

Summary of Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2012 [Japan GAAP]

October 27, 2011

| | | | |
|--|--|----------------------------------|--|
| 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 |
| Inquiries: | Title: Executive Officer, Public Relations | Name: | Noburoh Sasaki |
| Scheduled Date of Issue of Financial Report: | November 10, 2011 | Scheduled Date of Dividend Paid: | December 6, 2011 |
| Supplemental Information Materials: | Yes | | |
| Scheduled Date of Quarterly Information Meeting: | Yes (for institutional investors) | | |

1. Consolidated Operating Results for the Second Quarter Ending March 2012 (From April 1, 2011 to September 30, 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 | % |
| Second quarter ending March 31, 2012 | 126,837 | 7.0 | 3,801 | 37.7 | 3,655 | 29.6 | 1,645 | 24.5 |
| Second quarter ended March 31, 2011 | 118,551 | 9.8 | 2,759 | (0.1) | 2,820 | 4.5 | 1,322 | 2.7 |

(Note) Comprehensive income

Second quarter ending March 31, 2012 1,610 million yen (36.7%) Second quarter ended March 31, 2011 1,177 million yen (-%)

| | Net income per share | Diluted net income per share |
|--------------------------------------|----------------------|------------------------------|
| | Yen | Yen |
| Second quarter ending March 31, 2012 | 13.08 | 11.87 |
| Second quarter ended March 31, 2011 | 11.13 | 10.07 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------------------------------------|--------------|-------------|--------------|----------------------|
| | Million yen | Million yen | % | Yen |
| Second quarter ending March 31, 2012 | 196,258 | 61,778 | 30.6 | 477.39 |
| Fiscal year ended March 31, 2011 | 177,284 | 60,604 | 33.3 | 469.14 |

(Reference) Shareholders' equity:

Second quarter ending March 31, 2012 60,061 million yen Fiscal year ended March 31, 2011 59,024million yen

2. Dividends

| | Annual dividend | | | | |
|---|-----------------|----------------|---------------|----------|-------|
| | First quarter | Second quarter | Third quarter | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2011 | — | 5.00 | — | 5.00 | 10.00 |
| Fiscal year ending March 31, 2012 | — | 6.00 | — | — | — |
| Fiscal year ending March 31, 2012 (Forecast) | — | — | — | 6.00 | 12.00 |

(Note) Change in the estimation of dividend for the fiscal year in this period: Yes

The dividend forecast in the earnings announcement dated May 16, 2011 has been revised. Please see page 3 of the supplementary information "reference" for information about the fundamental policy for earnings allocations and dividends in the current fiscal year.

The dividend for the first half of the current fiscal year and the year-end dividend for the current fiscal year (forecast) each include a one yen commemorative dividend for the company's 65th anniversary.

3. Forecast of Consolidated Operating Results for the Year Ending March 2012 (From April 1, 2011 to March 31, 2012)

(Percentage figures represent year on year changes)

| | 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 2012 | 270,000 | 12.0 | 8,150 | 33.6 | 8,000 | 25.5 | 3,750 | 65.8 | 29.81 |

(Note) Change in the forecast made in this period: Yes

Forecast stated in the results of operations for the fiscal year ending March 2012 announced on July 28, 2011 has been revised. Please refer Forecast for Fiscal Year Ending March 2012 on page 3.

4. Others

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

(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

(Note) Changes to be stated in the section "Changes in significant matters providing the basis for preparing consolidated financial statements"

(4) Shares outstanding (Common shares)

a. Shares outstanding (including treasury stocks)

| | | | |
|--------------------------|--------------------|----------------------|--------------------|
| As of September 30, 2011 | 128,989,476 shares | As of March 31, 2011 | 128,989,476 shares |
|--------------------------|--------------------|----------------------|--------------------|

b. Treasury stock

| | | | |
|--------------------------|------------------|----------------------|------------------|
| As of September 30, 2011 | 3,177,665 shares | As of March 31, 2011 | 3,174,635 shares |
|--------------------------|------------------|----------------------|------------------|

c. Average number of shares (quarterly consolidated cumulative period)

| | | | |
|---------------------------------|--------------------|---------------------------------|--------------------|
| Period ended September 30, 2011 | 125,813,853 shares | Period ended September 30, 2010 | 118,777,329 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.

