



Annual Report 2012

For the year ended March 31, 2012

SENKO Co., Ltd.

Logistics of the Future *Logistics of the Future* *Logistics of the Future*

SENKO Co., Ltd.

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Printed in Japan

Profile

Established in Osaka in July 1946, Senko Co., Ltd. is an integrated distribution services company. The Company has grown steadily over the years, listing on the First Section of the Osaka Securities Exchange in 1975 and on the First Section of the Tokyo Stock Exchange in 1990.

As of March 31, 2012, the Senko Group had a nationwide network with 330 locations in Japan, an overseas network with facilities in 28 locations, 2,250,000 square meters of warehouse space, and a fleet of 21 owned and chartered ships. The Company has wide-ranging business activities centered on trucking. Including partner companies, Senko operates more than 10,000 trucks every day. Activities also encompass warehousing, marine transport, in-factory services, and multimodal international cargo transport.

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

These efficient integrated distribution services have an excellent reputation in the market based on the provision of efficient transportation and distribution systems centered on the Best Partner System that support the construction of customer supply chain management systems. The Company's Best Partner System is a new logistics system that takes full advantage of information technology.

Senko will continue to leverage information technology to provide high-quality, efficient logistics solutions on a global scale. The goal is to become a logistics information company with capabilities that go well beyond the conventional activities of logistics companies.

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Cautionary Statement with Respect to Forward-Looking Statements

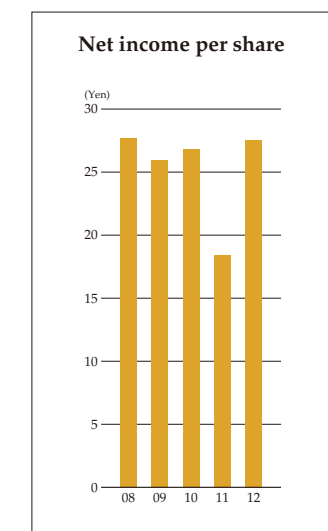
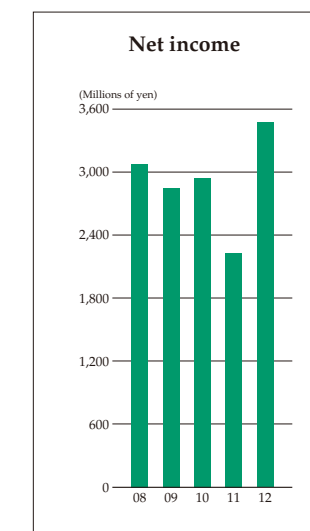
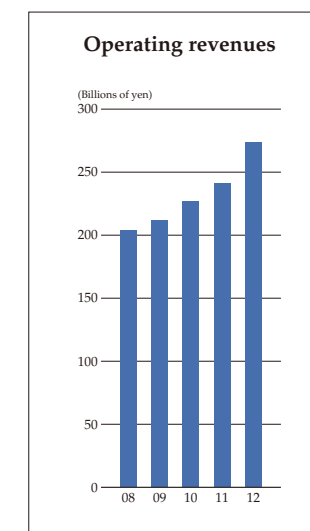
Plans and strategies concerning future business performance included in this annual report are forward-looking statements based not on historical facts but on management's assumptions and beliefs in the light of the information currently available to it, and thus involve a certain element of risk and uncertainty.

Consolidated Financial Highlights

SENKO Co., Ltd. and Consolidated Subsidiaries

Years ended March 31	2012	2011	2012
	Millions of yen		Thousands of U.S. dollars
For the year:			
Operating revenues	¥270,361	¥241,046	\$3,289,463
Operating income	8,274	6,100	100,669
Net income	3,479	2,261	42,329
At year end:			
Total assets	202,847	177,285	2,468,025
Net assets	63,274	60,605	769,850
	Yen	U.S. dollars	
Per share data:			
Net income	¥27.65	¥18.44	\$0.34
Cash dividends	12.00	10.00	0.15
Net assets	488.25	469.14	5.94

Note : U.S. dollar amounts are converted from yen, for convenience only, at the prevailing rate of ¥82.19 to U.S.\$1 on March 31, 2012.





Focusing All of the Group's Energy on Achieving the Goals of the Medium-term Business Plan.

Overview of the Fiscal Year

The fiscal year that ended in March 2012 began with sharp drops in exports and production in Japan immediately after the Great East Japan Earthquake of March 2011. The Japanese economy subsequently made a steady recovery to the pre-earthquake level as damaged facilities were repaired and supply chains were restored. However, the outlook for the economy is still uncertain because of slowing economic growth overseas, the impact of the strong yen on Japan's exports, the high cost of crude oil, the electricity shortage in Japan and other problems.

In the logistics industry, there was a rapid recovery in the volume of cargo following the steep drop caused by the earthquake. Despite this rebound, the volume of cargo has remained weak primarily because of

the impact of the yen's strength and flooding in Thailand on exports and production.

In this environment, assisting customers recover from the effects of the March 2011 earthquake was the highest priority of the Senko Group. The past fiscal year was the second year of the three-year medium-term business plan that started in April 2010 based on the slogan "Moving Global." There were numerous initiatives in Japan and other countries by group companies to achieve the goals of this plan.

In Japan, operations started at the Noda No. 1 PD Center and Noda No. 2 PD Center in Chiba prefecture. These centers, which are the company's largest distribution base, provide distribution services for large retailers and reinforce logistics services in the Tokyo Metropolitan region. In addition, operations started at the Hyuga PD Center in Miyazaki prefecture and the Kita-Hiroshima PD Center in Hokkaido. Operations in Japan were further strengthened with the completion of the Sen-ouu Maru chemical tanker. Overseas, the Kentucky Distribution Center was completed in the United States to serve both U.S. and Japanese companies.

Two companies joined the Senko Group as subsidiaries during the fiscal year. Smile Corp. is a trading company that handles packaging materials, food, alcoholic beverages and household products. This company will help strengthen the trading and commerce business. Chugoku Piano Transport Co., Ltd. provides transportation services for musical instruments, precision instruments, heavy equipment, medical equipment and other items. Acquiring this company will allow the Senko Group to enter a new sector of the distribution services market.

Consolidated operating revenues increased 12.2% to 270,361 million yen. The volume of cargo for current customers increased due mainly to demand involving earthquake recovery activities and products associated

with earthquake damage and conserving electricity. The acquisition of Smile and aggressive measures to attract new customers also contributed to the growth in revenues.

Earnings were higher despite additional expenses for fuel and other items due to the acquisition of Smile because of the growth in revenues and cost-cutting measures. Consolidated operating income increased 35.6% to 8,274 million yen, ordinary income increased 30.7% to 8,333 million yen and net income increased 53.8% to 3,479 million yen.

Distribution of Earnings

Our fundamental policy for the distribution of earnings is to pay a dividend that is stable dividend while also reflecting results of operations in each fiscal year. The goal is to increase the earnings distributions to shareholders while maintaining sufficient retained earnings to support future growth and build a stronger base of operations.

The dividend for the fiscal year that ended in March 2012 is 12 yen per share. This is the sum of interim and year-end dividends of 6 yen, each of which includes a 5 yen ordinary dividend and 1 yen commemorative dividend for the company's 65th anniversary.

Developing New Markets under the Medium-term Business Plan

A slow recovery of the Japanese economy is expected that is supported by an increasing global economic growth rate backed by emerging countries, demand in Japan associated with earthquake recovery activities, and other items. However, the economic outlook is uncertain because of the numerous risk factors that may cause an economic downturn in Japan and overseas.

In accordance with its medium-term vision, the Senko Group is taking many actions aimed at becoming a "logistics and information organization," that provides high-quality services with outstanding performance in relation to their cost on a global scale. Accomplishing this goal will require coexisting with society and instilling commitment to growth among employees. Our actions also include measures to increase the motivation and health of employees and upgrade their skills. In addition, we are dedicated to fulfilling our corporate social responsibilities with particular emphasis on compliance with laws and regulations, environmental protection, and safety.

We ask for the continued support of our shareholders as we continue moving forward to achieve our goals.

September 2012

A handwritten signature in black ink that reads "Y. Fukuda". The signature is written in a cursive, slightly stylized font.

Yasuhisa Fukuda
President and Representative Director

Outline of Medium-term Business Plan

Senko has now started its three-year medium-term business plan since April 2010. In accordance with the slogan of “Moving Global”, we aim to achieve our quantitative plan targets to mobilize all available group resources.

Group Slogan

Moving Global

Go beyond logistics, make the world go round, and revolutionize business.

Go beyond logistics

Provide customers with high-quality services beyond the framework of an existing logistics company.

Make the world go round

Conduct a “global” business with social consciousness.

Revolutionize business

Offer customers new value by cultivating an awareness of self-development in employees.

Medium-Term Business Policy

- 1 Meet the needs of customers at home and abroad, and pioneer new markets.
- 2 Achieve high overall efficiency as a group and provide customers with high-quality services and superior cost performance.
- 3 Live up to our corporate social responsibility by improving the following three pillars of activities: Compliance, Environmental Preservation, and Safety.
- 4 Introduce regulations and improve the work environment to promote incentive-based motivation, good health and skills upgrading of group employees.
- 5 Advance financial measures focused on preserving financial soundness.

Goals of Medium-Term Business Plan

Scale Operating Revenues: 300 billion yen

- Aim at net sales of 300 billion yen by expanding market share and business field, and expanding sales from the following businesses by 72.0 billion yen:
- Physical distribution center business, international logistics business, retail-related business, 3PL (Third-Party Logistics) business.
- Promote mergers and acquisitions to gain synergistic effect in business.

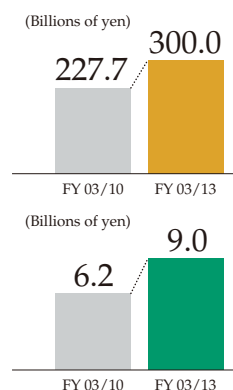
Profitability Operating Income: 9.0 billion yen (Operating income margin: 3%)

- Ordinary Income: 8.5 billion yen
- Net Income: 4.3 billion yen

* Operating revenues, operating income, ordinary income and net income are on target to meet the goals set for the final year (ending March 2013) of the medium-term business plan.

■ Forecast of consolidated operating results for the year ending March 2013 (from April 1, 2012 to March 31, 2013)

- Operating Revenues: 300.0 billion yen
- Operating Income: 10.2 billion yen
- Ordinary Income: 10.0 billion yen
- Net Income: 5.0 billion yen



Medium-Term Business Strategy

- 1 Break into new “Overseas Markets”
- 2 Take proactive action towards “Mergers & Acquisitions” and the need for “Third-Party Logistics”
- 3 Expand operations in Physical Distribution Business
- 4 Expand Trading & Commerce Business
- 5 Expand market share and business field with a more varied sales menu

Major Plans by Business Category

Retail-related Products Logistics

Operation of Physical Distribution Business overseas, Further cultivation of logistics services for chain stores, Expansion of fashion logistics, etc.

Expansion of Housing Logistics

Provision of overseas logistics operations, Establishment of cooperative procurement centers, Provision of logistics for Eco-friendly home equipment products, etc.

Chemical-related Products Logistics

Promotion of Third-party Logistics, Expansion of Special Cargo Transport, Responding to customer needs when setting up operations overseas, etc.

Trading and Commerce Business

Strengthening and expanding wholesale trading, Promotion of businesses that fuse commercial distribution and physical distribution, etc.

Other Logistics-related Businesses

Expansion of logistics services overseas, Proactive involvement in the business of Moving, Transport-related and Manpower, etc.

Smile Joins the Senko Group

In September 2011, Senko acquired Smile Corp., a trading company that handles packaging materials, food and alcoholic beverages, and household products. This acquisition is contributing to the growth of the trading and commerce business, which is one goal of Senko’s medium-term business plan.

Senko is going beyond the sale of merchandise to offer a new business model as a logistics company that combines commercial logistics with conventional logistics services. Making Smile a subsidiary allows combining Senko’s logistics skills for high-volume and other retailers with Smile’s expertise in selling merchandise to retailers, restaurant companies, catalog sales companies, manufacturers of precision devices and other companies. With these capabilities, Senko is building a unified business model covering commercial and conventional logistics. The model extends from the planning and procurement of merchandise to delivery to end users and encompasses overseas activities, too.

■ Smile Corp.

Established	June 1977
Capital	¥570 million
Sales	About ¥30 billion (FY3/13 forecast)
Activities	Manufacture and sale of packaging materials; wholesaling of food and alcoholic beverages and household products

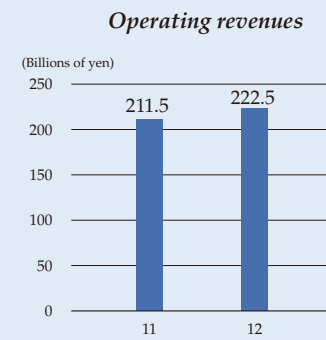
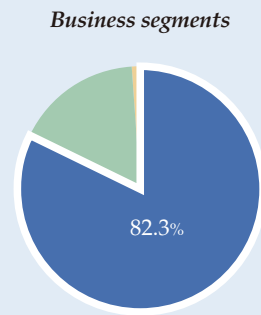
SMILE CORP.



Review of Operations

This section is a review of operations for business segments which consist of Distribution, Trading and Commerce, and Others.

