



Annual Report 2002

For the year ended March 31, 2002

SENKO Co., Ltd.

Logistics of the Future Logistics of the Future Logisti

Profile

Established in July 1947, Senko Co., Ltd. is an integrated distribution services company. In addition to the parent company, a total of 29 subsidiaries and 6 affiliates operate under the umbrella of the Senko Group as of March 31, 2002. One of the leading distribution services companies in Japan, Senko boasts a national network of more than 200 offices, 2,740 trucks, 7 cargo ships, and 735,702 square meters of warehouse space.

Listed on the first sections of the Tokyo Stock Exchange and the Osaka Securities Exchange, the Company's operations cover a wide-range of businesses, centering on its nationwide trucking network but extending to warehousing, marine transport, railway forwarding, in-factory work, and door-to-door international transportation.

Senko specializes in supplying integrated distribution services, from distribution consulting to system design and operations, that closely match customer needs.

The Company plans to further expand services that improve the efficiency of the supply chain, including sourcing, production, and sales, by combining its systems with the latest information technology. Through these and other efforts, Senko will continue to develop as a logistics information company.

Disclaimer Regarding Forward-Looking Statements

Forward looking statements made in this annual report concerning performance or business strategies have been determined according to assumptions and beliefs based on information available at the time and contain elements of risk and uncertainty.

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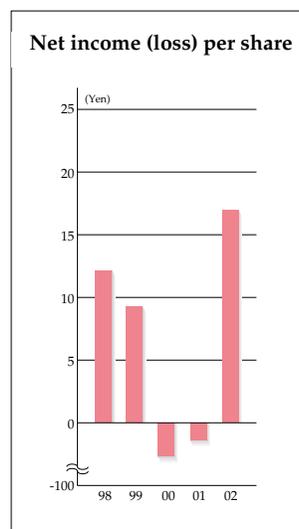
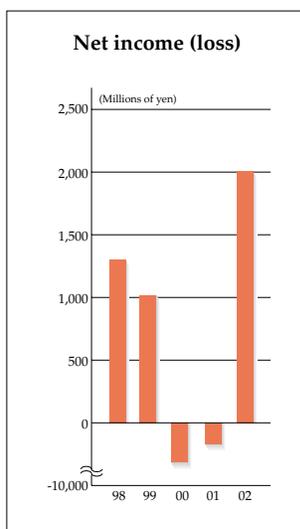
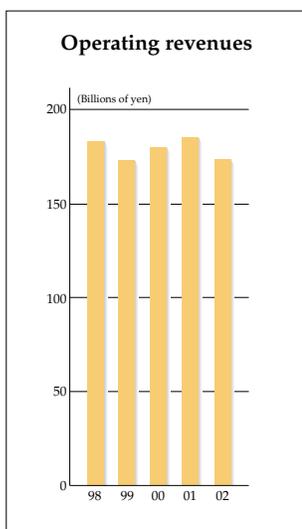
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Consolidated Financial Highlights

SENKO Co., Ltd. and Consolidated Subsidiaries

Years ended March 31	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
For the year:			
Operating revenues	¥173,578	¥185,603	\$1,303,138
Operating income	4,878	5,509	36,622
Net income (loss)	2,004	(3,189)	15,045
At year end:			
Total assets	132,845	151,874	997,335
Shareholders' equity	41,089	40,572	308,476
Per share data:			
Net income (loss)	¥17.69	¥(27.93)	\$0.13
Cash dividends	7.50	7.50	0.06
Shareholders' equity	367.74	355.33	2.76

Note : U.S. dollar amounts are converted from yen, for convenience only, at the prevailing rate of ¥133.20 to U.S.\$1 on March 31, 2002.



A Message from the President

Satisfying Our Customers and Increasing



Business Environment

In the fiscal year ended March 31, 2002, consolidated operating revenues decreased 6.5%, to ¥173,578 million and consolidated operating income declined 11.4%, to ¥4,878 million. Consolidated net income, however, amounted to ¥2,004 million, moving back into the black after recording a loss in the previous fiscal year.

During the fiscal year under review, the Japanese economy faced extremely difficult conditions. Struggling with a continuing deflationary trend, personal consumption weakened further under pressure from harsh labor conditions and falling personal incomes. In addition, declining exports because of the slowdown in the U.S. economy caused private sector capital investment to fall off.

Amid a declining trend in freight volume, the transportation industry also had to contend with a severe business climate, affected by demand for lower transportation costs from customers and intensified competition among distribution services companies.

In response to these circumstances, Senko pressed forward with its conversion to a logistics information company, guided by a medium-term business plan implemented in April 2001. In heading toward its goal, the Company worked to further increase customer satisfaction by providing them with its Best Partner System, a new logistics system that fully utilizes information technology, and other high quality, high-value-added distribution services. Based on these services, the Company also promoted the development of new demand. To increase profitability, Senko pursued greater operating efficient and progress with measures to achieve low cost operations, such cost reduction and more efficient use of capital.

Despite these efforts, operating revenues dropped 6.5%. Looking at a breakdown, nonconsolidated revenues declined 1.9% while revenues of subsidiaries decreased 26.0%. The fall in the parent company's revenues despite a 22% jump in chain-store related revenues could be attributed to the impact of declining revenues from the housing and petroleum and plastics sectors and to customer demand for lower prices and more efficient services. The contraction in revenues from subsidiaries came from the impact of the sale of Senko Leasing Co., Ltd., and a decrease in revenues from the petroleum sales business because of the Company's decision to concentrate its business on fewer customers in accordance with efforts to improve the efficiency of its management of receivables.

Looking at profitability, declining revenues from the housing and petroleum and plastics sectors, customer demand for lower prices, and other factors placed strong negative pressure on operating income, but increased revenue from an expanded customer base in the chain store-related market, various measures to improve efficiency, and cost reductions helped hold the fall to 11.4%.

Consolidated net income moved into the black during the fiscal year under review, rebounding from the loss in the previous fiscal year because there were no substantial other expenses, such as the write of the difference on conversion to a new accounting standard for its severance and retirement benefits and the establishment of a severance and retirement benefits investment trust that were recorded last year.

Progress of Medium-Term Business Plan and Future Business Development

With still no signs of recovery, the economic climate is expected to remain severe. This holds true for the distribution services industry as well, where it is anticipated that the volume of freight will continue to fall and competition among the companies in the industry intensify.

their Profits Using Our Supply Chain and Logistics

Under these conditions, we are continuing to propose comprehensive outsourcing of a variety of distribution-related services to our customers. At the same time, we are aiming to differentiate ourselves from our competitors by developing businesses to support a supply chain management (SCM) organization that utilizes sophisticated technology based on the distribution expertise we have developed over the years and on our Best Partner System.

The goal of these efforts is to contribute to greater profitability by our customers while also adding to our profits. The development of this business is a good example of the supply chain logistics that we are pursuing as a company. Specifically, we plan to further expand our distribution center and transportation and delivery businesses to offer comprehensive distribution services for the entire supply chain, including the procurement and order taking operations that were previously the domain of our customers. Because of their strong benefits, we expect our customers to be highly satisfied with these services. In addition to providing overall lower costs for customers, our supply chain logistics services aim to increase our share of customers' business by assuming responsibility for their entire distribution operations and to improve our profitability by expanding distribution services to related companies.

We are taking concrete steps to develop our supply chain logistics services. In the petrochemical and plastics sectors, which include such major groups Asahi Chemical, Sekisui Chemical, and Chisso, we are offering to provide services that include order taking and distribution section functions. We are participating at all stages of the production and delivery process, from factory shipping to transportation, storage, procurement of raw materials and supplies, and production planning and distribution expense budget making.

In the housing-related field, we have expanded our business to cover not only the plants of Sekisui House Co., Ltd., and other housing manufacturers, but also the procurement side of the business, including the distribution of the material producers that supply the housing manufacturers plants. We have also expanded our customer base, adding such new customers as Toyota Home and Misawa Homes.

