

May 14, 2019



# Briefing on Financial Results for the Fiscal Year Ending March 31, 2019



SENKO Group Holdings

## Part 1

# Summary of Financial Results for the Fiscal Year Ending March 31, 2019

1. Summary of Operating Results for the Fiscal Year Ending March 31, 2019

**SENKO**

(Million yen, %)

	FY 3/18		FY 3/19		YoY Change	
		Margin		Margin	Amount	%
Operating revenue	492,127	—	529,609	—	37,481	7.6
Operating profit	17,087	3.5	19,631	3.7	2,544	14.9
Ordinary profit	17,316	3.5	19,876	3.8	2,559	14.8
Profit attributable to owners of parent	9,503	1.9	11,681	2.2	2,177	22.9

## 2. Summary of Operating Results for the Fiscal Year Ending March 31, 2019 [Operating Revenue]

**SENKO**

Operating Revenue Increased by ¥37.5 Billion or 7.6% YoY

● Acquisition of new customers	+	¥28.2 billion
● Revision of freight charges	+	¥4.6 billion
● YoY change in revenue from M&A (Anzen Yuso and others)	+	¥4.0 billion
● Effect of newly consolidated subsidiaries (Venus and others)	+	¥5.3 billion



**+ ¥42.1  
billion**

● Impact of natural disasters	-	¥0.4 billion
● Cargo volume from existing customers	-	¥4.2 billion



**- ¥4.6  
billion**

**+ ¥37.5  
billion**

### 3. Summary of Operating Revenue by Business/Segment for the Fiscal Year Ending March 31, 2019

**SENKO**

(Billion yen, %)

		FY3/18	FY3/19	YoY Change		YoY Change Breakdown			
				Amount	%	Revenue growth	Price revision	M & A and others	Existing cargo volume
	Retail Product Logistics	190.5	208.3	17.8	9.3	15.6	2.0	3.5	-3.3
	Housing Logistics	60.0	62.2	2.3	3.8	2.1	1.3		-1.1
	Chemicals Logistics	67.8	73.8	6.1	8.9	4.7	1.1		0.3
	Others	29.5	31.0	1.5	5.0	2.9	0.2		-1.6
Logistics Total		347.8	375.4	27.6	7.9	25.3	4.6	3.5	-5.8
Trading & Commerce		139.3	142.3	3.0	2.1	2.3		0.8	-0.1
Others		5.1	11.9	6.9	135.9	0.6		5.0	1.3
Total		492.1	529.6	37.5	7.6	28.2	4.6	9.3	-4.6

\* International commerce and trade included in the above

<b>Global logistics</b> (including commerce and trade)	25.3	28.7	3.3	12.9
<b>Composition (%)</b>	5.2	5.4		

\* International commerce and trade including non-consolidated overseas subsidiaries

<b>Global logistics</b> (including commerce and trade)	30.3	36.7	6.3	20.9
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## 4. Summary of Operating Results for the Fiscal Year Ending March 31, 2019 [Profit]

**SENKO**

### Ordinary Profit Increased by ¥2.56 Billion or 14.8% YoY

● Acquisition of new customers	+	¥2.93 billion	➡	<b>+ ¥9.15 billion</b>
● Revision of freight charges	+	¥4.57 billion		
● Cost and productivity improvements	+	¥0.28 billion		
● YoY change in revenue from M&A (Anzen Yuso and others)	+	¥0.14 billion		
● Effect of newly consolidated subsidiaries (Venus and others)	+	¥0.43 billion		
● Mathematical treatment of retirement benefit obligations	+	¥0.80 billion		
● Cargo volume from existing customers	-	¥1.19 billion	➡	<b>- ¥6.61 billion</b>
● Rise in truck hiring expenses (including labor)	-	¥3.00 billion		
● YoY change in private REITs	-	¥0.10 billion		
● Effect of increase in basic salaries	-	¥0.53 billion		
● Impact of fuel prices	-	¥0.84 billion		
● Impact of natural disasters	-	¥0.19 billion		
● Changes in other costs	-	¥0.76 billion	➡	<b>+ ¥0.02 billion</b>
● Non-operating revenues and expenses				
● Ordinary profit			➡	<b>+ ¥2.56 billion</b>

5. Summary of Operating Results by Segment for the Fiscal Year Ending March 31, 2019 [YoY Change]

**SENKO**

( Million yen, % )