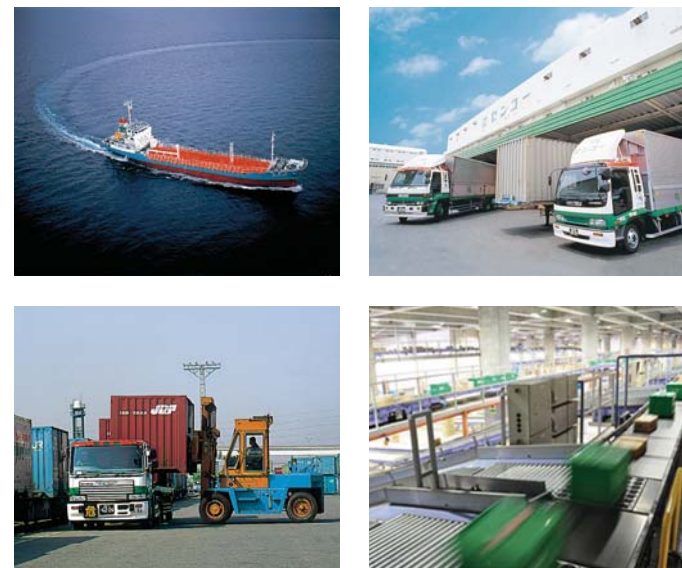
Distribution



Distribution encompasses a broad array of activities. Senko transports cargo by truck, rail and ship and handles international cargo shipments. We also perform distribution operations at factories, operate distribution centers in Japan and overseas, and conduct other operations.

The Senko Group meets customers' needs by improving efficiency and optimizing operations across the entire supply chain. We have distribution facilities in Japan and overseas and can handle almost any type of cargo associated with food, clothing and shelter. Operations include industrial raw materials, industrial products, construction materials, homebuilding materials, agricultural products, food, consumer products, cargo for relocations and many other types of cargo. Furthermore, we provide transport, storage, inventory management and other services that precisely match the characteristics of each type of cargo.

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 earthquake reconstruction, electricity-conserving products, and products to cope with summer heat. Extensive measures to attract new customers also contributed to this segment's performance. The result was a 5.2% increase in operating revenues to 222.5 billion yen.



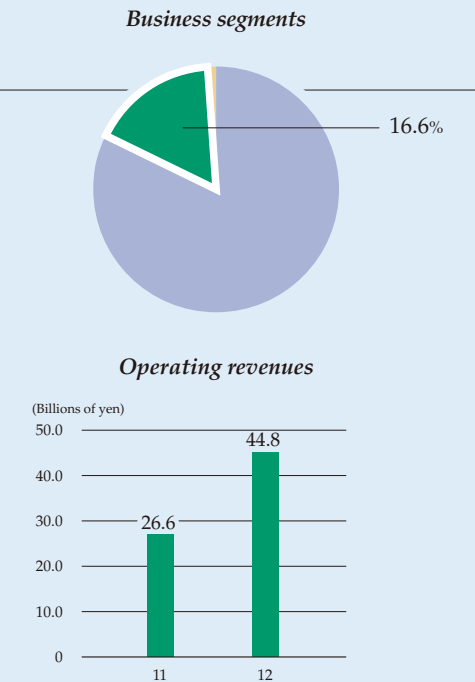
Trading and Commerce

This segment includes sales of petroleum products, trading sales and international trade.

Many activities in this segment are associated with the Group's core distribution business. Operations include the sale of petroleum cards and the sale of logistics products such as industrial vehicles, cargo distribution and loading equipment, and other large logistics equipment as well as cargo wrapping materials. Activities also include wholesale sales of household products and Internet sales of food products.

In addition, we handle imports and exports of merchandise by integrating the functions of a trading company and logistics company in order to improve the efficiency of distribution activities for customers.

Operating revenues increased 67.9% to 44.8 billion yen mainly because of the addition of Smile Corp. to the Senko Group, higher sales at Marufuji Co., Ltd., growth of the trading business, and higher sales in the petroleum product sales business.

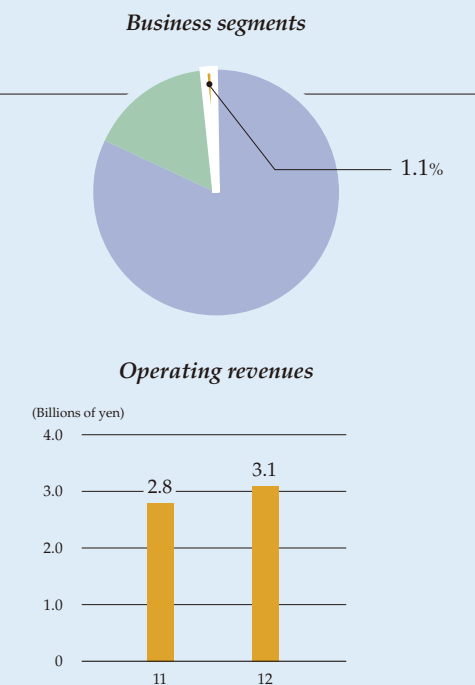


Others

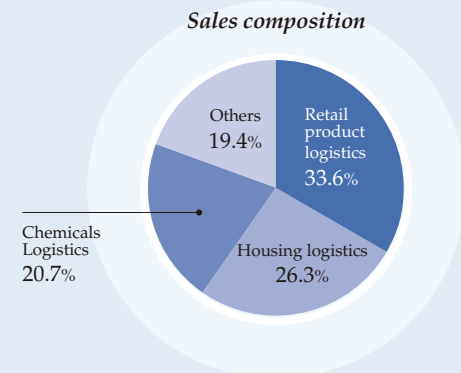
This segment consists of activities other than the operations of the distribution and trading and commerce business segments. Operations include outsourced data processing services, motor vehicle maintenance, insurance agency services and other activities.

As a provider of logistics services that make extensive use of IT, we can offer IT services that take advantage of our many years of experience in the utilization of IT. Our vehicle maintenance business is backed by expertise that we have accumulated since we started operations. Activities in this segment also include insurance agency, transportation safety education and other services.

Operating revenues increased 7.2% to 3.1 billion yen primarily because of higher data processing revenues.



Review of Operations by Product Category



In addition to the disclosure of business segment information, we report performance in the distribution segment based on cargo and distribution characteristics of customers. This information is provided to give shareholders a better understanding of our business operations.

Retail Product Logistics

This category is the nucleus of our growth strategy. We are one of Japan's leading providers of third-party logistics (3PL) for retail products. Our expertise covers logistics for home improvement centers, large retailers and other chain stores, comprehensive logistics services for apparel companies, oversight for the distribution of medical and pharmaceutical products, creating new logistics models for hospitals, and many other activities.

Performance benefited from large capital expenditures. Furthermore, there was an increase in the volume of cargo for large retailers and other retailers, mainly housing products associated with earthquake reconstruction, disaster-related products, electricity-conserving products, and products to cope with summer heat. As a result, operating revenues increased 9.4% to 74.8 billion yen.



Housing Logistics

We provide SCM systems for housing construction for major prefabricated housing manufacturers and other companies. Services include just-in-time delivery services extending from raw material procurement to deliveries to construction sites. We can also comply with zero-emission requirements at construction sites and other customer needs. SCM operations for manufacturers of homebuilding materials and other construction materials are another part of this category. This diversity allows us to meet the increasing demand for joint logistics systems for the entire homebuilding industry.

Aggressive sales activities resulted in growth of revenues from manufacturers of homebuilding materials and other companies. In addition, there were revenues for the transport of temporary housing and materials involving earthquake recovery activities. The result was a 6.2% increase in operating revenues to 58.5 billion yen.



Chemicals Logistics

We have a broad range of SCM activities backed by know-how acquired from chemical logistics activities dating back to the inception of Senko. Operations extend from raw material procurement to transporting chemicals to end users and assisting customers start overseas operations. We handle ordinary and specialty resins as well as film products, molded plastic products, liquids, hazardous substances, rubber products and many other items.

The drop in manufacturing activity after the earthquake caused cargo volume to fall, but this downturn was offset by aggressive measures to increase sales and by the benefits of large capital expenditures. The result was a 0.2% increase in operating revenues to 46.0 billion yen.



Others

This category includes all logistics services other than for retail products, housing and chemicals. Currently, the major activities in this category are logistics services for food, electrical and other machinery, and goods handled by trading companies and a moving service.

Operating revenues increased 2.5% to 43.3 billion yen due to the contribution of activities to increase revenues from the transport of food, electrical machinery and other machinery.

Corporate Social Responsibility

The transport industry to which Senko's core business belongs has a highly public mission. It is essential to its continued viability as a company that Senko contribute to society through the practice of its core business and fulfill its public responsibilities. This "corporate social responsibility" is also a priority in the medium-term business plan that started in 2010, and we are pursuing initiatives focused on compliance, global environmental protection, and safety.

Stakeholder Relationships in Senko's Business



Reinforcing our CSR Initiatives

The Senko Group views regulatory compliance, environmental responsibility, and safety-consciousness as the core elements of managing our business in a socially responsible way in order to create a corporate culture that allows us to gain the trust of all of our stakeholders. A high level of awareness among all of our employees will allow us to contribute to society through our business activities.

As a legally-compliant company	Sustainable business operations at the company, legality related to the continuation of the company and organization-building that prioritizes transparency
As an environmentally friendly company	Promotion of activities that reduce environmental impact, such as green logistics and procurement, as a part of our mission to reduce CO ₂ emissions as a company
As a company that prioritizes safety	Use of a PDCA management cycle to reduce motor vehicle accidents and workplace accidents as part of initiatives aimed at achieving an accident-free workplace

Deepening our commitment to corporate social responsibility

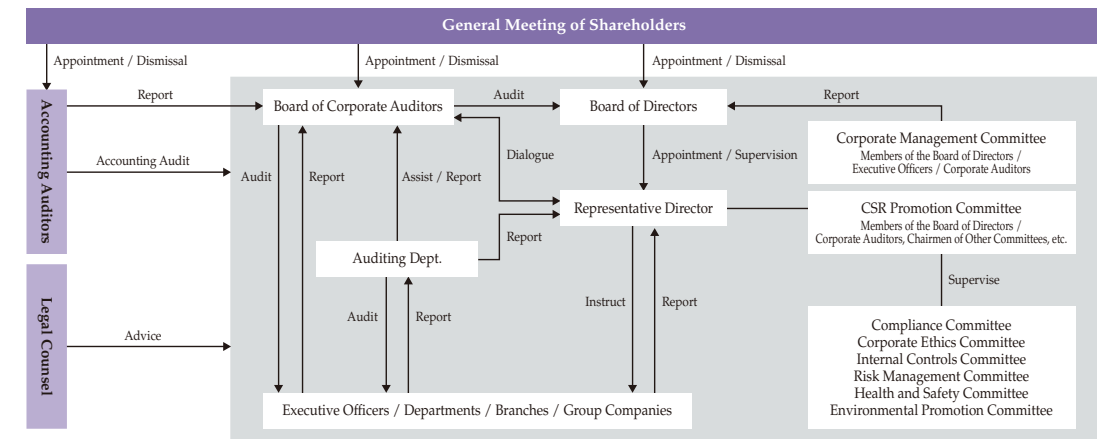
The CSR Committee oversees committees for compliance, corporate ethics, internal controls, risk management, health and safety, and environmental protection. We are dedicated to upgrading our CSR activities by clearly defining the domains of our social responsibility.



Corporate Governance and Compliance

Corporate Governance Philosophy and Systems

The Senko Group, as a business involved in logistics work of a highly public nature, makes every effort to ensure that its corporate activities are thoroughly compliant with laws, based on awareness that proper corporate governance is the foundation of our existence as a business and is regarded as a high priority managerial issue.



Implementing Responsibilities; Auditing and Monitoring

- ① The board of directors meets at least once a month to decide upon important matters pertaining to the management of the company, in addition to legally required items; it is also seen as an organization for the monitoring of business operations. Furthermore, an operating officer system has been introduced with the idea of functional strengthening of the board through the division of the functions of "management decision-making and monitoring" and "business operations", thereby strengthening each function and clarifying the responsibilities; at the same time, a corporate management committee, attended by the operating officers, has been established to verify the status of business operations and bring about more transparent management.
- ② The auditors observe the performance of directors from an objective perspective, work with the Auditing Department (the company's internal monitoring department) and accounting auditing bodies to ensure thorough compliance at both the company and its subsidiaries, and perform strict audits.

Compliance-based Management

The Senko Group adheres to the principle of operating honestly and fairly. Every department ensures that the Senko Standards of Business Conduct, the Senko Group Corporate Ethics Committee, and the Business Ethics Helpline are known throughout the organization and are constantly being reinforced. The Board of Directors determines the guidelines and substance of priority items.

Building a Crisis Management Framework

We are compiling a Crisis Response Manual from the standpoint of prioritizing human life, minimizing property damage (economic losses), quickly resuming business operations, maintaining public confidence, and assisting the local community in the event of an emergency. We are also formulating and using Risk Management Rules that take a systematic approach to risk and clarify departmental responsibilities.

Protecting Personal Information

Senko receives personal information about customers in the course of receiving shipment and delivery requests, and therefore it is our duty to ensure that we have a rigorous information protection system in place, starting with implementing an information security policy.

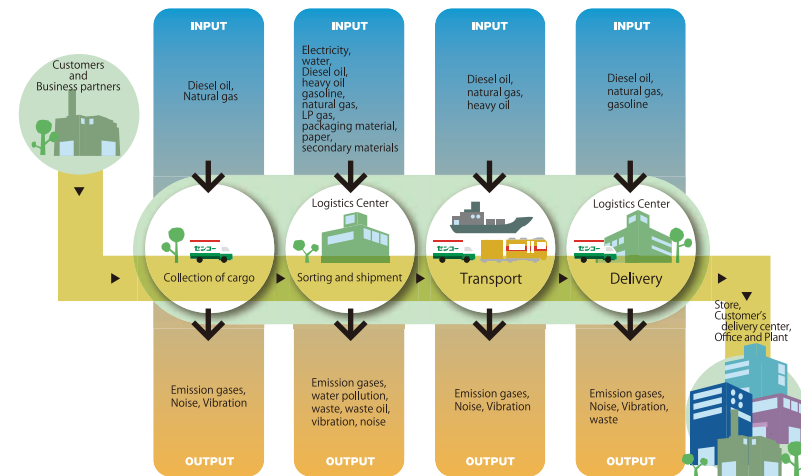
Corporate Social Responsibility

Measures to Reduce our Environmental Impact

As an "advanced environmental organization," the Senko Group launched the Eco Innovation 2012 campaign in fiscal 2010 with the aim of reducing its impact on the environment. Numerical targets have been established for activities for combating global warming.