Our chain store-related business is also growing favorably. The services that we provide to many home center, drug store, and specialty store chains have helped our revenues in this business to quadruple over 10 years.

To improve profitability, we are thoroughly pursuing the establishment of low cost operations through business rationalization and improved efficiency. In conjunction with these efforts, we are aiming to further strengthen our financial position, including our ongoing program to reduce interest-bearing debt. I believe that these measures will provide more specific advances in our pursuit of aggressive expansion and low cost operations as part of our conversion to a logistics information company, the fundamental concept of our medium-term business plan.

To Our Shareholders

As a Company, we consider the distribution of profits to shareholders as one of our most important management issues. For that purpose, our basic dividend policy is to target stable dividend payments that reflect underlying corporate performance while also retaining sufficient internal capital reserves to provide for business development and strengthening our business structure.

During the fiscal year under review, we paid interim and year-end cash dividends of ¥3.75 per share for a full-year cash dividend of ¥7.50 per share.

As we pursue the goals of our medium-term business plan, we look forward to the continued support of our shareholders.

June 2002

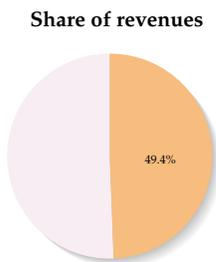
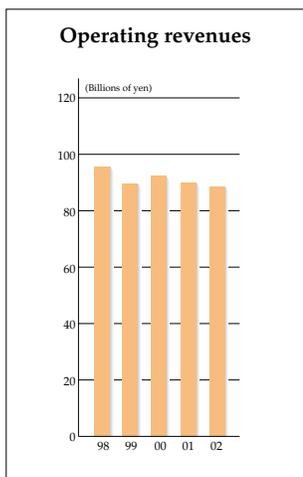


Hiroshi Koike
President and Representative Director

Review of Operations

Truck Transport

There was strong growth in our chain store-related business, including supermarket-related cargo business related to the expansion of the Sendai PD Center and the development of new demand for drug store-related freight services in the Miyazaki region. Despite this growth, freight volume fell because of declining demand from the housing-related demand, with materials-related transportation also decreasing. Consequently, truck transport operating revenues slid 3.6%, to ¥85,818 million.



The Senko Group's truck transport operations have developed an extensive nationwide network, providing our customers with transportation and delivery services that match their products and distribution structure, including exclusive, combination, route, and joint transport services. We transport industrial raw materials, machine products, construction materials, housing materials, agricultural products, general commodities as well as providing moving services—handling almost anything to do with clothing, food, and housing. We boast a diversified fleet comprised of regular trucks, large-trucks, and trailers as well as specialty cargo trucks, such as tanker, loose powder carrying, and refrigerated trucks. Our ability to transport items and materials correctly has won Senko high marks from manufacturers and other customers.





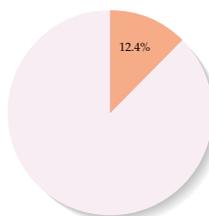
Warehousing

Centered on the Sendai PD Center and other facilities, aggressive efforts were made during the fiscal year under review to develop new chain store-related cargo business. These efforts and the start of operations at the Urawa Distribution Center contributed to earnings. As a result, warehousing operating revenues advanced 5.0%, to ¥21,531 million.

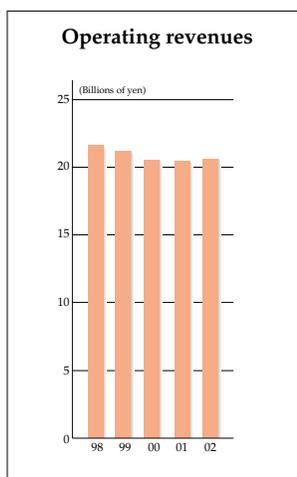
Our warehouses present a very different image from the warehouses of the past. They are integrated function distribution centers that combine a warehouse's distribution processing functions, such as storage, delivery, set assembly, and labeling with advanced information system services.

Presently, we have 172 facilities at our major distribution points nationwide providing total storage space of 730,000 square meters. Using these warehousing bases, we combine information services and distribution services utilizing a system that anticipates the needs of our diversified customers. These capabilities allow us to offer a full range of distribution services that support our customers' production and sales operations.

Share of revenues



Operating revenues



Review of Operations

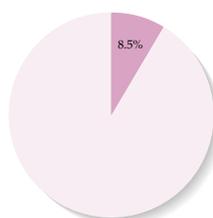


In-Factory Work

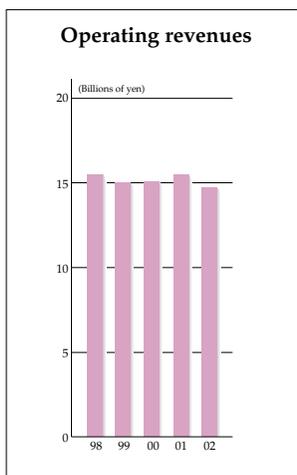
In addition to the decline in business volume from housing-related markets, in-factory work business, principally materials-related cargo, also dropped, resulting in operating revenues dipping 4.9%, to ¥14,703 million.

In-factory work comprises such distribution and production processes as unloading raw materials at our customers' factories, warehouses, and other sites. It also includes wrapping, packaging, and loading products. These professional distribution services support the management of the flow of materials and products within the factory.

Share of revenues



Operating revenues



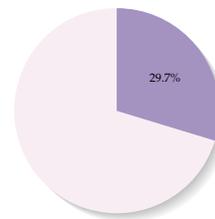


Others

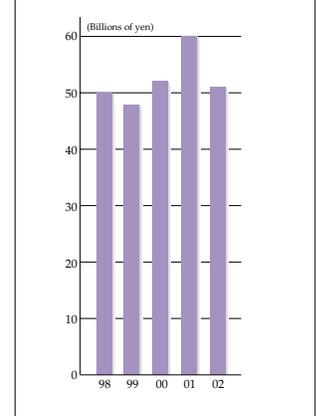
New business from the chain store-related market provided revenue growth during the fiscal year under review. Nevertheless, a contraction in petroleum and merchandise sales because of the sale of the consolidated subsidiary Senko Leasing Co., Ltd., and a reduction in the number of customers as part of efforts to improve efficiency in receivables management produced a 14.9% decline in operating revenues to ¥51,527 million.

The others business category of the Senko Group includes railway forwarding on trunk routes; marine transport by container, mixed cargo scheduled, and specialty ships; leasing of specialized warehouses for customers and warehouse space; door-to-door international freight forwarding; petroleum sales; merchandise sales; data processing; software development; general leasing; and vehicle maintenance.

Share of revenues



Operating revenues



Financial Review

Performance

Operating revenues for the fiscal year ended March 2002 decreased 6.5%, to ¥173,578 million. Operating revenues declined despite the increase in wholesale and retail-related revenues because of falling housing-related and petroleum and plastics revenues, customer demands for greater efficiency and lower costs, the sale of Senko Leasing Co., Ltd., and reduced revenues from the petroleum sales business.

The overall decline in revenues, falling prices for distribution services, and rising costs due to hikes in long-term care insurance and employment insurance premiums place downward pressure on profitability. As a result, operating income decreased 11.4%, to ¥4,878 million and the operating income ratio declined 0.2%, to 2.8%.

Income before income tax and minority interests reversed from the loss recorded in the previous fiscal year to positive income totaling ¥3,493 million. This rebound can mainly be attributed to the lack of the substantial other expenses booked last year for writing off the difference on conversion to a new accounting standard for its severance and retirement benefits and for establishing a severance and retirement benefits investment trust.

Consequently, consolidated net income amounted to ¥2,004 million.

Performance by Business Segment

Truck transport operating revenues for the fiscal year under review decreased ¥3,235 million, or 3.6%, to ¥85,818 million, generating 49.4% of total operating revenues. Operating revenues

decreased despite the continued expansion in volume of cargo handled for chain stores achieved through an emphasis on developing new customers because of a 10.2%, or ¥2,989 million, drop in housing-related cargo revenues due to stagnant demand.

