

Our Philosophy

Universal Mission and Vision

Corporate Group Creating Future Trends

As a corporate group fostering people and supporting people’s lives, we contribute to achieve a genuinely productive global society by continuously challenging efforts to create new trends in terms of products and services that shift the future; centering on our physical and commercial distribution business.

Slogan

Our Thoughts into a Mission & Vision

Moving Global

Go beyond logistics Make the world go round Revolutionize business

Corporate Values

Values that should be shared with all our group employees (IP CReD)

Integrity

Passion

Commitment

Respect

Diversity

*In the abbreviation "IP CReD," "IP" means "maintaining identity," while "CReD" is Latin for "will, belief."

Overview of the SENKO Group

History of the SENKO Group	3
Review of Businesses (At a Glance)	5
Business Activities	7
Logistics	
Trading & Commerce	
Living Support	
Business Support	

Strategies for Sustained Growth

Feature: Manufacturing at the SENKO Group	17
Relationship between Business Activities and the SDGs	21
A Message from the President	23
Medium-Term Business Plan	27

Foundation for Growth

Promoting Sustainability Management	31
Environment	33
Social	39
Safety	44
Governance	47
Health	51

Data Section

Ten-year Financial and Nonfinancial Highlights	53
Financial Review	55
Consolidated Balance Sheets	57
Share Status and Company Profile	62

Editorial Policy

In order to realize our vision, it is essential that we undertake corporate activities in accordance with thinking that leverages both financial and nonfinancial capital as well as timely, precisely targeted decision-making. We believe that it is also important that we disclose information about strategy and corporate activities in a spirit of good faith to earn stakeholders' understanding. This report has been compiled to serve as a communication tool that offers readers a far-ranging, deep-reaching understanding of all of the SENKO Group's business activities, including financial data as well as information about environment, social, and governance (ESG) initiatives, by presenting a multifaceted, integrated description of how the Group will address social issues through its businesses and what kind of value it will create going forward. We're committed to fulfilling the imperative of accountability by disclosing information in a timely and appropriate manner through this report as well as our corporate website, securities reports, the SENKO Group Report, and other tools.

Reference Guidelines

International Integrated Reporting Council (IIRC, currently the IFRS Foundation) International Integrated Reporting Framework
 SASB (Sustainability Accounting Standards Board) Guidance for Collaborative Value Creation (Ministry of Economy, Trade and Industry)

Scope of Report

The scope of coverage includes the activities of SENKO Group Holdings Co., Ltd. and group companies.

Reporting Period

This report covers business activities for the period between April 1, 2022, and March 31, 2023. However, some activities that took place after April 2023 are also covered.

Disclaimer

The SENKO Group provides no guarantee concerning the outcome of the forward-looking statements in this report as they will be affected by various factors, including unforeseen changes in economic conditions.



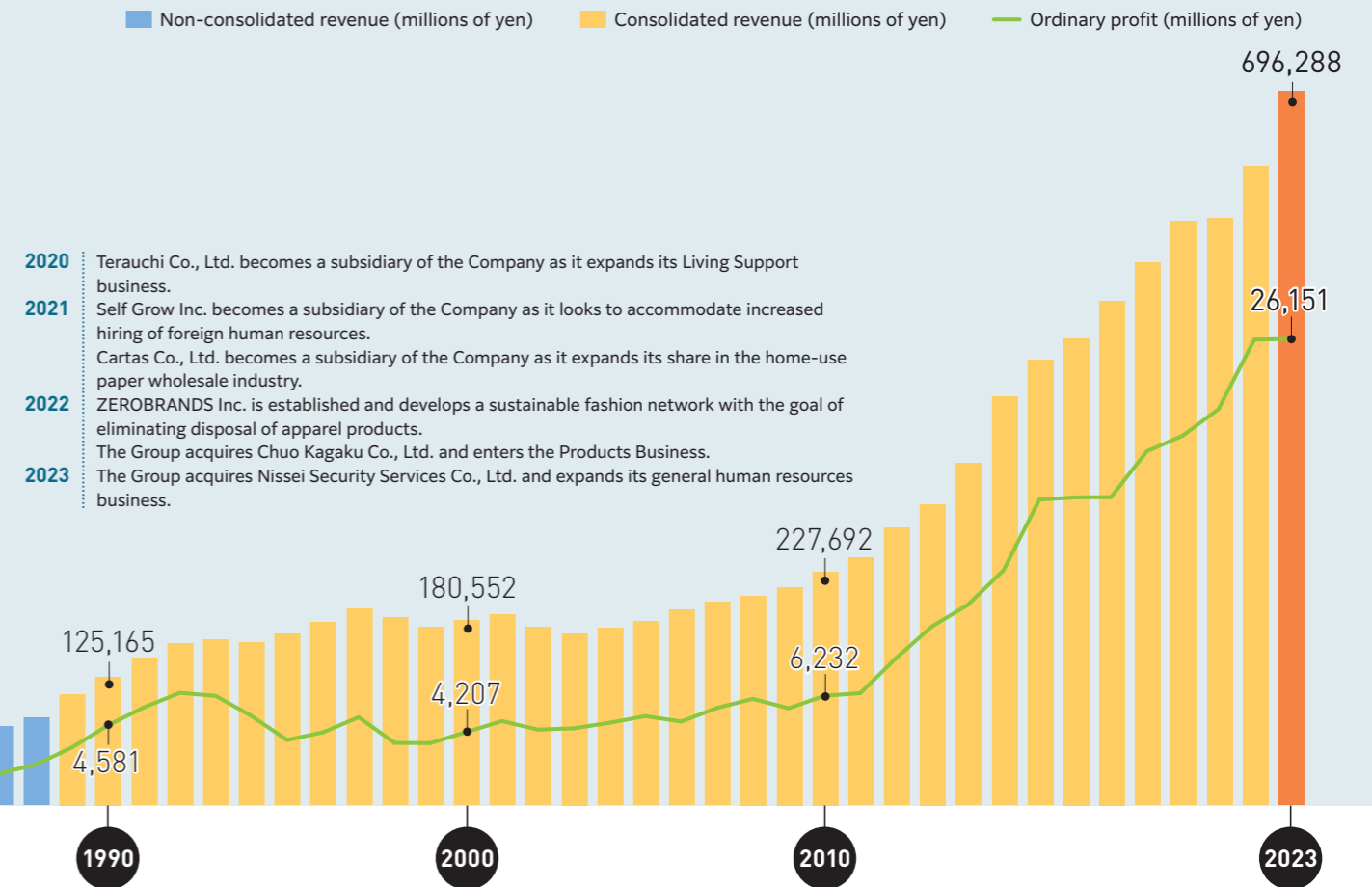
History of the SENKO Group

Embracing value creation beyond logistics Continuing to contribute to people's lives and the development of society

