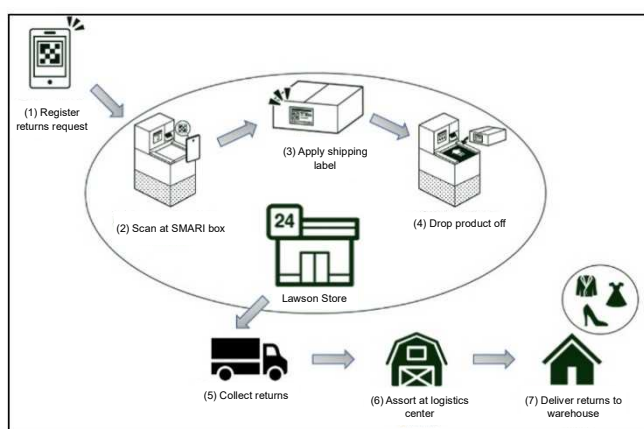


Expansion of Reverse Logistics (Rental Returns and Returned Goods) Business for Rental and EC Products

- Supporting logistics for Mitsubishi Corporation's contact-free "SMARI" return service -

SENKO Co., Ltd. (Head office: Kita-ku, Osaka; President: Yasuhisa Fukuda, "SENKO") from November 2021 began logistics operations contracted by Mitsubishi Corporation (Head office: Chiyoda-ku, Tokyo; President and CEO: Takehiko Kakiuchi; "Mitsubishi") for its contact-free "SMARI" return service for rental products and online purchases.



Flow of the SMARI service



SMARI return box

(Height: 135 cm, width: 55 cm, depth: 66 cm)

The E-commerce market is experiencing rapid growth in light of Japan's aging population, declining birthrate and increase in double-income households, as well as changes in social dynamics like the spread of COVID-19 last year. Social focus is also growing on the development of a circular economy as part of SDGs to be achieved by 2030. There has been significant growth in value-added services like rental sharing and free returns in light of this, and there is increasing need for greater "reverse logistics" where users return rental goods to online businesses.

With the potential of this market environment, Lawson Co., Ltd. (Head office: Shinagawa-ku, Tokyo; President and CEO: Sadanobu Takemasu; "Lawson") has launched around 3,000 "SMARI" return boxes at convenience stores in the three major Japanese metropolitan areas (Tokyo, Kansai and Nagoya regions), and is coordinating efforts with rental companies and online stores like airCloset and LOCOND.

SENKO's group company Tokyo Nohin Daiko Co., Ltd. (Head office: Ichikawa City, Chiba; President: Hiroyuki Ito) has been contracted for logistics operations, where rental items and returned goods collected from each Lawson store by Lawson's trucks are collected at logistics

centers and returned to each online business. Deliveries make use of existing distribution networks, which reduces logistics costs as well as helps to promote low or carbon-free green logistics and contribute to the development of a circular economy.

Moving forward, the SMARI service will be proposed for the apparel industry and other SENKO customers, and SMARI return boxes will be installed at retail customer outlets as part of joint efforts with Mitsubishi to expand the service.

■ Overview of the "SMARI" service

1) The customer receives a QR code* from a participating retailer's website, and scan it at the return box set up at Lawson stores.

* QR code is a registered trademark of DENSO WAVE CORPORATION.

2) The return box door is unlocked and a return shipping label is printed.

3) The customer applies the label to the item and places it into the return box.

* In order to protect customer privacy, no personal information such as names or addresses are included on the label.

See here for more details about the SMARI service:

<https://smari.io/>

End.