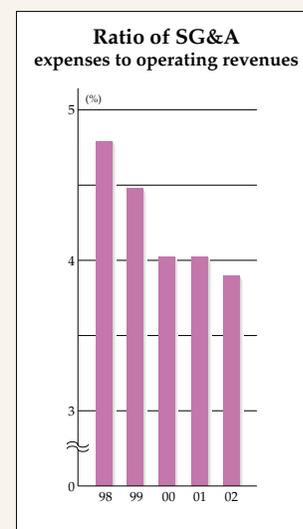
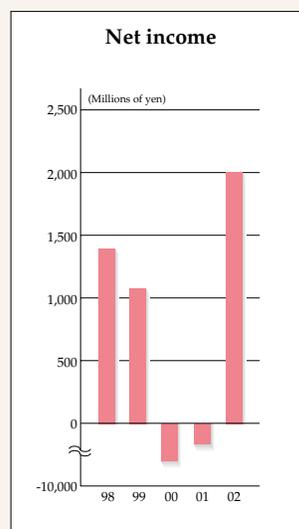
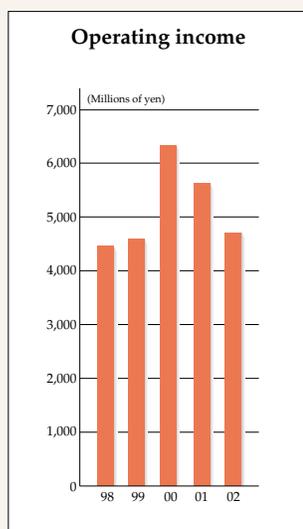
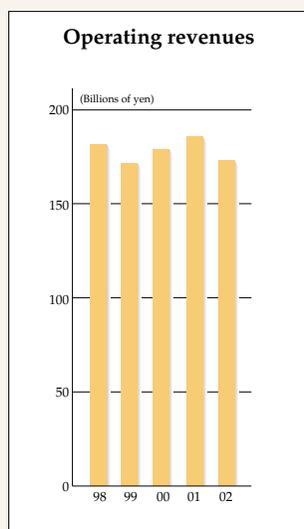
The operating revenues of our warehousing business, which accounted for 12.4% of total operating revenues, totaled ¥21,531 million, rising ¥1,028 million, or 5.0%. This increase resulted from growth in chain store-related cargo business as well as the additional business contributed by the coming on stream of the Urawa Distribution Center.

Accounting for 8.5% of total operating revenues, in-factory operating revenues slipped ¥759 million, or 4.9%, to ¥14,703 million. Lower housing cargo related business and a decline in in-factory services, mainly material-related cargo services for petroleum and plastics-related customers produced the fall in revenues.

Despite an increase in chain-store related revenues, operating revenues slid ¥9,057 million, or 14.9%, to ¥51,527 million under the impact of lost revenues due to the sale of Senko Leasing Co., Ltd. Others operating revenues contributed 29.7% of total operating revenues during the fiscal year. The others segment comprises railway forwarding, marine transport, leasing of specialized warehouses for customers and warehouse space, door-to-door international freight forwarding, petroleum-related sales, merchandise sales, and others.

Performance by Products Handled

The three core products types handled by the Company are



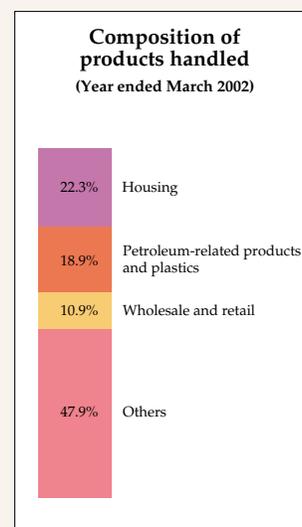
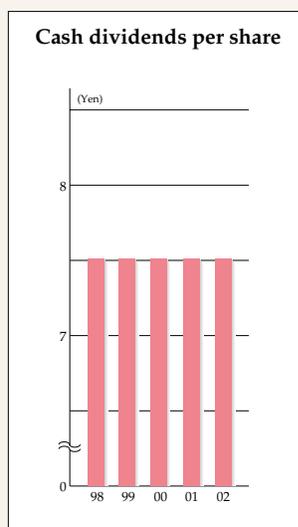
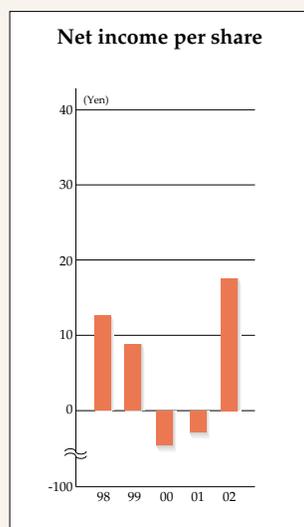
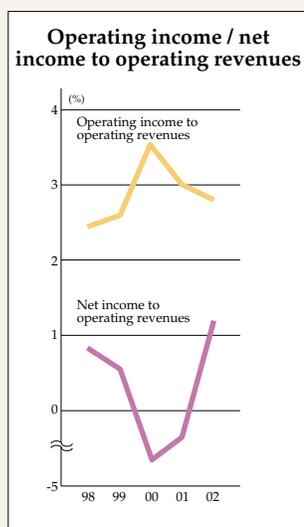
housing-related, petroleum-related and plastic, and wholesale and retail-related products. For the fiscal year ended March 2002, they accounted for 52.1% of our operating revenues. Among these three core product types, operating revenues from housing-related products decreased ¥3,910 million, or 9.2%, to ¥38,660 million and accounted for 22.3% of total operating revenues. Petroleum-related and plastic operating revenues declined ¥530 million, or 1.6%, to ¥32,770 million, and contributed 18.9% of total operating revenues. Continuing to realize the benefits a focused growth strategies, operating revenues from wholesale and retail-related products increased ¥3,380 million, or 21.9%, to ¥18,860 million, accounting for 10.9% of total operating revenues.

In housing-related products operating revenues, the decline in housing starts resulted in a contraction in total operating revenues because of the drop in factory shipments, but the supply business for factory materials grew favorably, with revenues expanding 16%. Petroleum-related and plastic products operating revenues grew thanks to an increase in cargo volume due to the start up of operations at Urawa Distribution Center, but growth was dampened by the decline in the volume of plastic raw materials cargo. On the other hand, wholesale and retail-related products operating revenues grew substantially because of increased business volume from major home centers, direct sales companies, and other existing customers as well as additional business from large supermarkets, drugs

Consolidated Operating Revenues by Products Handled

(Units: billions of yen, %)

	Year ended March 2002		Year ended March 2001		Change	% Change
	Revenues	Composition	Revenues	Composition		
Housing	38.6	22.3	42.5	22.9	-3.9	-9.2
Petroleum-related products, and plastics	32.7	18.9	33.3	17.9	-0.6	-1.8
Wholesale and retail	18.8	10.9	15.4	8.3	3.4	22.1
Chemicals and fertilizers	5.2	3.0	5.4	2.9	-0.2	-3.7
Foods	4.1	2.4	4.1	2.2	0.0	0.0
Electronics products and machinery	2.8	1.7	2.8	1.5	0.0	0.0
Textile goods	3.0	1.8	3.3	1.8	-0.3	-9.1
Others	67.9	39.0	78.5	42.5	-10.6	-13.5
Total	173.5	100.0	185.6	100.0	-12.1	-6.5



stores, and other new customers.

Financial Position

Total assets at March 31, 2002 contracted ¥19,029 million, to ¥132,845 million. Current assets decreased ¥8,873 million, to ¥43,658 million, because of a decline in cash and cash equivalents resulting from active efforts to reduce interest-bearing debt and a fall in inventories related to the sale of Senko Leasing Co., Ltd.

