

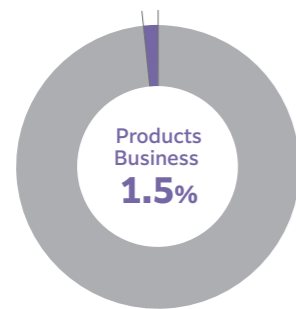
Feature: Manufacturing at the SENKO Group Entry into the Products Business

The SENKO Group recently launched a new Products Business Promotion HQ. to draw on its involvement in an array of supply chains, from manufacturing to sale, which is a key strength of its flagship Logistics Business. This business will entail an effort to strengthen SENKO's manufacturing operations centering Chuo Kagaku Co., Ltd., which recently became part of the Group.

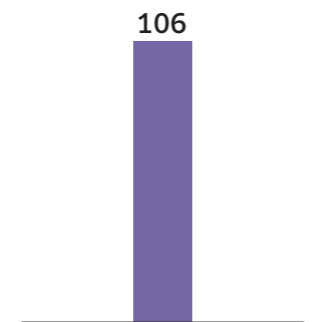
Review of Businesses

Chuo Kagaku became a consolidated subsidiary during the fourth quarter of the year, during which Product Business revenue totaled 10,604 million yen for an operating loss of 180 million yen. During the fiscal year ended March 2023, Chuo Kagaku generated operating profit of 446 million yen on operating revenues of 48,505 million yen.

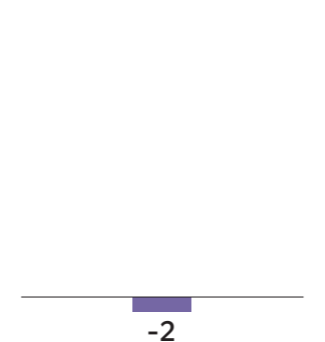
Products Business (fiscal year ended March 2023)
Percentage of total revenue



Products Business (fiscal year ended March 2023)
Revenue (hundreds of millions of yen)



Products Business (fiscal year ended March 2023)
Operating loss (hundreds of millions of yen)



Company overview

Businesses and history

During the more than 60 years that have passed since its 1961 establishment as a pioneering food packaging and container manufacturer dedicated to supporting rich and fulfilling food culture through a focus on the concepts of "protection, support, and variability," Chuo Kagaku has played an essential role in people's lives by meeting the needs of society in every era. Lifestyles have changed significantly over time, but the company's food packaging and containers have served as essential products in a variety of settings thanks to its ability to supply products that meet the needs of each era by ensuring consumer safety and peace of mind from the factory floor to the dining room table while making possible convenient lifestyles, safeguarding food product hygiene, maintaining quality, and providing variability.

Commitment to its philosophy

Chuo Kagaku has embraced "Ingenuity from Everyone" as its corporate philosophy. This philosophy has been passed down intact from founding president Koji Watanabe, and at its essence calls on all employees to think for themselves. Behind that philosophy lies a desire for each and every employee to offer up ideas in a variety of business settings as if they were an executive, including not only improving the company's performance, but also ensuring safety and peace of mind for themselves and customers.

Market environment in the company's business domains

Currently, plastic is facing numerous challenges. That said, this tough, lightweight, and inexpensive material plays an essential role in food distribution and embodies food culture itself. Accordingly, Chuo Kagaku is working to make all possible improvements through its businesses in order to minimize the material's environmental impacts.



Manufacturing at Chuo Kagaku (1) | Manufacturing principles and focus

Chuo Kagaku's approach to product development is founded on a constant focus on how food culture and consumers' lifestyles can be improved through food containers, a goal that it embraces as its mission. In product development, which can be broadly divided into material development and container shape and design, Chuo Kagaku emphasizes the primacy of materials. As a result, the company is able to create products that communicate a friendly, approachable ambience while stimulating consumers to purchase them; examples of this ability include its creation of the first microwave-safe containers and its development of products that retain an attractive appearance even when printed on (thanks to a glossy surface and design that attracts consumers' attention). It also engages in three types of recycling—chemical, material, and thermal—while giving top priority to customers' safety and peace of mind.



Manufacturing at Chuo Kagaku (2) | Supplying products that draw on its strengths

Chuo Kagaku's strengths include the technological and design capabilities that allow it to perceive market needs quickly and start developing materials to meet them as well as the human resources who make that possible. Backing up those technological capabilities are the accumulation of expertise in each process and supply chains that let the company realize customer feedback immediately across operations extending from the procurement of raw materials and other inputs from suppliers to material development, marketing (product planning and development), manufacturing, quality control and assurance, sales, logistics (by means of which products can be delivered directly to customers), and subsequent recycling. To date, the company has drawn on these strengths to supply a broad range of containers and other products. Going forward, it will continue to leverage these strengths to supply a variety of products.



Manufacturing at Chuo Kagaku (3) | China business: A key segment for Chuo Kagaku

Chuo Kagaku saw the potential in the Chinese market, which is home to the world's largest population, early on and launched its business as the country's only foreign-based plastic food packaging and container manufacturer in 1994. Today, a quarter of a century later, its technological capabilities, design appeal, and commitment to delivering quality that ensures safety and peace of mind as a Japanese company have earned it the trust of customers in the Chinese market. Plastic food packaging and containers play an essential role in people's dietary lives, but the need for environmental responsibility grows greater with each passing year in China, too. By developing environmentally friendly materials and products and offering a broad line of environmentally responsible products, Chuo Kagaku meets its customers' needs as a general manufacturer of packaging and containers.