All of our business activities incorporate aggressive and voluntary programs to conserve energy and resources and protect the environment in other ways. We are determined to play a part in preserving and consistently improving the environment.

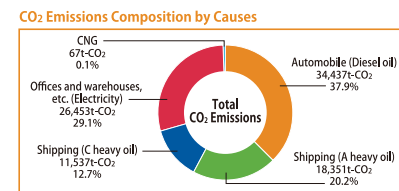
The Senko Group's goal is to cut the environmental impact associated with business activities to the absolute minimum. To achieve this goal, we determine the quantity of resources and energy used (the input) and the quantity of CO₂ and waste materials we produce (the output). By using this approach, we are monitoring and lowering the burden that our collective business operations place on the environment.



INPUT	
Diesel oil	13,348 kL
Heavy oil	10,617 kL
Electricity	61,534,343 kWh

OUTPUT	
CO ₂ emissions	90,845 t-CO ₂

Note: The numbers for CO₂ emissions are based on the laws and ordinances related to measures for global warming that were revised on March 29, 2006.



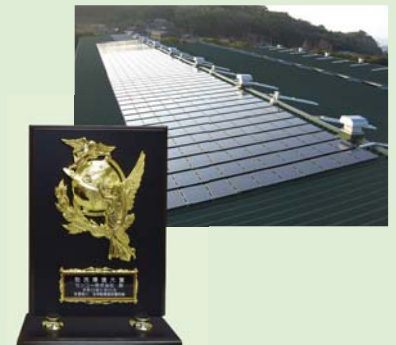
Our Basic Principles

- 1 We will obey legal and regulatory requirements, ordinances, and agreements concerning environmental matters, and we will endeavor to prevent environmental pollution and to protect the environment.
- 2 We will examine and assess the environmental impact of our business activities, and continuously strive to mitigate the factors that place a burden on the environment. We will implement new technologies and equipment and reduce the environmental burden.
- 3 We will tirelessly exercise our creativity so that we can offer sophisticated logistics systems that help the environment.
- 4 In order to adhere to these principles, we will establish a program for advancing environmental initiatives, rules to protect the environment, and environmental objectives.
- 5 In order to ensure that these principles are understood by all of our employees, along with conducting environmental training and educational activities, we will disclose these principles externally and provide relevant information.

"Senko Eco Innovation 2012" wins the "Annual Logistics Environment Award"

In May 2011, "Senko Eco Innovation 2012," the core program in Senko's environmental protection initiatives, received the "Twelfth Annual Logistics Environment Award" sponsored by the Japan Federation of Freight Industries. The Annual Logistics Environment Award Committee of the federation selects a company, organization or an individual for the award in recognition of their contribution to the sound development of the logistics industry by promoting environmental protection and raising environmental awareness.

Senko drew up the "Senko Eco Innovation 2012" plan based on its medium-term environmental policy. Launched in 2010, the plan aims at conserving energy and cutting CO₂ emissions. The plan focuses on slashing electric power consumption, which represents more than 80% of our total energy consumption. It defines 31 concrete measures to reduce electric power consumption. Senko exceeded its energy conservation targets by actively implementing these measures. The award recognizes our active participation and achievements in energy conservation.



Safety Initiatives

The Senko Group conducts safety programs based on the themes of "respect for individuals" and "giving safety priority above all else." The goal is to eliminate serious accidents.

We have programs to ensure that every employee understands that safety in our business operations is at the core of how we do business and that everyone must work on improving safety.

In addition, senior executives and all employees at the Senko Group work as a unified team to maintain and enhance workplace safety.



Fundamental Policy for Safety Activities

- 1 We will aim for constant improvements in safety management systems and health and safety activities with the goal of preventing accidents and lowering exposure to risks to safety.
- 2 We will comply with laws, regulations, rules and agreements as well as other items with which we agree with regard to health and safety.
- 3 We will aggressively disclose information about our health and safety activities.
- 4 To accomplish the goals of this safety policy, we will establish objectives and targets, make sure that everyone at the Senko Group knows about these objectives and targets, and upgrade employees' knowledge and commitment concerning safety.

Financial Review

Performance

In the fiscal year that ended in March 2012, operating revenues increased 12.2% to 270,361 million yen. Exports and production plummeted following the Great East Japan Earthquake. However, higher cargo volume due to earthquake recovery demand and disaster-related products and energy-saving products lifted revenues. The acquisition of Smile Corp. as a subsidiary in September also contributed. Completions of large distribution bases in Japan and overseas as well as the aggressive cultivation of new customers also contributed to revenues. Nevertheless, uncertainties about the overall market persisted, fueled by slowing growth in overseas economies, a stronger yen that impacted export industries, soaring crude oil prices and electric power shortages.

While rising fuel expenses were a negative factor, the benefits of higher sales and cost reductions boosted consolidated operating income 35.6% to 8,274 million yen. Income before income taxes increased 81.5% to 7,784 million yen due to the big decrease in extraordinary loss, which included a loss on disaster one year earlier. Net income increased 53.8% to 3,479 million yen mainly due to higher revenues despite the rise in deferred taxes because of an amendment to the tax law in Japan.

Consolidated sales by segment

Business segment performance for the fiscal ended March 2012 was as follows:

	For the fiscal ended March 31, 2012		For the fiscal ended March 31, 2011		Difference	Growth rate (%)
	Sales	Component ratio (%)	Sales	Component ratio (%)		
Distribution	222,495	82.3	211,508	87.7	10,987	5.2
Trading & Commerce	44,811	16.6	26,687	11.1	18,124	67.9
Others	3,055	1.1	2,851	1.2	204	7.2
Total	270,361	100.0	241,046	100.0	29,315	12.2

1) Distribution segment

Operating revenues increased 5.2% to 222,495 million yen due to higher cargo volume of ordinary materials involving earthquake recovery activities and extensive measures to attract new customers also contributed to this segment's performance.

2) Trading & Commerce Segment

Operating revenues increased 67.9% to 44,811 million yen mainly because of the addition of Smile Corp. to the Senko Group, higher sales at Marufuji Co., Ltd., growth of the trading business, and higher sales in the petroleum product sales business.

3) Others

Operating revenues increased 7.2% to 3,055 million yen primarily because of higher data processing revenues.

Financial Position

Total assets at the end of the fiscal year were 202,847 million yen, higher 14.4%, or 25,562 million yen than one year earlier. There were increases of 9,540 million yen in trade accounts and notes receivable, 3,415 million yen in inventory, 9,436 million yen in property and equipment and 2,848 million yen in intangible assets.

Current liabilities increased 14,160 million yen to 68,084 million yen. There were increases of 9,694 million yen in trade accounts and notes payable, 4,900 million yen in current portion of bonds with subscription rights to shares. Long-term debt at the end of the year increased 8,091 million yen. As a result, liabilities at the end of the fiscal year were

139,573 million yen, 22,893 million yen higher than one year earlier.

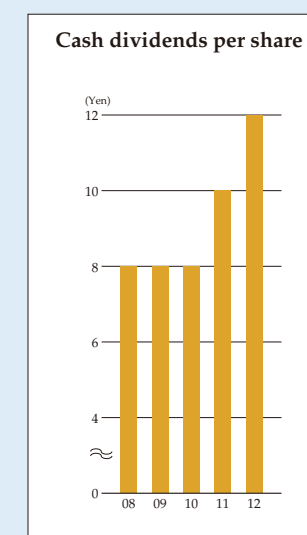
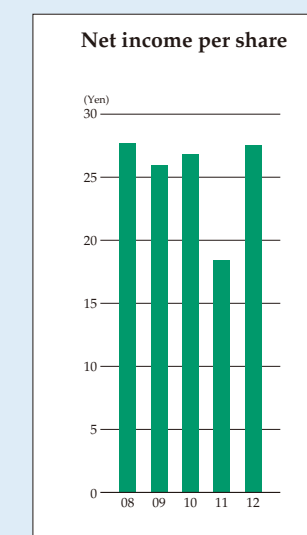
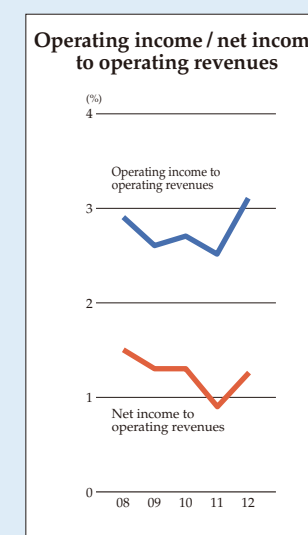
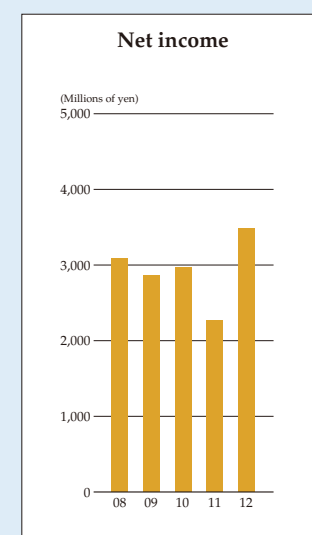
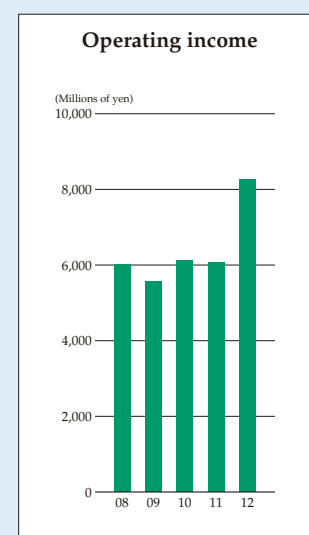
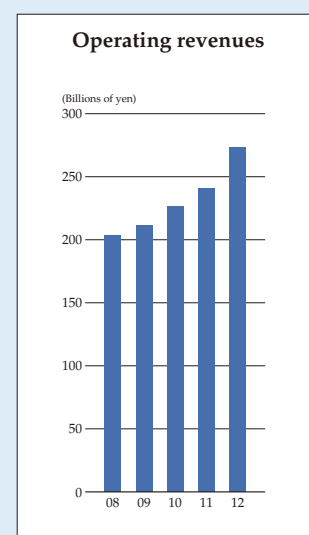
Net assets increased 2,669 million yen to 63,274 million yen. This was mainly the result of increases of 2,094 million yen in retained earnings and others. The equity ratio declined by 3.0 percentage points to 30.3%.

Capital Expenditures and Depreciation

Capital expenditures increased 4,712 million yen (45.7%) to 14,967 million yen in the fiscal year that ended in March 2012. This increase was mainly the result of investments in large distribution bases and other facilities in Japan and overseas to enlarge the business infrastructure in accordance with the three-year medium-term business plan.

In the fiscal year ending in March 2013, we plan to make capital expenditures of 10,098 million yen as we increase the pace of building distribution centers in Japan and other countries.

Depreciation increased 570 million yen (10.2%) to 6,160 million yen and is expected to be 6,634 million yen in the fiscal year ending in March 2013.



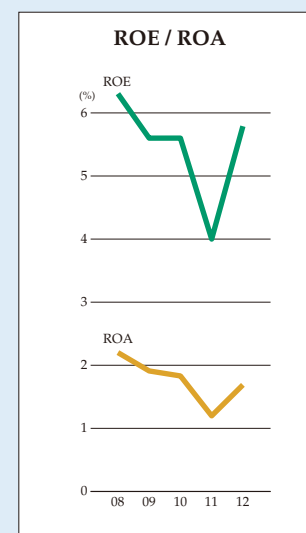
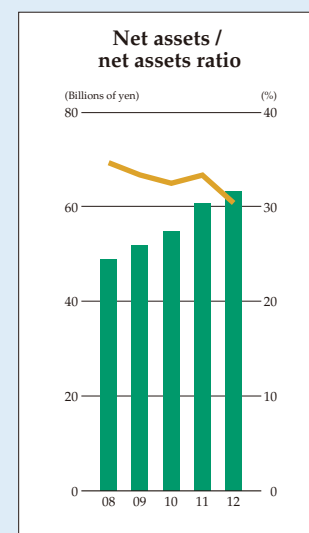
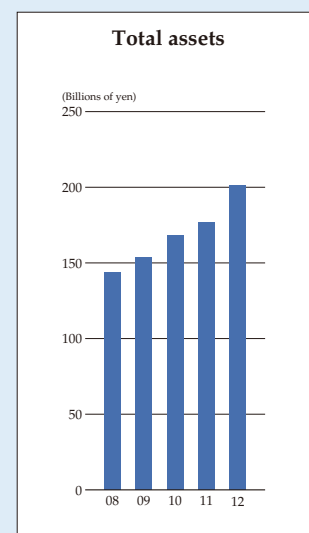
Cash flows

Cash and cash equivalents at the end of the fiscal year decreased 1,040 million yen to 13,354 million yen.

