

Briefing Material for Business Results

Section 1 Summary of Financial Results for the Fiscal Year Ending March 31, 2018

Section 2 Forecast for Fiscal year ending March 31, 2019

May 2018

Section 1

Summary of Financial Results for the Fiscal Year Ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

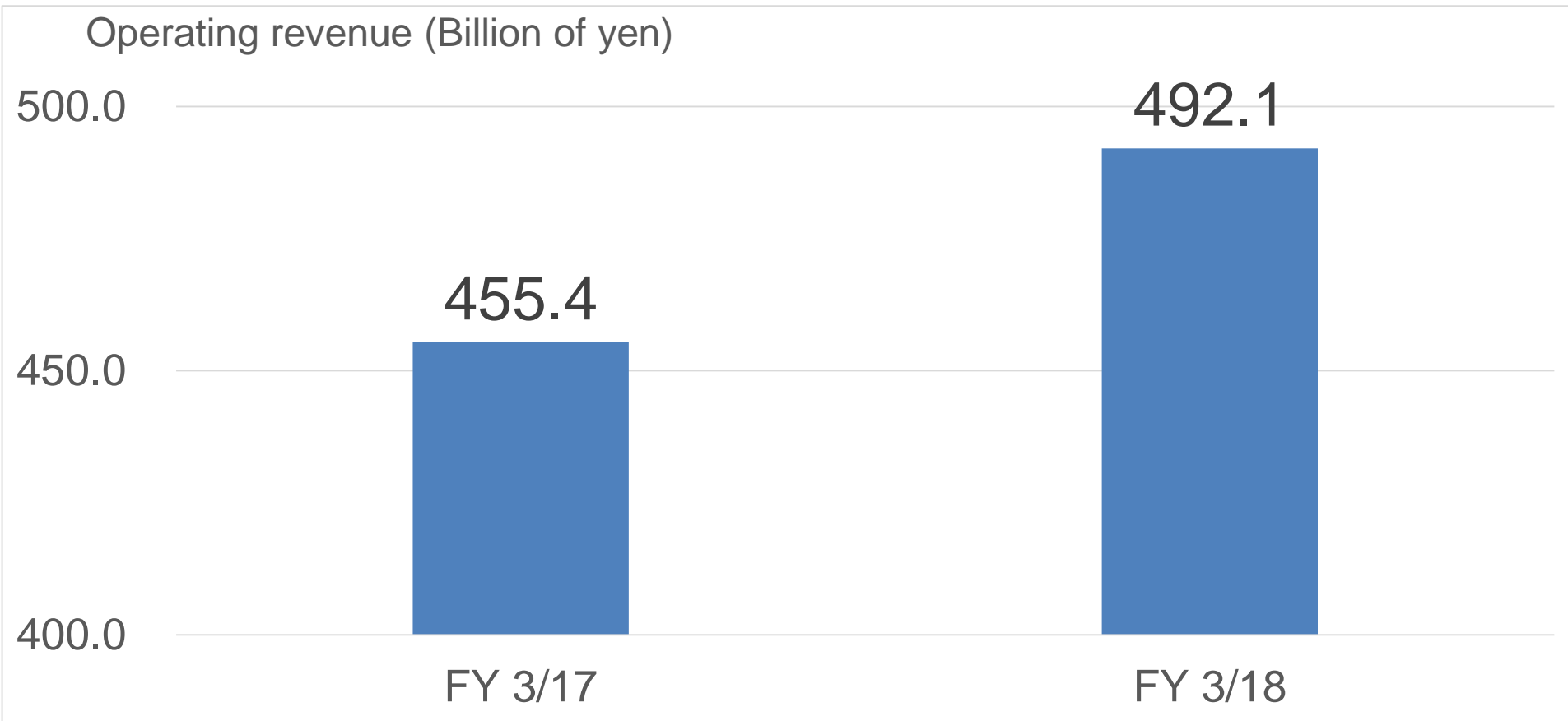
1. Operating Results for **the** FY Ended March 31, 2018

SENKO

(Million of yen, %)

	FY 3/17		FY 3/18		YoY Difference	
		Margin		Margin	Amount	%
Operating revenues	455,435	—	492,127	—	36,692	8.1
Operating income	17,081	3.8	17,087	3.5	5	0.0
Ordinary income	17,301	3.8	17,316	3.5	15	0.1
Profit attributable to owners of parent	8,950	2.0	9,503	1.9	552	6.2

YoY change **Up ¥36.7 billion (+8.1%)**



- ◆ An increase in operating revenue of 36.7 billion yen due to sales promotion, fee revisions and M&A (NIPPON MARINE, EIKICHI SHIPPING, ANZEN YUSO, OKUMURA).

3. Operating Revenue by Segment for the FY Ended March 31, 2018

SENKO

						(Billion of yen, %)	
		FY3/17	FY3/18	YoY Difference		YoY Difference Breakdown	
				Amount	%	M & A	Others
	Retail Product Logistics	177.6	190.5	12.9	7.3	3.1	9.8
	Housing Logistics	60.9	60.0	(0.9)	(1.5)		(0.9)
	Chemicals Logistics	51.1	67.8	16.7	32.6	13.9	2.8
	Others	28.4	29.5	1.1	4.0		1.1
Distribution Total		318.0	347.8	29.8	9.4	17.0	12.8
Trade & Commerce		132.9	139.3	6.4	4.9	0.8	5.6
Others		4.6	5.1	0.5	10.4		0.5
Total		455.4	492.1	36.7	8.1	17.8	18.9

* International commerce and trade included in the above

International revenue	22.7	25.3	2.6	11.7
Composition (%)	5.0	5.2		

* International commerce and trade including non-consolidated overseas subsidiaries

International revenue	26.6	30.3	3.7	14.0
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<Retail Product Logistics>

- ◆ An increase in revenue due to factors such as mass-market/retail sales, food, apparel-related sales promotion, and M&A (ANZEN YUSO).

<Housing Logistics>

- ◆ Efforts were made toward sales promotion. However, a reduction of existing business volume led to a decrease in revenue.

<Chemicals Logistics>

- ◆ An increase in revenue due to factors such as sales promotions and M&A (NIPPON MARINE, EIKICHI SHIPPING).

<Trade & Commerce>

- ◆ An increase in revenue due to sales promotions and M&A (OKUMURA).