One century has passed since the founding of Tomita Shokai, the SENKO Group's forerunner, in 1916. The Group has expanded in both its businesses and its performance by embracing the challenge of pioneering innovation in every era. It transformed itself into a logistics and information company by introducing an operational system that integrates information and logistics. We continue to realize growth by pioneering businesses that contribute to people's lives and the development of industry and society, for example by providing services that integrate distribution and logistics and through our Living Support business, which meets the needs of contemporary society. As we look towards the next 100 years, the SENKO Group is more eager than ever to embrace challenges as it strives to resolve social issues and create new value through its businesses.

- 1916** Tomita Shokai is founded as a specialized distributor for Nippon Chisso Hiryo.
- 1946** SENKO Transport Co., Ltd. is established.
- 1961** The Company is listed on the Second Section of the Osaka Securities Exchange.
- 1965** The Company pioneers the introduction of computers in the distribution industry.
- 1970** The Company launches a distribution (logistics) consulting service.
- 1973** The Company changes its name to SENKO Co., Ltd.
- 1978** The Company makes a full-scale entry into the house moving business.
- 1980** The Company starts implementing comprehensive multi-functional warehouses (PD centers) with the opening of the Nanko PD Center in Osaka.
- 1985** The Company launches a delivery system for mass-merchandisers/retailers and a distribution business for chain stores.
- 1990** The Company is listed on the First Section of the Tokyo Stock Exchange.
- 1996** Crefeel Koto, a traffic safety and distribution training facility, opens in the city of Higashi Omi, Shiga Prefecture.
- 1997** The Company launches a logistics center business in Dalian, China.

- 2004** The Company enters the temping agency sector with the establishment of S-TAFF Co., Ltd.
- 2009** Tokyo Nohin Daiko Co., Ltd. becomes a subsidiary of the Company.
- 2011** Smile Corp. becomes a subsidiary of the Company.
- 2013** AST CORPORATION becomes a subsidiary of the Company.
- 2014** Runtec Corporation becomes a subsidiary of the Company as it makes a full-fledged entry into the cold logistics business.
- 2015** Laem Chabang Logistics Center opens in Thailand.
- 2016** Care Terrace Co., Ltd. becomes a subsidiary of the Company as it makes a full-fledged entry into the nursing care business.
- 2017** The Company changes its name to SENKO Group Holdings Co., Ltd. and transitions to a holding company structure.
- Nippon Marine Co., Ltd. and Eikichi Kaiun Co., Ltd. become subsidiaries of the Company as it expands its marine transport business.
- Skylift Consolidator (Pte) Ltd. becomes a subsidiary of the Company as it enters the international airfreight business.
- Blue Earth Japan Co., Ltd. becomes a subsidiary of the Company as it enters the fitness sector.

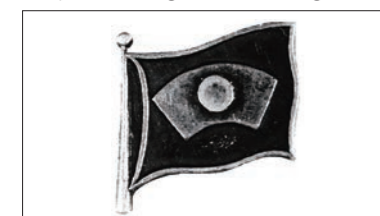


1916

Founding of Tomita Shokai, the forerunner of SENKO

Tomita Shokai was established in 1916 as a specialized distributor for Nippon Chisso Hiryo, a chemical industry conglomerate. In 1941, the company name was changed to Nicchitsu Unyu, and became a subsidiary of Nippon Chisso Hiryo.

The post-war policy of breaking up corporate groups known as *zaibatsu* led to Nicchitsu Unyu being dissolved in 1946. The Japanese character for *sen* (fan) used in the name of the new company was a reference to one element in the logo of the former Nippon Chisso Hiryo, which showed a Japanese "rising sun" on a folding fan.



SENKO Transport's emblem at the time of its establishment

1950

Development and expansion of transport structures

In 1965, the company installed the first computer ahead of competitors, and in 1970 began to further bolster its information and proposal-writing skills, for example by training logistics consultants. In 1973, to express our determination to take on the challenges of businesses other than distribution, the corporate name was changed to SENKO Co., Ltd.



1980

Transformation into a comprehensive logistics company

In 1980, we began the nationwide expansion of PD centers, incorporating multiple functions such as storage, shipping, and distribution processing. In 1985, we started major home center operations.

In 1996, we opened Crefeel Koto, the Company's comprehensive training center for transportation safety and distribution in Shiga Prefecture. We have improved education for drivers and forklift operators, and are further boosting quality and productivity on site. In 1981, we had already established a local subsidiary in the United States, and in 1996 we opened our first distribution center in China as part of our full-fledged expansion overseas.



Crefeel Koto

2000

Transition from a comprehensive logistics company to a logistics information company

Expanded in Japan and overseas using logistic centers equipped with a range of capabilities, and significantly increased storage area. The Company also became fully active in M&As, welcoming companies with strengths in apparel/fashion and frozen/chilled shipping to the SENKO Group, in this way diversifying the logistics services it provides. Even in Trading & Commerce, the Company added trading company distributors and other companies to the SENKO Group and broadened its business domain, for example by providing integrated trading and logistics services.



2015

Becoming a group that creates the trends of the future

September 2016 marked the 100th anniversary of the Company. The company's name was changed to SENKO Group Holdings Co., Ltd. in April 2017 (as part of the transition to a holding company structure), and a new corporate philosophy was formulated. Today's SENKO Group consists of five domains, each of which continues to grow its own operations: Logistics, Trading & Commerce, Living Support, Business Support, and Products.



