

Summary of Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2013 [Japan GAAP]

January 31, 2013

Name of Listed Company : SENKO Co., Ltd.
Code Number : 9069

Stock Listed on : the First Section of the Tokyo Stock Exchange
and Osaka Securities Exchange

URL [http : //www.senko.co.jp](http://www.senko.co.jp)

Representative : Title : President

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Scheduled Date of Issue of Financial Report : February 13, 2013

Scheduled Date of Dividend Paid : —

Supplemental Information Materials : None

Scheduled Date of Quarterly Information Meeting : None

1. Consolidated Operating Results for the Third Quarter Ending March 2013 (From April 1, 2012 to December 31, 2012)

(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	%
Third quarter ending March 31, 2013	221,627	10.5	8,140	17.6	8,252	22.1	4,687	69.3
Third quarter ended March 31, 2012	200,620	10.2	6,923	30.0	6,760	25.5	2,769	0.5

(Note) Comprehensive income :

Third quarter ending March 31, 2013: 4,650 million yen (67.6%) Third quarter ended March 31, 2012: 2,774 million yen (6.3 %)

	Net income per share	Diluted net income per share
	Yen	Yen
Third quarter ending March 31, 2013	37.29	33.70
Third quarter ended March 31, 2012	22.01	19.96

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Third quarter ending March 31, 2013	205,340	66,137	31.2	512.93
Fiscal year ended March 31, 2012	202,847	63,274	30.3	488.25

(Reference) Shareholders' equity :

Third quarter ending March 31, 2013: 64,073 million yen Fiscal year ended March 31, 2012: 61,424 million yen

2. Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2012	—	6.00	—	6.00	12.00
Fiscal year ending March 31, 2013	—	7.00	—		
Fiscal year ending March 31, 2013 (Forecast)				6.00	13.00

(Note) Change in the estimation of dividend for the fiscal year in this period : None

Dividends include a ¥1.00 commemorative dividend for the end of second quarter and year-end of fiscal year ended March 31, 2012 .

3. Forecast of Consolidated Operating Results for the Year Ending March 2013 (From April 1, 2012 to March 31, 2013)

(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 2013	295,000	9.1	10,000	20.9	10,000	20.0	5,000	43.7	39.77

(Note) Change in the forecast made in this period : None

*Notes

(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 restatements

(a) Changes due to revision of accounting standards : Yes

(b) Changes other than in (a) : None

(c) Changes in accounting estimates : Yes

(d) Retrospective restatements : None

(Note) Changes to be stated in the section "Changes in significant matters providing the basis for preparing consolidated financial statements". For more information, please see "Changes in Accounting Principles and Estimates, and Retrospective Restatements." on page 3.

(4) Shares outstanding (Common shares)

(a) Shares outstanding (including treasury stocks)

As of December 31, 2012:	128,989,476 shares	As of March 31, 2012	128,989,476 shares
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(b) Treasury stock

As of December 31, 2012:	4,073,006 shares	As of March 31, 2012	3,183,467 shares
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(c) Average number of shares (quarterly consolidated cumulative period)

Period ended December 31, 2012	125,714,021 shares	Period ended December 31, 2011	125,812,998 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.

*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 2013" 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 (April 1, 2012 to December 31, 2012), the Japanese economy initially appeared to be enjoying a gradual recovery in manufacturing activity and consumer expenditure in due to public works spending and other recovery-related demand from the earthquake and government initiatives including the eco-car subsidy but subsequently the economic environment continued to be challenging because of the persistence of the strong yen and a decline in exports caused by the slowdown in overseas economies combined with the deterioration of the impact of government policies to stimulate consumer spending. However, the weakening in the yen and the rise in the stock market in response to the change of government in December stimulated hopes of a recovery in the economy.

In the logistics industry too, an initial limited improvement in manufacturing activity and consumer spending resulted in a rising trend in cargo volumes but this was followed by further declines in both exports and consumer expenditure and so the operating environment remains difficult.

In this environment, the Senko Group is conducting aggressive activities in Japan and overseas because this is the final year of the three-year medium-term business plan based on the slogan "Moving Global" that it started in April 2010.

In Japan, as the companies that ship cargo made moves to spread out the locations of manufacturing and inventory storage locations regionally as a hedge against the risk of natural disasters and strove to secure multiple sources for raw materials and supplies and concentrated regional warehousing facilities so as to improve logistical efficiency on a regional basis, the Senko Group took positive steps to satisfy these regional needs and to serve new customers won by aggressive marketing programs by establishing new logistical facilities in the Hokkaido, Kanto, Chubu and Kansai regions. Overseas, the group is actively developing its business by undertaking new logistics operations in China, Thailand, and Kazakhstan.