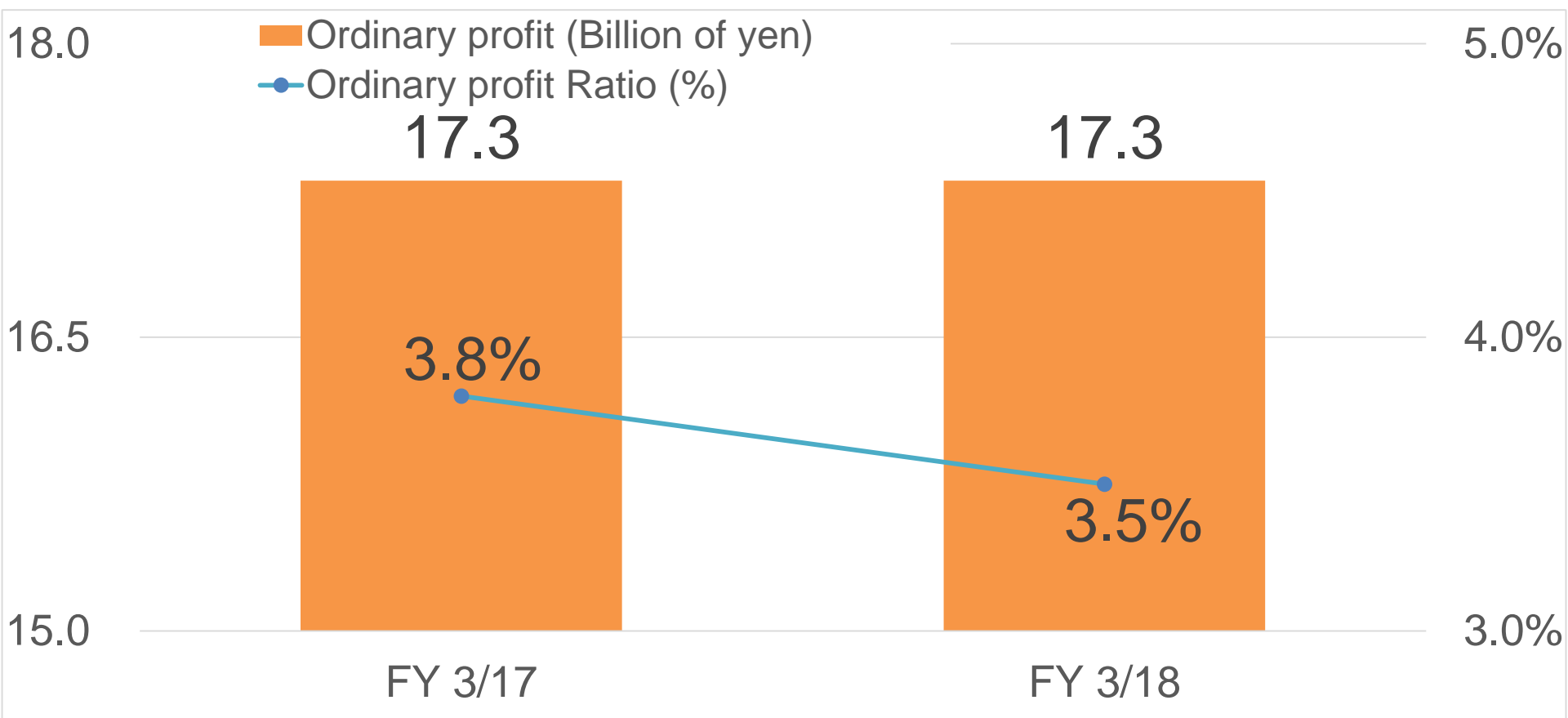
<Others>

- ◆ An increase in revenue due to call-center operations, temporary personnel dispatch businesses, and solar power sales.

4. Results for the FY Ended March 31, 2018: Profit

SENKO

YoY change Ordinary profit Up ¥0.02 billion (+0.1%)



Ordinary income increased 15 million yen due to sales promotions, fee revisions, improvements in productivity, and M&A (NIPPON MARINE, etc.), despite a decrease in business volume from existing clients, increase in fuel prices and outsourcing fees (subcontracting fees, labor fees), and increased costs for retirement benefit obligation.

5. Operating Revenue by segment for the FY Ended March 31, 2018 (Comparison with prior year)

SENKO

(Million of Yen, %)

Operating revenues	FY3/17	FY3/18	YoY Change	
			Amount	%
Logistics	317,984	347,752	29,768	9.4
Trade & Commerce	132,868	139,317	6,449	4.9
Others	4,582	5,058	476	10.4
Consolidated F/S	455,435	492,128	36,693	8.1

(Million of Yen, %)

Operating income	FY3/17		FY3/18		YoY Change	
		Margin		Margin	Amount	%
Logistics	13,419	4.2	13,709	3.9	290	2.2
Trade & Commerce	3,210	2.4	2,855	2.0	(354)	(11.0)
Others	870	19.0	896	17.7	26	3.0
Adjustment	(417)	-	(373)	-	44	-
Consolidated F/S	17,081	3.8	17,087	3.5	5	0.0

(Logistics)

Operating revenue increased due to increased revenue from M&A, and mass-market/retail sale promotions at outlets such as major drug stores.

Operating income was affected by a growth in outsourcing fees (subcontracting fees, labor fees), fuel prices and increased costs for retirement benefit obligation, but ended in a profit increase due to a gain in sales.

(Trade & Commerce)

Operating revenue increased due to sales promotions and M&A.

Operating income showed a growth but ended in a profit decrease due to distribution fees and purchasing expenses.

(Others)

Operating revenue increased due to businesses such as call-center operations, temporary personnel dispatch businesses, and solar power sales.

6. Operating Results for the FY Ended March 31, 2018 (Comparison with Plan)

SENKO

(Million of yen, %)

	FY3/18		FY3/18		VS. Plan	
	Plan	Margin	Results	Margin	Difference	%
Operating revenues	500,000	—	492,127	—	(7,873)	(1.6)
Operating income	18,000	3.6	17,087	3.5	(913)	(5.1)
Ordinary income	18,300	3.7	17,316	3.5	(984)	(5.4)
Profit attributable to owners of parent	9,900	2.0	9,503	1.9	(397)	(4.0)

- ◆ Sales promotions and existing business volume for operating revenue fell below the plan, resulting in lower revenue than planned.
- ◆ Profits fell due to the lower sales along with outsourcing fees (subcontracting fees, labor fees) and fuel costs that exceeded the plan.