*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 Fiscal Year Ending March 2012" on page 3.

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1. Results of Operations and Financial Condition

(1) Results of operations

In the first half of the current fiscal year, there was a sharp drop in consumer spending and production activity immediately after the Great East Japan Earthquake. But the Japanese economy then staged a steady recovery as supply chains were restored and companies repaired manufacturing equipment. However, there are concerns about a downturn in the Japanese economy because of the yen's strength, the shortage of electricity, and uncertainty about the outlook for the global economy due to financial instability in Europe and slowing U.S. economic growth.

In the logistics industry, cargo volume in Japan fell sharply immediately after the earthquake but has been recovering along with recovery activities. But it is impossible to determine when demand associated with earthquake reconstruction activities will create demand and manufacturing activity in Japan is declining because of the yen's strength. As a result, the operating environment for the industry remains difficult with cargo volume expected to decline.

In this environment, the Senko Group is placing the highest priority on supporting the earthquake recovery and reconstruction activities of our customers. Furthermore, the group is conducting aggressive activities in Japan and overseas because this is the second year of the three-year medium-term management plan based on the slogan "Moving Global."

In July, operations started at the Kentucky Distribution Center in the United States. This center holds and distributes merchandise for major U.S. retailers and meets the logistics needs of Japanese companies. In August, we started operations at the Noda No. 1 PD Center in the city of Noda in Chiba prefecture. This is our largest distribution center and provides services for major retailers in Japan. In September, Smile Corp. became a Senko subsidiary as part of measures to strengthen the trading and commerce business. Smile is a trading company that handles packaging materials, food and alcoholic beverages, and household products.

First half performance benefited from growth in the volume of cargo volume for current customers due to demand involving earthquake reconstruction activities and products associated with earthquake damage and conserving electricity. Performance also reflected aggressive measures to attract new customers. As a result, consolidated operating revenues increased 7.0% to 126,837 million yen. Although the increase in the cost of fuel had a negative impact on earnings, first half earnings were higher because of growth in revenues and measures to cut costs. Operating income increased 37.7% to 3,801 million, ordinary income increased 29.6% to 3,655 million yen and net income increased 24.5% to 1,645 million yen.

Second quarter business segment performance was as follows.

Distribution

There was growth in cargo volume for current customers in the housing logistics sector because of earthquake reconstruction demand, including for temporary housing, and in the retail logistics sector because of demand for housing-related products associated with reconstruction, electricity-conserving products, and products to cope with summer heat. Extensive measures to attract new customers also contributed to this segment's performance. The result was a 6.3% increase in operating revenues to 110,470 million yen.

Commerce and Trade

The higher cost of crude oil raised revenues in the petroleum product sales business and there was growth in revenues at Marufuji Co., Ltd. and in the trading business. Overall, segment operating revenues increased 13.4% to 14,908 million yen.

Others

A decline in information processing revenues caused segment operating revenues to decrease 2.2% to 1,458 million yen.

(2) Financial condition

1) Assets, liabilities and net assets

Total assets

Total assets were 196,258 million yen at the end of the first half, 18,973 million yen higher than at the end of the previous fiscal year. There were increases of 5,784 million yen in notes and accounts receivable, 2,689 million yen in inventories, 5,247 million yen in property, plant and equipment, and 2,922 million yen in intangible assets.

Liabilities

Total liabilities were 134,480 million yen at the end of the first half, 17,800 million yen higher than at the end of the previous fiscal year. There were increases of 6,921 million yen in notes and operating accounts payable, 6,743 million yen in short-term loans payable and 4,831 million yen in long-term loans payable.

Net assets

Net assets increased 1,173 million yen to 61,778 million yen mainly because of a 1,016 million yen increase in retained earnings. The equity ratio decreased 2.7 percentage points to 30.6%.

2) Cash flows

There was a net increase of 2,103 million yen in cash and cash equivalents from the end of the previous fiscal year to 16,497 million yen.

