

**Completed the KO-SENKO Logistics Center in Busan, South Korea
— Implementation of low-cost logistics services in free-trade area**



Senko Co., Ltd. held a ceremony on March 14, 2014 to mark the opening of the KO-SENKO Logistics Center that it had been building in New Port, Busan, South Korea.

The new center will be operated by KO-SENKO Logistics Co., Ltd. (Head Office in South Korea; President Lee Kook-Dong), a joint venture that was established with local companies in South Korea.

We are promoting the expansion of logistics centers and bases as we aim to enhance our logistics functions abroad. In particular, East Asia, Southeast Asia, Central Asia and North America are priority areas for us, and we have opened the new center as part of our efforts to strengthen our business in East Asia.

The area where the new center is located — New Port, Busan and Busan Port — is an international hub port where pieces of cargo from Asian countries are gathered, and it can boast of being fifth in the world in terms of container handling volume. Furthermore, the area inside the port is specified as a free trade zone (FTZ) and there are favorable conditions for business there, such as exemption from customs duties. Also, businesses can have the fee for entering the port waived and rent land at a low price. Therefore, the area is a good place for setting up a logistics center.

The new center will offer services such as distributing cargo to locations within South Korea, exporting and importing items between Japan and South Korea or between South Korea and a third country, and loading and unloading of goods in the port. Utilizing merits such as Busan Port's FTZ

and free trade agreements (FTA) that South Korea has concluded with other countries, the center will conduct activities such as processing cargo that has been brought in from all over the world and exporting items to a third country, and exporting cargo to a third country after it has been carried in from Japan, stored, and processed. In such ways, we will continue to expand the range of services that lead to lower logistics costs for our customers. Already, it has been decided that the center will handle cargo including industrial products and machinery, and we are planning to start work in a sequential order.

Outline of the facility

1. Name: KO-SENKO Logistics Center
2. Location: Ung-dong distripark, 1190 Nammun-dong, Jinhae-gu, Changwon City, Gyeongsangnam-do Province, South Korea
3. Building structure: Steel-frame building with three stories above ground (the warehouse part is a flat construction)
4. Site area: About 37,000 m²
5. Floor area: About 19,000 m²
6. Owner: KO-SENKO Logistics Co., Ltd.

Outline of KO-SENKO Logistics Co., Ltd.

1. Company name: KO-SENKO Logistics Co., Ltd.
2. Date of establishment: December 12, 2012
3. President: Lee Kook-Dong
4. Location of Head Office: Ung-dong distripark, 1190 Nammun-dong, Jinhae-gu, Changwon City, Gyeongsangnam-do Province, South Korea
5. Capital: 4 billion won (about 320 million yen)
6. Shareholder composition: Senko Co., Ltd. — 35%
Korea Harbour Logistics Co., Ltd. (Busan Metropolitan City, South Korea) — 51%
Kowa Co., Ltd. (Pohang City, North Gyeongsangbuk-do Province, South Korea) — 14%