7. Balance Sheet as of March 31, 2018

SENKO

(Billion of yen)

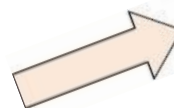
ASSETS			LIABILITIES AND NET ASSETS		
FY 3/18 (As of March 31, 2018)	Change	Note	FY 3/18 (As of March 31, 2018)	Change	Note
Current assets			Current liabilities		
117.1	8.4		106.0	12.1	
Cash and deposits	(2.2)		Notes and operating accounts payable—trade	3.7	
Notes and accounts receivable	8.6		Electronically recorded obligations	0.4	
Inventories	0.3		Short-term loans payable	3.7	
Others	1.7		Income taxes payable	0.6	
			Others	3.7	
Noncurrent assets			Noncurrent liabilities		
217.2	40.1		110.3	32.4	
Property, plant and equipment			Bonds payable	10.2	
Buildings and structures	1.6		Long-term loans payable	20.7	
Machinery, equipment and vehicles	11.5	Major capex	Others	1.4	
Land	2.9	●Kazo PD Center	Total liabilities		
Construction in progress	12.8	●Osaka Nanko Center	216.4	44.5	
Others	1.1	●Hiroshima PD Center	Total net assets		
Intangible assets	1.0		118.1	4.0	
Investments and other assets			Capital stock	26.5	Equity ratio (FY 3/17) 35.1%
Investment securities	6.2		Capital surplus	29.7	(FY 3/18) 33.7%
Net defined retirement benefit asset	1.3		Retained earnings	55.0	
Others	1.6		Treasury stock	(0.6)	
Deferred assets			Non-controlling interests and others	7.4	
0.1	(0.0)		Total liabilities and net assets		
Total assets			334.4	48.5	
334.4	48.5				

Note) Decrease noncurrent assets 10 billion by sales to REIT

Interest-bearing debts		Debt Equity Ratio
119.8	34.7	(FY 3/17) 29.8%
		(FY 3/18) 35.8%

8. Statement of Cash Flows for FY Ended March 31, 2018

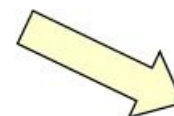
	(Billion of yen)	
	FY 3/17	FY 3/18
Cash flows from operating activities	20.8	24.6
Cash flows from investing activities	(3.7)	(37.0)
Cash flows from financing activities	(8.6)	9.9
Cash and cash equivalents at end of year	26.2	23.8



Selected Items	
Income before income taxes	16.9
Depreciation and amortization	12.4
Decrease (increase) in notes and accounts receivable-trade	(3.9)
Increase (decrease) in notes and accounts payable-trade	2.3
Proceeds from subsidy income	1.9
Income taxes paid	(5.3)
and other items	



Purchase of property, plant and equipment	(37.0)
Proceeds from sales of property, plant and equipment	11.1
Purchase of shares of subsidiaries and associates	(7.3)
and other items	



Net increase (decrease) loans payable	14.1
Repayments of finance lease obligations	(3.9)
Proceeds from issuance of bonds	10.0
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(6.9)
Cash dividends paid	(3.5)
and other items	

9. Principal Distribution Centers That Started Operations during the FY Ended March 31, 2018

		Name	Location	Start of operations	Floor area	Operating company
Japan	1	Yokkaichi No. 2 PD Center	Yokkaichi City Mie Pref.	May 2017	10,800 m ²	SENKO Co., Ltd.
	2	Ranzan Logistics Center*	Ranzan-machi Saitama Pref.	June 2017	22,300 m ²	Saitama Senko Logiservice Co., Ltd.
	3	Zama Logistics Center*	Zama City Kanagawa Pref.	June 2017	21,200 m ²	SENKO Co., Ltd.
	4	Shin Komaki PD Center	Oguchi-cho Aichi Pref.	July 2017	30,400 m ²	SENKO Co., Ltd.
	5	Aomori Logistics Center*	Goshogawara City Aomori Pref.	Sept. 2017	4,000 m ²	SENKO Co., Ltd.
	6	Shin Fuji PD Center*	Fuji City Shizuoka Pref.	Oct. 2017	21,500 m ²	SENKO Co., Ltd.
	7	Hiroshima PD Center	Hiroshima City	Dec. 2017	26,600 m ²	SENKO Co., Ltd.
	8	Fujiidera Logistics Center*	Fujiidera City Osaka Pref.	Jan. 2018	11,900 m ²	SENKO Co., Ltd.
	9	Keiji Daimon Dangerous Goods Warehouse (phase 2 of the plan)	Moriyama City Shiga Pref.	Feb. 2018	2,000 m ²	SENKO Co., Ltd.
	10	Hiroshima No. 2 Center (cold and freezer logistics)	Higashihiroshima City Hiroshima Pref.	Feb. 2018	9,900 m ²	RUNTEC Co., Ltd.
	11	Narashino Center*	Narashino City Chiba Pref.	Mar. 2018	40,300 m ²	ACROSS TRANSPORT CO.,LTD.
Japan total					200,900 m ²	
Overseas	12	NH-SENKO Logistics Center	Changwon South Korea	Oct. 2017	23,400 m ²	NH-SENKO LOGISTICS CO., LTD.
	13	Hanoi Logistics Center	Hung Yen Vietnam	Jan. 2018	16,600 m ²	SENKO DISTRIBUTION SERVICE (VIETNAM) CO., LTD.
Overseas total					40,000 m ²	
Total					240,900 m ²	

* Rented warehouse

There were 11 domestic and two overseas distribution centers that started operation in FY 2017, covering a total of 240,000 square meters.

The total storage area as of the end of March 2018 was 3.42 million square meters.

Section 2

Forecast for **the** Fiscal Year Ending
March 31, 2019

(From April 1, 2018 to March 31, 2019)

1. Forecast of Operating Results for the FY Ending March 31, 2019

SENKO

(Million of yen, %)

	FY 3/18		FY 3/19		VS. Plan	
	Results	Margin	Plan	Margin	Change	%
Operating revenues	492,127	—	530,000	—	37,873	7.7
Operating income	17,087	3.5	19,300	3.6	2,213	12.9
Ordinary income	17,316	3.5	19,300	3.6	1,984	11.5
Profit attributable to owners of parent	9,503	1.9	11,500	2.2	1,997	21.0