Net cash provided by operating activities was 4,266 million yen. Major sources of cash were income before income taxes of

3,077 million yen, depreciation and amortization of 2,863 million yen and a 2,268 million yen increase in notes and accounts payable - trade. Major uses of cash were a 640 million yen decrease in the reserve for disaster losses, an 888 million yen increase in notes and accounts receivable - trade, 596 million yen for interest expenses paid, and 1,625 million yen for income taxes paid.

Net cash used in investing activities was 11,229 million yen. Major uses of cash were payments of 8,112 million yen for the purchase of property, plant and equipment 3,963 million yen for the purchase of investments in subsidiaries resulting in change in scope of consolidation.

Net cash provided by financing activities was 9,059 million yen. There were proceeds of 7,025 million yen from a net increase in short-term loans payable and 7,300 million yen from long-term loans payable and payments of 3,634 million yen for the repayment of long-term loans payable, 888 million yen for the repayment of finance lease obligations and 629 million yen for cash dividends paid.

(3) Forecast for fiscal year ending March 2012

The slow recovery of the Japanese economy is expected to continue. But the outlook for the economy remains uncertain because of the yen's strength, the shortage of electricity, and worries about the outlook for the global economy due to financial instability in Europe and slowing U.S. economic growth.

The current fiscal year is the second year of the Senko Group's ongoing three-year medium-term management plan. During this plan, the group is leveraging its collective strengths to coexist with society while increasing the commitment of group employees to achieve growth. The goal is to become a logistics and information organization able to provide high-quality services with a low cost in relation to benefits on a global scale.

The forecast for the fiscal year ending in March 2012 has been revised as follows because first half performance surpassed the forecast and Smile Corp. became a consolidated subsidiary in September 2011.

| | Operating revenues | Operating income | Ordinary income | Net income | Net income per share |
|--|--------------------|------------------|-----------------|-------------|----------------------|
| | Million yen | Million yen | Million yen | Million yen | Yen |
| Previous forecast (A) | 255,000 | 7,400 | 7,300 | 3,450 | 27.42 |
| New forecast (B) | 270,000 | 8,150 | 8,000 | 3,750 | 29.81 |
| Difference (B-A) | 15,000 | 750 | 700 | 300 | — |
| Pct. change (%) | 5.9 | 10.1 | 9.6 | 8.7 | — |
| (Ref.) Results for FY ended March 31, 2011 | 241,046 | 6,099 | 6,375 | 2,261 | 18.44 |

Reference: Fundamental policy for earnings allocations and dividends in the current fiscal year

The Company's fundamental policy is to pay a steady and consistent dividend to shareholders that reflect consolidated performance as well as the need to establish a more powerful financial position and base of operations from a long-term stable perspective.

For the current fiscal year, two yen (interim one yen and year-end one yen) per share will be paid as the commemorative dividend for the company's 65th anniversary.

This will result in a dividend of 12 yen (interim six yen and year-end six yen) per share applicable to the fiscal year.

| Record date | Dividends per share | | |
|---|--|--|--|
| | Second quarter | Year-end | Annual dividend |
| Previous forecast (announced on May 16, 2011) | 5.00 Yen | 5.00 Yen | 10.00 Yen |
| New forecast | | 6.00 Yen (Dividend 5.00 Yen) (Commemorative dividend 1.00 Yen) | 12.00 Yen (Dividend 10.00 Yen) (Commemorative dividend 2.00 Yen) |
| Results for second quarter ended September 30, 2011 | 6.00 Yen (Dividend 5.00 Yen) (Commemorative dividend 1.00 Yen) | | |
| Results for FY ended March 31, 2011 | 5.00 Yen | 5.00 Yen | 10.00 Yen |

2. Other Information

- (1) Changes in significant subsidiaries
None
- (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
None