Operating revenue	FY3/18	FY3/19	YoY Change	
			Amount	%
Logistics	347,752	375,384	27,632	7.9
Trading & Commerce	139,317	142,294	2,977	2.1
Others	5,058	11,930	6,872	135.9
Consolidated F/S	492,127	529,609	37,481	7.6

( Million yen, % )

Operating profit	FY3/18		FY3/19		YoY Change	
		Margin		Margin	Amount	%
Logistics	13,708	3.9	16,210	4.3	2,502	18.3
Trading & Commerce	2,855	2.0	2,280	1.6	-575	-20.1
Others	895	17.7	1,679	14.1	784	87.6
Adjustment	-372	-	-538	-	-166	-
Consolidated F/S	17,087	3.5	19,631	3.7	2,544	14.9

6. Summary of Operating Results for the Fiscal Year Ending March 31, 2019 [Actual vs. Plan]

**SENKO**

(Million yen, %)

	FY3/19		FY3/19		VS. Plan	
	Plan	Margin	Actual	Margin	Change	%
Operating revenues	530,000	—	529,609	—	-391	-0.1
Operating profit	19,300	3.6	19,631	3.7	331	1.7
Ordinary profit	19,300	3.6	19,876	3.8	576	3.0
Profit attributable to owners of parent	11,500	2.2	11,681	2.2	181	1.6



## 7. Balance Sheet at the End of the Fiscal Year Ending March 31, 2019

**SENKO**

(Billion yen)

ASSETS			LIABILITIES AND NET ASSETS		
FY3/19 (As of March 31 , 2019)	Change	Note	FY3/19 (As of March 31 , 2019)	Change	Note
<b>Current assets</b>			<b>Current liabilities</b>		
117.3	3.11		98.7	-7.4	
Cash and deposits	0.24		Notes and operating A/P-trade	0.2	
Notes and accounts receivable	2.57		Electronically recorded obligations-operating	-0.1	
Inventories	1.54		Short-term loans payable	-7.8	
Others	-1.23		Provision for bonuses	0.6	
			Others	-0.3	
<b>Noncurrent assets</b>			<b>Non-current liabilities</b>		
223.2	3.43		114.9	5.1	
Property, plant and equipment			Bonds payable	14.6	
Buildings and structures	9.60	Major Capex	Lease obligations	31.6	
Machinery, equipment and vehicles	1.22	●Osaka Branch Nanko	Others	4.4	
Construction in progress	-12.14	Center			
Other	3.47	●Fukuoka Branch Center			
Intangible assets	1.28	●Higashi-Fuji PD	<b>Total liabilities</b>	<b>213.6</b>	<b>-2.3</b>
Investments and other assets		Center	<b>Total net asse</b>	<b>126.9</b>	<b>8.8</b>
Investment securities	-2.38		Capital stock	26.5	
Net defined benefit asset	-0.57		Capital surplus	29.8	0.1
Guarantee deposits	1.15		Retained earnings	63.0	8.0
Other	1.81		Treasury stock	-0.7	-0.1
			Others	8.2	0.8
<b>Deferred assets</b>			<b>Total liabilities and net assets</b>		
0.03	-0.03		340.5	6.5	
<b>Total assets</b>	<b>6.52</b>				
340.49					

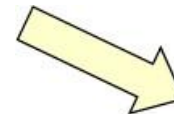
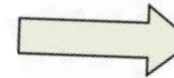
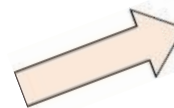
Note) Decrease noncurrent assets 7.9 billion by sales to REIT

<b>Interest-bearing debts</b>		<b>Debt Equity Ratio</b>
113.5	-6.4	(FY 3/18) 35.9%
		(FY 3/19) 33.3%

## 8. Cash Flow Statement for the Fiscal Year Ending March 31, 2019

(Billion yen)

	FY 3/18	FY 3/19
Cash flows from operating activities	24.6	27.0
Cash flows from investing activities	-37.0	-15.8
Cash flows from financing activities	9.9	-13.2
Cash and cash equivalents at end of year	23.8	22.8



### Main topics of the current fiscal year

Current net profit before tax and other adjustments	18.90
Depreciation and amortization	14.33
Increase in trade receivables	-2.14
Increase in trade payables	0.87
Decrease in consumption tax receivable	1.44
Corporate tax paid	-7.65
Others	