2. Forecast of Operating Results for the FY Ending March 31, 2019
(1st Half, 2nd Half, and Full Year)

SENKO

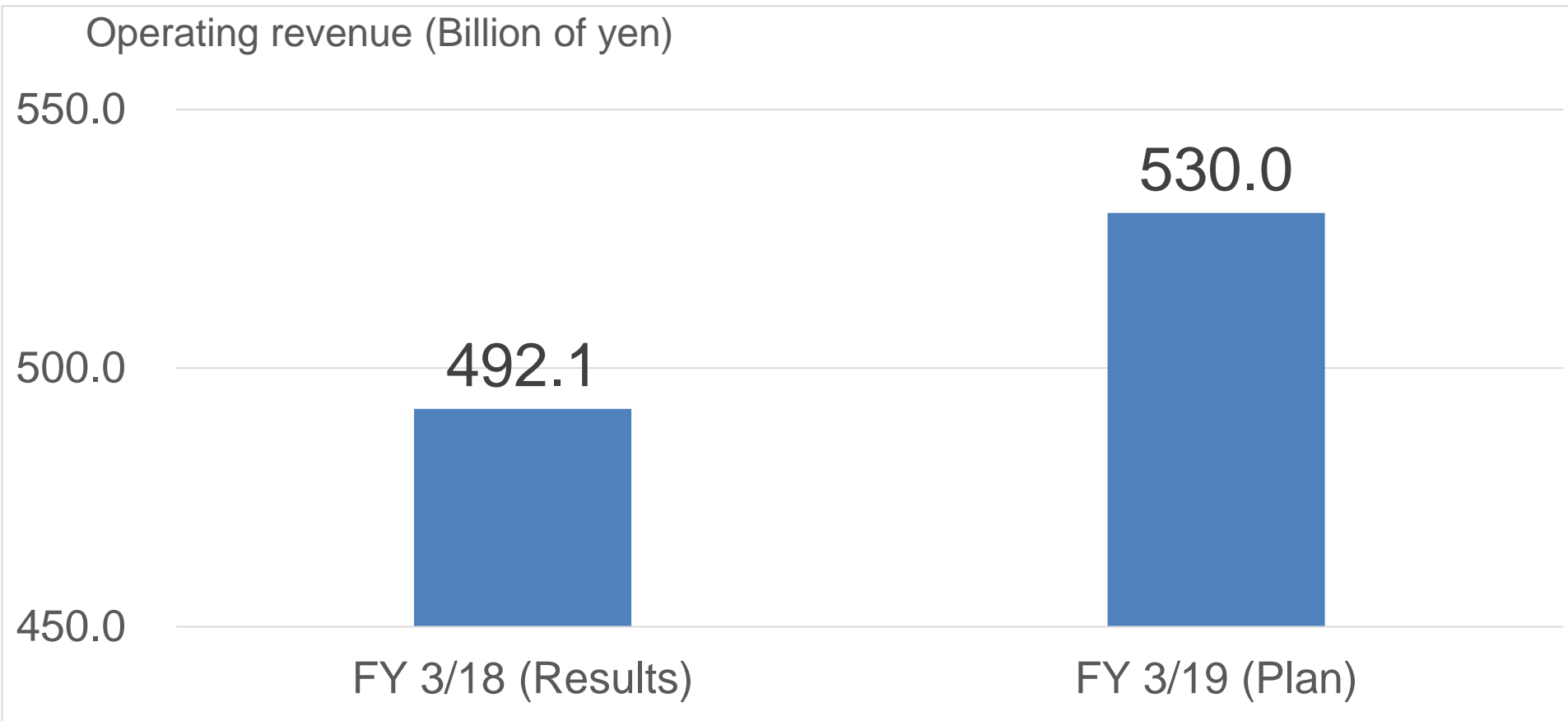
(Million of yen, %)

	FY 3/19					
	1 H		2 H		Full Year	
	Plan	Margin	Plan	Margin	Plan	Margin
Operating revenues	260,000	—	270,000	—	530,000	—
Operating income	9,000	3.5	10,300	3.8	19,300	3.6
Ordinary income	9,000	3.5	10,300	3.8	19,300	3.6
Profit attributable to owners of parent	5,400	2.1	6,100	2.3	11,500	2.2

3. Results for the FY Ending March 31, 2019: Operating Revenue

SENKO

YoY change **Up ¥37.9 billion (+7.7%)**



A 37.9 billion yen increase in revenue is projected on sales promotions, fee revisions, M&A at different times (ANZEN YUSO, OKUMURA), and results from new consolidations (*three living support corporations).

*The three living support corporations (Keihanna Helper Station, Blue Earth, and Venus)

4. Operating Revenue Forecast by Segment for the FY Ending March 31, 2019

SENKO

						(Billion of yen, %)	
		FY3/17	FY3/18	YoY Change		YoY Change Breakdown	
				Amount	%	M&A	Others
	Retail Product Logistics	190.5	208.0	17.5	9.2	3.1	14.4
	Housing Logistics	60.0	62.6	2.6	4.3		2.6
	Chemicals Logistics	67.8	73.1	5.3	7.8		5.3
	Others	29.5	29.9	0.4	1.7		0.4
Distribution Total		347.8	373.6	25.9	7.4	3.1	22.8
Trade & Commerce		139.3	145.9	6.6	4.7	0.9	5.7
Others		5.1	10.5	5.4	107.8	5.2	0.2
Total		492.1	530.0	37.9	7.7	9.2	28.7

* International commerce and trade included in the above

International revenue	25.3	29.0	3.7	14.5
Composition (%)	5.2	5.5		

* International commerce and trade including non-consolidated overseas subsidiaries

International revenue	30.3	34.9	4.6	15.1
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<Retail Product Logistics>

- ◆ Revenue expected through activities such as mass-market/retail sales, food, apparel-related sales promotions, fee revisions, and M&A at different times (ANZEN YUSO).

<Housing Logistics>

- ◆ Revenue expected through activities such as sales promotions and fee revisions.

<Chemicals Logistics>

- ◆ Revenue expected through activities such as sales promotions and fee revisions.

<Trade & Commerce>

- ◆ Revenue expected through activities such as sales promotions and M&A at different times (OKUMURA).

<Others>

- ◆ Revenue expected through activities such as new consolidations (three living support corporations).