At a Glance

Delivering new value to people and society: Business development at the SENKO Group

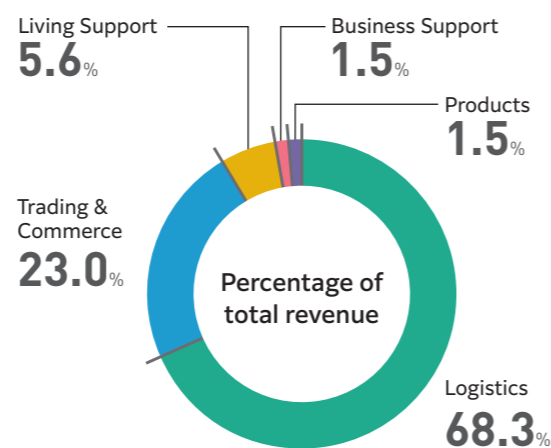
Building on the Logistics business, which comprises the basis for our growth, we're taking advantage of Group synergies to develop business that make a positive impact on society, for example through our Trading & Commerce business, which integrates distribution and logistics, and through our Business Support business, which provides advanced solution services. We're also creating and expanding businesses that deliver new value to people and society, for example by launching a new Products Business.



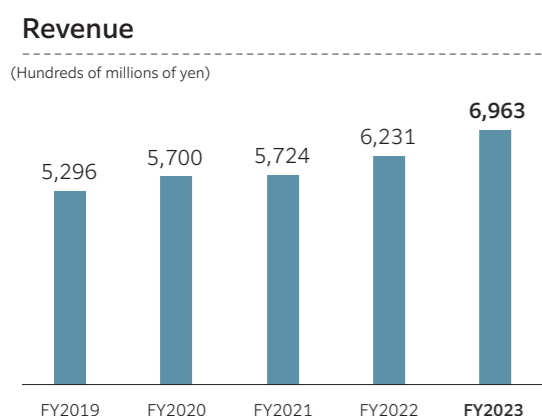
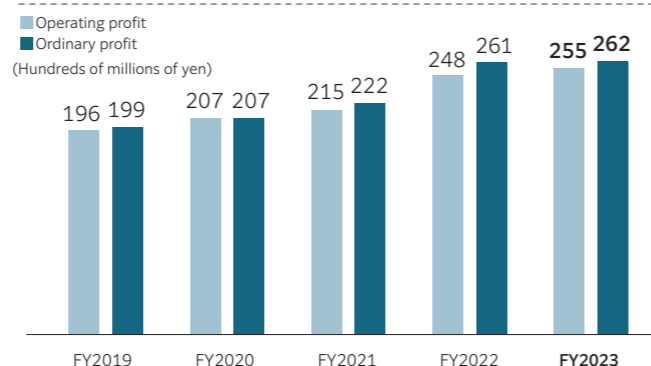
Principal business indicators

Revenue	¥696.3 billion
Operating profit	¥25.5 billion
Ordinary profit	¥26.2 billion
Net income attributable to owners of parent	¥15.3 billion
ROE	10.0%
Net D/E ratio	1.05

Breakdown of revenue

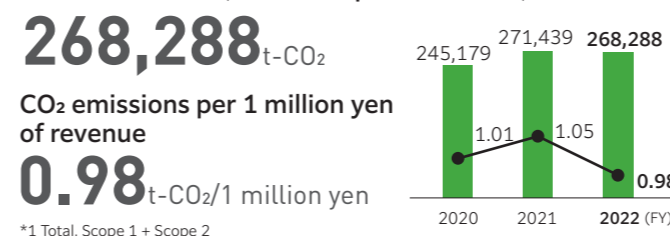


Operating profit and ordinary profit

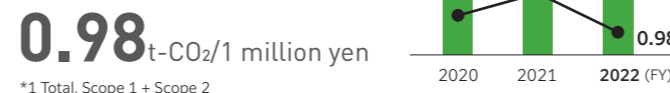


Environment

CO₂ emissions*¹ (land transport business)

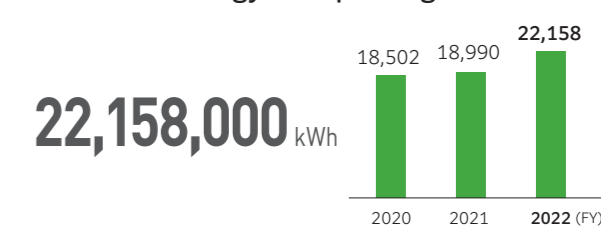


CO₂ emissions per 1 million yen of revenue

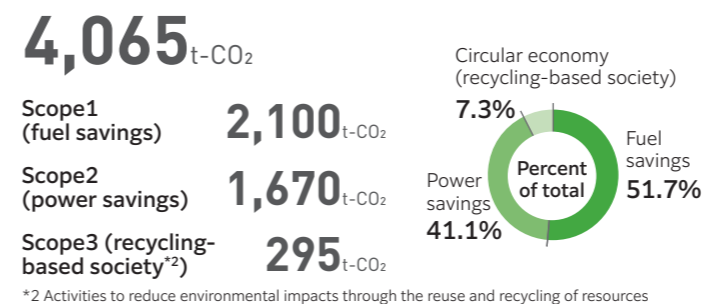


*1 Total, Scope 1 + Scope 2

Renewable energy solar power generation

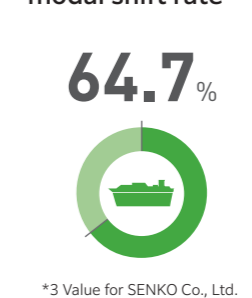


CO₂ reduction activity results



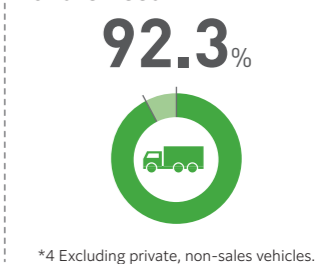
*2 Activities to reduce environmental impacts through the reuse and recycling of resources

Green distribution modal shift rate*³



*3 Value for SENKO Co., Ltd.

Environmentally friendly vehicles as a percentage of the fleet*⁴

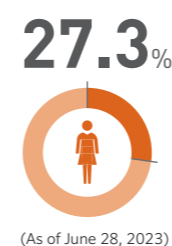


*4 Excluding private, non-sales vehicles.