Going forward, it will strive to expand the scale of its operations as a core SENKO business as it continues to export containers manufactured in China to other countries worldwide, with a particular focus on Southeast Asia.



Principal environmentally responsible products of Chuo Kagaku's Chinese business

- Heat-resistant biodegradable plastic (T-PLA) (developed using proprietary technology from the Chinese business)
- Products that meet various market needs, for example biodegradable plastic bags and molded-pulp containers
- Paper containers (non-plastic containers that are manufactured in-house)
- Cutlery manufactured by a joint venture using natural materials (recently launched)

Manufacturing at Chuo Kagaku (4) | Synergies with the SENKO Group

Chuo Kagaku became part of the SENKO Group in December 2022. The acquisition is expected to yield synergistic effects since the company's philosophy resonates with the SENKO Group's commitment to improving consumer convenience. One such effect of particular significance will be the streamlining of the businesses operated by the Group, which has a core focus on logistics, through strengthened relationships and partnerships with its customers.

A secondary effect will be to empower Chuo Kagaku's employees to pursue more ambitious dreams thanks to access to the SENKO Group's capital, which will boost their motivation in a meaningful way. Going forward, Chuo Kagaku will work to play a central role so that it can contribute to the Group's new Products Business.

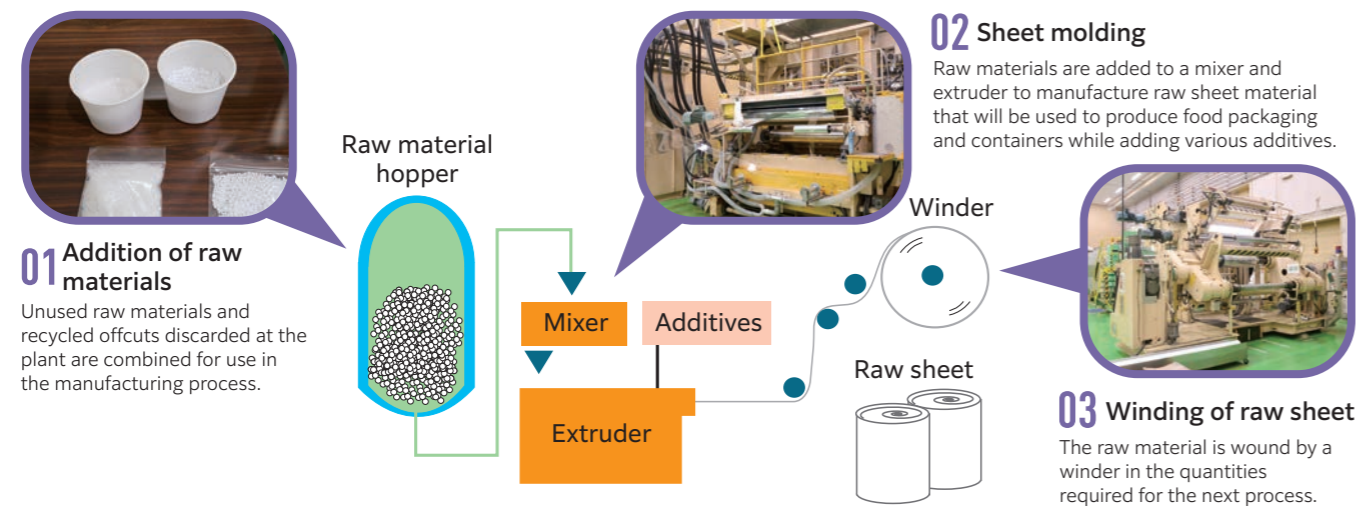


Feature: Manufacturing at the SENKO Group

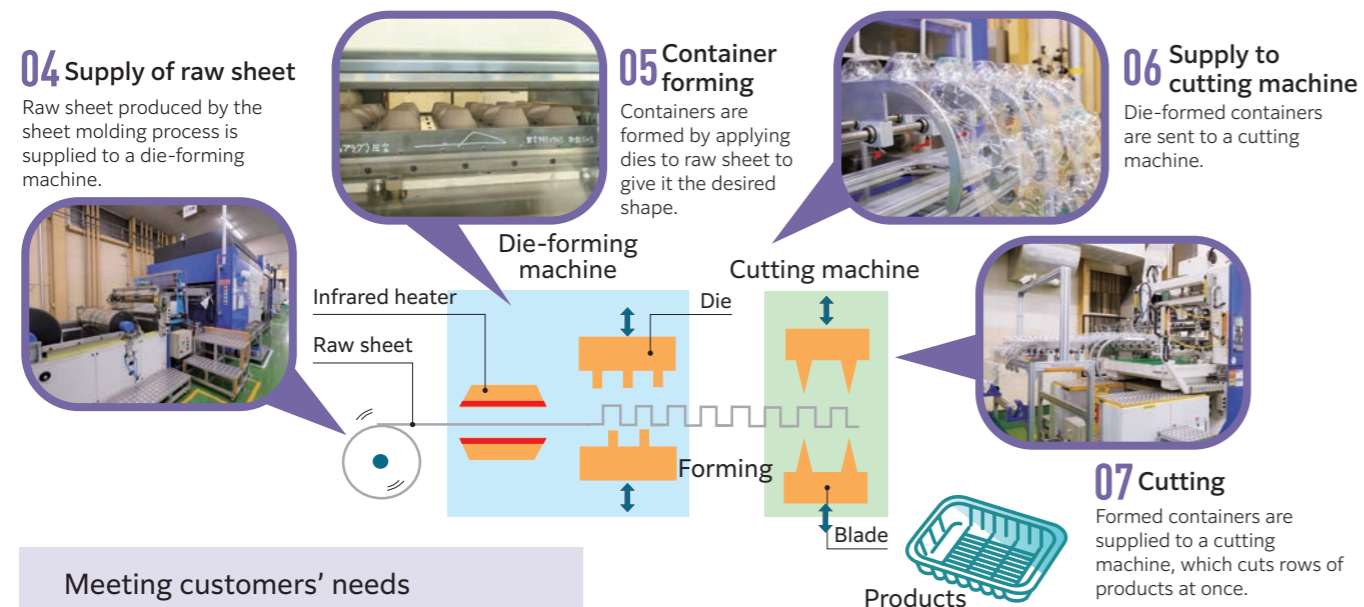
Chuo Kagaku's manufacturing facilities

Chuo Kagaku operates eight plants in Japan and three in China. The facilities manufacture food packaging and containers with processes ranging from sheet molding to container forming, while thoroughly managing safety and hygiene.

Sheet molding



Container forming



Meeting customers' needs

Chuo Kagaku leverages extensive experience and expertise to offer an array of food packaging and container products that meet customers' needs, starting with the development of safe, environmentally friendly materials.



08 Automatic packaging of cut containers

Cut containers are inspected for misaligned cuts and other defects and then packaged if none are found.



09 Packing and shipment

Packed cartons are loaded onto product-specific pallets. A specialized machine scans the barcodes on the cartons' labels and sends them on to the shipment process.

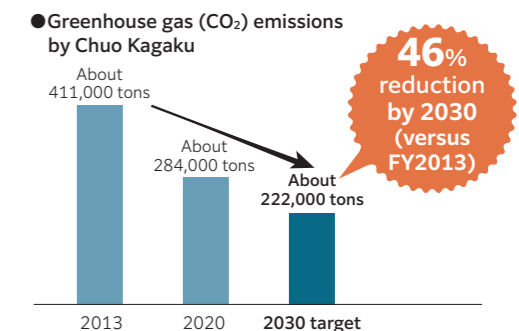


Environmental initiatives at Chuo Kagaku

1. Environmental management

Chuo Kagaku has established its own Basic Policy on the Environment and Corporate Code of Conduct, and it's implemented an environmental management system to help ensure it complies with local environmental laws and ordinances.

In addition, the company is taking a range of steps to help realize a carbon-neutral society and meet the Japanese government's target (of reducing greenhouse gases by 46% from FY2013 levels by 2030), including by utilizing recycled materials and biomass-derived raw materials, adopting less energy-intensive manufacturing processes, boosting shipping efficiency, reducing plastic waste, and developing products that help decrease food waste.