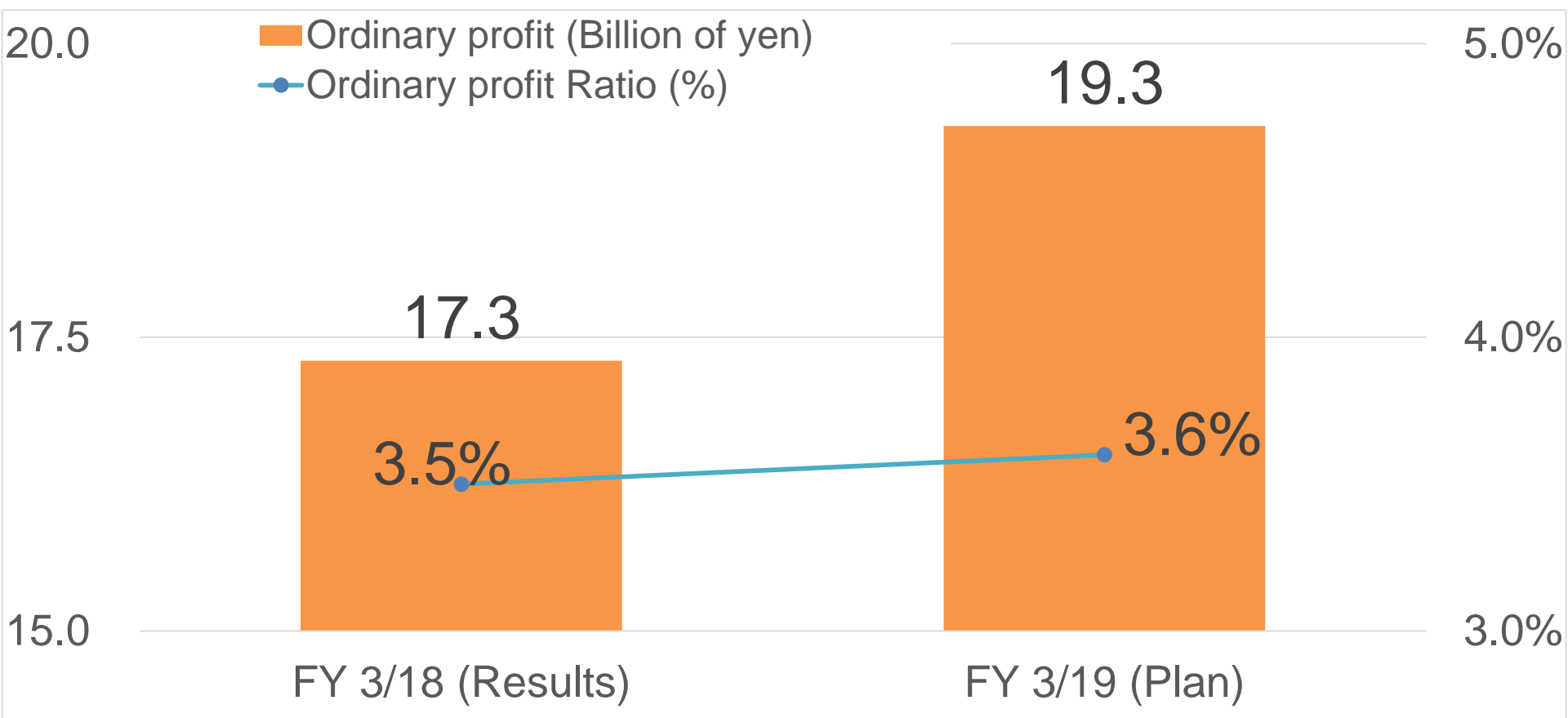
5. Forecast (plan) for the FY Ending March 31, 2019: Profit

SENKO

Year on year

Ordinary profit

up ¥1.98 billion (+11.5%)



Ordinary income of 19.3 billion yen is forecast through activities such as sales promotions, M&A (ANZEN YUSO and OKUMURA) at different times, increased yields due to new consolidations, and decrease of retirement benefit obligation calculations, despite rising costs of outsourcing (subcontracting fees, labor fees) and fuel.

6. Forecasted (planned) Operating Revenue by Segment for the FY Ending March 31, 2019

SENKO

(Million of Yen, %)

Operating revenues	FY 3/18 Results	FY 3/19 Plan	YoY Difference	
			Amount	%
Logistics	347,752	373,606	25,854	7.4
Trade & Commerce	139,317	145,881	6,564	4.7
Others	5,058	10,512	5,454	107.8
Consolidated F/S	492,127	530,000	37,873	7.7

(Million of Yen, %)

Operating income	FY 3/18		FY 3/19		YoY Difference	
	Results	Margin	Plan	Margin	Amount	%
Logistics	13,709	3.9	15,310	4.1	1,601	11.7
Trade & Commerce	2,855	2.0	2,930	2.0	75	2.6
Others	896	17.7	1,430	13.6	534	59.6
Adjustment	(373)	-	(370)	-	-	-
Consolidated F/S	17,087	3.5	19,300	3.6	2,213	13.0

- (Logistics)** Increase in operating revenue expected through sales promotions, fee revisions, M&A (ANZEN YUSO) at different times.
Increase in profit expected through the increase in revenue, and profit growth due to a decrease in retirement benefit obligation calculations.
- (Trade & Commerce)** Increase in revenue expected through sales promotions and M&A (OKUMURA) at different times.
Increase in profit expected through effects from the increase in revenue.
- (Others)** Increase in revenue expected through new consolidations (three living support corporations).
Increase in profit expected through effects from the increase in revenue.

7. Principal Distribution Centers Scheduled for Operation in the FY Ending March 31, 2019

SENKO

	Name		Location	Start of operations	Total floor space	Operating company
Japan	1	Osaka Nanko Center (cold and freezer logistics)	Osaka City	Apr. 2018	20,400 m ²	RUNTEC Co., Ltd.
	2	Higashifuji PD Center*	Fuji City Shizuoka Pref.	Api. 2018	16,400 m ²	SENKO Co., Ltd.
	3	Fukuoka Center (cold and freezer logistics)	Hisayama-machi Fukuoka Pref.	Apr. 2018	12,000 m ²	RUNTEC Co., Ltd.
	4	Nagareyama Logistics Center*	Nagareyama City Chiba Pref.	May 2018	29,800 m ²	SENKO Co., Ltd.
	5	Koga PD Center*	Koga City Ibaraki Pref.	Aug. 2018	29,200 m ²	SENKO Co., Ltd.
	6	Kazo PD Center* (phase 2 of the plan) Three-temperature zone (cold, freezer, and normal temperature)	Kazo City Saitama Pref.	Aug. 2018	52,000 m ²	SENKO Co., Ltd. and RUNTEC Co., Ltd.
	7	Koto warehouse (tentative name)	Higashiomi City Shiga Pref.	Oct. 2018	3,000 m ²	SENKO Co., Ltd.
Japan total					162,800 m ²	
Overseas	8	Qingpu Logistics Center*	Shanghai China	May. 2018	18,900 m ²	Shanghai Senko International Freight Forwarding Inc.
	9	Beijing Logistics Center (cold and freezer logistics)*	Beijing China	Sept 2018	9,600 m ²	Sinotrans Senko International Cold Logistics (Shanghai) Co., Ltd.
Overseas total					28,500 m ²	
Total					191,300 m ²	