Net cash provided by operating activities was 9,342 million yen. Income before income taxes was 7,784 million yen, depreciation and amortization was 6,160 million yen and trade payables rose by 3,969 million yen. Uses of cash included a 4,484 million yen increase in trade receivables, interest expenses paid of 1,187 million yen and income taxes paid of 2,369 million yen.

Net cash used in investing activities was 16,467 million yen. Major uses of cash were 11,949 million yen for purchases of fixed assets, and 4,600 million yen for purchase of shares of newly consolidated subsidiaries.

Net cash provided by financing activities was 6,094 million yen. Proceeds from long-term debt were 12,650 million yen and proceeds from the issuance of bond were 5,000 million yen. Uses of cash were 8,203 million yen for repayment of long-term debt, 1,912 million yen for repayments of finance lease obligations and 1,384 million yen for dividends paid.



Report of Independent Certified Public Accountants

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

We have audited the accompanying consolidated balance sheets of SENKO CO., Ltd. and its consolidated subsidiaries as of March 31, 2012 and 2011, and the related consolidated statements of income, changes in net assets, and cash flows for each of the three years in the period ended March 31, 2012, and consolidated statement of comprehensive income for the year ended March 31, 2012 and 2011, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SENKO CO., Ltd. and its consolidated subsidiaries as of March 31, 2012 and 2011, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2012 in conformity with accounting principles generally accepted in Japan.

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 Note 1.

Osaka, Japan
June 28, 2012

Ohtemae Audit Co.
Ohtemae Audit Corporation

Consolidated Balance Sheets

SENKO Co., Ltd. and Consolidated Subsidiaries

March 31, 2012 and 2011

ASSETS

Current assets:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Cash and cash equivalents	¥ 13,354	¥14,394	\$ 162,477
Trade accounts and notes receivable—			
Non-consolidated subsidiaries	12	8	146
Others	40,676	31,140	494,902
Less : allowance for doubtful accounts	(53)	(29)	(645)
Inventories	4,431	1,016	53,912
Deferred tax asset (Note 14)	2,052	2,506	24,967
Prepaid expenses and other current assets	3,783	3,799	46,027
Total current assets	64,255	52,834	781,786
Investments in and long-term loans receivable to non-consolidated subsidiaries and an affiliate	2,606	2,647	31,707
Investment securities (Notes 5 and 10)	4,052	2,272	49,300
Property and equipment, at cost (Notes 7 and 10)	167,840	152,767	2,042,098
Less : accumulated depreciation	(71,700)	(66,063)	(872,369)
Net property and equipment	96,140	86,704	1,169,729
Long-term deferred tax assets (Note 14)	4,000	4,970	48,668
Other assets	31,794	27,858	386,835

Total assets ¥ 202,847 ¥ 177,285 \$ 2,468,025

See the accompanying notes to the consolidated financial statements.

LIABILITIES AND NET ASSETS

Current liabilities:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Short-term loans (Note 8)	¥ 9,265	¥ 8,380	\$ 112,726
Current portion of long-term debt (Note 8)	9,571	8,166	116,450
Lease obligations	2,067	1,608	25,149
Trade accounts and notes payable—			
Non-consolidated subsidiaries	55	46	669
Others	32,243	22,558	392,298
Accrued expenses	6,895	6,638	83,891
Accrued income taxes	2,281	1,719	27,753
Other current liabilities (Note 14)	5,707	4,809	69,437
Total current liabilities	68,084	53,924	828,373
Long-term debt, less current portion (Note 8)	52,423	44,231	637,827
Lease obligations	4,075	4,136	49,580
Accrued retirement benefits (Note 9)	9,468	9,724	115,197
Other long-term liabilities	5,523	4,665	67,198

Contingent liabilities (Note 11)

Net assets (Note 12):

Shareholders' equity			
Common stock:			
Authorized—294,999,000 shares			
Issued—128,989,476 shares	20,521	20,521	249,678
Capital surplus	18,782	18,782	228,519
Retained earnings	22,901	20,807	278,635
Less : Treasury stock, at cost—3,183,467 shares in 2012 and 3,174,635 shares in 2011	(1,049)	(1,047)	(12,763)
Total Shareholders' equity	61,155	59,063	744,069
Accumulated other comprehensive income :			
Net unrealized holdings gain on securities	157	3	1,910
Gain (loss) on deferred hedges	157	(10)	1,910
Translation adjustments	(45)	(31)	(548)
Total accumulated other comprehensive income :	269	(38)	3,272
Stock acquisition rights (Note 13)	149	108	1,813
Minority interests	1,701	1,472	20,696
Total net assets	63,274	60,605	769,850
Total liabilities and net assets	¥ 202,847	¥ 177,285	\$ 2,468,025

See the accompanying notes to the consolidated financial statements.

Consolidated Statements of Income

SENKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2012, 2011 and 2010

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	2012
Operating revenues	¥ 270,361	¥ 241,046	¥ 227,692	\$ 3,289,463
Operating costs and expenses:				
Operating costs of revenues	245,426	220,569	208,311	2,986,081
Selling, general and administrative expenses	16,661	14,377	13,231	202,713
	262,087	234,946	221,542	3,188,794
Operating income	8,274	6,100	6,150	100,669
Other income (expenses):				
Interest and dividend income	1,094	1,085	1,096	13,310
Interest expenses	(1,200)	(1,187)	(1,163)	(14,600)
Others, net	(384)	(1,710)	(662)	(4,672)
	(490)	(1,812)	(729)	(5,962)
Income before income taxes and minority interests	7,784	4,288	5,421	94,707
Income taxes (Note 14):				
Current	2,706	2,708	2,801	32,924
Deferred	1,525	(561)	(188)	18,554
	4,231	2,147	2,613	51,478
Income before minority interests	3,553	2,141	2,808	43,229
Minority interests in loss (gain) of consolidated subsidiaries	(74)	120	138	(900)
Net income	¥ 3,479	¥ 2,261	¥ 2,946	\$ 42,329
Per share of common stock	Yen			U.S. dollars
Net income	¥ 27.65	¥ 18.44	¥ 26.83	\$ 0.34
Diluted net income	25.07	16.72	24.16	0.31
Cash dividends applicable to the year	12.00	10.00	8.00	0.15

Consolidated Statements of Comprehensive Income

SENKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2012 and 2011

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Income before minority interests	¥ 3,553	¥ 2,141	\$ 43,229
Other comprehensive income (Note 3):			
Net unrealized holdings gain (loss) on securities	181	(41)	2,202
Gain on deferred hedges	181	19	2,202
Translation adjustments	(17)	(30)	(206)
Share of other comprehensive income of an affiliate accounted for using equity method	(1)	(6)	(12)
Total other comprehensive income	344	(58)	4,186
Comprehensive income	¥ 3,897	¥ 2,083	\$ 47,415
Total comprehensive income attributable to:			
Owners of the parent	¥ 3,786	¥ 2,205	\$ 46,064
Minority interests	¥ 111	¥ (122)	\$ 1,351

See the accompanying notes to the consolidated financial statements.

Consolidated Statements of Changes in Net Assets

SENKO Co., Ltd. and Consolidated Subsidiaries
Years ended March 31, 2012, 2011 and 2010

	Thousands	Millions of Yen									
	Number of shares of common stock issued	Common stock	Capital surplus	Retained earnings	Treasury stock (at cost)	Net unrealized holdings gain (loss) on securities	Gain (loss) on deferred hedges	Translation adjustments	Stock acquisition rights	Minority interests	Total net assets
Balance at March 31, 2009	111,989	¥ 18,346	¥ 16,608	¥ 17,520	¥ (779)	¥ (26)	¥ —	¥ (11)	¥ 60	¥ 412	¥ 52,130
Net income	—	—	—	2,946	—	—	—	—	—	—	2,946
Cash dividends	—	—	—	(878)	—	—	—	—	—	—	(878)
Purchases of treasury stock	—	—	—	—	(4)	—	—	—	—	—	(4)
Retirement of treasury stock	—	—	(1)	—	11	—	—	—	—	—	10
Adjustment of retained earnings for newly consolidated subsidiaries	—	—	—	17	—	—	—	—	—	—	17
Other changes	—	—	—	—	—	76	(23)	7	20	822	902
Balance at March 31, 2010	111,989	¥ 18,346	¥ 16,607	¥ 19,605	¥ (772)	¥ 50	¥ (23)	¥ (4)	¥ 80	¥ 1,234	¥ 55,123
Net income	—	—	—	2,261	—	—	—	—	—	—	2,261
Issuance of common stock	17,000	2,175	2,175	—	—	—	—	—	—	—	4,350
Cash dividends	—	—	—	(1,073)	—	—	—	—	—	—	(1,073)
Purchases of treasury stock	—	—	—	—	(276)	—	—	—	—	—	(276)
Retirement of treasury stock	—	—	(0)	—	1	—	—	—	—	—	1
Adjustment of retained earnings for a newly consolidated subsidiary	—	—	0	14	—	—	—	—	—	—	14
Other changes	—	—	—	—	—	(47)	13	(27)	28	238	205
Balance at March 31, 2011	128,989	¥ 20,521	¥ 18,782	¥ 20,807	¥ (1,047)	¥ 3	¥ (10)	¥ (31)	¥ 108	¥ 1,472	¥ 60,605
Net income	—	—	—	3,479	—	—	—	—	—	—	3,479
Cash dividends	—	—	—	(1,385)	—	—	—	—	—	—	(1,385)
Purchases of treasury stock	—	—	—	—	(2)	—	—	—	—	—	(2)
Other changes	—	—	—	—	—	154	167	(14)	41	229	577
Balance at March 31, 2012	128,989	¥ 20,521	¥ 18,782	¥ 22,901	¥ (1,049)	¥ 157	¥ 157	¥ (45)	¥ 149	¥ 1,701	¥ 63,274

	Thousands of U.S. dollars									
	Common stock	Capital surplus	Retained earnings	Treasury stock (at cost)	Net unrealized holdings gain on securities	Gain (loss) on deferred hedges	Translation adjustments	Stock acquisition rights	Minority interests	Total net assets
Balance at March 31, 2011	\$ 249,678	\$ 228,519	\$ 253,157	\$ (12,739)	\$ 37	\$ (122)	\$ (377)	\$ 1,314	\$ 17,910	\$ 737,377
Net income	—	—	42,329	—	—	—	—	—	—	42,329
Cash dividends	—	—	(16,851)	—	—	—	—	—	—	(16,851)
Purchases of treasury stock	—	—	—	(24)	—	—	—	—	—	(24)
Other changes	—	—	—	—	1,873	2,032	(171)	499	2,786	7,019
Balance at March 31, 2012	\$ 249,678	\$ 228,519	\$ 278,635	\$ (12,763)	\$ 1,910	\$ 1,910	\$ (548)	\$ 1,813	\$ 20,696	\$ 769,850

Consolidated Statements of Cash Flows

SENKO Co., Ltd. and Consolidated Subsidiaries
Year ended March 31, 2012, 2011 and 2010

	Millions of yen			Thousands of U.S.dollars
	2012	2011	2010	2012
Cash flows from operating activities:				
Income before income taxes and minority interests	¥ 7,784	¥ 4,288	¥ 5,421	\$ 94,707
Adjustments for:				
Depreciation and amortization	6,160	5,590	4,969	74,948
Impairment loss	—	451	—	—
Loss on disposals of property and equipment	190	181	331	2,312
Loss on sales of property and equipment	303	—	—	3,687
Loss on disaster	—	977	—	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	130	—	—
Decrease in accrued retirement benefits	(470)	(183)	(94)	(5,718)
Increase (decrease) in accrued bonuses to employees	193	(531)	513	2,348
Decrease in provision for loss on disaster	(793)	—	—	(9,648)
Interest and dividends income	(1,094)	(1,085)	(1,096)	(13,310)
Interest expenses	1,200	1,187	1,163	14,600
Increase in trade receivables	(4,484)	(729)	(2,827)	(54,557)
Decrease(increase) in inventories	(802)	560	(682)	(9,758)
Increase in trade payables	3,969	775	2,035	48,291
Other	488	(401)	(744)	5,937
Sub total	12,644	11,210	8,989	153,839
Interest and dividend income received	254	275	278	3,090
Interest expenses paid	(1,187)	(1,194)	(1,150)	(14,442)
Income tax paid	(2,369)	(2,882)	(1,997)	(28,823)
Net cash provided by operating activities	9,342	7,409	6,120	113,664
Cash flows from investing activities:				
Payments for purchases of fixed assets	(11,949)	(9,646)	(2,456)	(145,383)
Proceeds from sales of fixed assets	1,362	661	325	16,571
Payments for purchases of investment securities	(1,396)	(29)	(20)	(16,985)
Proceeds from sales of investment securities	53	76	72	645
Payments of long-term loans receivable to non-consolidated subsidiaries	(119)	(1,565)	—	(1,448)
Payments for purchases of non-consolidated subsidiaries	(22)	(573)	(239)	(267)
Proceeds from sales of non-consolidated subsidiaries and an affiliate	22	—	134	268
Purchase of shares of newly consolidated subsidiaries	(4,600)	—	(478)	(55,968)
Other	182	(314)	428	2,214
Net cash used in investing activities	(16,467)	(11,390)	(2,234)	(200,353)
Cash flows from financing activities:				
Increase(decrease) in short-term loans, net	152	(450)	(1,685)	1,849
Proceeds from long-term debt	12,650	9,100	4,400	153,912
Repayment of long-term debt	(8,203)	(6,490)	(1,527)	(99,805)
Proceeds from issuance of bond	5,000	—	7,000	60,834
Payment for redemption of bond	—	—	(7,000)	—
Repayments of finance lease obligations	(1,912)	(1,544)	(1,065)	(23,263)
Proceeds from issuance of common stock	—	4,350	—	—
Purchases of treasury stock	(2)	(276)	(4)	(24)
Sales of treasury stock	—	1	2	—
Dividends paid	(1,384)	(1,072)	(878)	(16,839)
Other	(207)	(214)	(407)	(2,519)
Net cash provided by (used in) financing activities	6,094	3,405	(1,164)	74,145
Effect of exchange rate changes on cash and cash equivalents	(9)	(31)	0	(110)
Net increase(decrease) in cash and cash equivalents	(1,040)	(607)	2,722	(12,654)
Cash and cash equivalents at beginning of year	14,394	14,505	11,748	175,131
Net increase in cash and cash equivalents of newly consolidated subsidiaries	—	496	35	—
Cash and cash equivalents at end of year	¥ 13,354	¥ 14,394	¥ 14,505	\$ 162,477

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 Japan Companies Act and the Financial Instruments and Exchange Law of Japan and in conformity with accounting principles generally accepted in Japan, which are different in several respects as to the accounting and disclosure requirements of International Accounting Standards.