3. Consolidated Financial Statements

(1) Consolidated balance sheets

(Unit: Millions of Yen)

| | As of March 31, 2011 | As of September 30, 2011 |
|--|----------------------|--------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 14,394 | 16,497 |
| Notes and accounts receivable | 31,147 | 36,932 |
| Merchandise | 719 | 3,334 |
| Real estate for sale | 15 | 10 |
| Work in process | 104 | 194 |
| Supplies | 176 | 166 |
| Other | 6,304 | 6,254 |
| Allowance for doubtful accounts | (29) | (41) |
| Total current assets | 52,833 | 63,348 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures (net) | 36,962 | 40,875 |
| Land | 39,233 | 39,623 |
| Other (net) | 10,508 | 11,451 |
| Total property, plant and equipment | 86,703 | 91,951 |
| Intangible assets | | |
| Goodwill | 1,028 | 3,827 |
| Other | 3,358 | 3,482 |
| Total intangible assets | 4,387 | 7,309 |
| Investments and other assets | | |
| Guarantee deposits | 8,719 | 8,720 |
| Deferred tax assets | 4,969 | 4,570 |
| Other | 19,897 | 20,673 |
| Allowance for doubtful accounts | (226) | (314) |
| Total investments and other assets | 33,359 | 33,649 |
| Total noncurrent assets | 124,450 | 132,910 |
| Total assets | 177,284 | 196,258 |

(Unit: Millions of Yen)

| | As of March 31, 2011 | As of September 30, 2011 |
|--|----------------------|--------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and operating accounts payable- trade | 22,603 | 29,524 |
| Current portion of bonds with subscription rights | - | 4,900 |
| Short-term loans payable | 16,545 | 23,289 |
| Income taxes payable | 1,719 | 724 |
| Provision for bonuses | 2,853 | 3,483 |
| Provision for directors' bonuses | 112 | 74 |
| Allowance for loss on disaster | 836 | 196 |
| Other | 9,251 | 10,097 |
| Total current liabilities | 53,923 | 72,291 |
| Noncurrent liabilities | | |
| Bonds payable | 7,000 | 7,000 |
| Convertible bond-type bonds with subscription rights | 4,900 | - |
| Long-term loans payable | 32,331 | 37,162 |
| Provision for retirement benefits | 9,724 | 9,499 |
| Provision for directors' retirement benefits | 37 | 57 |
| Provision for special repairs | 39 | 42 |
| Asset retirement obligations | 292 | 296 |
| Other | 8,431 | 8,131 |
| Total noncurrent liabilities | 62,756 | 62,189 |
| Total liabilities | 116,679 | 134,480 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 20,521 | 20,521 |
| Capital surplus | 18,782 | 18,782 |
| Retained earnings | 20,806 | 21,823 |
| Treasury stock | (1,046) | (1,047) |
| Total shareholders' equity | 59,063 | 60,079 |
| Accumulated other comprehensive income | | |
| Valuation differences on available-for-sale securities | 2 | 14 |
| Deferred gains or losses on hedges | (9) | (3) |
| Foreign currency translation adjustment | (31) | (28) |
| Total accumulated other comprehensive income | (38) | (17) |
| Subscription rights to shares | 107 | 149 |
| Minority interests | 1,472 | 1,567 |
| Total net assets | 60,604 | 61,778 |
| Liabilities and net assets | 177,284 | 196,258 |

(2) Consolidated statements of (comprehensive) income
(Consolidated statements of income)
(For the six months ended September 30, 2010 and 2011)

(Unit: Millions of Yen)

| | Six months ended September 30, 2010 (April 1, 2010 –September 30, 2010) | Six months ended September 30, 2011 (April 1, 2011 –September 30, 2011) |
|--|---|---|
| Operating revenues | 118,551 | 126,837 |
| Cost of sales | 108,690 | 115,782 |
| Gross profit | 9,860 | 11,055 |
| Selling, general and administrative expenses | 7,100 | 7,253 |
| Operating income | 2,759 | 3,801 |
| Non-operating income | | |
| Interest income | 89 | 92 |
| Dividends income | 430 | 430 |
| Other | 353 | 219 |
| Total non-operating income | 874 | 743 |
| Non-operating expenses | | |
| Interest expenses | 580 | 585 |
| Other | 232 | 302 |
| Total non-operating expenses | 813 | 888 |
| Ordinary income | 2,820 | 3,655 |
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | - | 299 |
| Special retirement expenses | 74 | 179 |
| Loss on retirement of noncurrent assets | 147 | 68 |
| Loss on cancellation of lease contracts | 22 | 31 |
| Loss on adjustment for changes of accounting standard for asset retirement obligation | 130 | - |
| Total extraordinary loss | 375 | 578 |
| Income before income taxes | 2,445 | 3,077 |
| Income taxes- current | 1,073 | 518 |
| Income taxes- deferred | 124 | 981 |
| Total income taxes | 1,198 | 1,500 |
| Income before minority interests | 1,247 | 1,577 |
| Minority interest in income or loss | (74) | (68) |
| Net income | 1,322 | 1,645 |