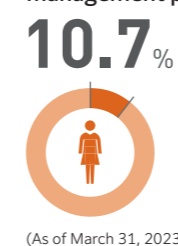
Social

Diversity

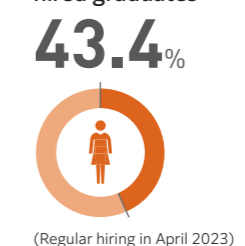
Percentage of female directors



Females as a percentage of management positions

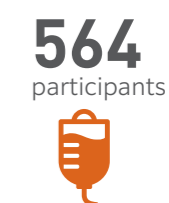


Females as a percentage of newly hired graduates



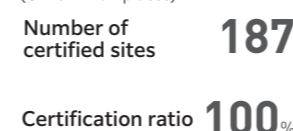
Social initiatives

Number of blood donors



Safety

Safety Excellence Workplace-certified sites (G Mark workplaces)



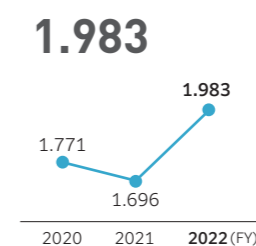
Nationwide certification ratio for truck transport workplaces

32.8%

Vehicle accident frequency rate*⁵



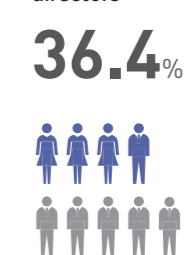
Occupational accident frequency rate*⁵



*5 Scope: SENKO Co., Ltd. and SENKO Group logistics companies

Governance

Ratio of outside directors



Ratio of external auditors



(As of June 28, 2023)

ESG indexes for which SENKO has been selected

2023 Constituent MSCI Japan *⁶ ESG Select Leaders Index

2023 Constituent MSCI Japan Empowering *⁶ Women Index (WIN)



*6 Neither inclusion in MSCI indexes nor use of MSCI's logo, trademarks, service marks, or index names on this page should be construed to indicate the support, guarantee, or promotion of SENKO Group Holdings Co., Ltd. by MSCI or its affiliates. MSCI indexes are the exclusive property of MSCI. The names and logos of MSCI and its indexes are trademarks or service marks of MSCI and its affiliates.

Logistics Group

Combining proprietary strengths to provide new services that go beyond logistics

We provide logistics solutions that take advantage of our combined capabilities to customers in a broad range of industries and sectors, including distribution logistics for general supermarkets, drugstores, and apparel; housing and chemical logistics, both areas where we have a long track record of success; and food logistics, a market where we've built a nationwide network for cold (frozen and refrigerated) logistics.

In addition to providing stable shipping services through a natural disaster-resilient network served by our own ships, we've working to provide strategic logistics services in support of customers and business activities as a leading logistics environment company, for example through early support for green logistics.

Principal companies

SENKO Co., Ltd. / Runtec Corporation / Tokyo Nohin Daiko Co., Ltd. / SENKO A LINE AMANO Co., Ltd. / ACROSS TRANSPORT Corp. / Nippon Marine Co., Ltd.



TOPICS

Integrated land/sea shipping company Ohnami Corporation becomes part of the SENKO Group

Expanding domestic and overseas demand by strengthening SENKO's heavy cargo shipping network

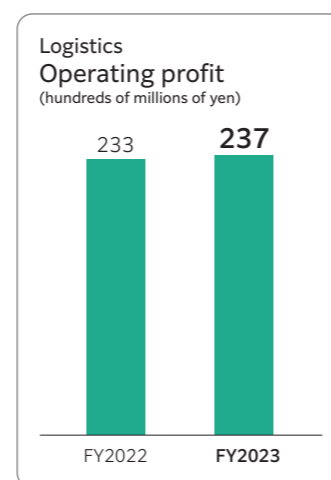
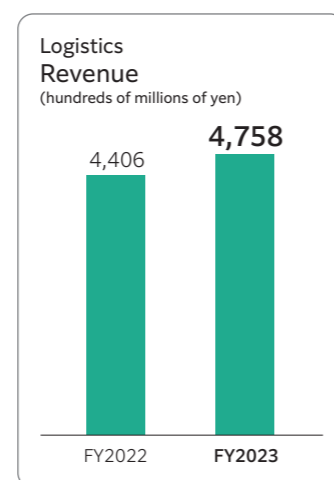
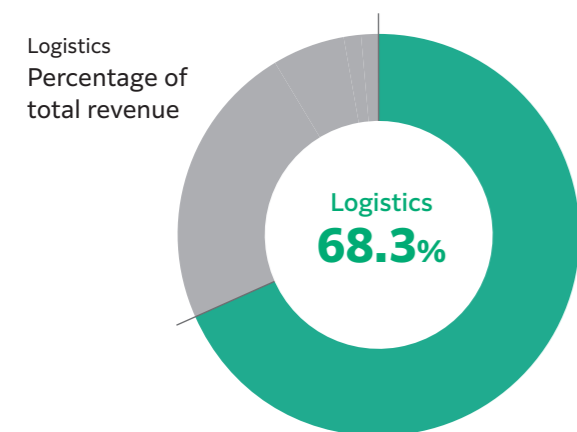
The SENKO Group offers integrated land/sea shipping services for heavy cargo via multiple companies with heavy cargo shipment and marine shipment businesses. In February 2023, Ohnami Corporation, a former subsidiary of Hitachi Zosen Corporation with integrated land/sea shipping capabilities and a successful track record in services including handling, storage, shipment, and customs clearance of heavy and oversize cargo, became part of the SENKO Group. In addition to applying the company's heavy cargo shipping, export, and packaging expertise horizontally across the Group to expand its global heavy cargo shipping business, we will look to leverage the Group's network to streamline shipping operations, for example by utilizing round-trip and combined shipments.

In addition, Ohnami plans to partner with Group companies to advance its mechanical engineering business and to expand operations involving the shipment and installation of large structural components and precision machinery.



Review of Businesses

Despite challenges including increases in the cost of electricity and fuel and a rapid decline in freight movements during the second half of the fiscal year, operating revenues rose 35,267 million yen from the previous year to 475,833 million yen while segment profit rose 472 million yen to 23,748 million yen thanks to factors including efforts to grow sales and revise prices and contributions from M&As.