*Estimates are based on Chuo Kagaku's collection of ESG data, disposal of used products, and other information. Specific values may change going forward, for example due to the revision of categories used in calculations.

Chuo Kagaku initiatives to reduce greenhouse gas emissions (FY2030 targets)

| | | | |
|---|----------|---|------|
| Resource recycling | 11 12 17 | Transition to C-APG for PET products | 100% |
| Development of environmentally responsible materials and products | 12 13 17 | Transition to lighter-weight PSP, OPS, and C-APG products | -5% |
| Measures to reduce food waste | 2 12 17 | Increase in proportion of environmentally responsible products sold | 7x |
| | | Increase in volume of functional containers sold | 8x |

2. Environmentally responsible materials and products

Chuo Kagaku is working to develop and increase use of the following environmentally responsible materials and products to help reduce CO₂ emissions and food waste:

- TALFA, the manufacture of which generates about 49% fewer CO₂ emissions (compared to the company's polypropylene) by using natural talc procured directly from a mine located adjacent to Haicheng Chuo Kagaku in China
- C-APG, the manufacture of which generates about 27% fewer CO₂ emissions (compared to the company's A-PET) by allowing used plastic beverage containers to be recycled into plastic food packaging and containers
- MAPKA, a material that uses paper as its principal raw material and generates about 41% fewer CO₂ emissions (compared to the company's polypropylene) thanks to its use of at least 50% biomass materials
- Biomass-derived materials, the manufacture of which generates about 7% fewer CO₂ emissions (compared to the company's CF or CT) along with bio-CF and bio-CT by using sustainable, plant-based organic resources
- Lightweight containers made of foamed materials, which help reduce environmental impacts by lowering the amount of petroleum resources used in containers
- Functional containers (gas-barrier packaging and airtight packaging technologies), the development of which helps reduce food waste by lengthening shelf life

For more information about Chuo Kagaku, please see the URL to the right. >>> <https://www.chuo-kagaku.co.jp/>

More about SENKO Group manufacturing

Okumura Co., Ltd. <https://www.okumura-int.co.jp/>

This respected manufacturer of slippers was founded more than 120 years ago. It sells high-value-added products developed based on its philosophy of soothing, healing, and conditioning through a network of sales channels that extends beyond department stores, chain stores selling miscellaneous products, and drugstores to encompass premium interior furnishings shops, resort hotels, and high-end restaurants.

Takano Machinery Works, Co., Ltd. <https://www.takanokikai.co.jp/>

Since its founding in 1976, Takano Machinery Works has manufactured and sold printing machinery and sold printing materials. It focuses on selling plates for letterpress printing and on manufacturing water-developed plate-making equipment, and it ships more plate-making equipment to domestic customers than any other Japanese manufacturer. It also supplies about 30% of the Japanese market for photosensitive resin plates.