In September, as part of the drive to strengthen our commerce and trade business, we welcomed Obata Co., Ltd. into the group as a subsidiary. Obata Co., Ltd. conducts wholesale activities in health foods and beverages, daily-use items, cosmetics and other goods in the Hokkaido and Tohoku regions.

In the first three quarters, revenues increased 10.5% to 221,627 million yen as a result of aggressive sales activities to attract new customers, the contribution deriving from the investments made to establish large new facilities in Noda City in Chiba prefecture, Kitahiroshima City in Hokkaido, and Hyuga City in Miyazaki Prefecture last year, and the acquisitions of Smile Corp. and Chugoku Piano Transport Co., Ltd. in the previous fiscal year.

Earnings benefited from growth in sales, the contribution from the newly acquired subsidiaries, cost-cutting measures and steps taken to increase productivity with the result that operating income increased 17.6% to 8,140 million yen, ordinary income increased 22.1% to 8,252 million yen, and net income increased 69.3% to 4,687 million yen.

The first three quarters business segment performance as follows.

Distribution

There was an increase in cargo volume for general merchandise stores (GMS) in the distribution logistics business because of the start of operations at large logistics facilities in the previous fiscal year. In the housing distribution business, there was an increase in cargo volume for housing materials. Chugoku Piano Transport Co., Ltd., which became a subsidiary in the previous fiscal year, also contributed to the performance in the period. As a result, segment operating revenues increased 2.7% to 172,557 million yen.

Commerce and Trade

Operating revenues increased 54.4% to 46,876 million yen due to the addition of Smile Corp. to the group in the previous fiscal year and higher revenues in the trade business and petroleum marketing business.

Others

Operating revenues decreased 1.5% to 2,193 million yen.

(2) Financial Condition

Total assets

Total assets were 205,340 million yen at the end of the third quarter, 2,493 million yen higher than at the end of the previous fiscal year. This was mainly due to an increase of 2,463 million yen in notes and accounts receivable.

Liabilities

Total liabilities were 139,203 million yen at the end of the third quarter, 369 million yen lower than at the end of the previous fiscal year. There were increases of 862 million yen in short-term loans payable, 5,000 million yen in convertible bond-type bonds with subscription rights and 1,345 million in long-term loans payable but there were decreases in current portion of bonds with subscription rights of 4,900 million, income taxes payable of 1,141 million yen, provision for bonuses of 1,137 million yen, and in lease obligations of 325 million yen.

Net assets

Net assets increased 2,863 million yen to 66,137 million yen mainly because of a 3,048 million yen increase in retained earnings. The equity ratio increased 0.9 percentage points to 31.2%.

(3) Forecast for Fiscal Year Ending March 2013

Despite risk factors including the slowdown in the European economies and the deterioration in Sino-Japanese relations, the Japanese economy will probably recover at a moderate pace in response to indications of a bottoming out in domestic manufacturing and other economic activity in Japan, the effects of government measures to stimulate the economy, and rising exports as a result of yen weakness and recovery in the Chinese and US economies.

In this environment, based on its medium-term management vision, the Senko Group's goal is to become a "logistics and information organization" that can coexist with society, increase employees' dedication to growth, and be a source of services with outstanding performance in relation to their cost on a global scale.

There are no revisions to the forecasts announced October 30, 2012 for consolidated operating revenues, operating income and ordinary income because performance in the current fiscal year is generally in line with the group's projections.

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 Restatements

(Changes in accounting policies for items that are difficult to categorize as changes in accounting estimates)

In conjunction with a revision in Japan's Corporate Income Tax Law, Senko and its consolidated subsidiaries in Japan have revised the method used for depreciation starting with the first quarter of the current fiscal year. The revised depreciation method, which is based on the amended Corporate Income Tax Law, is applied to property and equipment purchased on or after April 1, 2012. This revision had only a negligible effect on earnings.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit : Millions of Yen)

