

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

January 27, 2012

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 <a href="http://www.senko.co.jp">http://www.senko.co.jp</a>
Representative: Title: President	Name: Yasuhisa Fukuda
Inquiries: Title: Executive Officer, Public Relations	Name: Noburoh Sasaki Tel. (06) 6440-5155
Scheduled Date of Issue of Financial Report: February 9, 2012	Scheduled Date of Dividend Paid: -
Supplemental Information Materials: None	
Scheduled Date of Quarterly Information Meeting: None	

1. Consolidated Operating Results for the First Three Quarters of the Fiscal Year Ending March 2012 (From April 1, 2011 to December 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 three quarters of FY 2012	200,620	10.2	6,923	30.0	6,760	25.5	2,769	0.5
First three quarters of FY 2011	182,076	7.6	5,327	-0.5	5,387	4.0	2,754	5.9

(Note) Comprehensive income

First three quarters of FY2012: 2,774 million yen (6.3%), First three quarters of FY2011: 2,611 million yen (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
First three quarters of FY 2012	22.01	19.96
First three quarters of FY 2011	22.68	20.55

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2011	201,191	62,150	30.0	480.42
As of March 31, 2011	177,284	60,604	33.3	469.14

(Reference) Shareholders' equity:

As of December 31, 2011: 60,441 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 from the latest announcement: None

Commemorative dividend is included for the first half (1.00 yen) and year end (1.00 yen) of fiscal year ending March 2012.

3. Forecast of Consolidated Operating Results for the Fiscal 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	3,200	41.5	25.44

(Note) Change in the forecast from the latest announcement: Yes

Forecast stated in the results of operations for the fiscal year ending March 2012 announced on October 27, 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) Number of shares outstanding (common stock)

(a) Shares outstanding (including treasury stock)

As of December 31, 2011: 128,989,476

As of March 31, 2011: 128,989,476

(b) Treasury stock

As of December 31, 2011: 3,178,877

As of March 31, 2011: 3,174,635

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

Period ended December 31, 2011: 125,812,998

Period ended December 31, 2010: 121,466,726

\* 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 three quarters of the current fiscal year, the Japanese economy staged a steady recovery following the sharp drop in production activity immediately after the Great East Japan Earthquake due to the restoration of supply chains and production equipment. However, the outlook for the global economy is uncertain because of financial instability in Europe, slowing U.S. economic growth and other issues. Furthermore, concerns about the impact of the yen's strength, flooding in Thailand and other events on manufacturing and exports in Japan make the outlook is unclear for the Japanese economy, too.

In the logistics industry, cargo volume in Japan fell sharply after the earthquake because of the downturn in production activity. But volume has been recovering since then along with recovery activities. However, the operating environment remains difficult due to the slowing economic recovery in Japan and uncertainty about the scale and timing of demand associated with earthquake reconstruction activities.

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 October, operations began at the Noda No. 2 PD Center in Chiba prefecture to strengthen logistics services in the Kanto area. In November, Senko began operating the Senou Maru, a chemical tanker that will contribute to reliable transport and growth in the group's logistics operations for chemicals. In December, operations began at the Hyuga PD Center. This new center consolidates warehouse operations in northern Miyazaki prefecture in a single location and enlarges warehouse capacity in this region. In January, operations began at the North Hiroshima PD Center in order to expand logistics operations in all areas of Hokkaido.

In the first three quarters, revenues and earnings were higher than one year earlier. Revenues benefited from growth in the volume of cargo due to demand involving earthquake reconstruction activities and the transport of products associated with earthquake damage. There was also growth in cargo volume in existing categories such as products for conserving electricity. Furthermore, revenues reflect the addition of Smile Corp. to the Senko Group in September 2011 and the results of aggressive sales activities to attract new customers. The result was a 10.2% increase in consolidated operating revenues to 200,620 million yen. The higher cost of fuel had a negative impact on earnings, but this was more than offset by the growth in revenues and measures to cut costs. Operating income increased 30.0% to 6,923 million yen and ordinary income increased 25.5% to 6,760 million yen. After the negative impact of a reversal of deferred tax assets in response to the official announcement in Japan of a new law concerning a corporate income tax rate reduction, net income was up 0.5% to 2,769 million yen.