Relationship between Business Activities and the SDGs

SDGs and the business activities of the SENKO Group, which fosters professional development and supports consumers' lifestyles

The SENKO Group aims to resolve social challenges and create new value through its businesses, based on the core approach that economic activities can be achieved with a healthy global environment and a good relationship with local communities.

Living Support
Nursing and housework services / Fitness / General wholesale and retail / Childcare / Restaurant operations / Agriculture, etc.

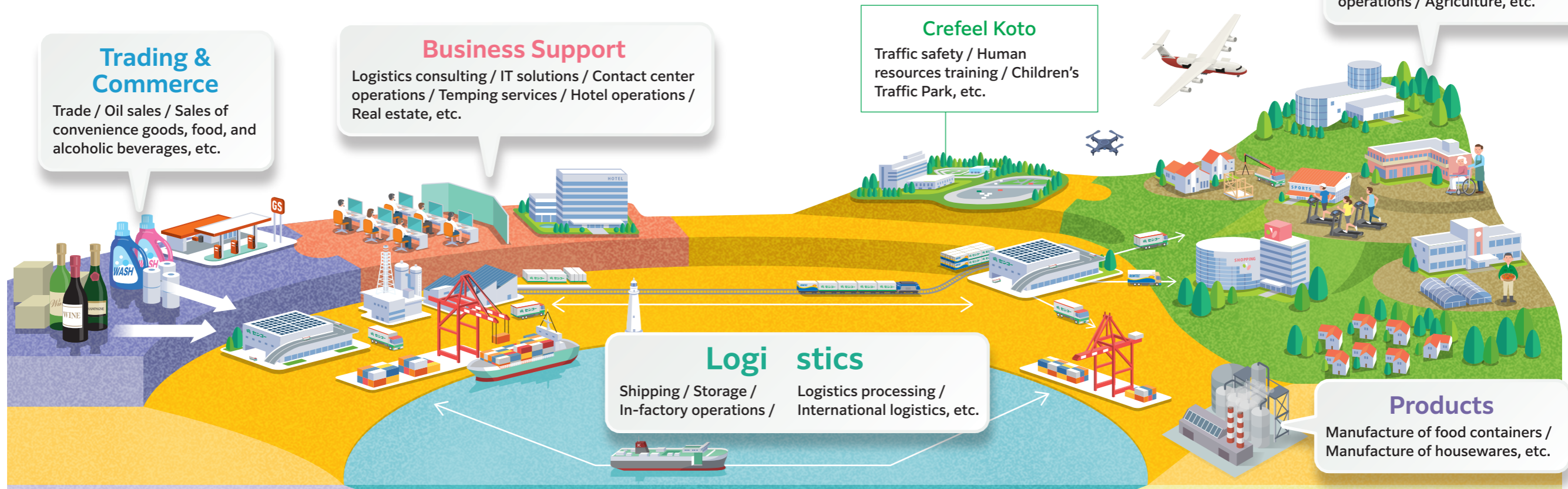
Crefeel Koto
Traffic safety / Human resources training / Children's Traffic Park, etc.

Business Support
Logistics consulting / IT solutions / Contact center operations / Temping services / Hotel operations / Real estate, etc.

Trading & Commerce
Trade / Oil sales / Sales of convenience goods, food, and alcoholic beverages, etc.

- Priority SDG themes of the SENKO Group
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
 - 10 REDUCED INEQUALITIES
 - 11 SUSTAINABLE CITIES AND COMMUNITIES
 - 13 CLIMATE ACTION
 - 17 PARTNERSHIPS FOR THE GOALS

- Priority SDG themes of the SENKO Group
- 3 GOOD HEALTH AND WELL-BEING
 - 4 QUALITY EDUCATION
 - 5 GENDER EQUALITY
 - 8 DECENT WORK AND ECONOMIC GROWTH
 - 17 PARTNERSHIPS FOR THE GOALS



Economic level

Providing new value for society through business operations

Businesses that nurture people and support their daily lives



Promoting a green transformation in collaboration with customers
Providing resilient logistics service that can withstand natural disasters
Developing a Living Support business that offers nursing care, childcare, and health services
Developing a full line of lifestyle support services
Manufacturing products that support dietary convenience

Through our business activities, we look to resolve social issues through initiatives that interconnect with sustainability measures and to contribute to the realization of a barrier-free society.

Society level

We promote dialog and cooperation with the local community and various stakeholders associated with the SENKO Group to build a good relationship with society.

Human resources and organization as the foundation

Cooperation with society



Fostering the development of people and business through SENKO University
Building workplaces that make the most of human resources' diversity, individuality, and abilities
Children's Traffic Park: A park where kids can raise their traffic safety awareness while having fun with their families
Initiatives to raise driver awareness of the importance of reducing the number of traffic accidents

Sustainability
Social initiatives
Safety initiatives
Health initiatives

Sustainability of the global environment



Installing solar power and energy-saving equipment at PD centers
Reducing the energy use and carbon dependency of shipping infrastructure (Adopting liquefied natural gas-powered trucks and electric trucks)
Recycled plastic pallets
Cooperating with the Osaka Bay Environment Restoration Project

Sustainability
Environmental initiatives

Environmental level

Minimizing the environmental impact of business activities

Recognizing our responsibility for energy consumption and greenhouse gas emissions as a logistics company, we're working to maximize understanding and related reductions.

A Message from the President



About the Group's vision (philosophy) and goals

As a corporate group with highly public businesses that involve fostering people and supporting their lives, the SENKO Group has embraced the goal of becoming a "group that creates the trends of the future" by fulfilling its mission of contributing to achieving a genuinely productive global society by continuously challenging efforts to create new trends in terms of products and services that shift the future, with a focus on its physical and commercial distribution business.