The Company's foreign subsidiaries maintain their accounts and records in conformity with generally accepted accounting principles and practices prevailing in their respective countries of domicile.

The accompanying consolidated financial statements are prepared based on the 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 Financial Instruments and Exchange Law of Japan.

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 Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader, using the exchange rate prevailing at March 31, 2012, which was ¥ 82.19 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-consolidated subsidiaries, whose combined assets, net sales, net income and retained earnings in the aggregate are not significant in relation to those of the consolidation with the Companies.

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

(b) Cash and 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

Investment securities are classified and accounted for, depending on management's intent.

Marketable other securities, which are not classified as either trading securities or held-to-maturity debt securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of net assets.

Non-marketable other securities are stated at cost.

The cost of other securities sold is determined by the moving-average method.

The Companies classified all securities as other securities.

(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 or an evaluation of potential losses in the receivables outstanding.

(e) Inventories

Purchased goods are stated principally at cost determined by the periodic average method (with book values written down on the balance sheets based on decreased profitability of assets). Finished goods, real estate for sale and work in process are stated principally at cost determined by the specific method (with book values written down on the balance sheets based on decreased profitability of assets). Raw materials are stated at cost determined by the last purchase cost method (with book values written down on the balance sheets based on decreased profitability of assets). Supplies are principally stated at cost determined by the moving-average method (with book values written down on the balance sheets based on decreased profitability of assets).

(f) Property and Equipment and Depreciation (Except for Leased Assets)

Property and equipment are stated at cost. Depreciation is computed on the straight-line method for the buildings (including fixtures attached to the buildings), structures and vehicles, and on the declining-balance method for the others, on the estimated useful lives of assets.

The principal estimated useful lives are as follows:

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

(g) Leased Assets

Financial leases other than those that are deemed to transfer the ownership of leased assets to the lessees are accounted for in a similar way to purchases and depreciation for lease assets is computed under the straight-line method with zero residual value over the lease term.

Financial leases other than those that are deemed to transfer the ownership of leased assets to the lessees, which commenced in fiscal years beginning prior to April 1, 2008, are accounted for in a similar way to operating leases.

(h) Accrued Retirement Benefits

The Company and certain domestic consolidated subsidiaries have retirement benefit plans for their employees. Such benefits are provided through the unfunded lump-sum severance indemnity plan and the funded noncontributory pension plan.

The amount of retirement benefits are determined on the basis of length of service, basic salary and certain other factors at the time of termination of employment.

Allowance for retirement benefits has been provided for employees' retirement benefits, based on the amount of projected benefit obligation reduced by pension plan assets at fair value at the balance sheet date.

Actuarial gains and losses are amortized by the straight-line method over a period of 13 years, which is within the estimated average remaining years of service of the Companies' employees. The amortization of such gains and losses is recognized effective the year subsequent to the year in which they are incurred. Prior service costs are amortized in the fiscal year in which they are incurred.

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.

(i) 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.

(j) Goodwill

Goodwill amortized over a period of 5 years by the straight-line method. If the economic useful life can be estimated, the useful life is used as the amortization period.

(k) Derivatives and hedge accounting

The Company and a consolidated subsidiary state derivative financial instruments at market value and recognize changes in the market value as gain or loss unless the derivative financial instruments are used for hedging purposes. If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company and a consolidated subsidiary defer recognition of gain or loss resulting from changes in the market value of the derivative financial instrument until the related loss or gain on the hedged item is recognized. However, when forward foreign exchange contracts are used as hedges and meet certain hedging criteria, the foreign currency receivables or payables are translated at the contracted rate. Also, if interest rate swap contracts are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the asset or liability for which the swap contract was executed.

(l) Per Share Information

Basic net income per share is computed on the basis of the weighted-average number of shares of common stock outstanding for the period.

Diluted net income per share is computed on the basis of the weighted-average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of the shares of common stock to be issued upon the conversion of convertible bonds and exercise of stock acquisition rights.

Cash dividends per share are dividends applicable to the respective years including dividends to be paid after the end of the year.

(m) Translation of Foreign Currencies

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.

Foreign currency financial statements amounts of overseas consolidated subsidiaries are translated into Japanese yen at the exchange rate for prevailing at the respective balance sheet dates of those subsidiaries for assets and liabilities, and at the historical exchange rate for net assets. All income and expense amounts are translated at the average rate of exchange during the fiscal year of those subsidiaries.

The resulting translation adjustments are included in net assets as translation adjustments.

3. Comprehensive Income:

The amount of recycling and amount of income tax effect associated with other comprehensive income at March 31, 2012, consisted of the following:—

	Millions of yen	Thousands of U.S. dollars
	2012	2012
Net unrealized holdings gain on securities:		
Amount recognized in the period under review	¥ 282	\$ 3,431
Amount of recycling	(6)	(73)
Before income tax effect adjustments	276	3,358
Amount of income tax effect	(95)	(1,156)
Net unrealized holdings gain on securities	181	2,202
Gain on deferred hedges:		
Amount recognized in the period under review	277	3,370
Amount of recycling	12	146
Before income tax effect adjustments	289	3,516
Amount of income tax effect	(108)	(1,314)
Gain on deferred hedges	181	2,202
Translation adjustments:		
Amount recognized in the period under review	(17)	(207)
Share of other comprehensive income of an affiliate:		
Amount recognized in the period under review	(1)	(11)
Total other comprehensive income	¥ 344	\$ 4,186

4. Financial Instruments:

(a) Status of financial instruments

(1) Policy on financial instruments

The Company and certain of its subsidiaries raise the funds required for capital investment plans for further growth from bank loans and the issuance of bond. The Companies manage any temporary surplus funds using highly stable financial assets. The Companies use derivatives in order to hedge against currency risks associated with merchandise imports as well as interest rate fluctuations risks in loans payable, and do not engage in speculative transactions.

(2) Details of financial instruments, their risks and management systems

Trade accounts and notes receivable, which are operating receivables, are exposed to the credit risk of the customer and the Companies operate systems to manage both payment deadlines and balances for each customer and grasp the credit status of each customer.

Investment securities are mainly the shares of companies with which the Companies have a business relationship and the shares related to capital alliances, and these are exposed to the risk of fluctuations in market prices.

Trade accounts and notes payable, which are operating liabilities, have payment dates of within 1 year.

Trade accounts payable in foreign currencies are exposed to risks of foreign exchange fluctuations. To hedge such fluctuation risks, a consolidated subsidiary has entered into foreign exchange forward contracts.

Short-term loans are fund procurement related mainly to operating transactions. Long-term debt are fund procurement related mainly to capital investment.

Loans with variable interest rate are exposed to the risk of fluctuations in payable interest rates, but the Company conduct interest rate swap transactions in order to hedge the risk of fluctuations in payable interest rates for some long-term debt among variable interest rate loans.

In addition, operating liabilities and loans payable are exposed to liquidity risk, but the Companies implement integrated fund management through the concentration of funds in the Company, which carries out fund settlement, fund procurement, monitoring of balances and fund management for the Companies.

Regarding derivatives, the Companies use foreign exchange forward contracts to hedge against foreign exchange rates fluctuation risks, and interest rate swap transactions aimed at hedging against the risk of future interest rate fluctuations, and also reduce the cost of fund procurement by converting variable interest rate liabilities into fixed interest rate liabilities.

Primary risks pertaining to derivative transactions include market risk and credit risk. Market risk is the risk that the value of an investment position will decrease due to changes in market factors, and a derivative transaction is exposed to foreign exchange and interest rate fluctuation risks. The Companies' derivatives effectively offset the risks of assets and liabilities on the balance sheets, and there were no important transaction risks. Credit risk is the risk that, in the case of default of the other party, the relevant party would become incapable of benefiting from the effect that would have obtained in the future if the transaction had continued. The Companies' derivative transaction partners are limited to financial institutions with high credit ratings and the Companies do not foresee the occurrence of losses due to debt default on the part of transaction partners.

The Company manages derivatives based on authority-related regulations in the Business Management Division. The execution of transactions requires the permission of the director responsible for the management of derivatives and the details of transactions are reported to the general manager of the Business Management Division and the director after their execution.

A consolidated subsidiary also manage derivatives based on authority-related regulations, as does the Company.

(3) Supplementary explanation of the estimated market values of financial instruments

The market value of financial instruments includes prices based on market prices and reasonably estimated prices if there are no market prices. Because estimations of the prices incorporate fluctuating factors, application of different assumptions can in some cases change the prices.

(b) Market value of financial instruments

The values on the consolidated balance sheets, market values and the differences between them are as follows. Financial instruments for which apprehension of the market value is recognized to be extremely difficult are not included.

	Millions of yen		
	Book value	Market value	Difference
2012			
(1) Cash and cash equivalents	¥ 13,354	¥ 13,354	—
(2) Trade accounts and notes receivable	40,688	40,688	—
(3) Investment securities	3,047	3,047	—
(4) Long-term loans receivable (including current portion)	4,252		
Less allowance for doubtful accounts (*1)	(78)		
	4,174	4,512	338
Total assets	¥ 61,263	¥ 61,601	¥ 338
(1) Trade accounts and notes payable	¥ 32,298	¥ 32,298	—
(2) Short-term loans	9,265	9,265	—
(3) Bond	12,000	11,921	(79)
(4) Convertible bond	4,900	4,849	(51)
(5) Long-term debt (including current portion)	45,094	45,131	37
(6) Lease obligations (including current portion)	6,142	5,931	(211)
Total liabilities	¥ 109,699	¥ 109,395	(¥ 304)
Derivatives (*2)	¥ 157	¥ 157	—

2011	Millions of yen		
	Book value	Market value	Difference
(1) Cash and cash equivalents	¥ 14,394	¥ 14,394	—
(2) Trade accounts and notes receivable	31,148	31,148	—
(3) Investment securities	1,329	1,329	—
(4) Long-term loans receivable (including current portion)	4,403		
Less allowance for doubtful accounts (*1)	(76)		
	4,327	4,580	253
Total assets	¥ 51,198	¥ 51,451	¥ 253
(1) Trade accounts and notes payable	¥ 22,604	¥ 22,604	—
(2) Short-term loans	8,380	8,380	—
(3) Bond	7,000	7,006	6
(4) Convertible bond	4,900	4,795	(105)
(5) Long-term debt (including current portion)	40,497	40,693	196
(6) Lease obligations (including current portion)	5,744	5,705	(39)
Total liabilities	¥ 89,125	¥ 89,183	¥ 58
Derivatives (*2)	(¥ 10)	(¥ 10)	—

2012	Thousands of U.S. dollars		
	Book value	Market value	Difference
(1) Cash and cash equivalents	\$ 162,477	\$ 162,477	—
(2) Trade accounts and notes receivable	495,048	495,048	—
(3) Investment securities	37,073	37,073	—
(4) Long-term loans receivable (including current portion)	51,734		
Less allowance for doubtful accounts (*1)	(949)		
	50,785	54,897	4,112
Total assets	\$ 745,383	\$ 749,495	\$ 4,112
(1) Trade accounts and notes payable	\$ 392,967	\$ 392,967	—
(2) Short-term loans	112,726	112,726	—
(3) Bond	146,003	145,043	(960)
(4) Convertible bond	59,618	58,997	(621)
(5) Long-term debt (including current portion)	548,656	549,106	450
(6) Lease obligations (including current portion)	74,729	72,162	(2,567)
Total liabilities	\$ 1,334,699	\$ 1,331,001	(\$ 3,698)
Derivatives (*2)	\$ 1,910	\$ 1,910	—

*1. Allowance for doubtful accounts recognized in long-term loans receivable is offset.

*2. "Derivatives" shows net receivables and liabilities generated by derivative transactions, with net liabilities shown in parentheses.

Calculation of the market value of financial instruments and items relating to investment securities and derivatives

Assets

(1) Cash and cash equivalents, (2) Trade accounts and notes receivable

Because these are settled in a short period of time and market values are roughly equivalent to book values, market value are calculated based on book values.

(3) Investment securities

The market values of shares are based on stock exchange prices and the market values of bond are based on stock exchange prices and the prices offered by correspondent financial institutions. With regard to details of the investment securities by purpose, please see "Note 5"

(4) Long-term loans receivable

The market values of long-term loans receivable are calculated based on the current value discounting future cash flow by a rate adding credit risk to appropriate indices such as the yield on government bond.

Liabilities

(1) Trade accounts and notes payable, (2) Short-term loans

Because these are settled in a short period of time and market values are roughly equivalent to book values, market values are calculated based on the book values.

(3) Bond, (4) Convertible bond

The market values of bond issued by the Company are calculated based on the current value discounting the total value of principal and interest by a rate adding the remaining period of the bond in question and credit risk.