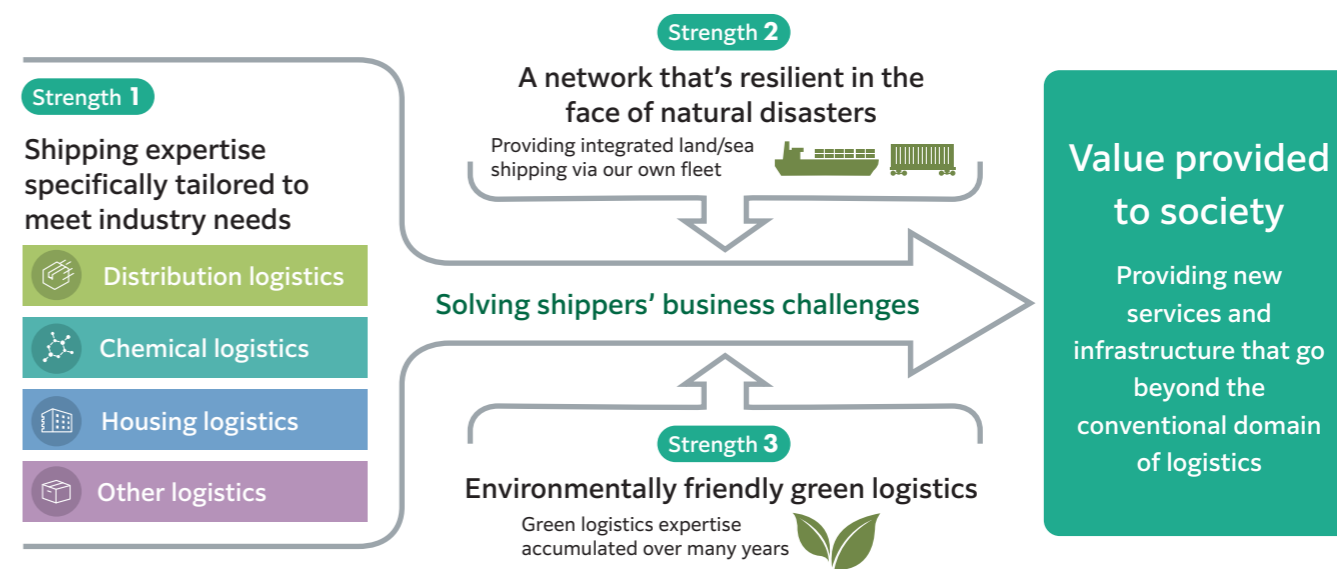


*Segment accounting standards have changed.

Business strengths

Tapping proprietary strengths to provide new value to customers and society

The SENKO Group has accumulated extensive shipping expertise for different industries over more than 100 years since its founding. The quality of our logistics services is highly regarded. In addition, we're helping improve customers' corporate value by realizing efficient, low-environmental-impact shipping service through green logistics and an integrated sea/land modal shift, a proprietary capability of the SENKO Group, which operates its own fleet of ships.

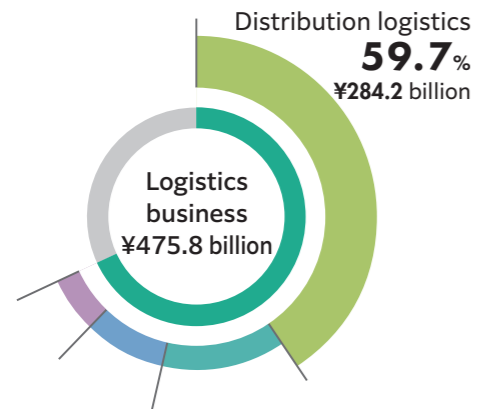


Logistics Group

Distribution logistics

Percentage of total revenue

59.7%



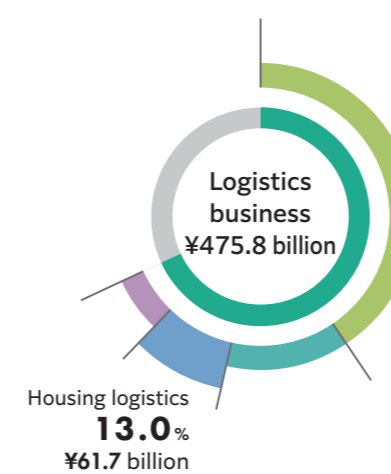
Mass retailers, retailers, food, fashion, etc.

Building on our logistics track record for chain store operators, we provide optimal logistics solutions for customers in every segment of the distribution industry. In fashion logistics, we provide seamless capability from overseas production to domestic retail with product management, logistics processing, and quality control (QC) operations.

Housing logistics

Percentage of total revenue

13.0%



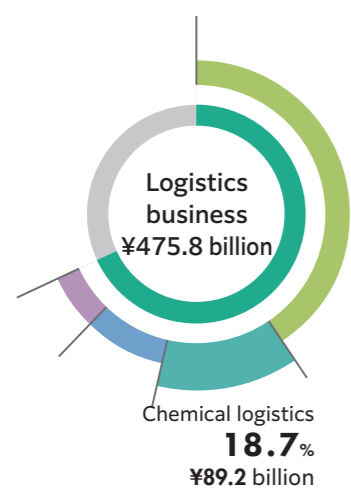
Homebuilder products, associated materials, etc.

Our housing logistics business has accumulated a leading track record as it's developed alongside progress in industrialized housing. We built TGC-J, a proprietary logistics system that integrates logistics and information. Moreover, we earn customer trust with a variety of services, including joint shipments, just-in-time shipments, and heavy-cargo delivery.

Chemical logistics

Percentage of total revenue

18.7%



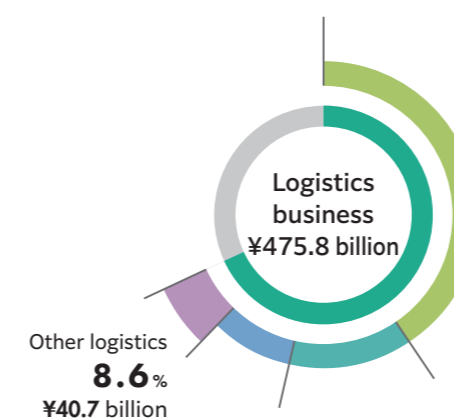
Resin raw materials, resin molded products, processed goods, etc.

Taking advantage of chemical logistics expertise accumulated since our founding, we offer a comprehensive range of operations, from raw material procurement to order processing, internal plant logistics, storage, and delivery. We also offer comprehensive outsourcing operations with planning and management department functions, for example creation of logistics budgets and development of supply/demand plans.

Other logistics

Percentage of total revenue

8.6%



Services for individuals and corporations, hospital relocations, etc.

We offer a pleasant moving experience designed to ensure peace of mind by directly connecting domestic and overseas facilities for individuals as well as office relocation and other services for corporations. We also leverage our logistics technologies in support of hospital relocations and patient transfers as part of a suite of reliable, fine-grained relocation services that ensure no interruption in hospital functions, earning high praise in the process.

Trading & Commerce Group

Operating a global Trading & Commerce business that integrates logistics and distribution in the pursuit of maximum efficiency

Our commerce business provides support for international transactions through the import and export of customers' products and raw materials.