Fixed assets declined ¥10,156 million, to ¥89,187 million, primarily because of a drop in property and equipment. During the fiscal year under review, The Company invested a total of ¥2,958 million in property and equipment for the Sendai PD, the Oita Medical, and the Miyazaki Distribution centers among other facilities. Nevertheless, because of the elimination of ¥9,185 million in leased assets due to the sale of Senko Leasing Co., Ltd., net property and equipment declined ¥10,012 million to ¥69,372 million.

At March 31, 2002, liabilities totaled ¥91,756 million, a decrease of ¥19,547 million from the previous fiscal year.

Current liabilities increased ¥2,132 million, to ¥45,993 million. Although trade accounts and notes payable declined substantially because of the sales of Senko Leasing Co., Ltd., current liabilities rose overall because of the increase in the current portion of long-term debt.

Conversely, long-term liabilities decreased ¥21,679 million, to ¥45,763 million. This decrease mainly resulted from a ¥20,304 million contraction due to the establishment of a debt assumption trust for an unsecured bond and the transfer of current portion of

long-term debt to current liabilities. Consequently, interest-bearing debt at the end of the fiscal year under review declined ¥1,368 million, to ¥48,700 million. Along with this decline, the interest-bearing debt ratio improved 3.6%, to 36.7%. Shareholders' equity at fiscal year end amounted to ¥41,089 million, approximately the same as in the previous fiscal year.

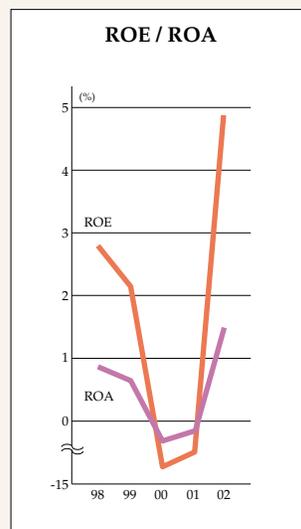
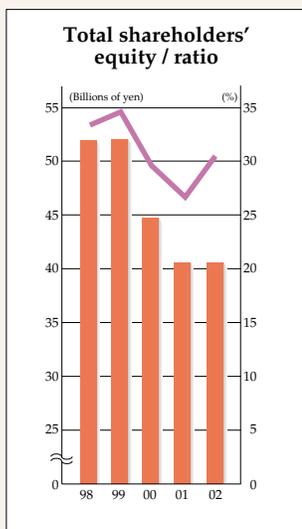
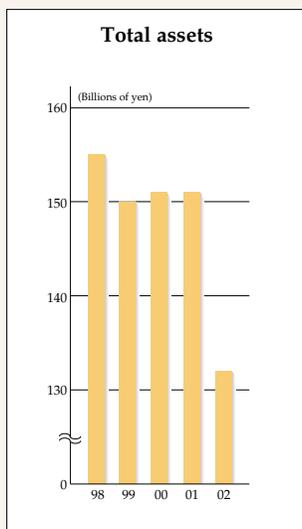
Cash Flows

Net cash provided by operating activities for the year ended March 31, 2002, declined ¥5,846 million, to ¥4,031 million. This decrease can primarily be attributed to a reduction in depreciation and amortization expenses due to the sale of Senko Leasing Co., Ltd., and an increase in income tax paid.

Net cash used in investing activities amounted to ¥1,083 million, falling ¥5,638 million from the previous fiscal year. The recovery of cash due to the collection of loans to Senko Leasing upon its sale and a reduction in payment for the purchase of leases as fixed assets as a result of Senko Leasing's exclusion from consolidation were primarily responsible for this decline.

Consequently, free cash flow at fiscal year end totaled ¥2,948 million, down ¥207 million from the previous fiscal year.

Net cash used in financing activities amounted to ¥5,554 million, increasing ¥2,226 million from a year earlier. This increase resulted primarily from the establishment of a debt assumption trust for a ¥10,000 unsecured bond issue as part of efforts to improve the Company's financial position by reducing total assets and interest-bearing debt.



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of SENKO Co., Ltd.

We have examined the accompanying consolidated balance sheets of SENKO Co., Ltd. and its consolidated subsidiaries at March 31, 2001 and 2002 and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese yen. Our examinations were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above, expressed in Japanese yen, present fairly the consolidated financial position of SENKO Co., Ltd. and its consolidated subsidiaries at March 31, 2001 and 2002, the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

The United States dollar amounts shown in the accompanying consolidated financial statements have been translated solely for convenience. We have reviewed this translation and, in our opinion, the consolidated financial statements expressed in Japanese yen have been translated into United States dollars on the basis described in Note1.

Ohtemae Audit Co.

Ohtemae Audit Corporation

Osaka, Japan

June 27, 2002

Consolidated Balance Sheets

SENKO Co., Ltd. and Consolidated Subsidiaries March 31, 2002 and 2001

ASSETS	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
Current assets:			
Cash and cash equivalents	¥ 15,264	¥ 17,869	\$ 114,594
Trade accounts and notes receivable—			
Non-consolidated subsidiaries and affiliates	105	177	788
Others	24,809	25,526	186,254
Less allowance for doubtful accounts	(180)	(63)	(1,351)
Inventories	1,018	5,669	7,643
Short-term loans to non-consolidated subsidiaries and affiliates	323	333	2,425
Prepaid expenses and other current assets	2,319	3,020	17,410
Total current assets	43,658	52,531	327,763
Investments in and long-term loans to non-consolidated subsidiaries and affiliates	441	501	3,311
Investment securities (Notes 3 and 7)	874	1,128	6,562
Property and equipment, at cost (Notes 4 and 7)	121,063	144,053	908,881
Less accumulated depreciation	(51,691)	(64,669)	(388,071)
Net property and equipment	69,372	79,384	520,810
Deferred tax assets-non-current (Note 11)	9,615	9,563	72,185
Other assets	8,885	8,767	66,704
Total assets	¥ 132,845	¥ 151,874	\$997,335

See the accompanying notes to the consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY

	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
Current liabilities:			
Short-term loans (Note 5)	¥ 8,650	¥ 5,700	\$ 64,940
Current portion of long-term debt (Note 5)	14,739	7,541	110,653
Trade accounts and notes payable—			
Non-consolidated subsidiaries and affiliates	141	158	1,059
Others	13,027	19,764	97,800
Accrued expenses	2,422	3,054	18,183
Accrued income taxes	837	1,654	6,284
Other current liabilities	6,177	5,990	46,374
Total current liabilities	45,993	43,861	345,293
Long-term debt, less current portion (Note 5)	25,284	46,140	189,820
Accrued severance indemnities (Note 6)	17,357	17,422	130,308
Other long-term liabilities	3,122	3,879	23,438
Total liabilities	91,756	111,302	688,859
Contingent liabilities (Note 8)			
Shareholders' equity (Note 10):			
Common stock, no par value in 2002 and ¥50 par value in 2001			
Authorized-294,999,000 shares in 2002 and 297,433,000 shares in 2001			
Issued-111,746,167 shares in 2002 and 114,180,167 shares in 2001	18,296	18,296	137,357
Additional paid-in capital	16,387	17,001	123,026
Retained earnings	6,422	5,275	48,213
Unrealized holding loss on securities	(13)	—	(98)
Less treasury stock, at cost	(3)	(0)	(22)
Total shareholders' equity	41,089	40,572	308,476
Total liabilities and shareholders' equity	¥ 132,845	¥151,874	\$997,335

See the accompanying notes to the consolidated financial statements.

