49
Deferred gains or losses on hedges	(13)	(22)
Foreign currency translation adjustment	(29)	(3)
Total valuation and translation adjustments	(40)	23
Subscription rights to shares	107	80
Minority interests	1,508	1,233
Total net assets	61,404	55,123
Liabilities and net assets	176,565	168,131

(2) Consolidated Statements of Income

(Unit: Millions of Yen)

	Nine months ended December 31, 2009 (April 1, 2009 – December 31, 2009)	Nine months ended December 31, 2010 (April 1, 2010 – December 31, 2010)
Operating revenues	169,141	182,076
Cost of sales	154,100	166,115
Gross profit	15,040	15,960
Selling, general and administrative expenses	9,685	10,633
Operating income	5,355	5,327
Non-operating income		
Interest income	130	138
Dividends income	691	671
Other	428	454
Total non-operating income	1,250	1,263
Non-operating expenses		
Interest expenses	840	877
Other	585	325
Total non-operating expenses	1,425	1,203
Ordinary income	5,179	5,387
Extraordinary loss		
Loss on retirement of noncurrent assets	250	159
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	130
Special termination benefits	-	74
Loss on sales of fixed assets	-	56
Loss on cancellation of lease contracts	81	22
Loss on prior periods adjustment	180	-
Loss on revaluation of investments in securities	43	-
Loss on revaluation of fixed assets	32	-
Total extraordinary loss	587	443
Income before income taxes	4,592	4,944
Income taxes- current	1,638	1,573
Income taxes- deferred	438	690
Total income taxes	2,077	2,264
Income before minority interests	-	2,680
Minority interest in income or loss	(86)	(74)
Net income	2,601	2,754

(3) Consolidated Statements of Cash Flows

(Unit: Millions of Yen)

	Nine months ended December 31, 2009 (April 1, 2009 – December 31, 2009)	Nine months ended December 31, 2010 (April 1, 2010 – December 31, 2010)
Cash flows from operating activities		
Income before income taxes	4,592	4,944
Depreciation and amortization	3,649	4,127
Loss on retirement of noncurrent assets	250	159
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	130
Increase (decrease) in provision for retirement benefits	(55)	(100)
Increase (decrease) in provision for bonuses	(991)	(1,780)
Interest and dividends income	(822)	(809)
Interest expenses	840	877
Increase (decrease) in notes and accounts receivable- trade	(4,195)	(2,575)
Increase (decrease) in inventories	(264)	460
Increase (decrease) in notes and accounts payable- trade	3,001	1,616
Other	(843)	(343)
Sub-total	5,162	6,707
Interest and dividends income received	198	198
Interest expenses paid	(786)	(814)
Income taxes paid	(1,874)	(2,837)
Net cash provided by (used in) operating activities	2,699	3,254
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,865)	(8,772)
Proceeds from sales of property, plant and equipment	267	289
Purchase of investment securities	(15)	(14)
Proceeds from sales of investment securities	29	6
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(478)	-
Purchase of stocks of subsidiaries and affiliates	-	(320)
Proceeds from sales of stocks of subsidiaries and affiliates	134	-
Payments for investments in capital of subsidiaries and affiliates	-	(171)
Long-term loans made	-	(1,557)
Other	241	(184)
Net cash provided by (used in) investing activities	(1,685)	(10,724)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(684)	(450)
Proceeds from long-term debt	4,400	6,950
Repayment of long-term loans payable	(1,006)	(4,143)
Proceeds from issuance of bond	7,000	-
Redemption of bonds	(7,000)	-
Repayments of finance lease obligations	-	(1,104)
Proceeds from issuance of common stock	-	4,350
Purchase of treasury stock	(3)	(1)
Proceeds from sales of treasury stock	2	1
Cash dividends paid	(852)	(1,038)
Other	(1,113)	(167)
Net cash provided by (used in) financing activities	741	4,397
Effect of exchange rate change on cash and cash equivalents	0	(28)
Net increase (decrease) in cash and cash equivalents	1,756	(3,102)
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	13,540	11,898

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

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

Nine months ended December 31, 2009

(Unit: Millions of Yen)

	Transport	Integrated Retail Logistics	Others	Total	Elimination or corporate	Consolidated
Operating revenues						
(1) Revenues from customers	97,482	54,358	17,300	169,141	-	169,141
(2) Inter-segment revenues or transfers	2,166	3,277	8,504	13,948	(13,948)	-
Total	99,648	57,636	25,804	183,089	(13,948)	169,141
Operating income	2,961	1,731	715	5,409	(53)	5,355

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]

Nine months ended December 31, 2009

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

[Operating revenues from overseas]

Nine months ended December 31, 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" principally offers track transport, railway forwarding, marine transport, international transport, warehousing, in-factory works, and distribution center operations.

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

"Other Business" principally 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

Nine months ended December 31, 2010

(Unit: Millions of Yen)

	Reported segment				Adjustments (Note) 1	Consolidated (Note) 2
	Distribution Business	Commerce and Trading Business	Other Business	Total		
Operating revenues						
Sales to external customers	160,141	19,815	2,119	182,076	-	182,076
Inter-segment sales and transfer	529	6,458	2,803	9,790	(9,790)	-
Total	160,670	26,273	4,922	191,866	(9,790)	182,076
Operating income	4,632	396	375	5,404	(77)	5,327

(Note)

1. The amounts in "Adjustments" of ¥ (77) million include the eliminations of intersegment transactions of ¥ (9,790) million and the unallocated corporate expenses of ¥ (9,713) 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 third quarter.