(5) Long-term debt

The market values of long-term debt are calculated based on the current value discounting the total value of principal and interest by a rate envisioned if a new loan of the same value was taken out. Long-term debt based on variable interest rates are subject to special processing using interest rate swaps, and are calculated based on the current value discounting the total value of principal and interest processed as a unit with the relevant interest rate swaps by a rate estimated rationally and applied if a loan of the same value was taken out.

(6) Lease obligations

The market values of lease obligations are calculated based on the current value discounting the total value of principal and interest by a rate envisioned if a new loan of the same value was taken out.

Derivatives

See "Note 6"

Financial instruments for which it is extremely difficulty to determine market value

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Unlisted shares	¥ 1,703	¥ 1,656	\$ 20,720
Investments in limited partnerships for investment	4	6	49

The financial instruments listed above are not included in "(3) Investment securities," as there is no market price and determination of their market value is extremely difficult.

(c) Planned redemption amounts after the balance sheets date for monetary assets and investment securities with maturity dates

2012	Millions of yen			
	Within 1 year	Over 1 year Within 5 years	Over 5 years Within 10 years	Over 10 years
Cash and cash equivalents	¥ 13,354	—	—	—
Trade accounts and notes receivable	40,688	—	—	—
Investment securities	—	—	—	—
Other securities with maturity period				
(1) Government bond, local government bond	—	10	—	—
(2) Bond	—	—	—	—
(3) Other	—	—	—	—
Long-term loans receivable	276	1,507	1,548	921
Total	¥ 54,318	¥ 1,517	¥ 1,548	¥ 921

2011	Millions of yen			
	Within 1 year	Over 1 year Within 5 years	Over 5 years Within 10 years	Over 10 years
Cash and cash equivalents	¥ 14,394	—	—	—
Trade accounts and notes receivable	31,148	—	—	—
Investment securities	—	—	—	—
Other securities with maturity period				
(1) Government bond, local government bond	10	—	—	—
(2) Bond	—	—	—	—
(3) Other	—	—	—	—
Long-term loans receivable	242	1,510	1,550	1,101
Total	¥ 45,794	¥ 1,510	¥ 1,550	¥ 1,101

2012	Thousands of U.S. dollars			
	Within 1 year	Over 1 year Within 5 years	Over 5 years Within 10 years	Over 10 years
Cash and cash equivalents	\$ 162,477	—	—	—
Trade accounts and notes receivable	495,048	—	—	—
Investment securities	—	—	—	—
Other securities with maturity period				
(1) Government bond, local government bond	—	121	—	—
(2) Bond	—	—	—	—
(3) Other	—	—	—	—
Long-term loans receivable	3,358	18,336	18,834	11,206
Total	\$ 660,883	\$ 18,457	\$ 18,834	\$ 11,206

5. Investment Securities:

The carrying amounts of investment securities at March 31, 2012 and 2011, consisted of the following:—

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Marketable securities	¥ 3,047	¥ 1,329	\$ 37,073
Non-marketable securities	1,005	943	12,227
	<u>¥ 4,052</u>	<u>¥ 2,272</u>	<u>\$ 49,300</u>

The following is a summary of marketable securities included in investment securities, at March 31, 2012 and 2011.

	Millions of yen			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Book value (Market value)
2012				
Equity security	¥ 2,456	¥ 443	¥ (102)	¥ 2,797
Bond and Others	258	0	(8)	250
	<u>¥ 2,714</u>	<u>¥ 443</u>	<u>¥ (110)</u>	<u>¥ 3,047</u>

	Millions of yen			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Book value (Market value)
2011				
Equity security	¥ 1,135	¥ 184	¥ (131)	¥ 1,188
Bond and Others	148	0	(7)	141
	<u>¥ 1,283</u>	<u>¥ 184</u>	<u>¥ (138)</u>	<u>¥ 1,329</u>

	Thousands of U.S. dollars			
	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Book value (Market value)
2012				
Equity security	\$ 29,882	\$ 5,390	\$ (1,241)	\$ 34,031
Bond and Others	3,139	0	(97)	3,042
	<u>\$ 33,021</u>	<u>\$ 5,390</u>	<u>\$ (1,338)</u>	<u>\$ 37,073</u>

The proceeds from sales of, and gross realized gain and loss on, other securities for the years at March 31, 2012 and 2011 are summarized as follows.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Proceeds from sales	¥ 42	¥ 59	\$ 511
Gross realized gain	18	0	219
Gross realized loss	—	63	—

6. Derivatives:

1. Derivative transactions to which hedge accounting is not applied
Not applicable.

2. Derivative transactions to which hedge accounting is applied

(1) Currency transactions

Hedge accounting method	Type of contracts	Item hedged	Millions of yen		
			Contract amounts	Over 1 year out of contract amounts	Market value
			2012		
	Forward exchange contracts				
Designated transactions for forward exchange contracts	Buy				
	U.S. dollars	Trade accounts payable	¥ 3,736	—	¥ 125
	Euros	Trade accounts payable	279	—	6
	Danish kroner	Trade accounts payable	38	—	2
	Pounds sterling	Trade accounts payable	1	—	0
	Total		<u>¥ 4,054</u>	<u>—</u>	<u>¥ 133</u>

Hedge accounting method	Type of contracts	Item hedged	Thousands of U.S. dollars		
			Contract amounts	Over 1 year out of contract amounts	Market value
			2012		
	Forward exchange contracts				
Designated transactions for forward exchange contracts	Buy				
	U.S. dollars	Trade accounts payable	\$ 45,456	—	\$ 1,521
	Euros	Trade accounts payable	3,395	—	73
	Danish kroner	Trade accounts payable	462	—	24
	Pounds sterling	Trade accounts payable	12	—	0
	Total		<u>\$ 49,325</u>	<u>—</u>	<u>\$ 1,618</u>

Market value is measured based on prices and other criteria presented by our correspondent financial institutions.

(2) Interest rate swaps

Hedge accounting method	Type of contracts	Item hedged	Millions of yen		
			Contract amounts	Over 1 year out of contract amounts	Market value
			2012		
Exceptional accounting method for interest-rate swap transactions	Interest rate swap contracts Floating rate receivable/ Fixed rate payable	Long-term debt	¥ 32,031	¥ 29,723	— (*1)

Hedge accounting method	Type of contracts	Item hedged	Millions of yen		
			Contract amounts	Over 1 year out of contract amounts	Market value
			2011		
Exceptional accounting method for interest-rate swap transactions	Interest rate swap contract Floating rate receivable/ Fixed rate payable	Long-term debt	¥ 28,229	¥ 23,251	— (*1)
Nominal method	Interest rate swap contract Floating rate receivable/ Fixed rate payable	Long-term debt	2,013	—	(15) (*2)
			<u>¥ 30,242</u>	<u>¥ 23,251</u>	<u>(¥ 15)</u>

Hedge accounting method	Type of contracts	Item hedged	Thousands of U.S. dollars		
			Contract amounts	Over 1 year out of contract amounts	Market value
			2012		
Exceptional accounting method for interest-rate swap transactions	Interest rate swap contracts Floating rate receivable/ Fixed rate payable	Long-term debt	\$ 389,719	\$ 361,638	— (*1)

*1. Items treated under exceptional accounting method for interest-rate swap transactions are recorded together with long-term debt included in items hedged. Therefore, the market value of such items is included in the market value of the relevant long-term debt.

*2. Market value is measured based on prices and other criteria presented by our correspondent financial institutions.

7. Property and Equipment:

At March 31, 2012 and 2011, property and equipment at cost consisted of the following:—

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Land	¥ 39,838	¥ 39,233	\$ 484,706
Buildings and structures	95,267	83,805	1,159,107
Machinery and equipment, vehicle and vessels	20,869	18,326	253,912
Tools, furniture and fixtures	4,778	4,476	58,134
Construction in Progress	230	1,340	2,798
Lease assets	6,858	5,587	83,441
	<u>¥ 167,840</u>	<u>¥ 152,767</u>	<u>\$ 2,042,098</u>

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

At March 31, 2012 and 2011, short-term loans consisted of the following:—

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
0.68% to 5.49% unsecured loans from banks	<u>¥ 9,265</u>	<u>¥ 8,380</u>	<u>\$ 112,726</u>

At March 31, 2012 and 2011, long-term debt consisted of the following:—

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
1.31% bond due 2014	¥ 7,000	¥ 7,000	\$ 85,168
0.80% bond due 2016	5,000	—	60,835
Convertible bond due 2012	4,900	4,900	59,618
0.66% to 2.50% loans from banks and insurance companies:			
Unsecured	<u>45,094</u>	<u>40,497</u>	<u>548,656</u>
	61,994	52,397	754,277
Less current portion	<u>(9,571)</u>	<u>(8,166)</u>	<u>(116,450)</u>
	<u>¥ 52,423</u>	<u>¥ 44,231</u>	<u>\$ 637,827</u>

On July 20, 2007, the Company issued ¥ 5,000 million (\$ 60,835 thousand) of zero coupon convertible bond with stock acquisition rights due in 2012. The stock acquisition rights are exercisable during the period from July 6, 2012 at a conversion price of ¥ 395 (\$ 4.81) per share.

The annual maturities of long-term debt at March 31, 2012 are as follows:—

Year ending March 31	Millions of yen	Thousands of U.S. dollars
2013	¥ 9,571	\$ 116,450
2014	7,825	95,206
2015	13,722	166,955
2016	5,760	70,081
2017	13,593	165,385
There after	11,523	140,200

At March 31, 2012, the Company has committed line and overdraft contracts with seventeen banks aggregating ¥ 28,100 million (\$ 341,890 thousand). Of the total credit limit, ¥ 7,700 million (\$ 93,685 thousand) was used as the above short-term and long-term borrowing, and the rest ¥ 20,400 million (\$ 248,205 thousand) was unused.

9. Accrued Retirement Benefits:

The following table sets forth the changes in benefits obligation, plan assets and funded status of the Company and its certain subsidiaries at March 31, 2012 and 2011.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Benefits obligation at the end of year	¥ (22,912)	¥ (23,980)	\$ (278,769)
Fair value of plan assets at the end of the year	11,853	12,004	144,215
Unfunded retirement benefits obligation	(11,059)	(11,976)	(134,554)
Unrecognized actuarial loss	4,295	4,666	52,257
Net retirement benefits obligation	(6,764)	(7,310)	(82,297)
Prepaid pension cost	2,704	2,414	32,900
Accrued retirement benefits	<u>¥ (9,468)</u>	<u>¥ (9,724)</u>	<u>\$ (115,197)</u>

Retirement benefits costs of the Company and its certain subsidiaries included the following components for the year ended March 31, 2012, 2011 and 2010.

	Millions of yen			Thousands of U.S. dollars
	2012	2011	2010	2012
Service cost	¥ 1,068	¥ 1,206	¥ 1,200	\$ 12,994
Interest cost	563	566	582	6,850
Expected return on plan assets	(347)	(349)	(302)	(4,222)
Amortization:				
Recognized actuarial loss	581	525	632	7,069
Others	126	—	—	1,533
Net periodic benefits cost	<u>¥ 1,991</u>	<u>¥ 1,948</u>	<u>¥ 2,112</u>	<u>\$ 24,224</u>

Assumption used in the accounting for the defined benefits plans for the year ended March 31, 2012, 2011 and 2010 is as follows:

	2012	2011	2010
Method of attributing benefits to periods of service	Straight-line basis	Straight-line basis	Straight-line basis
Discount rate	2.50%	2.50%	2.50%
Expected rate of return on fund assets	3.00%	3.00%	3.00%
Amortization period of prior service costs	1year	1year	1year
Amortization period of actuarial gain	13years	13years	13years

10. Pledged Assets:

The following assets were pledged as collateral as at March 31, 2012 and 2011—

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Land	¥ 2,225	¥ 2,392	\$ 27,071
Buildings	424	776	5,159
Vehicles	2	1	24
Investment securities	10	10	122
	<u>¥ 2,661</u>	<u>¥ 3,179</u>	<u>\$ 32,376</u>

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

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Long-term debt, including current portion	<u>¥ 100</u>	<u>¥ 100</u>	<u>\$ 1,217</u>

11. Contingent Liabilities:

At March 31, 2012 and 2011, contingent liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Guarantees of some obligations	¥ 176	¥ 180	\$ 2,141
Buyback obligations associated with securitization of receivables	385	853	4,684
Recourse obligation associated with securitization of guarantee deposits	140	150	1,703
Trade notes endorsed	47	—	572
	<u>¥ 748</u>	<u>¥ 1,183</u>	<u>\$ 9,100</u>

12. Net Assets:

The Japan Companies Act 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 Japan Companies Act also stipulates that, on condition 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, 2012, included the Company's legal reserve of ¥ 1,506 million (\$ 18,323 thousand).