Consolidated Statements of Shareholders' Equity

SENKO Co., Ltd. and Consolidated Subsidiaries Years Ended March 31, 2002 and 2001

	Thousands		Millions of yen			
	Number of shares of common stock issued	Common stock	Additional paid-in capital	Retained earnings	Unrealized holding loss on securities	Treasury stock
Balance at April 1, 2000	114,180	¥ 18,296	¥ 17,001	¥ 9,467	¥ —	¥ (0)
Increase as a result of merger	—	—	—	24	—	—
Net loss	—	—	—	(3,189)	—	—
Cash dividends	—	—	—	(856)	—	—
Increase of treasury stock	—	—	—	—	—	(0)
Decrease in translation adjustments of foreign currency financial statements	—	—	—	(171)	—	—
Balance at March 31, 2001	114,180	18,296	17,001	5,275	—	(0)
Net income	—	—	—	2,004	—	—
Cash dividends	—	—	—	(857)	—	—
Unrealized holding loss on securities	—	—	—	—	(13)	—
Increase of treasury stock	—	—	—	—	—	(3)
Retirement treasury stock	(2,434)	—	(614)	—	—	—
Balance at March 31, 2002	111,746	¥ 18,296	¥ 16,387	¥ 6,422	¥ (13)	¥ (3)

	Thousands of U.S. dollars				
	Common stock	Additional paid-in capital	Retained earnings	Unrealized holding loss on securities	Treasury stock
Balance at March 31, 2001	\$ 137,357	\$ 127,635	\$ 39,602	\$ —	\$ (0)
Net income	—	—	15,045	—	—
Cash dividends	—	—	(6,434)	—	—
Unrealized holding loss on securities	—	—	—	(98)	—
Increase of treasury stock	—	—	—	—	(22)
Retirement treasury stock	—	(4,609)	—	—	—
Balance at March 31, 2002	\$ 137,357	\$ 123,026	\$ 48,213	\$ (98)	\$ (22)

See the accompanying notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

SENKO Co., Ltd. and Consolidated Subsidiaries Year Ended March 31, 2002 and 2001

	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
Cash flows from operating activities:			
Income(Loss) before income taxes and minority interests	¥ 3,493	¥ (4,773)	\$26,224
Adjustments for:			
Depreciation and amortization	3,477	6,903	26,104
Gain on sale of affiliates	(668)	—	(5,015)
Loss on disposals of property and equipment	212	—	1,592
Loss from devaluation of investment securities	203	—	1,524
Amortization of transitional obligation for employees' severance indemnities	—	10,391	—
Retirements benefit trust loss	—	852	—
Decrease in employees' past severance indemnities	—	(3,243)	—
Decrease in accrued bonuses to employees	(607)	—	(4,557)
Interest and dividend income	(182)	(355)	(1,366)
Interest expenses	816	1,061	6,126
Devaluation of land	—	851	—
Write-off of investment securities	—	500	—
Increase(Decrease) in trade receivable	828	(1,884)	6,216
Increase in inventories	(246)	(1,543)	(1,847)
Increase in trade payable	12	3,322	90
Other	(163)	217	(1,224)
Sub total	7,175	12,299	53,867
Interest and dividend income received	195	351	1,464
Interest expenses paid	(910)	(1,049)	(6,832)
Income tax paid	(2,429)	(1,725)	(18,236)
Net cash provided by operating activities	4,031	9,876	30,263
Cash flows from investing activities:			
Payments for purchases of fixed assets	(2,983)	(8,865)	(22,395)
Proceeds from sales of fixed assets	123	1,165	923
Payments for purchases of investment securities	(190)	(758)	(1,426)
Proceeds from sales of investment securities	247	1,033	1,854
Decrease in short-term loans, net	1,313	—	9,857
Proceeds from sales of subsidiary	496	—	3,724
Other	(89)	704	(668)
Net cash used in investing activities	(1,083)	(6,721)	(8,131)
Cash flows from financing activities:			
Increase in short-term debt, net	2,950	2,945	22,147
Proceeds from long-term debt	11,424	2,898	85,766
Repayment of long-term debt	(18,438)	(8,315)	(138,424)
Purchases of treasury stock retired	(615)	—	(4,617)
Dividends paid	(857)	(856)	(6,434)
Other	(18)	(0)	(135)
Net cash provided by financing activities	(5,554)	(3,328)	(41,697)
Effect of exchange rate changes on cash and cash equivalents	1	4	8
Net decrease in cash and cash equivalents	(2,605)	(169)	(19,557)
Cash and cash equivalents at beginning of year	17,869	17,882	134,151
Cash and cash equivalents increased by merger	—	156	—
Cash and cash equivalents at end of year	¥ 15,264	¥ 17,869	\$114,594

See the accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

SENKO Co., Ltd. and Consolidated Subsidiaries

1. Basis of Presenting Consolidated Financial Statements:

SENKO Co., Ltd. (the "Company") and its domestic subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Commercial Code of Japan (the "Code") and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards.

The Company's overseas subsidiary maintains its accounts and records in conformity with generally accepted accounting principles and practices prevailing in the country of its domicile.

The accompanying consolidated financial statements are prepared based on consolidated financial statements of the Company and its subsidiaries (the "Companies") which were filed with the Director of Kanto Local Finance Bureau as required by the Securities and Exchange Law.

In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader, using the exchange rate prevailing at March 31, 2002, which was ¥ 133.20 to US\$1.00. These convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies:

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its significant subsidiaries. All significant intercompany balances and transactions are eliminated. Non-consolidation of subsidiaries, whose combined assets, net sales, net income and retained earnings in the aggregate are not significant in relation to those of the consolidated with the Companies.

Adjustment for consolidated account, at the time of acquisition, between the cost and underlying net equity of investments in consolidated subsidiaries are amortized over a five-year period on straight-line method.

The Company has adopted the equity method of accounting for investments in significant affiliates. The investments in other insignificant unconsolidated subsidiaries and affiliates are stated at cost.

(b) Cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks, net of overdrafts and all highly liquid investments with maturities of three months or less.

(c) Investment Securities

Effective April 1, 2000, the Companies adopted the Accounting Standards for Financial Instruments which issued by the Business Accounting Deliberation Council. In accordance with the new standards, securities are classified into three categories: trading securities, held-to-maturity debt securities, equity investments in associates and other securities. Based on this classification, the Companies have no trading securities and no held-to-maturity debt securities. All other securities have been included in investment securities as noncurrent assets. Through March 31, 2001, other securities were stated at cost determined by the moving average method.

Effective April 1, 2001, marketable securities classified as other securities are stated at fair value with changes in unrealized holding gain or loss, net of the applicable income taxes, reported in a separate component of shareholders' equity. Non-marketable securities classified as other securities are stated at cost. The cost of other securities are determined by the moving average method.

(d) Allowance for Doubtful Accounts

The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the companies' past credit loss experience and an evaluation of potential losses in the receivables outstanding.

(e) Inventories

Purchased goods are stated at cost determined by the first-in first-out method. Supplies are stated at cost determined by the moving-average cost method. Real estate for sale and work in process are stated at cost determined by the specific cost method.

(f) Property and Equipment and Depreciation

Property and equipment are stated at cost. Depreciation is principally computed at rates based on the estimated useful lives of assets using the declining-balance method except for buildings for which the straight-line method is applied.

The principal estimated useful lives are as follows:

Buildings and structures	3 to 60 years
Machinery and equipment	3 to 17 years

(g) Accrued Severance Indemnities and Pension Plan

Effective April 1, 2000, the Companies adopted the Accounting Standards for Retirement Benefit which was issued by the Business Accounting Deliberation Council. In accordance with the new standards, accrued severance indemnities are provided based on the account of projected benefit obligation reduced by pension plan assets at fair value at the end of annual period.

Employees' retirement benefits, covering employees of the Company and certain consolidated subsidiaries, are provided through unfunded lump-sum benefit plans and funded noncontributory pensions plans.

Under the plans, eligible employees are entitled, under most circumstances, to severance payments based on compensation at the time of severance and years of service.

In addition, the Company and certain consolidated subsidiaries have a contributory funded pension plan for most employees.

The Company and certain consolidated subsidiaries also have a severance indemnity plan for directors and corporate auditors, whose accrued severance indemnities are stated at 100% of the amount which is computed according to internal rules.