(Consolidated statements of comprehensive income)

(For the six months ended September 30, 2010 and 2011)

(Unit: Millions of Yen)

| | Six months ended September 30, 2010 (April 1, 2010 – September 30, 2010) | Six months ended September 30, 2011 (April 1, 2011 – September 30, 2011) |
|--|--|--|
| Income before minority interests | 1,247 | 1,577 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (75) | 20 |
| Deferred gains or losses on hedges | 8 | 9 |
| Foreign currency translation adjustment | 0 | 3 |
| Share of other comprehensive income of associates accounted for using equity method | (2) | (0) |
| Total other comprehensive income | (69) | 33 |
| Comprehensive income | 1,177 | 1,610 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 1,252 | 1,667 |
| Comprehensive income attributable to minority interests | (75) | (57) |

(3) Consolidated statements of cash flows

(Unit: ¥ million)

| | Six months ended September 30, 2010 (April 1, 2010 – September 30, 2010) | Six months ended September 30, 2011 (April 1, 2011 – September 30, 2011) |
|--|--|--|
| Cash flows from operating activities | | |
| Income before income taxes | 2,445 | 3,077 |
| Depreciation and amortization | 2,722 | 2,863 |
| Loss (gain) on sales of noncurrent assets | - | 299 |
| Loss on retirement of noncurrent assets | 147 | 68 |
| Loss on adjustment for changes of accounting standard for asset retirement obligation | 130 | - |
| Increase (decrease) in provision for retirement benefits | (67) | (431) |
| Increase (decrease) in provision for bonuses | (408) | 569 |
| Increase (decrease) in allowance for loss on disaster | - | (640) |
| Interest and dividends income | (520) | (523) |
| Interest expenses | 580 | 585 |
| Decrease (increase) in notes and accounts receivable- trade | (104) | (888) |
| Decrease (increase) in inventories | 545 | (77) |
| Increase (decrease) in notes and accounts payable- trade | (509) | 2,268 |
| Other | (1,711) | (814) |
| Sub-total | 3,249 | 6,356 |
| Interest and dividends income received | 119 | 131 |
| Interest expenses paid | (589) | (596) |
| Income taxes paid | (1,699) | (1,625) |
| Net cash provided by (used in) operating activities | 1,079 | 4,266 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (3,179) | (8,112) |
| Proceeds from sales of property, plant and equipment | 64 | 767 |
| Purchase of investment securities | (9) | (120) |
| Proceeds from sales of investment securities | 4 | 3 |
| Purchase of investments in subsidiaries resulting in change in scope of consolidation | - | (3,963) |
| Purchase of stocks of subsidiaries and affiliates | (198) | (11) |
| Payments for investments in capital of subsidiaries and affiliates | (104) | - |
| Payments of long-term loans receivable | (1,407) | - |
| Other | 180 | 206 |
| Net cash provided by (used in) investing activities | (4,649) | (11,229) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | (450) | 7,025 |
| Proceeds from long-term loans payable | 2,950 | 7,300 |
| Repayment of long-term loans payable | (4,056) | (3,634) |
| Repayments of finance lease obligations | (626) | (888) |
| Proceeds from issuance of common stock | 4,350 | - |
| Purchase of treasury stock | (1) | (0) |
| Proceeds from sales of treasury stock | 1 | - |
| Cash dividends paid | (438) | (629) |
| Other | (113) | (113) |
| Net cash provided by (used in) financing activities | 1,616 | 9,059 |
| Effect of exchange rate change on cash and cash equivalents | (19) | 6 |
| Net increase (decrease) in cash and cash equivalents | (1,973) | 2,103 |
| Cash and cash equivalents at beginning of period | 14,504 | 14,394 |
| Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation | 495 | - |
| Cash and cash equivalents at end of period | 13,027 | 16,497 |