We express that philosophy in our slogan of "Moving Global: Go beyond logistics, make the world go round, and revolutionize business." We've earned trust as a company and contributed to society in general and all of its people, including shareholders, customers, and employees, by expanding our business activities to include a broad array of logistics operations—not only manufacturing, but also sales, centering on our logistics centers, as well as living support.

Approach to changing markets, risks, and opportunities

Even as the economic environment in which the Group operates experiences a gradual recovery accompanied by a progressive reversion of socioeconomic activities to a "new normal" following the COVID-19 pandemic, our view is that challenges remain, including abrupt foreign exchange rate fluctuations against the backdrop of soaring energy and food prices worldwide and fiscal tightening in Europe and the United States.

While global inflation and rising energy costs drive concerns about the risk of a downturn in overseas business conditions, we expect gradual economic growth thanks to factors including the ongoing recovery from the pandemic and improvements in the employment and income environment.

While rising electricity, fuel, and prime costs will impact performance, we believe it will be possible to deal with these challenges by working hard and transitioning prices to appropriate levels. We're also looking to expand

Providing new value by embracing large-scale manufacturing as a pillar of growth

SENKO Group Holdings Co., Ltd.
President and Representative Director
Chairperson, Sustainability Promotion Council

Y. Fukuda

our business domains as we pursue manufacturing with a focus on household goods and other familiar lifestyle products now that Chuo Kagaku Co., Ltd. has become part of the Group.

At the same time, the risks faced by our businesses include Japan's aging population and shrinking birthrate, and it will be necessary to take steps including utilization of foreign workers in order to deal with the shrinking labor population, which is expected to decline by 1 million people annually. Our approach will be to expand our businesses globally through M&As in an effort to accommodate changes in the market, including by bolstering our overseas businesses with a focus on growth in the forwarding and trading businesses.

Reorganization

We revamped some of the structures underlying our organization in April 2023. The International Business HQ., which had been part of SENKO Co., Ltd., our logistics operating company, was transferred to SENKO Group Holdings, and its name was changed to the International Business Operation HQ. These changes were made to strengthen our management structures by making separate departments responsible for domestic and international logistics, and they're part of an active effort to spur the globalization of not only Logistics, but also Trading & Commerce and other business segments. Our approach will be to take robust action to realize further growth in international businesses through strong partnership among businesses under the leadership of the International Business Operation HQ.

Launching the Products Business Promotion HQ. as a new business

The Products Business Promotion HQ. was launched in June 2023. The Group's flagship Logistics Business is involved with an array of supply chains, from

manufacturing to sales. Drawing on that strength, we launched the Products Business as our fifth core business, augmenting Logistics, Trading & Commerce, Living Support, and Business Support, and acquired Chuo Kagaku Co, Ltd. through a tender offer for its shares.

The decision was driven by the expectation that the acquisition of the company, a manufacturer of food packaging and containers, would serve to improve logistics while expanding sales channels, in part due to the significant overlap in customers between Chuo Kagaku and the SENKO Group.

As we move to embrace large-scale manufacturing, we plan to expand the domain of household goods in the future, and we see considerable promise in product categories handled in large volumes by the Group, for example apparel. Reflecting the large number of inquiries from manufacturers in Southeast Asia concerning capital and operational tie-ups and related topics, the Products Business Promotion HQ. will work with the newly formed International Business Operation HQ., which is responsible for business domains other than logistics, to actively pursue manufacturing on the global stage.

Building on 20 consecutive fiscal years of rising revenue and 14 consecutive fiscal years of rising ordinary profit

During the fiscal year ended March 2023, the Group generated revenue of 696.3 billion yen, up 73.1 billion yen from the previous year. Operating profit rose 760 million yen to 25,540 million yen, while ordinary profit rose 50 million yen to 26,150 million yen.

Despite a variety of challenges including an abrupt decline in logistics volume from January to March 2023, the Logistics Business realized its 20th consecutive fiscal year of increased revenue and its 14th consecutive fiscal year of increased ordinary profit as efforts to grow sales and revise prices combined with contributions from new subsidiaries to fuel performance.

A Message from the President

At the same time, continuous progress in M&As helped boost revenue, and ongoing development by logistics centers also contributed to increased sales. Although we're planning for revenue of 790 billion yen and operating profit of 29 billion yen during the fiscal year ending March 2024, we expect to exceed future revenue targets thanks in part to potential large-scale M&As.

Focusing on sustainability management

In the face of calls to realize a sustainable society on a global scale, companies can no longer earn praise from society just by generating profits.

The Group strives to deliver new value by connecting people and society through its various businesses in line with its basic policy of helping realize a sustainable environment and society and working to achieve sustained growth for the Group.

Companies are being called upon to manage their operations in a way that values environmental protection and diversity, which is one of the values embraced by the Group's corporate philosophy, among other priorities,

and one of the characteristics that distinguishes the Group is its concerted pursuit of sustainability activities, for example in an effort to realize sustainable management throughout its supply chains, including both customers and Group companies.

Also distinguishing the Group is its pursuit of pioneering human resources education at Crefeel Koto, in which it invested three times the profit it was generating at the time, some 30 years before expressions like *human capital* gained currency. Similarly defining are the Group's efforts to augment ESG management with a health (H) component so that employees' health can be maintained and improved not only during their employment with the company, but throughout their lives.