Actuarial gains and losses is amortized by the straight-line method over a period of 14 years, which is within the estimated average remaining years of service of the Group's employees. The amortization of such gains and losses is recognized effective the year subsequent to the year in which they are incurred.

(h) Income Taxes

Deferred income taxes are recognized by the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are determined based on difference of between financial reporting and the tax basis of the assets and liabilities, and are measured using the enacted tax rate and laws that will be in effect when the differences are expected to reverse.

(i) Appropriation of Retained Earnings

Cash dividends, transfers to legal reserve and bonuses to directors and corporate auditors are recorded in the financial year in which a proposed appropriation of retained earnings is approved by shareholders.

(j) Leases

In Japan finance leases other than those that are deemed to transfer the ownership of the leased assets to lessees are accounted for by a method similar to that applicable to ordinary operating leases.

(k) Net Income Per Share

Net income per share is based on the weighted average number of shares of common stock outstanding during the relevant year.

(l) Translation of Foreign Currencies

Effective April 1, 2000, the Companies adopted the revised accounting standards for foreign currency transactions which issued by the Business Accounting Deliberation Council. In accordance with the revised standards, all monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate at the balance sheet date. Revenue and expenses are translated at the rate of exchange prevailing when transactions are made.

Assets and liabilities of foreign subsidiary are translated into Japanese yen at the exchange rates in effect on the respective balance sheet dates. Revenue and expenses are translated at the average rate of exchange for the respective years.

(m) Consumption Tax

The consumption tax is not included in the amount of "Operating revenues" and "Operating costs" and expenses.

3. Investment Securities

The carrying amounts of securities in current assets and investment securities at March 31, 2002 and 2001, consisted of the following:—

	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
Marketable securities	¥ 378	¥ 662	\$ 2,838
Non-marketable equity securities	496	466	3,724
	¥ 874	¥ 1,128	\$ 6,562
Market value of marketable equity securities	¥ 874	¥ 1,091	\$ 6,562

The following is a summary of marketable securities included in investment securities at March 31, 2002:—

	Millions of yen			Book value (Market value)
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	
2002				
Equity security	¥ 390	¥ 11	¥ (34)	¥ 367
Bonds and Others	11	0	(0)	11
	¥ 401	¥ 11	¥ (34)	¥ 378

	Thousands of U.S.dollars			Book value (Market value)
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	
2002				
Equity security	\$2,928	\$83	\$(256)	\$2,755
Bonds and Others	83	0	(0)	83
	\$3,011	\$83	\$(256)	\$2,838

Proceeds from sales of available-for-sales securities were ¥ 248 million (US\$1,862 thousand) and ¥ 982 million for the years ended March 31, 2002 and 2001, respectively. The gross realized gains and losses on those sales were ¥ 91 million (US\$683 thousand) and ¥ 100 million (US\$751 thousand), respectively, for the year ended March 31, 2002. The gross realized gains and losses on those sales were ¥ 309 million and ¥ 204 million, respectively, for the ended March 31, 2001.

4. Property and Equipment:

At March 31, 2002 and 2001, property and equipment at cost consisted of the following:—

	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
Land	¥ 34,529	¥ 34,475	\$ 259,227
Buildings and structures	64,789	63,004	486,404
Machinery and equipment, Vehicle and Vessels	18,418	24,683	138,273
Tools, furniture and fixtures	3,191	21,358	23,956
Construction in Progress	136	533	1,021
	¥ 121,063	¥ 144,053	\$ 908,881

5. Short-term Loans and Long-term Debt:

At March 31, 2002 and 2001, short-term loans consisted of the following:—

	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
0.7875% to 1.375% unsecured loans from banks	¥ 8,650	¥ 5,700	\$ 64,940

At March 31, 2002 and 2001, long-term debt consisted of the following:—

	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
2.30% mortgage convertible bonds due 2002 (Note 1)	¥ 45	¥ 45	\$ 337
0.45% convertible bonds due 2003 (Note 2)	13,330	13,837	100,075
3.25% bonds due 2004 (Note 3)	5,000	10,000	37,538
2.025% bonds due 2002 (Note 3)	5,000	10,000	37,538
0.60% to 4.90% loans from banks and insurance companies:			
Secured	—	6,631	—
Unsecured	16,648	13,168	124,985
	40,023	53,681	300,473
Less current portion	(14,739)	(7,541)	(110,653)
	¥ 25,284	¥ 46,140	\$ 189,820

Notes: 1. In August 1987, the Company issued ¥5,000 million principal amount of 2.3 per cent. mortgage convertible bonds due 2002. At April 1, 2002, holders of the bonds were entitled to convert such bonds into 82 thousand shares of common stock of the Company. The bonds are convertible at any time before September 27, 2002 at a conversion price of ¥545.90 per share.

2. In April 1996, the Company issued ¥15,000 million principal amount of 0.45 per cent. convertible bonds due 2003. At April 1, 2002, holders of the bonds were entitled to convert such bonds into 21,520 thousand shares of common stock of the Company. The bonds are convertible at any time before September 29, 2003 at a conversion price of ¥697 per share.

3. The bond was accounted for as redeemed due to a debt assumption contract. The debt assumption contract requires a counterparty to assume obligations of paying principal and interests on bond. See Note 8 for underlying obligations of the Company.

The annual maturities of long-term debt at March 31, 2002 for the next five years are as follows:—

Year ending March 31	Millions of yen	Thousands of U.S.dollars
2003	¥ 14,739	\$ 110,653
2004	14,865	111,600
2005	5,869	44,061
2006	4,550	34,159
2007	—	—

6. Accrued Severance indemnities:

The following tables set forth the changes in benefit obligation, plan assets and funded status of the Company and its subsidiaries at March 31, 2002 and 2001.

	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
Benefit obligation at the end of year	¥ (58,758)	¥ (55,806)	\$ (441,126)
Fair value of plan assets at the end of the year	29,809	32,706	223,791
Funded status:			
Benefit obligation in excess of plan assets	(28,949)	(23,100)	(217,335)
Unrecognized actuarial loss	11,592	5,678	87,027
Accrued pension liability recognized in the consolidation balance sheets	¥ (17,357)	¥ (17,422)	\$ (130,308)

Severance and pension costs of the Company and its subsidiaries included the following components for the year ended March 31, 2002 and 2001.

	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
Service cost	¥ 1,808	¥ 1,918	\$13,573
Interest cost	1,936	1,942	14,535
Expected return on plan assets	(1,336)	(1,399)	(10,030)
Amortization:			
Transition obligation at date of adoption	—	10,391	—
Prior service cost (credit)	—	(3,243)	—
Recognized actuarial loss	406	—	3,048
Net periodic benefit cost	¥ 2,814	¥ (9,609)	\$21,126

Assumption used in the accounting for the defined benefit plans for the year ended March 31, 2002 and 2001 is as follows:

	<u>2002</u>	<u>2001</u>
Method of attributing benefit to periods of service	straight-line basis	straight-line basis
Discount rate	3.5%	3.5%
Long-term rate of return on fund assets	Primarily 4.8%	primarily 4.8%
Amortization period of transition obligation at date of adoption	—	1 year
Amortization period of prior service cost	1 year	1 year
Amortization period of actuarial losses	14 years	14 years

7. Pledged Assets:

The following assets were pledged as collateral as at March 31, 2002 and 2001:—

	Millions of yen		Thousands of U.S.dollars
	<u>2002</u>	<u>2001</u>	<u>2002</u>
Land	¥ 5,483	¥ 5,483	\$ 41,164
Buildings	2,902	3,034	21,787
Vehicles	2	3	15
Investment securities	10	10	75
Lease receivables	—	7,945	—
	¥ 8,397	¥ 16,475	\$ 63,041

Obligations which were secured on the above assets were as follows:—

	Millions of yen		Thousands of U.S.dollars
	<u>2002</u>	<u>2001</u>	<u>2002</u>
Long-term debt, including current portion	¥ 45	¥ 6,676	\$ 337

8. Contingent Liabilities:

At March 31, 2002 and 2001, contingent liabilities were as follows:

	Millions of yen		Thousands of U.S.dollars
	<u>2002</u>	<u>2001</u>	<u>2002</u>
Guarantees of loans to non-consolidated subsidiaries and affiliates	¥ 113	¥ 77	\$ 848
Guarantees of installment obligation and lease obligation for others	2,722	—	20,435
Notes discounted	29	3,000	218
Buyback obligations associated with securitization of receivables	209	—	1,569
	¥ 3,073	¥ 3,077	\$ 23,070

In addition to the above, at March 31, 2002, the Company was committed to provide guarantees for the following bonds which were transferred to banks under debt assumption agreements.