In every business and area of operations, from the wholesale of alcoholic beverages and paper products to the sale of food and logistics-related products and the sale of fuel using fuel cards, we work to maximize efficiency by integrating logistics and information systems. Our goal is to create new businesses by connecting a diverse range of supply chains and businesses while moving beyond the framework of conventional logistics businesses.

Principal companies

SENKO Shoji Co., Ltd. / AST CORPORATION / Smile Corp. / AZFIT Co., Ltd. / Marufuji Co., Ltd. / SENKO International Trading Co., Ltd.



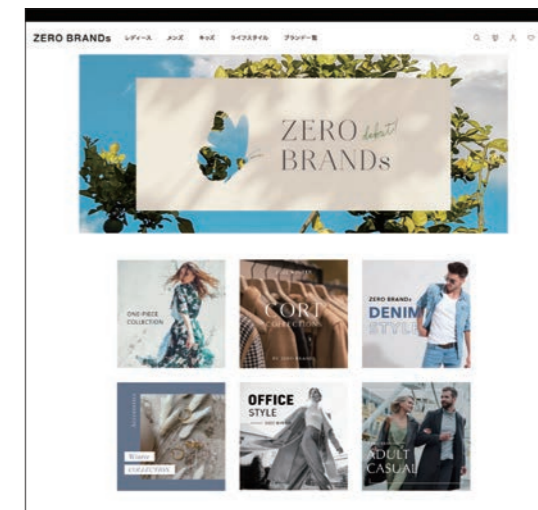
TOPICS

The Group launches the industry's first sustainable fashion platform

Establishing a new company and helping partners eliminate disposal of fashion products

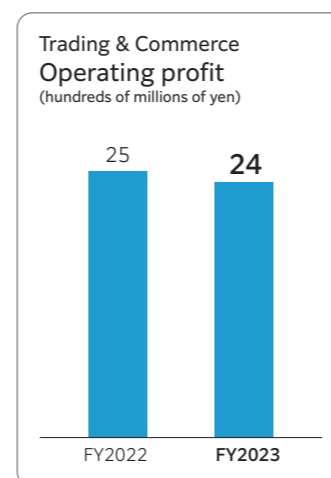
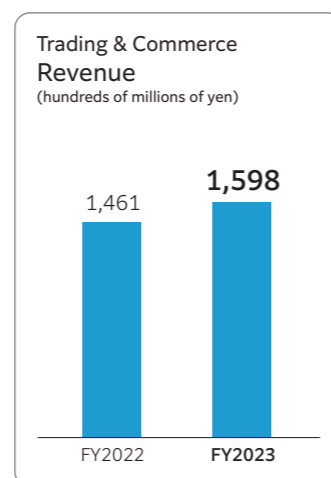
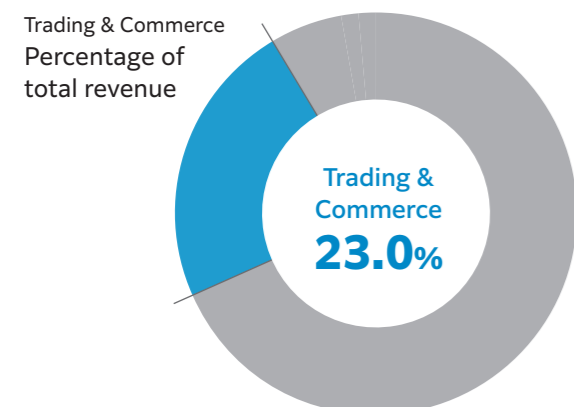
"Is it possible to reduce the volume of products targeted for disposal as surplus inventory?" ZEROBRANDS Inc. was established to resolve this issue as a logistics company that provides logistics services to fashion companies.

In August 2022, the new company began building the industry's first platform to incorporate product remanufacturing, resale, and recycling functions. It plans to work closely with companies that share its philosophy, including by developing joint logistics services extending from product returns to resale, partnerships with inventory sales channels, and administration of e-commerce sites. By connecting a diverse range of supply chains and businesses, ZEROBRANDS will create a new business that contributes to the development of a sustainable society by transforming resold products into valuable offerings.



Review of Businesses

Despite the contribution from Cartas Co., Ltd., a home-use paper wholesaler that became a consolidated subsidiary last fiscal year, and efforts to revise prices, grow sales, and improve the cost picture, factors including declining demand for packaging materials used in takeout and delivery services and rising purchase price weighed on performance as operating revenues rose 13,697 million yen from the previous year to 159,821 million yen. Segment profit fell 26 million yen to 2,421 million yen.



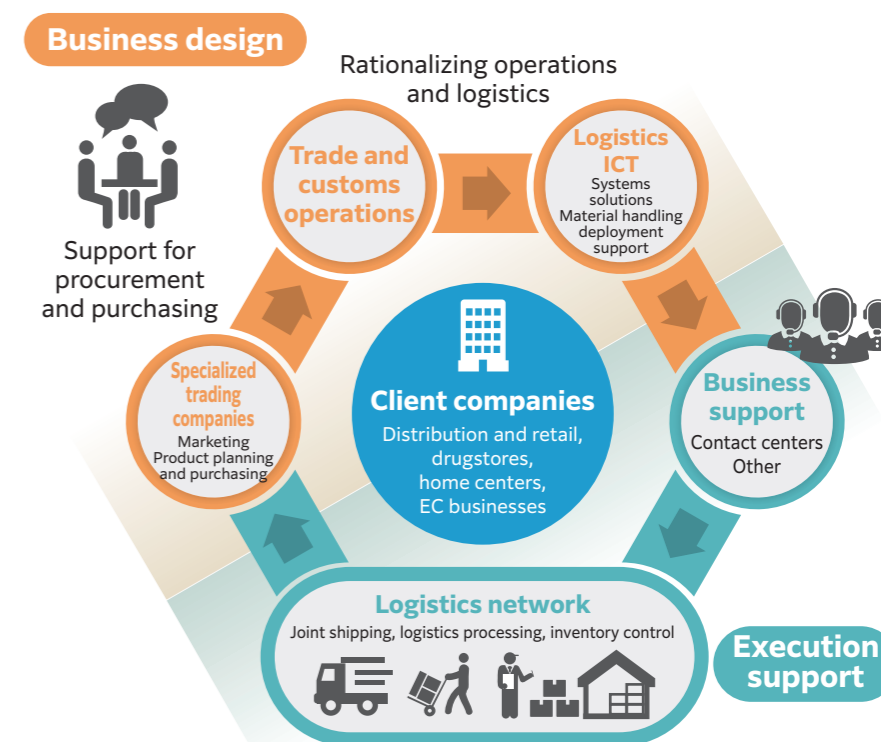
*Segment accounting standards have changed.