* Rented warehouse

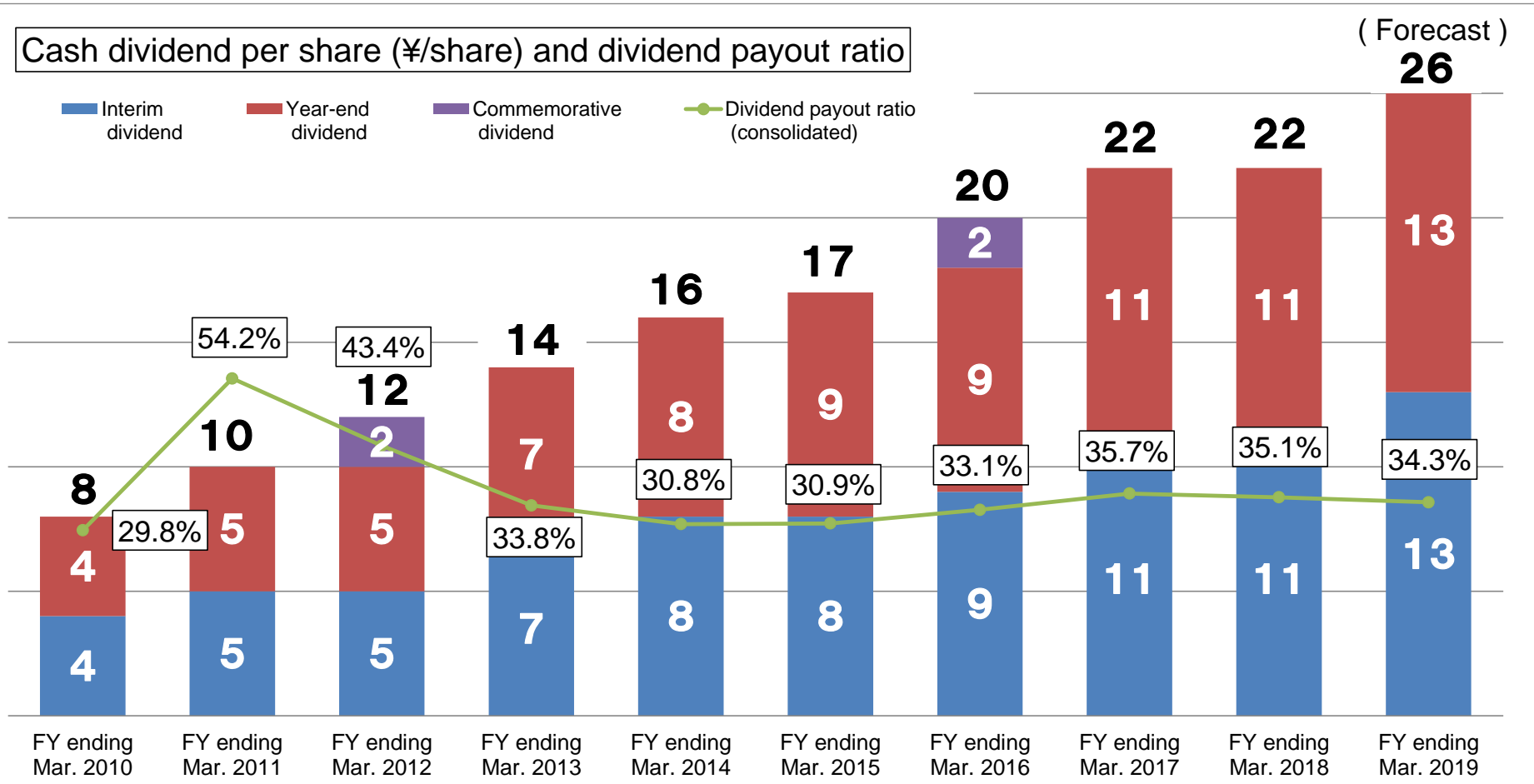
There are seven domestic and two overseas distribution centers planned for operation in 2018, covering a total of approximately 190,000 square meters.

The total storage area as of the end of March 2019 is projected to be 3.63 million square meters.

8. Dividends

Cash dividend per share (¥/share) and dividend payout ratio

Interim dividend Year-end dividend Commemorative dividend Dividend payout ratio (consolidated)



Part Three

Major Initiatives for the Fiscal
Year 2019 Ending in March

Expand business areas

- Growth and expansion of the Group's major businesses
- Reinforcement of product developing/price competitive powers
- Discovering new business opportunities

Reinforcement of manufacturing systems

- Introduction/training on new technology
- Establishing a comfortable work place
- Acquiring/securing and training human resources

Reinforcement of earning capacities

- Reexamination of business terms and fee revisions
- Improving manufacturing efficiency with new technologies
- Consolidating and automating management tasks

Enhance brand values


- Diversifying and reinforcing public relations and promotional activities
- Developing communication and fostering Group policies
- Promoting IR activities per target

1. Expansion of Business Fields

<Expansion of three-temperature logistics centers>

(1) RUNTEC Co., Ltd.

Started operations of three refrigeration and cold storage logistics centers in 2018

Hiroshima Branch Center 2	Osaka Branch Nanko Center	Fukuoka Branch Center Expansion
 <ul style="list-style-type: none"> • Higashi-Hiroshima City, Hiroshima Prefecture • Total floor space 9,900m² • Operating from February 2018 	 <ul style="list-style-type: none"> • Osaka City • Total floor space 20,400m² • Operating from April 2018 	 <ul style="list-style-type: none"> • Fukuoka City • Expanded space 12,000m² • Operating from April 2018

1. Expansion of Business Fields

<Expansion of three-temperature logistics centers>

(2) RUNTEC Co., Ltd.

Kazo PD Center (Phase Two) scheduled to open in August 2018

◎The first three-temperature logistics center to be jointly operated by
SENKO and RUNTEC

Location Kazo City,
Saitama Prefecture

Site area 45,700 m²

**Total floor
space** 52,000 m²

Details



[Normal temperature	25,100 m ²]
	Refrigeration and cold storage	26,900 m ²	



1. Expansion of Business Fields


<Fashion distribution expansion>

(1) Logistics center operations on contract for customers reorganizing distribution bases

Narashino Center *Operated by: ACROSS TRANSPORT	Nagareyama Logistics Center *Operated by: SENKO
<p>◎ Commissioned operations for Company U logistics</p>  <ul style="list-style-type: none"> • Narashino City, Chiba Prefecture • Total floor space 40,300m² (Leased) • Operating from March 2018 	<p>◎ Commissioned operations for Company U logistics</p>  <ul style="list-style-type: none"> • Nagareyama City, Chiba Prefecture • Total floor space 29,800m² (Leased) • Operating from May 2018

<Other logistics centers>

⦿ Logistic centers to be opened in FY2018

Date of operation	Name	Location	Total floor space	Notes
Established April 2018	Higashi-fuji PD Center 	Fuji City, Shizuoka Prefecture	16,400m ²	A logistics center for drugstore corporation W
Scheduled to open in August 2018	Koga PD Center	Koga City, Ibaraki Prefecture	29,200m ²	Distribution/logistics for medicine/medical/sanitary goods, food, and daily commodities
Scheduled to open in October 2018	Koto Warehouse (Tentative name)	Higashi-omi City, Shiga Prefecture	3,000m ²	Corresponds to imported housing construction materials as a bonded warehouse