Increasing SENKO's corporate value

Unfortunately, our price-to-book ratio (PBR) is on track to fall below 1, but we will continue working to realize management founded on awareness of capital costs and share value. Since PBR can be considered to be

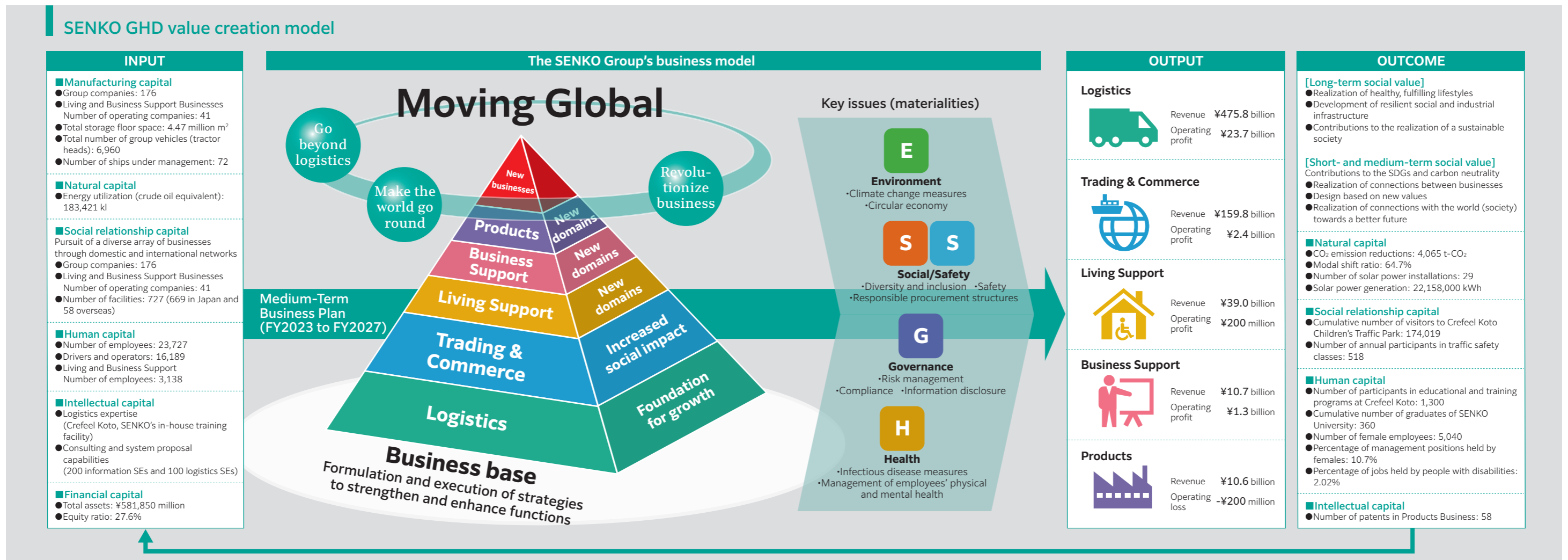
the product of return on equity (ROE) and price-earnings ratio (PER), it's necessary to foster awareness of the need to improve profitability (ROE) and PER (share price).

With regard to improving profitability, we will boost our operating profit margin from the current level of about 3.7% to 4.5% by achieving operating revenue of 1 trillion yen and operating profit of 45 billion yen in FY2027, the final year of our Medium-Term Business Plan.

With regard to increasing our share price, we're working to maintain and improve payout ratio levels. With regard to the payout ratio, our basic policy concerning the allocation of profits declares, "While securing the internal reserves necessary for future business development and to bolster our management structure, ... [we will issue] stable dividends that are linked to business results." Our goal is to maintain a payout ratio of at least 40% by FY2027. Our goal is to increase PBR beyond 1 as our profitability and share price increase.

We will also dedicate resources to explaining our growth strategy in detail so that investors can recognize the Group's future potential. Furthermore, reflecting the fact that securing human resources will be one of the greatest management challenges for SENKO, we will strive to become a group that attracts a diverse range of human resources who feel motivated while enjoying individual growth by publicizing not only conventional financial information such as the scale of our assets, but also the human side of our operations, including an employee-friendly workplace environment with benefits such as childcare facilities at logistics centers, while introducing cultural and sports activities.

The Group will continue to realize sustained growth while treating changes in the business environment as opportunities, embracing the challenge of new fields and techniques, and working to improve corporate value so that it can meet the expectations of investors and shareholders.



*Figures are current as of March 31, 2023, or indicate March 2023 results.

Medium-Term Business Plan

Overview of the Medium-Term Business Plan

Under the basic policy of “striving to achieve sustained growth by supplying new value to people and society through the deepening and creation of businesses,” the SENKO Group formulated a five-year Medium-Term Business Plan covering FY2023 to FY2027.

We will take steps to achieve the goals set forth in the Medium-Term Business Plan and realize further growth in keeping with the following four connection-related slogans:

Medium-Term Business Plan slogans

Connecting supply chains

Go beyond logistics

Moving beyond the framework of conventional logistics businesses

Connecting supply chains



Connecting all businesses

Revolutionize business

Providing new value

Connecting all businesses in the world

Connectedness

Connecting the world

Make the world go round

Becoming an international business that connects the world by undertaking business activities worldwide



Connecting to the next generation

Passing the baton

Becoming a business where the next generation of employees, who will be responsible for the future, can grow and flourish professionally

Key issues identified by the Medium-Term Business Plan

As a corporate group with highly public businesses that involve fostering people and supporting their lives, we will work to address five key issues: (1) expanding and deepening existing businesses, (2) creating and fostering the development of growth businesses, (3) implementing ESG+H (health) management, (4) practicing more sophisticated management, and (5) increasing motivation and realizing personal growth among employees.