13. Stock Option Plans:

The stock option plans of the Company approved by the shareholders in accordance with the Japan Companies Act at March 31, 2012 were as follows:

(1) Description of stock options

stock option	Grantees	Number of shares with warrants granted	Date of grant	Option price per warrant	Shares with warrants granted	Exercise period
2007 Stock options (1st)	10 directors 3 auditors	61,000 shares	July 20, 2007	¥ 1	Common stock	July 21, 2007 - June 30, 2027
2007 Stock options (2nd)	9 operating officers	18,000 shares	July 20, 2007	¥ 1	Common stock	July 21, 2007 - June 30, 2027
2008 Stock options (4th)	10 directors 3 auditors	71,000 shares	July 1, 2008	¥ 1	Common stock	July 2, 2008 - June 30, 2028
2008 Stock options (5th)	10 operating officers	22,000 shares	July 1, 2008	¥ 1	Common stock	July 2, 2008 - June 30, 2028
2009 Stock options (6th)	11 directors 4 auditors	74,000 shares	July 1, 2009	¥ 1	Common stock	July 2, 2009 - June 30, 2029
2009 Stock options (7th)	12 operating officers	27,000 shares	July 1, 2009	¥ 1	Common stock	July 2, 2009 - June 30, 2029
2010 Stock options (8th)	11 directors 4 auditors	90,000 shares	July 1, 2010	¥ 1	Common stock	July 2, 2010 - June 30, 2030
2010 Stock options (9th)	13 operating officers 13 assistant directors	42,000 shares	July 1, 2010	¥ 1	Common stock	July 2, 2010 - June 30, 2040
2011 Stock options (10th)	12 directors 4 auditors	102,000 shares	July 1, 2011	¥ 1	Common stock	July 2, 2011 - June 30, 2041
2011 Stock options (11th)	15 operating officers 20 assistant directors	96,000 shares	July 1, 2011	¥ 1	Common stock	July 2, 2011 - June 30, 2041

(2) Changes in the number of stock options

The following describes changes in the number of stock options that existed during the year ended March 31, 2012. The number of stock options is translated into the number of shares.

	2007 Stock options(1st)	2007 Stock options(2nd)	2008 Stock options(4th)	2008 Stock options(5th)	2009 Stock options(6th)	2009 Stock options(7th)	2010 Stock options(8th)	2010 Stock options(9th)	2011 Stock options(10th)	2011 Stock options(11th)
Share subscription rights which are not yet vested (shares):										
At March 31, 2011	55,000	12,000	63,000	17,000	74,000	27,000	90,000	42,000	—	—
Granted	—	—	—	—	—	—	—	—	102,000	96,000
Forfeited	—	—	—	—	—	—	—	—	—	—
Vested	—	—	—	—	—	—	—	—	—	—
At March 31, 2012	55,000	12,000	63,000	17,000	74,000	27,000	90,000	42,000	102,000	96,000
Share subscription rights which have already been vested (shares):										
At March 31, 2011	—	—	—	—	—	—	—	—	—	—
Vested	—	—	—	—	—	—	—	—	—	—
Exercised	—	—	—	—	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—	—	—	—	—
At March 31, 2012	—	—	—	—	—	—	—	—	—	—

14. Income Taxes:

The Company and its subsidiaries are subject to several taxes based on income, which in the aggregate resulted in a normal effective statutory tax rates of approximately 40.6% for the years ended March 31, 2012 and 2011.

(1) Significant components of deferred tax assets and liabilities at March 31, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Accrued retirement benefits	¥ 3,977	¥ 4,721	\$ 48,388
Accrued bonuses to employees	1,504	1,371	18,299
Loss carry forward	962	1,218	11,705
Impairment losses	339	820	4,125
Loss on revaluation of land	307	351	3,735
Social insurance premium	204	177	2,482
Accrued enterprise tax	187	134	2,275
Asset retirement obligations	113	119	1,375
Loss on revaluation of golf club membership	98	109	1,192
Provision for loss on disaster	17	340	207
Other	808	779	9,831
Gross deferred tax assets	8,516	10,139	103,614
Less: valuation allowance	(1,117)	(1,467)	(13,591)
Total deferred tax assets	7,399	8,672	90,023
Deferred tax liabilities:			
Reserve for reduction in costs of fixed assets	(856)	(979)	(10,415)
Asset retirement obligations	(49)	(58)	(596)
Net unrealized holdings gain on other securities	(113)	(14)	(1,375)
Other	(562)	(311)	(6,838)
Gross deferred tax liabilities	(1,580)	(1,362)	(19,224)
Net deferred tax assets	¥ 5,819	¥ 7,310	\$ 70,799

(2) Reconciliation of the statutory effective income tax rate and the income tax rate as a percentage of income before income taxes and minority interests at March 31, 2012 and 2011 were as follows:

	2012	2011
Statutory tax rate	40.6%	40.6%
Adjustment:		
Non-deductible expenses	1.0	1.7
Inhabitants' per capita taxes	2.8	5.2
Non-taxable dividend income	(0.2)	(0.5)
Adjustments of deferred tax assets due to the change in statutory effective tax rate	8.9	-
Other	1.2	3.0
Income tax rate as a percentage of income before income taxes and minority interests	54.3%	50.0%

(3) Adjustments of deferred tax assets and liabilities due to the change in statutory effective tax rate

The Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures (Act No. 114 of 2011) and the Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction from the Great East Japan Earthquake (Act No. 117 of 2011) were issued on December 2, 2011. In response, corporation tax rates will be reduced and the Special Reconstruction Corporation Tax, a surtax for reconstruction funding after the Great East Japan Earthquake, will be imposed with effect from the year beginning April 1, 2012. In accordance with the change, statutory effective tax rates to calculate the amounts of deferred tax assets and liabilities have been applied as follows depending on the period in which the temporary difference is expected to be reversed.

March 31, 2012 and before: 40.6%
April 1, 2012 through March 31, 2015: 38.0%
April 1, 2015 onward: 35.6%

Due to the change, the net amount of deferred tax assets (after deducting the amount of deferred tax liabilities) decreased by ¥ 662 million (\$ 8,055 thousand). Deferred income taxes increased by ¥ 682 million (\$ 8,298 thousand), whereas net unrealized holdings gain on securities and gain on deferred hedges increased by ¥ 16 million (\$ 195 thousand) and ¥ 4 million (\$ 49 thousand), respectively.

15. Business Combination Related:

(a) Stock acquisition of Smile Corp.

(1) Outline of the business combination

a. Name of the acquired company and its business

Name of the acquired company
Smile Corp.

Businesses

Production and sale of packing materials, and wholesale of food, alcoholic beverages, daily living general merchandise and others

b. Main reasons for the business combination

The Company, as a logistics and information organization, has focused on the improvement of efficiency and optimization across the entire supply chain with the aim of responding to the increasingly diverse and exacting needs of customers. To this end, our efforts are targeted at expanding the integrated commercial and physical distribution businesses, by providing distribution function as well as advancing into trading and commerce. Furthermore, the Company's principal businesses include mass merchandising and retail logistics for major supermarkets, home improvement centers, drugstores, department stores, specialized retail chain stores, and others, and our expertise is acknowledged and highly respected by our customers.

Smile Corp. is a distributor and trading company with expertise ranging from product planning to procurement, distribution and sales in the respective business fields of packaging materials, alcoholic beverages, and food and consumer goods, and is moving to expand its marketing power and establish effective distribution and logistics services, including procurement from overseas.

The Company decided to enter into a capital alliance with Smile Corp., after considering that it would be able to combine its own distribution expertise in the mass merchandising and retail business with Smile Corp.'s sales capabilities in the retail, restaurants, mail-order and precision instruments industries. Collaboration in expanding business and developing new customers will be achieved by establishing an integrated business model based on consistent commercial and physical distributions including overseas markets ranging from product planning and procurement to delivery to end-users.

c. Date of business combination

September 26, 2011

d. Legal form of the business combination

Stock acquisition

e. Name of the controlling entity after the business combination

The name remains unchanged.

f. Percentage share of voting rights acquired by the Company

92.60%

g. Main reason for the decision to acquire the company

As the payment of the consideration was designated in cash, it was decided that the Company would be the acquirer, paying the relevant consideration in cash.

(2) Period of the acquired company's financial results included in the consolidated statements of income

From October 1, 2011 to March 31, 2012

(3) Acquisition cost of the acquired company and breakdown

		Millions of yen	Thousands of U.S. dollars
Consideration for the acquisition	Cash	¥ 5,000	\$ 60,835
Expenses directly required for acquisition	Advisory fees, other	103	1,253
Acquisition cost		¥ 5,103	\$ 62,088

(4) Goodwill, reason for recognizing goodwill, amortization method and amortization period

a. Amount of goodwill

¥ 2,839 million (\$ 34,542 thousand)

b. Reason for recognizing goodwill

The expected excess earning power of Smile Corp. and its group companies has been recognized mainly in production and sales from the packaging materials and food, alcoholic beverages and consumer goods wholesale businesses.

c. Method and period of amortization of goodwill

Straight-line method over 20 years

(5) Amount of assets and liabilities acquired on the day of the business combination, and breakdown

	Millions of yen	Thousands of U.S. dollars
Current assets	¥ 8,965	\$ 109,077
Non-current assets	617	7,507
Total assets	¥ 9,582	\$ 116,584
Current liabilities	¥ 6,721	\$ 81,774
Long-term liabilities	418	5,086
Total liabilities	¥ 7,139	\$ 86,860

(6) Estimated amount and the calculation method of the impact on the consolidated statements of income for the year ended March 31, 2012, assuming that the business combination has been completed on the first day of the fiscal year under review.

	Millions of yen	Thousands of U.S. dollars
Operating revenues	¥ 14,158	\$ 172,259
Operating income	459	5,585
Income before income taxes	441	5,366
Net income	¥ 254	\$ 3,090

(Calculation method for estimated amount of impact)

The estimated impact amount of the business combination is the difference between operating income and profit and loss information as calculated assuming that the business combination had been completed on the first day of the fiscal year under review, and the operating income and the profit and loss information as stated in the consolidated statements of income of the Company for the year ended March 31, 2012.

The relevant estimated amount is unaudited.

(b) Stock acquisition of Chugoku Piano Transport Co., Ltd.

(1) Outline of the business combination

a. Name of the acquired company and its business

Name of acquired company:

Chugoku Piano Transport Co., Ltd.

Businesses:

Transport of musical instruments (pianos), precision instruments, heavy goods, medical instruments; warehousing, musical instrument repair

b. Main reasons for the business combination

Chugoku Piano Transport Co., Ltd. (CPT), founded in 1976, is based in Hiroshima City. Its main business is transport of musical instruments (primarily pianos), precision instruments, heavy goods and medical instruments, across the Chugoku and Shikoku regions.

Following its establishment, the company specialized in the transport of pianos. Subsequently, drawing on the skills and bases developed in this capacity, it has expanded its business significantly to include transport and safekeeping of precision instruments and heavy goods such as strong boxes and large-scale equipment, medical instruments and piano and furniture repair.

The Company decided to add CPT to its Group as a subsidiary with the aim of further developing physical distribution systems of precision instruments in the Chugoku and Shikoku regions and expanding its business into the precision instruments and music and musical instruments industries in the form of new distribution system services, by fusing CPT's special skills and expertise related to the transport of precision instruments, heavy goods and pianos and the Company's distribution functions and networks.

c. Date of business combination

January 31, 2012

d. Legal form of the business combination

Stock acquisition

e. Name of the controlling entity after the business combination

The name remains unchanged.

f. Percentage share of voting rights acquired by the Company

100%

g. Main reason for the decision to acquire the company

As the payment of the consideration was designated in cash, it was decided that the Company would be the acquirer, paying the relevant consideration in cash.

(2) Period of the acquired company's financial results included in the consolidated financial statements of income

The acquired company's financial results are not included in the Company's consolidated financial statements, as its deemed acquisition date was March 31, 2012.

(3) Acquisition cost of the acquired company and breakdown

		Millions of yen	Thousands of U.S. dollars
Consideration for the acquisition	Cash	¥ 660	\$ 8,030
Acquisition cost		¥ 660	\$ 8,030

(4) Goodwill, reason for recognizing goodwill, amortization method and amortization period

- a. Amount of goodwill
¥ 46 million (\$ 560 thousand)
- b. Reason for recognizing goodwill
The expected excess earning power of the company has been recognized mainly in its transport business of musical instruments (pianos), precision instruments, heavy goods and medical instruments.
- c. Method and period of amortization of goodwill
Straight-line method over 5 years

(5) Amounts of assets and liabilities acquired on the day of the business combination, and breakdown

	Millions of yen	Thousands of U.S. dollars
Current assets	¥ 210	\$ 2,555
Noncurrent assets	600	7,300
Total assets	¥ 810	\$ 9,855
Current liabilities	¥ 158	\$ 1,923
Long-term liabilities	38	462
Total liabilities	¥ 196	\$ 2,385

(6) Estimated amount and the calculation method of the impact on the consolidated statements of income for the year ended March 31, 2012, assuming that the business combination has been completed on the first day of the fiscal year under review.

	Millions of yen	Thousands of U.S. dollars
Operating revenues	¥ 998	\$ 12,143
Operating income	34	414
Income before income taxes	37	450
Net income	¥ 17	\$ 207

(Calculation method for the estimated amount of the impact)

The estimated impact amount of the business combination is the difference between operating income and profit and loss information as calculated assuming that the business combination had been completed on the first day of the fiscal year under review, and the operating income and the profit and loss information as stated in the consolidated statements of income of the Company for the year ended March 31, 2012.

The relevant estimated amount is unaudited.

16. Asset Retirement Obligations:

Asset retirement obligations recorded in the consolidated balance sheets

a. Outline of the relevant asset retirement obligations

Of property lease contracts for the Company's distribution centers, asset retirement obligations are recognized where restoration is required in the fixed-term leasehold contracts, and in the property lease contracts of some consolidated subsidiaries.

b. Calculation method for the relevant asset retirement obligations

In calculating the amount of asset retirement obligations recorded under liabilities, an estimated period of use of 10 to 20 years and a discount rate of 0.7% to 2.5% were assumed.

c. Increase in the total amount of asset retirement obligations

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Balance at beginning of the term	¥ 293	¥ 285	\$ 3,565
Increase due to acquisition of a consolidated subsidiary	15	—	183
Reconciliation associated with the passage of time	8	8	97
Balance at the end of the term	¥ 316	¥ 293	\$ 3,845

The balance at the beginning of the year ended March 31, 2011 is a result of the adoption of the Accounting Standards for Asset Retirement Obligations (ASBJ Statement No. 18 issued on March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 issued on March 31, 2008).