Business segment performance in the first three quarters 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 growth in this segment's revenues. The result was a 4.9% increase in operating revenues to 168,025 million yen.

#### **Commerce and Trade**

Operating revenues increased 53.3% to 30,368 million yen due to the addition of Smile Corp. to the Senko Group, higher revenues in the petroleum product sales business along with the higher cost of crude oil, and growth in revenues at Marufuji Co., Ltd. and in the trading business.

#### **Others**

Operating revenues increased 5.1% to 2,226 million yen.

### (2) Financial condition

#### **Total assets**

Total assets were 201,191 million yen at the end of the third quarter, 23,907 million yen higher than at the end of the previous fiscal year. There were increases of 10,533 million yen in notes and accounts receivable, 3,659 million yen in inventories and 9,095 million yen in property, plant and equipment.

#### **Liabilities**

Total liabilities were 139,041 million yen at the end of the third quarter, 22,361 million yen higher than at the end of the previous fiscal year. There were increases of 11,685 million yen in notes and operating accounts payable, 5,000 million yen in bonds and 7,692 million yen in long-term loans payable. Short-term loans payable decreased 1,701 million yen.

#### **Net assets**

Net assets increased 1,545 million yen to 62,150 million yen mainly because of a 1,385 million yen increase in retained earnings. The equity ratio decreased 3.3 percentage points to 30.0%.

(3) Forecast for fiscal year ending March 2012

The Japanese economy will probably recover at a moderate pace along with the emergence of demand associated with earthquake reconstruction activities. However, the economic picture is expected to remain difficult because a full-scale recovery is unlikely to occur in the near future.

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 their benefits on a global scale.

There are no revisions to the forecasts announced in October for consolidated operating revenues, operating income and ordinary income because performance in the current fiscal year is generally in line with plans. The net income forecast has been revised mainly because of an increase in deferred taxes. This increase is caused by a reversal of deferred tax assets in response to the official announcement in Japan of a new law concerning a corporate income tax rate reduction.

There is no change in the dividend forecast of 12 yen per share applicable to the current fiscal year, the sum of interim and year-end dividends of 6 yen.

	Operating revenues	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	270,000	8,150	8,000	3,750	29.81
New forecast (B)	270,000	8,150	8,000	3,200	25.44
Difference (B-A)	-	-	-	-550	-
Pct. change (%)	-	-	-	-14.7	-
(Ref.) Results for FY ended March 31, 2011	241,046	6,099	6,375	2,261	18.44

## 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 December 31, 2011
<b>Assets</b>		
Current assets		
Cash and deposits	14,394	12,642
Notes and accounts receivable	31,147	41,680
Merchandise	719	4,125
Real estate for sale	15	3
Work in process	104	358
Supplies	176	187
Other	6,304	5,457
Allowance for doubtful accounts	(29)	(51)
<b>Total current assets</b>	<b>52,833</b>	<b>64,404</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	36,962	44,565
Land	39,233	39,623
Other (net)	10,508	11,610
<b>Total property, plant and equipment</b>	<b>86,703</b>	<b>95,799</b>
Intangible assets		
Goodwill	1,028	3,755
Other	3,358	3,577
<b>Total intangible assets</b>	<b>4,387</b>	<b>7,333</b>
Investments and other assets		
Guarantee deposits	8,719	8,741
Deferred tax assets	4,969	4,100
Other	19,897	21,040
Allowance for doubtful accounts	(226)	(229)
<b>Total investments and other assets</b>	<b>33,359</b>	<b>33,654</b>
<b>Total noncurrent assets</b>	<b>124,450</b>	<b>136,786</b>
<b>Total assets</b>	<b>177,284</b>	<b>201,191</b>

(Unit: Millions of Yen)