1. Expansion of Business Fields

<Overseas business expansions>

(1) Establishing logistics centers

Phố Nối Logistics Center	Qingpu Logistics Center	Beijing Logistics Center
 <ul style="list-style-type: none"> • Hưng Yên, Vietnam • Total floor space 16,600m² • Operating from April 2018 • Transportation/storage of factory-manufactured goods from Japanese companies 	 <ul style="list-style-type: none"> • Shanghai, China • Total floor space 18,900m² • Operating from May 2018 • Medical instruments, automobile interior sheets, photosensitive material 	 <ul style="list-style-type: none"> • Beijing, China • Total floor space 9,600m² • Scheduled for operation in September 2018 • Three-temperature warehouse

<Overseas business expansions>

(2) Expanding the refrigeration/cold storage logistics business in Thailand

- ⊙ Established a joint venture with the major restaurant franchise MK RESTAURANTS

センコーグループ



Joint
venture
goals

To become Thailand's No.1
cold chain corporation

To increase logistics efficiency
and focus on investments
in the restaurant industry

■ March 2018 A joint corporation was established

Company name: M-SENKO LOGISTICS CO.,LTD

■ Constructed a new logistics center near Bangkok
(Warehouse space: 22,000 m²)

*Scheduled to start operations in 2019

1. Expansion of Business Fields

<Overseas business expansions>

(3) Accepted a logistics contract with the major discount store D's opening in Singapore

⊙ Entrusted with export operations from Japan to Singapore, and local storage and distribution operations.

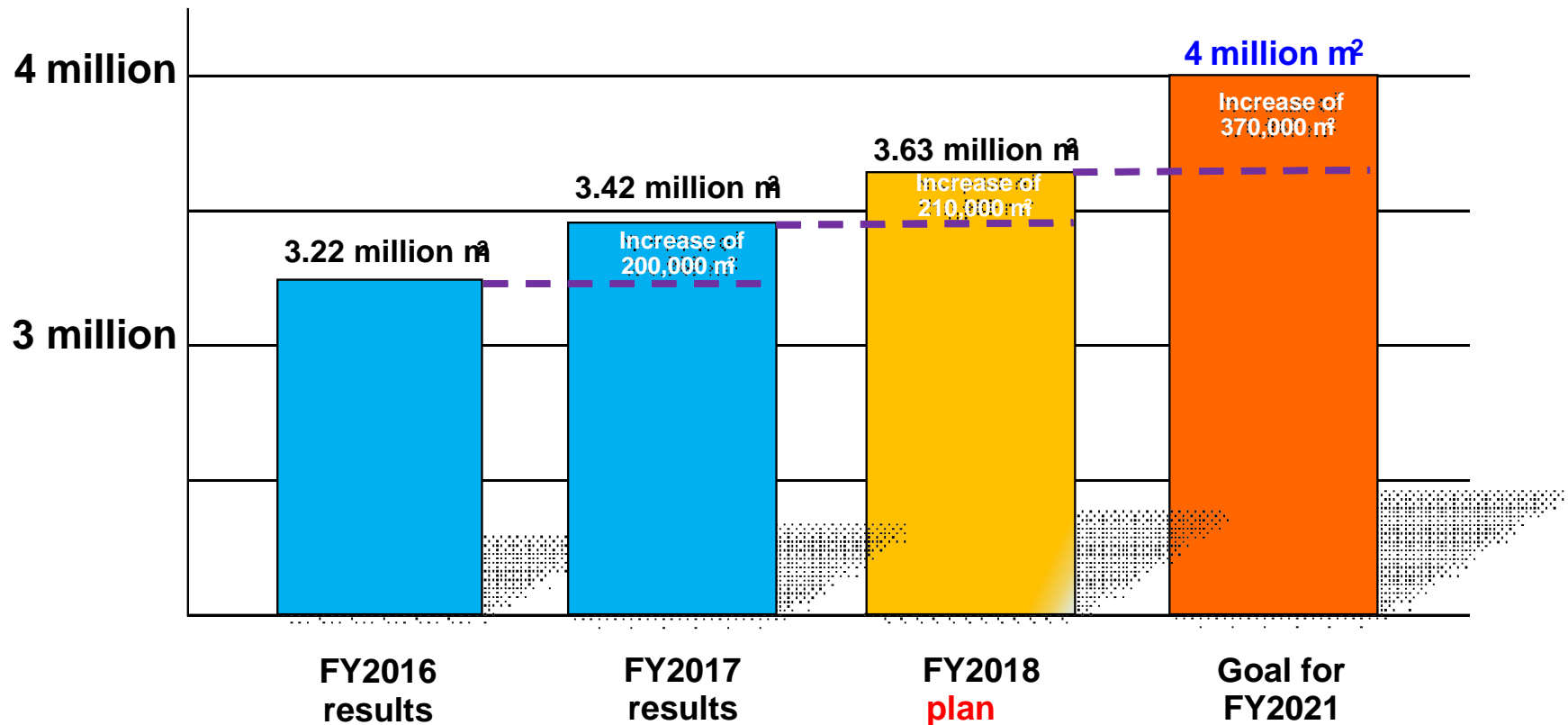
- For local distribution, our Group corporation “**Skylift**” conducts logistics operations such as warehousing, storage, inventory management, picking, sorting and delivery
- Started operations in December 2017