Business strengths

The SENKO Group's approach of integrating products and logistics connects customers to the world.

SENKO discovers business opportunities and procures products from various suppliers. Taking advantage of Group companies' logistics expertise, we help craft and successfully execute business designs.

From production plants to small retail shops, we realize optimal supply chain management (SCM) through integrated logistics operations and proprietary, advanced IT systems. The SENKO Group's approach of integrating products and logistics in its businesses provides comprehensive support for customers' development of their businesses.



Living Support Group

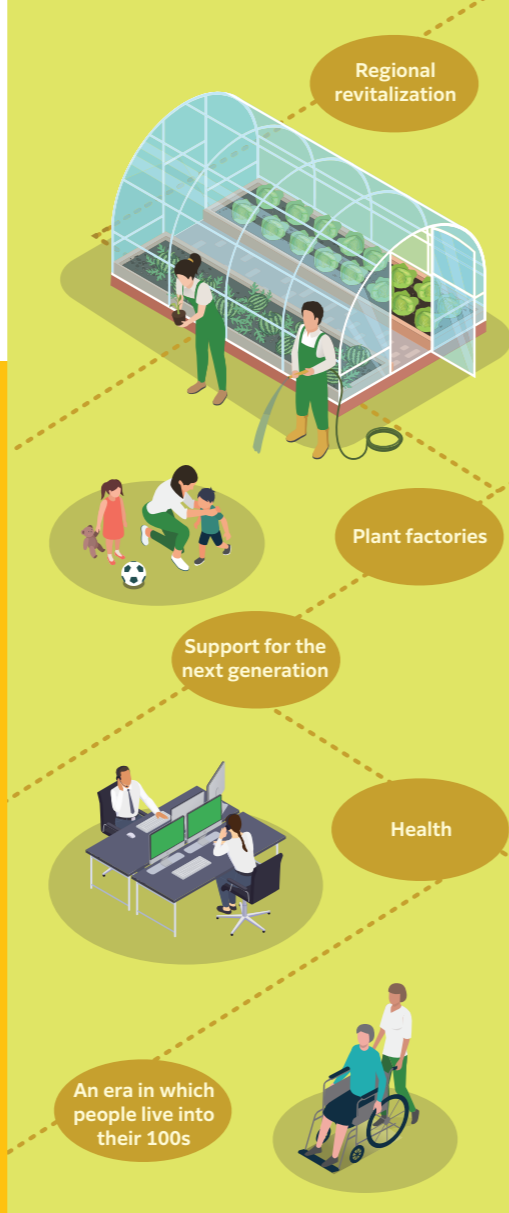
Helping create communities where everyone can lead a fulfilling life with peace of mind by positioning ourselves close to consumers' lifestyles

We entered the Living Support business to meet social needs as a corporate group that supports people's lives. Group companies' businesses earn praise for contributing to the sustained development of local communities, including operating sports gyms and fitness programs that focus on health in an era when people are living into their 100s, providing nursing care and nursing services, operating agricultural businesses that contribute to regional industry and job creation (plant factories), and offering services in areas like housework and childcare.

Going forward, we'll work to expand our business domain and increase the sophistication of our services so that we can support consumers throughout their lives.

Principal companies

Care Terrace Co., Ltd. / Blue Earth Japan Co., Ltd. / Venus Corporation / Terauchi Co., Ltd. / Procure Co., Ltd. / Senko School Farm Tottori Co., Ltd.



TOPICS

Striving to further enhance Living Support services

ARS Co., Ltd., a provider of urgent services, joins the SENKO Group

ARS Co., Ltd. operates a nationwide business that dispatches specialized staff to deal with problems that demand urgent service, including electrical and plumbing issues and problems involving locks and keys. Other businesses encompass a broad range of operations, including dispatching ARS employees and staff from some 3,000 partner companies nationwide to provide virus and bacteria sterilization, housecleaning, pest extermination, and related services and developing and administering an online service that pairs customers with service providers.

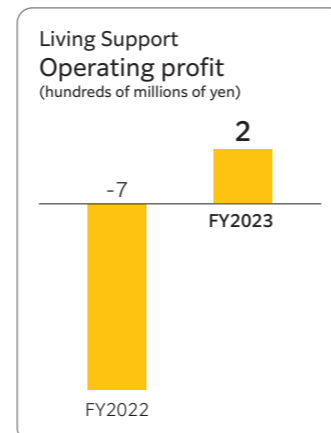
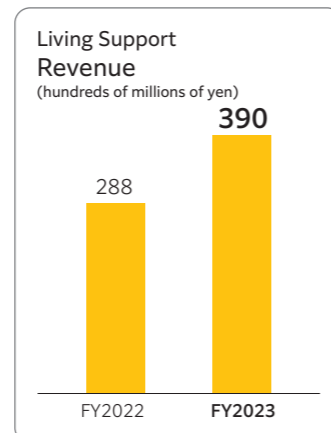
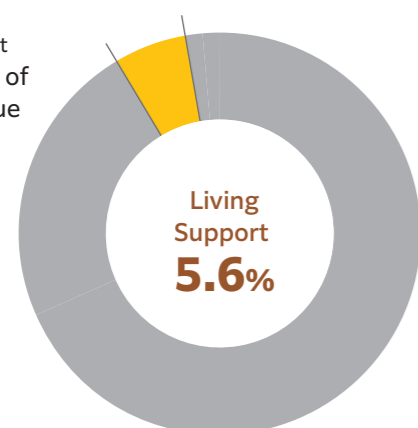
For ARS, the benefits from joining the SENKO Group include the ability to expand its in-house facilities and develop new corporate systems. The company plans to develop a full line of lifestyle services, for example by having its call center accept orders for housekeeping and other services provided by other Group companies.



Review of Businesses

Thanks to factors including growth in customer volume and store foot traffic as a result of the post-pandemic normalization of daily life and contributions from new stores and M&As, operating revenues rose 10,172 million yen from the previous year to 38,985 million yen, while segment profit rose 894 million yen to 186 million yen.