	As of March 31, 2011	As of December 31, 2011
<b>Liabilities</b>		
Current liabilities		
Notes and operating accounts payable- trade	22,603	34,288
Current portion of bonds with subscription rights to shares	-	4,900
Short-term loans payable	16,545	14,843
Income taxes payable	1,719	857
Provision for bonuses	2,853	1,985
Provision for directors' bonuses	112	104
Allowance for loss on disaster	836	64
Other	9,251	10,836
<b>Total current liabilities</b>	<b>53,923</b>	<b>67,882</b>
Noncurrent liabilities		
Bonds payable	7,000	12,000
Convertible bond-type bonds with subscription rights to shares	4,900	-
Long-term loans payable	32,331	40,023
Provision for retirement benefits	9,724	9,568
Provision for directors' retirement benefits	37	61
Provision for special repairs	39	46
Asset retirement obligations	292	298
Other	8,431	9,159
<b>Total noncurrent liabilities</b>	<b>62,756</b>	<b>71,159</b>
<b>Total liabilities</b>	<b>116,679</b>	<b>139,041</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	20,521	20,521
Capital surplus	18,782	18,782
Retained earnings	20,806	22,191
Treasury stock	(1,046)	(1,048)
<b>Total shareholders' equity</b>	<b>59,063</b>	<b>60,447</b>
Accumulated other comprehensive income		
Valuation differences on available-for-sale securities	2	(12)
Deferred gains or losses on hedges	(9)	64
Foreign currency translation adjustment	(31)	(58)
<b>Total accumulated other comprehensive income</b>	<b>(38)</b>	<b>(5)</b>
Subscription rights to shares	107	149
Minority interests	1,472	1,559
<b>Total net assets</b>	<b>60,604</b>	<b>62,150</b>
<b>Liabilities and net assets</b>	<b>177,284</b>	<b>201,191</b>

(2) Consolidated statements of (comprehensive) income  
(Consolidated statements of income)

(For the first three quarters ended December 31, 2010 and 2011)

(Unit: Millions of Yen)

	First three quarters ended December 31, 2010 (April 1, 2010 –December 31, 2010)	First three quarters ended December 31, 2011 (April 1, 2011 –December 31, 2011)
Operating revenues	182,076	200,620
Cost of sales	166,115	181,814
Gross profit	15,960	18,805
Selling, general and administrative expenses	10,633	11,881
Operating income	5,327	6,923
Non-operating income		
Interest income	138	123
Dividends income	671	693
Other	454	327
Total non-operating income	1,263	1,144
Non-operating expenses		
Interest expenses	877	881
Other	325	426
Total non-operating expenses	1,203	1,307
Ordinary income	5,387	6,760
Extraordinary loss		
Loss on sales of noncurrent assets	56	299
Special retirement expenses	74	179
Loss on retirement of noncurrent assets	159	118
Loss on cancellation of lease contracts	22	30
Loss on adjustment for changes of accounting standard for asset retirement obligation	130	-
Total extraordinary loss	443	628
Income before income taxes	4,944	6,132
Income taxes- current	1,573	1,087
Income taxes- deferred	690	2,311
Total income taxes	2,264	3,399
Income before minority interests	2,680	2,732
Minority interest in income (loss)	(74)	(36)
Net income	2,754	2,769



(Consolidated statements of comprehensive income)

(For the first three quarters ended December 31, 2010 and 2011)

(Unit: Millions of Yen)

	First three quarters ended December 31, 2010 (April 1, 2010 –December 31, 2010)	First three quarters ended December 31, 2011 (April 1, 2011 –December 31, 2011)
Income before minority interests	2,680	2,732
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	(4)
Deferred gains or losses on hedges	14	83
Foreign currency translation adjustment	(27)	(33)
Share of other comprehensive income of associates accounted for using equity method	(5)	(3)
Total other comprehensive income	(69)	41
Comprehensive income	2,611	2,774
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,696	2,804
Comprehensive income attributable to minority interests	(85)	(30)