	Millions of yen	Thousands of U.S.dollars	Date of agreement
3.25% bonds due 2004	¥ 5,000	\$ 37,538	Jul. 24, 2001
2.025% bonds due 2002	5,000	37,538	Jul. 24, 2001
	¥ 10,000	\$ 75,076	

9. Lease:

At March 31, 2002 and 2001, financing lease transactions whose ownership are not to be transferred were as follows:

	Millions of yen			Thousands of U.S.dollars
	<u>2002</u>	<u>2002</u>	<u>2002</u>	<u>2002</u>
	Purchase cost	Accumulated depreciation	Book value	Book value
Machinery and equipment	¥ 9,265	¥ 4,699	¥ 4,566	\$ 34,279
Tools, furniture and fixtures	11,025	4,750	6,275	47,109
	¥ 20,290	¥ 9,449	¥ 10,841	\$ 81,388

	Millions of yen		
	<u>2001</u>		
	Cost	Accumulated amortization	Net amount
Machinery and equipment	¥ 4,612	¥ 2,645	¥ 1,967
Tools, furniture and fixtures	4,481	2,010	2,471
	¥ 9,093	¥ 4,655	¥ 4,438

At March 31, 2002 and 2001, lease obligations were as follows:

	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
Due within one year	¥ 3,577	¥ 1,418	\$ 26,854
Due after one year	7,868	3,195	59,069
	¥ 11,445	¥ 4,613	\$ 85,923

10. Shareholder's equity

On October 1, 2001, an amendment (the "Amendment") to the Code became effective. The Amendment eliminates the stated par value of the Company's outstanding shares, which results in all outstanding shares having no par value as of October 1, 2001. The Amendment also provides that share issuances after September 30, 2001 will be of shares with no par value. Prior to the Amendment, the Company's shares of common stock had a par value of ¥50 per share.

The Code provides that an amount equal to at least 10% of the amounts to be disbursed as distributions of earnings be appropriated to the legal reserve until such reserve and additional paid-in capital equals 25% of the common stock account. The Code also stipulates that, to the extent that the sum of the additional paid-in capital and the legal reserve exceeds 25% of the common stock account, the amount of any such excess is available for appropriation by resolution of the shareholders.

The retained earnings account in the accompanying consolidated financial statements at March 31, 2002 included the company's legal reserve of ¥1,506 million (\$11,306 thousand).

11. Income Taxes

The Company and its domestic subsidiaries are subject to several taxes based on income, which in the aggregate resulted in statutory tax rates of approximately 42.0% for the years ended March 31, 2002 and 2001.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets at March 31, 2002 and 2001 are presented below:

	Millions of yen		Thousands of U.S.dollars
	2002	2001	2002
Deferred tax assets:			
Accrued severance indemnities to employees	¥ 9,239	¥ 9,067	\$ 69,362
Accrued bonuses to employees	574	597	4,309
Revaluation of land	358	358	2,688
Retirement benefit trust loss	580	580	4,354
Unrealized gain on fixed assets and others	200	290	1,502
Tax loss carryforwards	81	205	608
Accrued severance indemnities to directors and corporate auditors	140	151	1,051
Accrued enterprise tax	69	138	518
Other	285	284	2,140
Total gross deferred tax assets	11,526	11,670	86,532
Less valuation allowance	(36)	(78)	(270)
Net deferred tax assets	11,490	11,592	86,262
Deferred tax liabilities:			
Property and equipment	(1,031)	(1,033)	(7,740)
Other	(222)	(235)	(1,667)
Total gross deferred tax liabilities	(1,253)	(1,268)	(9,407)
Net deferred tax assets	¥ 10,237	¥ 10,324	\$ 76,855

12. Subsequent Events:

Shareholders approved the following appropriation of retained earning at the annual meeting held on June 27, 2002

	Millions of yen	Thousands of U.S.dollars
Cash dividends	¥ 419	\$ 3,146

13. Segment information

Business segment information of the Company and its consolidated subsidiaries for the years ended March 31, 2002 and 2001 is summarized as follows:

	Millions of yen						
	2002						
	Truck Transport	Warehousing	In-factory works	Other	Total	Elimination or Corporate	Consolidated
a. Operating revenues and operating income:							
Customers	¥ 85,818	¥ 21,531	¥ 14,703	¥ 51,526	¥ 173,578	¥ —	¥ 173,578
Intersegment	2,542	114	4,287	5,305	12,248	(12,248)	—
Total operating revenues	88,360	21,645	18,990	56,831	185,826	(12,248)	173,578
Operating costs and expenses	86,024	20,527	17,913	56,493	180,957	(12,257)	168,700
Operating income	¥ 2,336	¥ 1,118	¥ 1,077	¥ 338	¥ 4,869	¥ (-9)	¥ 4,878
b. Assets, depreciation and capital expenditures;							
Assets	¥ 32,010	¥ 44,242	¥ 8,634	¥ 34,424	¥ 119,310	¥ 13,535	¥ 132,845
Depreciation	974	1,261	140	1,045	3,420	57	3,477
Capital expenditures	610	1,443	135	755	2,943	15	2,958

	Millions of yen						
	2001						
	Truck Transport	Warehousing	In-factory works	Other	Total	Elimination or Corporate	Consolidated
a. Operating revenues and operating income:							
Customers	¥ 89,054	¥ 20,503	¥ 15,462	¥ 60,584	¥ 185,603	¥ —	¥ 185,603
Intersegment	2,355	117	3,054	8,796	14,322	(14,322)	—
Total operating revenues	91,409	20,620	18,516	69,380	199,925	(14,322)	185,603
Operating costs and expenses	88,736	19,618	17,526	68,524	194,404	(14,310)	180,094
Operating income	¥ 2,673	¥ 1,002	¥ 990	¥ 856	¥ 5,521	¥ (12)	¥ 5,509
b. Assets, depreciation and capital expenditures;							
Assets	¥ 34,689	¥ 37,876	¥ 8,489	¥ 53,868	¥ 134,922	¥ 16,952	¥ 151,874
Depreciation	1,132	¥ 1,200	175	4,339	6,846	58	6,904
Capital expenditures	962	1,201	127	9,052	11,342	542	11,884

	Thousands of U.S. dollars						
	2002						
	Truck Transport	Warehousing	In-factory works	Other	Total	Elimination or Corporate	Consolidated
a. Operating revenues and operating income:							
Customers	\$ 644,279	\$ 161,644	\$ 110,383	\$ 386,832	\$ 1,303,138	\$ —	\$ 1,303,138
Intersegment	19,084	856	32,185	39,827	91,952	(91,952)	—
Total operating revenues	663,363	162,500	142,568	426,659	1,395,090	(91,952)	1,303,138
Operating costs and expenses	645,826	154,107	134,482	424,121	1,358,536	(92,020)	1,266,516
Operating income	\$ 17,537	\$ 8,393	\$ 8,086	\$ 2,538	\$ 36,554	\$ (-68)	\$ 36,622
b. Assets, depreciation and capital expenditures;							
Assets	\$ 240,315	\$ 332,147	\$ 64,820	\$ 258,438	\$ 895,720	\$ 101,615	\$ 997,335
Depreciation	7,312	9,467	1,051	7,845	25,675	429	26,104
Capital expenditures	4,580	10,833	1,014	5,668	22,095	112	22,207