	As of March 31, 2012	As of December 31, 2012
Assets		
Current assets		
Cash and deposits	13,354	12,768
Notes and accounts receivable	40,688	43,151
Merchandise	4,087	4,272
Real estate for sale	3	3
Work in process	150	322
Supplies	188	173
Other	5,834	5,879
Allowance for doubtful accounts	(53)	(85)
Total current assets	64,254	66,485
Noncurrent assets		
Property, plant and equipment		
Buildings and structures (net)	45,806	44,669
Land	39,837	40,124
Other (net)	10,495	10,568
Total property, plant and equipment	96,139	95,361
Intangible assets		
Goodwill	3,730	3,522
Other	3,505	3,612
Total intangible assets	7,235	7,134
Investments and other assets		
Guarantee deposits	8,810	9,259
Deferred tax assets	4,000	4,084
Other	22,687	23,276
Allowance for doubtful accounts	(280)	(262)
Total investments and other assets	35,217	36,358
Total noncurrent assets	138,592	138,854
Total assets	202,847	205,340

(Unit : Millions of Yen)

	As of March 31, 2012	As of December 31, 2012
Liabilities		
Current liabilities		
Notes and operating accounts payable- trade	32,297	32,178
Current portion of bonds with subscription rights	4,900	—
Short-term loans payable	13,936	14,798
Income taxes payable	2,281	1,139
Provision for bonuses	3,125	1,988
Provision for directors' bonuses	172	115
Reserve for loss on disaster	43	—
Other	11,327	11,631
Total current liabilities	68,084	61,851
Noncurrent liabilities		
Bonds payable	12,000	12,000
Convertible bond-type bonds with subscription rights	—	5,000
Long-term loans payable	40,422	41,767
Provision for retirement benefits	9,468	9,527
Provision for directors' retirement benefits	66	65
Provision for special repairs	52	56
Asset retirement obligations	316	322
Other	9,162	8,613
Total noncurrent liabilities	71,489	77,351
Total liabilities	139,573	139,203
Net assets		
Shareholders' equity		
Capital stock	20,521	20,521
Capital surplus	18,782	18,782
Retained earnings	22,901	25,949
Treasury stock	(1,049)	(1,351)
Total shareholders' equity	61,155	63,901
Accumulated other comprehensive income		
Valuation differences on available-for-sale securities	157	186
Deferred gains or losses on hedges	156	23
Foreign currency translation adjustment	(44)	(37)
Total accumulated other comprehensive income	269	172
Subscription rights to shares	149	195
Minority interests	1,700	1,868
Total net assets	63,274	66,137
Liabilities and net assets	202,847	205,340

(2) Consolidated Statements of (Comprehensive) Income
(Consolidated Statements of Income)

(For the nine months ended December 31, 2011 and 2012)

(Unit : Millions of Yen)

	Nine months ended December 31, 2011 <small>(April 1, 2011 – December 31, 2011)</small>	Nine months ended December 31, 2012 <small>(April 1, 2012 – December 31, 2012)</small>
Operating revenues	200,620	221,627
Cost of sales	181,814	198,813
Gross profit	18,805	22,814
Selling, general and administrative expenses	11,881	14,674
Operating income	6,923	8,140
Non-operating income		
Interest income	123	125
Dividends income	693	742
Other	327	375
Total non-operating income	1,144	1,243
Non-operating expenses		
Interest expenses	881	876
Other	426	255
Total non-operating expenses	1,307	1,131
Ordinary income	6,760	8,252
Extraordinary loss		
Loss on retirement of noncurrent assets	118	94
Loss on revaluation of investment securities	—	42
Loss on sales of noncurrent assets	299	—
Special retirement expenses	179	—
Loss on cancellation of lease contracts	30	—
Total extraordinary loss	628	137
Income before income taxes	6,132	8,115
Income taxes- current	1,087	2,490
Income taxes- deferred	2,311	880
Total income taxes	3,399	3,371
Income before minority interests	2,732	4,743
Minority interest in income or loss	(36)	56
Net income	2,769	4,687

(Consolidated Statements of Comprehensive Income)

(For the nine months ended December 31, 2011 and 2012)

(Unit : Millions of Yen)

	Nine months ended December 31, 2011 <small>(April 1, 2011 – December 31, 2011)</small>	Nine months ended December 31, 2012 <small>(April 1, 2012 – December 31, 2012)</small>
Income before minority interests	2,732	4,743
Other comprehensive income		
Valuation difference on available-for-sale securities	(4)	36
Deferred gains or losses on hedges	83	(136)
Foreign currency translation adjustment	(33)	6
Share of other comprehensive income of associates accounted for using equity method	(3)	(0)
Total other comprehensive income	41	(93)
Comprehensive income	2,774	4,650
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,804	4,590
Comprehensive income attributable to minority interests	(30)	59