17. Segment Information:

1. Summary of reportable segment

The reportable segments of the Companies are components for which separate financial information is available and whose operating results are regularly reviewed by the board of directors to make decisions about resource allocation and to assess performance.

The Companies divide business operations into three segments: Distribution, Trading & Commerce, and Others.

Distribution mainly includes truck transport, railway forwarding, marine transport, global logistics service, integrated retail logistics (distribution centers) etc.

Trading & Commerce mainly includes the sale of petroleum products and the trading business.

Others mainly includes data processing outsourcing services, automobile maintenance and insurance agency services.

2. Calculation of sales, profit (loss), assets and liabilities, etc. of each reportable segment

The accounting policies of the segments are substantially the same as those described in the "Summary of Significant Accounting Policies ." Profit (loss) of reportable segments is based on operating income or loss.

3. Sales, profit (loss), assets, etc. of each reportable segment

	Millions of yen					
	2012				Adjustments and eliminations	Consolidated
	Distribution	Trading & Commerce	Others	Total		
Operating revenues:						
Customers	¥ 222,495	¥ 44,811	¥ 3,055	¥ 270,361	¥ —	¥ 270,361
Intersegment	704	10,536	3,450	14,690	(14,690)	—
Total operating revenues	223,199	55,347	6,505	285,051	(14,690)	270,361
Segment income (loss)	6,604	1,276	691	8,571	(297)	8,274
Segment assets	171,328	15,299	10,084	196,711	6,136	202,847
Other items						
Depreciation	5,253	124	172	5,549	611	6,160
Increase in tangible and intangible fixed assets	16,799	138	116	17,053	669	17,722

	Millions of yen					
	2011				Adjustments and eliminations	Consolidated
	Distribution	Trading & Commerce	Others	Total		
Operating revenues:						
Customers	¥ 211,508	¥ 26,687	¥ 2,851	¥ 241,046	¥ —	¥ 241,046
Intersegment	708	8,633	3,886	13,227	(13,227)	—
Total operating revenues	212,216	35,320	6,737	254,273	(13,227)	241,046
Segment income (loss)	5,097	505	641	6,243	(143)	6,100
Segment assets	156,634	8,059	8,339	173,032	4,253	177,285
Other items						
Depreciation	4,885	65	164	5,114	476	5,590
Increase in tangible and intangible fixed assets	10,296	115	159	10,570	1,830	12,400

	Thousands of U.S. dollars					
	2012				Adjustments and eliminations	Consolidated
	Distribution	Trading & Commerce	Others	Total		
Operating revenues:						
Customers	\$ 2,707,081	\$ 545,212	\$ 37,170	\$ 3,289,463	\$ —	\$ 3,289,463
Intersegment	8,566	128,191	41,976	178,733	(178,733)	—
Total operating revenues	2,715,647	673,403	79,146	3,468,196	(178,733)	3,289,463
Segment income (loss)	80,350	15,525	8,407	104,282	(3,613)	100,669
Segment assets	2,084,536	186,142	122,691	2,393,369	74,656	2,468,025
Other items						
Depreciation	63,913	1,509	2,093	67,515	7,433	74,948
Increase in tangible and intangible fixed assets	204,392	1,679	1,411	207,482	8,140	215,622

(1) Products and Services Information

Information for specific products and services is not shown because the same information is in the segment information.

(2) Geographic Segment Information

a. Sales

Sales information by geographic segment is not shown because sales in Japan accounted for over 90% of operating revenue on the consolidated statements of income.

b. Property, plant and equipment

Property, plant and equipment information by geographic segment is not shown because property, plant and equipment in Japan accounted for over 90% of property, plant and equipment on the consolidated balance sheets.

(3) Information by Major Clients

Information by major clients is not shown because sales to major clients accounted for less than 10% of operating revenue on the consolidated statements of income.

(Information on impairment losses in fixed assets by business segment)

No significant items to be reported.

(Information on amortization of goodwill and amortization balance by business segment)

	Millions of yen				Consolidated
	Distribution	Trading & Commerce	Others	Adjustments and eliminations	
Amortization of goodwill	¥ 85	¥ 120	—	—	¥ 205
Balance at the end of period	864	2,866	—	—	3,730

	Thousands of U.S. dollars				Consolidated
	Distribution	Trading & Commerce	Others	Adjustments and eliminations	
Amortization of goodwill	\$ 1,034	\$ 1,460	—	—	\$ 2,494
Balance at the end of period	10,512	34,870	—	—	45,382

(Information on negative goodwill by business segment)

No significant items to be reported.

18. Subsequent Event:

(1) Payment of Dividends

Shareholders approved the following appropriation of retained earning at the annual meeting held on June 28, 2012

	Millions of yen	Thousands of U.S. dollars
Cash dividends	¥ 755	\$ 9,186

Stock Information (As of March 31, 2012)

Stock Listings	Tokyo, Osaka
Stock Code	9069
Authorized Shares	294,999,000
Outstanding Share	128,989,476
Number of Shareholders	7,401
Administrator of Shareholder's Register	Mitsubishi UFJ Trust and Banking Corporation Osaka Corporate Agency Division 3-6-3, Fushimi Machi, Chuo-ku, Osaka 541-8502, Japan
Independent Auditors	Otemae Audit Corporation

Largest Shareholders

	Number of Shares	Percentage Held
Japan Trustee Services Bank, Ltd. (Trust Account)	15,692,000	12.17%
Asahi Kasei Corporation	11,676,726	9.05%
Senko Group Employee's Stockholding	7,740,743	6.00%
Sekisui Chemical Co., Ltd.	6,785,900	5.26%
The Master Trust Bank of Japan, Ltd.	5,142,000	3.99%
Mitsubishi UFJ Trust and Banking Corporation	4,252,000	3.30%
Isuzu Motors Limited	4,139,689	3.21%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	3,439,170	2.67%
Aioi Nissay Dowa Insurance Co., Ltd.	3,169,655	2.46%
Trust & Custody Services Bank, Ltd.	2,561,000	1.99%

Classification by Type of Shareholder

	Number of Shareholders	Number of Shares	Percentage Held
Domestic financial institutions	47	45,282,329	35.11%
Securities firms	35	825,046	0.64%
Other domestic corporations	258	40,610,759	31.48%
Foreign financial institutions and individuals	119	9,969,799	7.73%
Individuals and others	6,942	32,301,543	25.04%
Total	7,401	128,989,476	100.00%

Board of Directors and Corporate Auditors, Executive Officers (As of June 28, 2012)



President and Representative Director
Yasuhisa Fukuda

President and Representative Director

Yasuhisa Fukuda

Executive Vice President and Representative Director

Masami Fujimori

Directors and Senior Managing Executive Officers

Takeyo Teduka
Hisao Takahashi
Masuo Tanaka

Directors and Managing Executive Officers

Kengo Tanaka
Kazuhiro Yamanaka
Hirofumi Teramachi

Directors and Executive Officers

Yasushi Morimoto
Yoshihiro Kawase
Kazuaki Oike

Outside Director

Hiroko Ameno



Executive Vice President and Representative Director
Masami Fujimori

Full-time Corporate Auditors

Yutaka Toyama
Katsumi Okamoto
Masakazu Tsuji
Yuzo Matsumoto

Executive Officers

Junji Miyatsu
Tomoyuki Osako
Takashi Yamamoto
Kenichi Shiraki
Hiroshi Yoneji
Akira Taniguchi
Masami Tada
Noburoh Sasaki
Takashi Sawada
Yoshihito Koresawa
Yukio Murozaki
Kazuharu Tsurudome
Akira Ito
Kiyoshi Rurigaki
Kanji Kawasaki
Tatsuhiko Maeda

Domestic and Global Network (As of April 1, 2012)



Sales Division :

Branches:

Departments:

Worldwide Locations:

Housing Distribution Sales Division, Chemicals Distribution Sales Division, Logistics Sales Division, Department Store Logistics Sales Department
Sapporo, Sapporo Minami, Sendai, Sendai Kita, Kanto, Ibaraki, Kashiwa, Saitama, Saitama Kita, Saitama Minami, Tokyo, Higashi Tokyo, Kanagawa, Chiba, Shizuoka, Shizuoka Nishi, Nagoya, Komaki, Mie, Keiji, Keiji Higashi, Osaka, Hanshin, Minami Osaka, Okayama, Hiroshima, Kyushu, Kita Kyushu, Minami Kyushu, Nobeoka

International Business, Trading, Kazakhstan Business, Marine Transport, Railway Forwarding

China / Dalian, Qingdao, Shanghai, Nantong, Hong Kong, Guangzhou, Zhang Jia Gang, Shenzhen, Changshu, Shenyang
Australia / Ingleburn
Singapore
Thailand / Bangkok
United States / Chicago, Atlanta, Los Angeles, Kentucky
Kazakhstan / Almaty

Subsidiaries (As of March 31, 2012)

Company Name	Main Business	Company Name	Main Business
● Senko Trading Co., Ltd.	Trading and Commerce, Others	● Nara Senko Logistics Co., Ltd.	Distribution
● Smile Corp.	Trading and Commerce	● Okayama Senko Transport Co., Ltd.	Distribution
● Marufuji Co., Ltd.	Trading and Commerce	● Sankyo Freight Co., Ltd.	Distribution
● Senko Insurance Services Co., Ltd.	Others	● Sanyo Senko Transport Co., Ltd.	Distribution
● Senko Information System Co., Ltd.	Others	● Chushikoku Logistics Co., Ltd.	Distribution
● Logi Solution Co., Ltd.	Others	● Shikoku Reefer Transport and Warehousing Co., Ltd.	Others
● Senko Moving Plaza Co., Ltd.	Distribution	● Fukuoka Senko Transport Co., Ltd.	Distribution
● Senko A Line Amano Co., Ltd.	Distribution	● Minami Kyushu Senko Co., Ltd.	Distribution
● Tokyo Nohin Daiko Co., Ltd.	Distribution	● Miyazaki Senko Transport Co., Ltd.	Distribution, Others
● Inui Transport Co., Ltd.	Distribution	● Miyazaki Senko Apollo Co., Ltd.	Distribution
● Chugoku Piano Transport Co., Ltd.	Distribution	● Senko Foods Co., Ltd.	Others
● Sapporo Senko Transport Co., Ltd.	Distribution	● Crefeel Koto Co., Ltd.	Others
● Tohoku Senko Transport Co., Ltd.	Distribution	● S-TAFF Co., Ltd.	Others
● Kanto Senko Transport Co., Ltd.	Distribution	● Senko Business Support Co., Ltd.	Others
● Saitama Senko Transport Co., Ltd.	Distribution, Others	● Logi Factoring Co., Ltd.	Others
● Senko Housing Logistics Co., Ltd.	Distribution	● Senko Medical Logistics Co., Ltd.	Distribution
● Chiba Senko Transport Co., Ltd.	Distribution, Others	● Senko School Farm Tottori Co., Ltd.	Others
● Senko Fashion Logistics Co., Ltd.	Distribution	● Fuji Label Co., Ltd.	Trading and Commerce
● Kashiwa Senko Transport Co., Ltd.	Distribution	● Takano Machinery Works Co., Ltd.	Trading and Commerce
● Noda Senko Logi Service Co., Ltd.	Distribution	● Senko Logistics (U.S.A.) Inc.	Others
● Kanagawa Senko Transport Co., Ltd.	Distribution	● Senko (U.S.A.) Inc.	Distribution
● Hokuriku Senko Transport Co., Ltd.	Distribution	● Dalian Tri-Enterprise Logistics Co., Ltd.	Distribution
● Fuji Senko Transport Co., Ltd.	Distribution, Others	● Senko Logistics (Shanghai) Co., Ltd.	Distribution
● Daito Senko Apollo Co., Ltd.	Distribution	● Shanghai Senko International Freight Co., Ltd.	Distribution
● Tokai Senko Transport Co., Ltd.	Distribution	● Shanghai Smile Corp.	Trading and Commerce
● Toyohashi Senko Transport Co., Ltd.	Distribution	● Guangzhou Senko Logistics Co., Ltd.	Distribution
● Mie Senko Logistics Co., Ltd.	Distribution	● Senko International Logistics (Hong Kong) Ltd.	Distribution
● Shiga Senko Transport Co., Ltd.	Distribution, Others	● Qingdao Xuexing International Logistics Co., Ltd.	Distribution
● Osaka Senko Transport Co., Ltd.	Distribution	● Shenyang Senko Logistics Co., Ltd.	Distribution
● Tokyo Nohin Daiko West Japan Co., Ltd.	Distribution	● Senko (Thailand) Co., Ltd.	Distribution
● Minami Osaka Senko Transport Co., Ltd.	Distribution, Others	● Senko International Logistics Pte. Ltd.	Distribution
● Hanshin Senko Transport Co., Ltd.	Distribution	● Senko Logistics Australia Pty Ltd.	Distribution
● Esaka Logistics Service Co., Ltd.	Distribution	● Senko-Lancaster Silk Road Logistics LLP	Distribution
● Hanshin Transport Co., Ltd.	Distribution	● Japan Select LLP	Trading and Commerce

● : Consolidated subsidiaries

Corporate Data (As of March 31, 2012)

Date of Establishment:	July 1946
Paid-in Capital:	¥20,521,133,751
Head Office	1-30, Oyodonaka 1-chome, Kita-ku, Osaka
Fiscal Year End	March 31
Number of Domestic Offices	330
Number of Overseas Offices	28
Number of Vehicles	3,218
Number of Vessels	21
Total Warehouse Space	2,250,000 square meters
Number of Employees	8,640