Consolidated Subsidiaries and Affiliated Companies (As of April 1, 2002)

Company Name	Paid-in Capital	Equity Ownership	Location	Main Business
SENKO TRADING Co., Ltd.	¥300 million	100.0%	Tokyo	Sales of petroleum-related products and distribution and information processing equipment
SENKO INFORMATION SYSTEM Co., Ltd.	¥60 million	100.0%	Osaka	Information processing
SENKO MOVING PLAZA Co., Ltd.	¥60 million	100.0%	Tokyo	Trucking, in-factory work, moving services
SAPPORO SENKO TRANSPORT Co., Ltd.	¥30 million	100.0%	Sapporo	Trucking
TOHOKU SENKO TRANSPORT Co., Ltd.	¥30 million	100.0%	Miyagi	Trucking, in-factory work
KANTO SENKO TRANSPORT Co., Ltd.	¥90 million	100.0%	Saitama	Trucking, in-factory work
TOKYO SENKO TRANSPORT Co., Ltd.	¥10 million	100.0%	Chiba	Trucking, in-factory work
CHIBA SENKO TRANSPORT Co., Ltd.	¥30 million	100.0%	Chiba	Trucking, in-factory work, vehicle maintenance
FUJI SENKO TRANSPORT Co., Ltd.	¥30 million	100.0%	Shizuoka	Trucking, in-factory work
TOKAI SENKO TRANSPORT Co., Ltd.	¥30 million	100.0%	Aich	Trucking, in-factory work
SHIGA SENKO TRANSPORT Co., Ltd.	¥30 million	100.0%	Shiga	Trucking, in-factory work, vehicle maintenance
OSAKA SENKO TRANSPORT Co., Ltd.	¥90 million	100.0%	Osaka	Trucking, in-factory work, vehicle maintenance
CHUSHIKOKU LOGISTICS Co., Ltd.	¥80 million	100.0%	Okayama	Trucking, in-factory work, warehousing
SANKYO FREIGHT Co., Ltd.	¥10 million	100.0%	Hiroshima	Trucking, in-factory work
SANYO SENKO TRANSPORT Co., Ltd.	¥20 million	100.0%	Yamaguchi	Trucking, in-factory work
SHIKOKU REEFER TRANSPORT AND WAREHOUSING Co., Ltd.	¥50 million	100.0%	Kagawa	Trucking, warehousing
FUKUOKA SENKO TRANSPORT Co., Ltd.	¥50 million	100.0%	Fukuoka	Trucking
KUMAMOTO SENKO TRANSPORT Co., Ltd.	¥25 million	100.0%	Kumamoto	Trucking, in-factory work
MIYAZAKI SENKO TRANSPORT Co., Ltd.	¥90 million	100.0%	Miyazaki	Trucking, in-factory work, vehicle maintenance
SAITAMA SENKO APOLLO Co., Ltd.	¥50 million	100.0%	Saitama	In-factory work, vehicle maintenance
OSAKA KAIUN Co., Ltd.	¥20 million	30.0%	Osaka	Domestic marine transport
ASICS PHYSICAL DISTRIBUTION CORPORATION	¥300 million	20.0%	Hyogo	Product control, vehicle shipment agency

Board of Directors and Corporate Auditors (As of June 27, 2002)



Chairman and Representative Director
Eiji Baba



President and Representative Director
Hiroshi Koike



Vice-president and Representative Director
Akio Tanaka

Chairman and Representative Director

Eiji Baba

President and Representative Director

Hiroshi Koike

Vice-president and Representative Director

Akio Tanaka

Managing Directors

Yasuhisa Fukuda
Isao Kagi

Directors

Yoshio Ikeda
Sadayuki Wada
Michiyoshi Tsuge
Tadao Ito
Kazuo Saga
Tetsuo Hatano
Isao Suzuki

Full-time Corporate Auditors

Masahiro Hayashi
Saburo Takahashi
Hideo Asano

Corporate Auditor

Hiroshi Itawaki

Corporate Data (As of March 31, 2002)

Date of Establishment: July 1946

Paid-in Capital: ¥18,295,643,751

Authorized Shares: 294,999,000

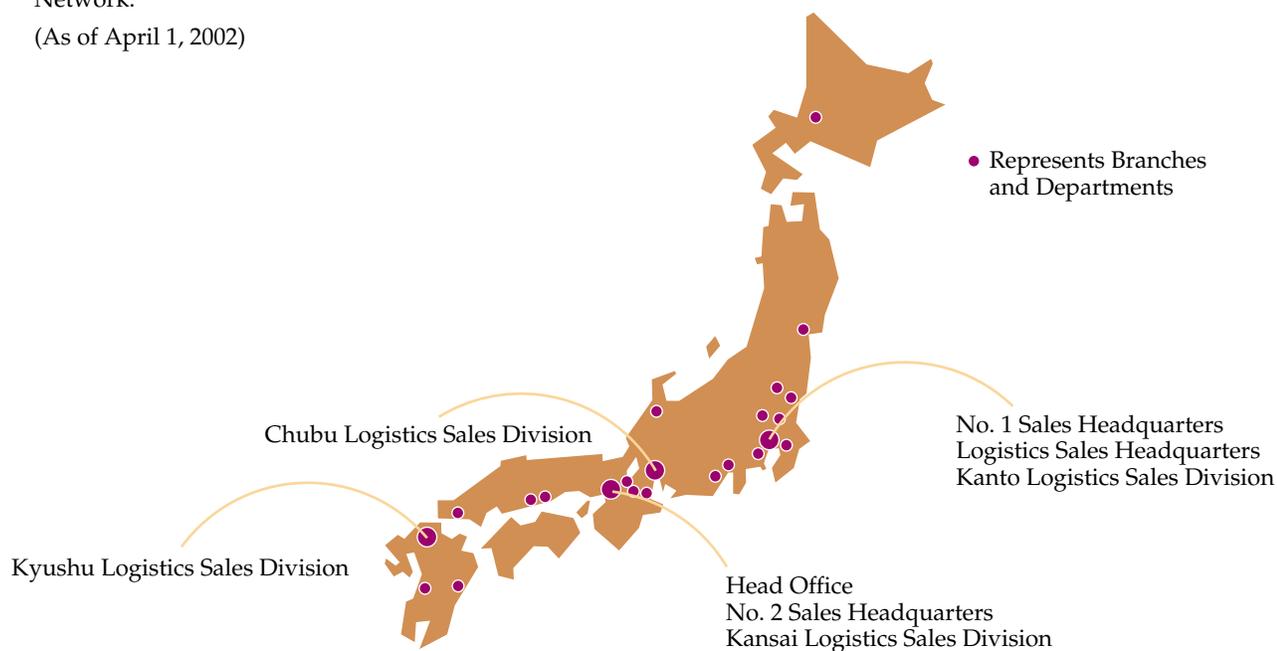
Outstanding Shares: 111,746,167

Number of Shareholders: 9,112

Stock Listing: Tokyo Stock Exchange
Osaka Securities Exchange

Transfer Agent: The Mitsubishi Trust and Banking Corporation
11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 171-8508, Japan

Network:
(As of April 1, 2002)



Branches: Sapporo, Sendai, Ibaraki, Kita Kanto, Saitama, Kashiwa, Tokyo, Kanagawa, Chiba, Shizuoka East, Shizuoka West, Nagoya, Mie, Hokuriku, Keiji, Keiji South, Osaka, Hanshin, Okayama, Kurashiki, Yamaguchi, Fukuoka, Nobeoka, Minamata

Departments: International Distribution, Marine Transport, Railway forwarding

SENKO Co., Ltd.

Umeda Sky Bldg., Tower West, 1-30, Oyodonaka 1-chome, Kita-ku, Osaka 531-6115, Japan

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