Living Support Percentage of total revenue



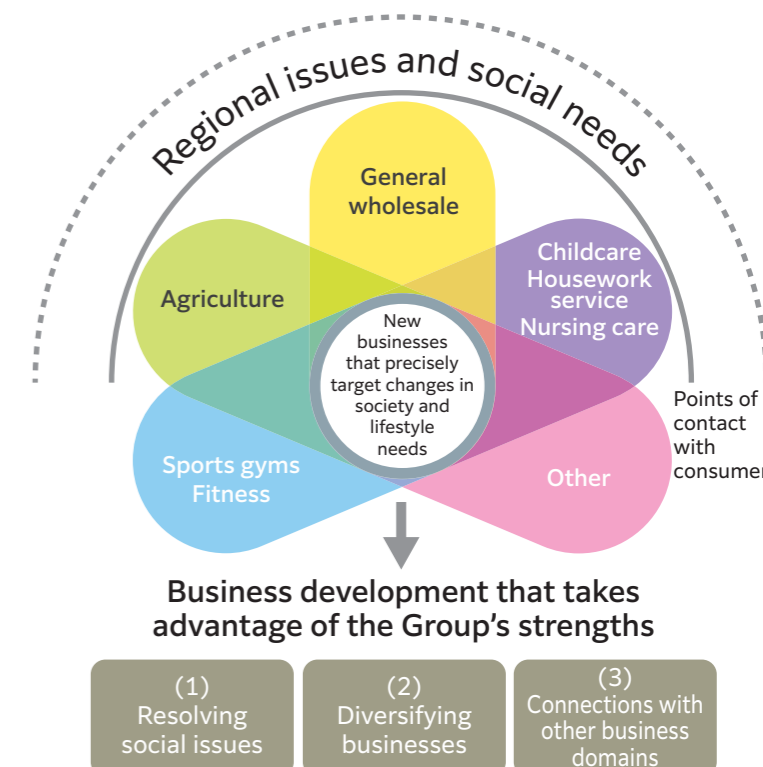
*Segment accounting standards have changed.

Roles of the business

Responding to social needs: Putting down local roots and supporting consumers' lifestyles

In our Living Support business, we strive to identify trends in society and discover new social value. The SENKO Group is committed to making a positive impact on society by redoubling investments centering on businesses related to health, lifestyles, and food in a way that meets contemporary social needs.

We will also accelerate the creation of businesses and new services that fit into consumers' lives while maximizing synergies with group companies. In this way, we will contribute to the extension of health lifespan, enrich nursing care and social welfare, and realize sustainable local communities.



Business Support Group

Optimizing logistics through solution consulting, ICT support, and other services while creating logistics services that increase customers' corporate value

To realize an optimal logistics system that accommodates a diverse array of customer needs, we're developing a logistics consulting business as well as an information systems business that develops and administers IT solution systems.

We're also enhancing business process outsourcing (BPO) services that let businesses outsource certain operations, for example contact center operations, for staffing agencies and mail order businesses. These services provide omnidirectional support for customers' business activities, for example by resolving issues like labor shortages and allowing them to focus on core operations that create value.

Principal companies

Logi Solution Co., Ltd. / SENKO INFORMATION SYSTEM Co., Ltd. / Senko Real Estate Co., Ltd. / S-TAFF Co., Ltd. / Senko Business Support Co., Ltd.



TOPICS

Expanding the domain of SENKO's Business Support Business

Expanding SENKO's human resources business by acquiring a security company

The Group is working to expand its businesses into a variety of industries and sectors that require human resources by establishing a human resources business. Building on the previous addition of two temporary staffing agencies that focus on foreign workers, the Group in February 2023 acquired all shares of Nissei Security Services Co., Ltd., which provides traffic control and guidance for movements of heavy equipment at major general contractors' construction sites and security for universities and other customers.

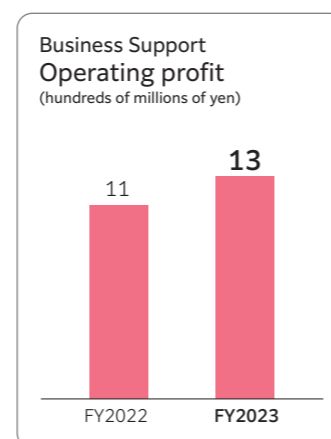
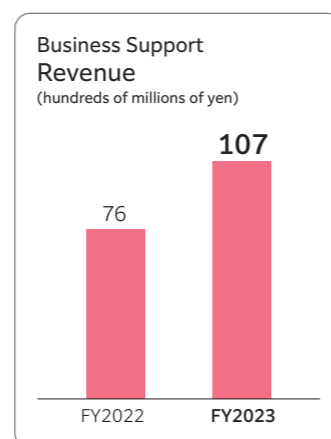
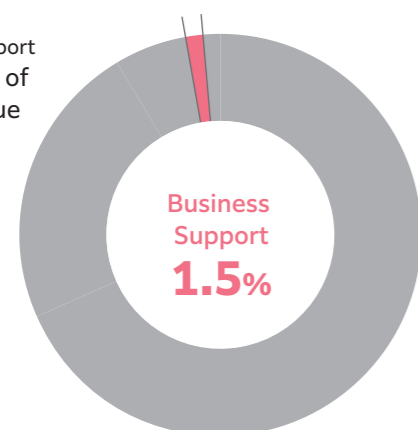
Going forward, the company will meet customers' security needs, for example at the Group's logistics facilities and housing manufacturers' construction sites, while strengthening its recruiting capabilities against the backdrop of the trust enjoyed by the SENKO Group. In addition, it plans to develop a general human resources business to help a diverse range of human resources contribute to society by expanding its security and temporary staffing businesses.



Review of Businesses

Thanks to factors including efforts to grow sales and improve the cost picture and contributions from M&As, operating revenues rose 3,107 million yen from the previous year to 10,733 million yen, while segment profit rose 152 million yen to 1,252 million yen.

Business Support Percentage of total revenue



*Segment accounting standards have changed.

Business strengths

Offering overall optimization for customers' business activities (value chains)

The SENKO Group is uniquely capable of offering comprehensive proposals outlining optimal supply chain management (SCM) that integrate logistics, information, and distribution. We support the streamlining of management through outsourcing of business processes and various issues encountered in the course of pursuing business activities. We offer a diverse array of high-quality solution services, including staffing, technical training, ICT support, and business site acquisition.