| | |
|--|---|
| 1 Expanding and deepening existing businesses | In the Logistics Business, we will work to expand our businesses in growth domains such as drugstores, online sales, and chain stores and advance into new business segments such as logistics center operations and chemicals. In our Trading Business, we will expand our businesses by developing new products, pursuing international businesses, and entering into M&As. |
| 2 Creating and fostering the development of growth businesses | In our Living Support Business, we will pursue safe and secure businesses while aiding in the recovery from the pandemic. In our Business Support Business, we will expand related businesses, including in real estate and temporary staffing. At the same time, we will lay the groundwork for new businesses. |
| 3 Implementing ESG+H management | We will implement initiatives to reduce CO ₂ emissions in an effort to realize carbon neutrality by 2050, offer diversity and inclusion education, strengthen the entire Group's risk management structures, and pursue initiatives to boost health through sports and cultural events. |
| 4 Practicing more sophisticated management | We will introduce investment standards that reflect an awareness of capital costs; strengthen IT security and employee IT education; pursue research, planning, and development of advanced technologies for realizing power and labor savings; and create Group synergies through collaboration among business groups. |
| 5 Increasing motivation and realizing personal growth among employees | We will cultivate an organizational culture that encourages employees to embrace ambitious goals through a program of “challenge and change activities,” revitalize the Group through the exchange of information and human resources by Group companies, train a new generation of executive leadership at SENKO University, and expand our employee stock ownership plan. |

Examples of progress made under the Medium-Term Business Plan

In keeping with the Medium-Term Business Plan, we're working to further expand and globalize existing business domains in our Logistics and Trading & Commerce Businesses. We will progressively implement initiatives geared to create and foster the development of growth businesses in the Living Support, Business Support, and new Products Businesses. Initiatives (1) through (3) below provide examples of measures undertaken during FY2023.

Example (1): Opening logistics centers throughout Japan

Our Logistics Business team is accelerating efforts to open logistics centers to facilitate an expansion of the business.

Seven facilities began operating in 2022: Saitama PD Center (Iwatsuki-ku, Saitama) and Sendai-kita PD Center (Rifu-cho, Miyagi Prefecture) in April, Kasai No. 2 PD Center (Edogawa-ku, Tokyo) in May, ACROSS TRANSPORT Sapporo Center (Kitahiroshima, Hokkaido) in July, Ayase Logistics Center (Ayase, Kanagawa Prefecture) in August, and Kita-Kobe PD Center (Nishi-ku, Kobe) and Keiyo PD Center (Ichihara, Chiba Prefecture) in December.



Saitama PD Center

Example (2): Opening new outlets in the Living Support Business

In April 2022, Keihanna Helper Station Co., Ltd. changed its name to Care Terrace Co., Ltd. and opened Twinkle Kashiba, a private house-type nursing home that also offers day service.

Venus Corporation, which operates a nursing care business, opened Venus With, its first small-scale, multifunctional home-care service in Sakai, Osaka Prefecture, in December 2022. The facility is supporting the lives of local residents by combining home-visit nursing care with small-scale, multifunctional home care to provide an integrated mix of services including outpatient, inpatient, and home-visit components.



Venus With

Example (3): Earning recognition as a Certified DX Business from the Ministry of Economy, Trade and Industry

Digital transformation (DX) certification is a program run by the Ministry of Economy, Trade and Industry to certify that businesses are “DX-ready,” meaning they have prepared to transform their businesses through digital technology.

The Group launched a DX Promotion Project in 2021 to prepare to implement its DX strategy. We earned certification in February 2023 following a favorable evaluation of various initiatives, including efforts to use AI to forecast freight volume, computerize payment processing, and foster the development of DX human resources.

Going forward, we will strategically pursue a transformation in our businesses and services through digitalization while furthering the DX to underpin the reorganization of the entire Group's businesses, maintain and strengthen business competitiveness through the use of digital data, secure new customers, create new businesses through new digital technologies, and boost productivity through use of digital technologies.



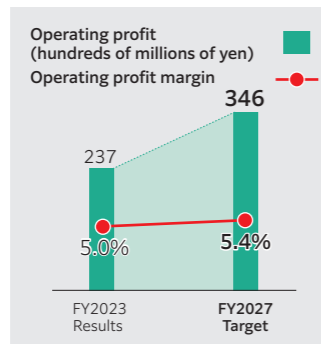
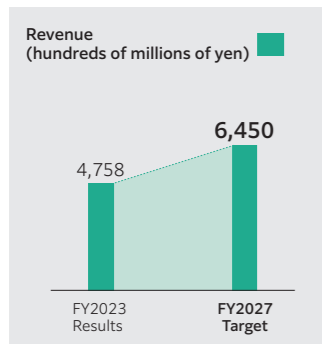
Medium-Term Business Plan

Targets and key measures by business segment under the Medium-Term Business Plan

Expanding and deepening existing businesses

- Expanding existing business domains
- Pursuing additional globalization

Logistics



Domestic logistics

- Expanding orders based on comprehensive proposal capabilities and the stability of our directly operated approach
- Strengthening logistics facilities and vehicle structures and pursuing M&As