2. Reinforcement of manufacturing systems *SENKO*

1) Striving towards four million square meters in storage space

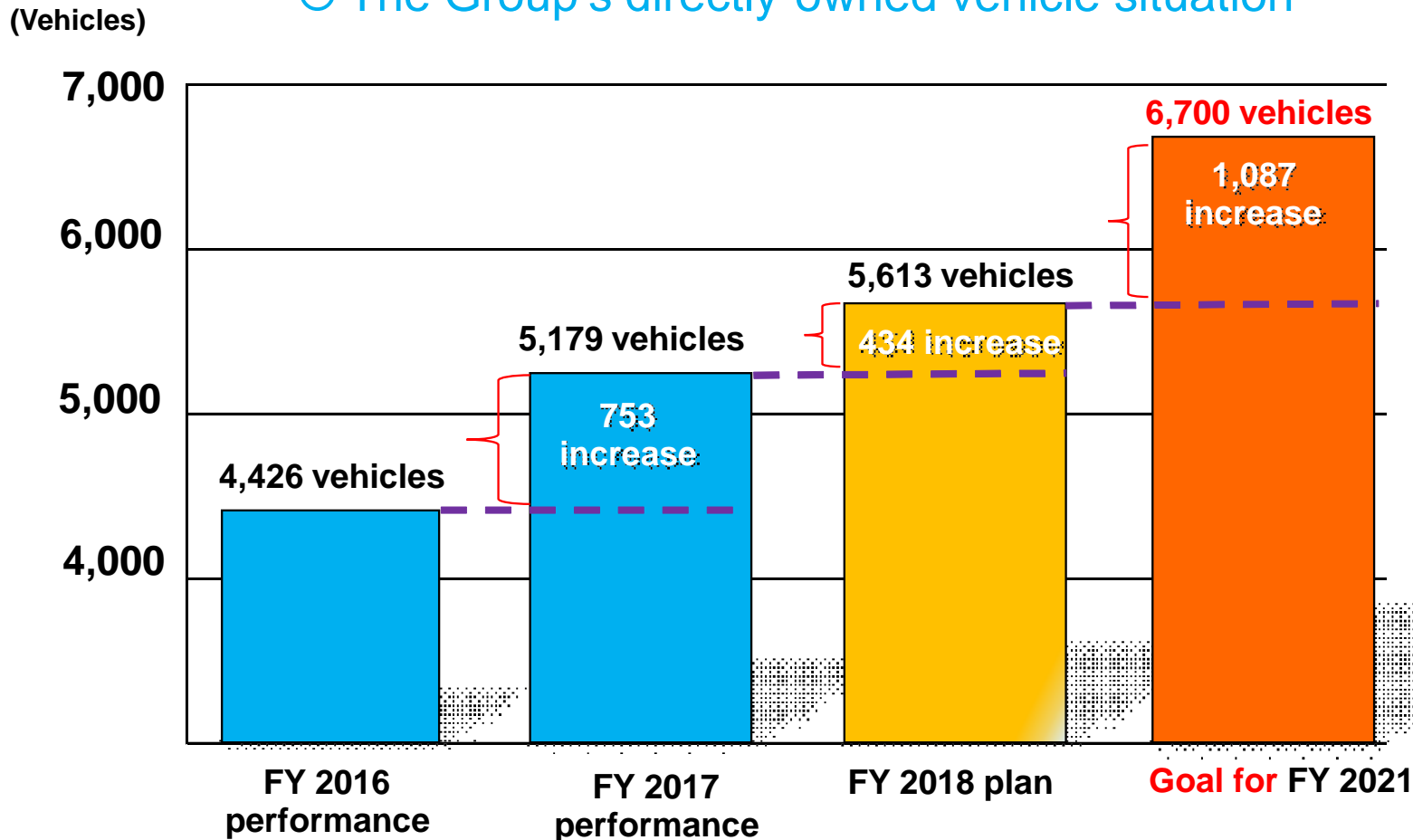
◎ The Group's warehouse space situation



2. Reinforcement of manufacturing systems *SENKO*

2) Striving towards 6,700 Group directly-owned vehicles




◎ The Group's directly-owned vehicle situation



* The increase of 753 vehicles in 2017 includes the 372 vehicles from ANZEN YUSO CO., LTD, which was incorporated into the Group.

2. Reinforcement of manufacturing systems **SENKO**

3)Introducing new technologies to save manpower and advance towards mechanization

Unmanned vehicles	Unmanned forklifts	Arm robot
		
<ul style="list-style-type: none">• These vehicles can tow cargo weighing up to 500kg and travel at 60m/minute.• After arriving at the destination, the trolley detaches itself and returns on its own	<ul style="list-style-type: none">• Automated pallet “scooping”, “transportation” and “lowering”• Travels at 60m/minute	<ul style="list-style-type: none">• Alleviates cargo restacking tasks for items distributed in large quantities such as beverages and liquor.• Three cases can be restacked at once.

- The above facilities have already been installed in some business bases, and **are** scheduled for lateral expansion in other work bases as well.
- In April 2018, the ‘AI Project’ and ‘Robotics Project’ were established to accelerate manpower conservation and mechanization.

4) Expansion towards foreign workers

◎ Creation of a corporate group in which foreigners can thrive

- ▷ • Promote employment of foreigners with residence status and technical interns for industrial packing and automobile maintenance, to correspond to labor shortages.
→ Scheduled to welcome 75 technical interns in fiscal year 2018.

◎ Career formation support for foreign human resources

- ▷ • Support career formation by entering partnerships with colleges/vocational schools in areas such as ASEAN and conduct logistics classes with an internship at our local subsidiaries.

2. Reinforcement of manufacturing systems *SENKO*

5) Promoting modal shift

(1) Reinforcing the shipping business and establishing Senko Line Co., Ltd.

- On April 1, 2018, Senko Line Co.,Ltd. was established to carry on SENKO's shipping businesses.
- The modal shift was reinforced with roll-on/roll-off ships and ferries with cooperation between Senko Line Co.,Ltd., NIPPON MARINE CO., LTD. , and EIKICHI SHIPPING CO., LTD.



NIPPON MARINE



Senko Line



EIKICHI SHIPPING

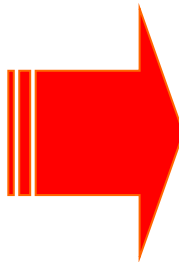
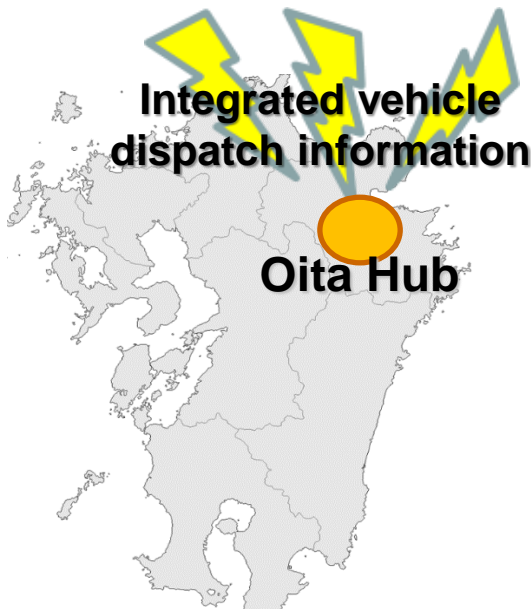
5) Promoting modal shift

(2) Kyushu area Integration of vehicle dispatch

<Started April 2018>

Centralize and unify vehicle dispatch information at the Oita hub, to control all arriving/departing quantities between Kyushu and mainland Japan.

This system is scheduled to expand into other regions in the future.



[Selecting transport modes]

■ Ferries/ roll-on/roll-off ships



■ Train containers



(1) Fee revisions/business-term revisions

- Conduct fee and business-term revisions for operations that are not profitable or non-commercial.

(2) Improving manufacturing efficiency

- Introduce manpower-saving/mechanization/AI technology to improve productivity per employee.

(3) Automating vehicle dispatch

- Automate vehicle dispatch to improve truck operation efficiency.

(4) Integration of management operations

- Integrate the management operations of each Group company for increased efficiency.

Moving Global

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

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