Cold logistics

- Accelerating facility development and further expanding our delivery network

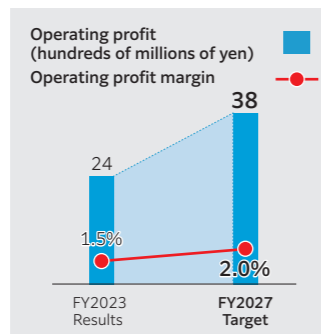
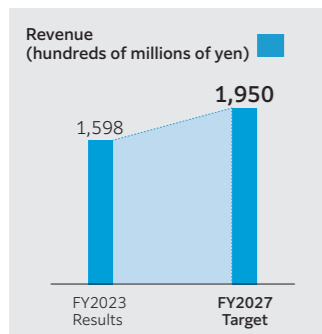
International logistics

- Establishing a global network by expanding our facilities

Marine shipping

- Increasing our market share by increasing the amount of shipping space

Trading & Commerce



Product sales

- Strengthening EC sales and expanding the range of unique products we offer

Household paper wholesaling

- Streamlining operations at our three wholesale companies and increasing market share

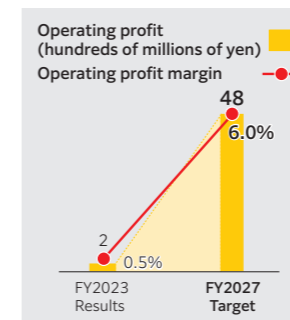
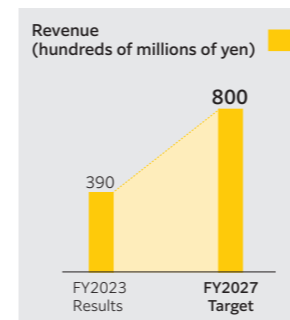
Commerce

- Maintaining and increasing trademarks through operation of a joint venture with a Chinese electronics material trading company

Creating and fostering the development of growth businesses

- Further expanding the Living Support and Business Support businesses
- Embracing the challenges of new businesses (manufacturing, etc.)

Living Support



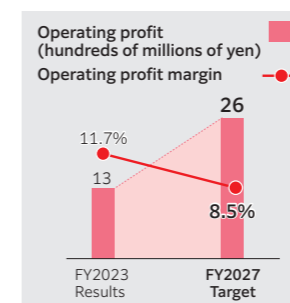
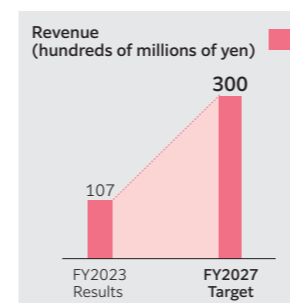
Health domain

Lifestyle domain

Food domain

- Realizing a fast recovery from the downturn caused by the COVID-19 pandemic and expanding the number of outlets we operate
- Pursuing M&As in the health, lifestyle, and food domains

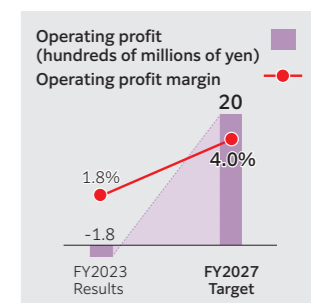
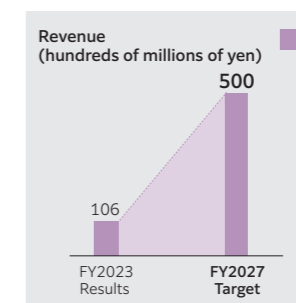
Business Support



Real estate, information, staffing, etc.

- Realizing a fast recovery from the downturn caused by the COVID-19 pandemic
- Pursuing M&As, for example in the staffing business

Products



- Entering new fields

Revenue targets by segment

| | | FY2023 | FY2027 | Amount of increase | Rate of increase |
|------------------------|--|---------------|--------------|--------------------|------------------|
| Logistics | Food logistics | 869 | 1,150 | 281 | 32.3% |
| | Chain store logistics | 943 | 1,250 | 307 | 32.6% |
| | Fashion logistics (including EC logistics) | 525 | 650 | 125 | 23.8% |
| | Other logistics | 506 | 750 | 244 | 48.2% |
| | Subtotal | 2,842 | 3,800 | 958 | 33.7% |
| | Chemical logistics | 892 | 1,300 | 408 | 45.7% |
| | Housing logistics | 617 | 750 | 133 | 21.6% |
| | Other logistics, etc. | 407 | 600 | 193 | 47.4% |
| | Subtotal | 4,758 | 6,450 | 1,692 | 35.6% |
| | Trading & Commerce | 1,598 | 1,950 | 352 | 22.0% |
| Living Support | 390 | 800 | 410 | 105.1% | |
| Business Support | 107 | 300 | 193 | 180.4% | |
| Products | 106 | 500 | 394 | 371.7% | |
| Total | 6,963 | 10,000 | 3,037 | 43.6% | |
| International revenue* | Logistics | 630 | 770 | 140 | 22.2% |
| | Trading & Commerce | 292 | 430 | 138 | 47.3% |
| | Subtotal | 922 | 1,200 | 278 | 30.2% |

*Above figures include international revenue. *Classifications have been changed based on a careful examination of customers and the nature of newly consolidated business operations.

Key measures in ESG and group management

| | |
|--|-------------------------------|
| Specific CO ₂ emissions (land transport business) | Reduce 10% compared to FY2021 |
| Percentage of management positions held by females | At least 15% |

- Implementing in-house environmental measures and promoting modal shift
- Reforming programs to take advantage of a diverse workforce and expanding employment opportunities
- Introducing advanced technologies to realize automation and labor savings
- Practicing health management through sports and cultural activities

We will pay a performance-linked dividend in addition to a stable dividend, and we will strive to enhance shareholder returns while working to further improve the payout ratio.