Acquisition of property, plant and equipment	-24.38
Sale of property, plant and equipment	14.09
Acquisition of shares of subsidiaries and affiliated companies	-2.68
Others	

Decrease in borrowings	-7.49
Repayment of lease obligations	-3.87
Proceeds paid by noncontrolling shareholders	2.31
Payment of dividends	-3.66
Others	

## 9. Main Logistics Centers that Started Operation in the Fiscal Year Ending March 31, 2019

	Name		Location	operation (year/mon)	Total floor space	Operating company
Domestic	1	Osaka Branch Nanko Center (frozen/refrigerated)	Osaka-shi	April 2018	20, 400 m <sup>2</sup> (6,200 tsubo)	Runtec Corporation
	2	Higashi-Fuji PD Center	Shizuoka Pref. Fuji-shi	April 2018	16, 400 m <sup>2</sup> (5,000 tsubo)	SENKO Co., Ltd.
	3	Increased floor space at Fukuoka Branch Center (frozen/refrigerated)	Fukuoka Pref. Hisayama- machi	April 2018	12, 400 m <sup>2</sup> (3,750 tsubo)	Runtec Corporation
	4	Nagareyama Logistics Center*	Chiba Pref. Nagareyama- shi	May 2018	30, 600 m <sup>2</sup> (9,200 tsubo)	SENKO Co., Ltd.
	5	Koga PD Center*	Ibaraki Pref. Koga-shi	August 2018	31, 300 m <sup>2</sup> (9,500 tsubo)	SENKO Co., Ltd.
	6, 7	Kazo PD Center (Phase 2) : Three temperature zones (ambient/frozen/refrigerated)	Saitama Pref. Kazo-shi	August 2018	51, 500 m <sup>2</sup> (15,600 tsubo)	SENKO Co., Ltd. and Runtec Corporation
	8	Koto Warehouse	Shiga Pref. Higashiomi-shi	Novem- ber 2018	3, 500 m <sup>2</sup> (1,080 tsubo)	SENKO Co., Ltd.
	9	Keihin Branch Kawasaki FAZ Center* (frozen/refrigerated)	Kawasaki-shi	Decem- ber 2018	17, 500 m <sup>2</sup> (5,300 tsubo)	Runtec Corporation
	Domestic total					183, 600 m <sup>2</sup> (55,630 tsubo)
Overseas	10	Qingpu Logistics Center*	Shanghai, China	May 2018	18, 900 m <sup>2</sup> (5,700 tsubo)	Shanghai Senko International Freight Forwarding Inc.
	11	Beijing Logistics Center (frozen/refrigerated)*	Beijing, China	Novem- ber 2018	9, 400 m <sup>2</sup> (2,800 tsubo)	Sinotrans Senko International Cold Logistics (Shanghai) Co., Ltd.
	12	Skylift New Warehouse*	Jalan Buroh, Singapore	Decem- ber 2018	7, 100 m <sup>2</sup> (2,200 tsubo)	Skylift Districentre (Pte) Ltd.
	Overseas total					35, 400 m <sup>2</sup> (10,700 tsubo)
Total					219, 000 m <sup>2</sup> (66,330 tsubo)	

\* Leased property

## Part 2

# Forecast of Full-Year Operating Results for the Fiscal Year Ending March 31, 2020

1. Forecast of Operating Results for the Fiscal Year Ending March 31, 2020

**SENKO**

( Million yen, % )

	FY3/19		FY3/20		YoY Change	
	Results	Margin	Plan	Margin	Amount	%
Operating revenue	<b>529,609</b>	—	<b>560,000</b>	—	<b>30,391</b>	<b>5.7</b>
Operating profit	<b>19,631</b>	<b>3.7</b>	<b>20,900</b>	<b>3.7</b>	<b>1,269</b>	<b>6.5</b>
Ordinary profit	<b>19,876</b>	<b>3.8</b>	<b>21,000</b>	<b>3.8</b>	<b>1,124</b>	<b>5.7</b>
Profit attributable to owners of parent	<b>11,681</b>	<b>2.2</b>	<b>12,200</b>	<b>2.2</b>	<b>519</b>	<b>4.4</b>

2. Forecast of Operating Results for the Fiscal Year Ending March 31, 2020  
[First Half/Second Half/Full Year]

SENKO

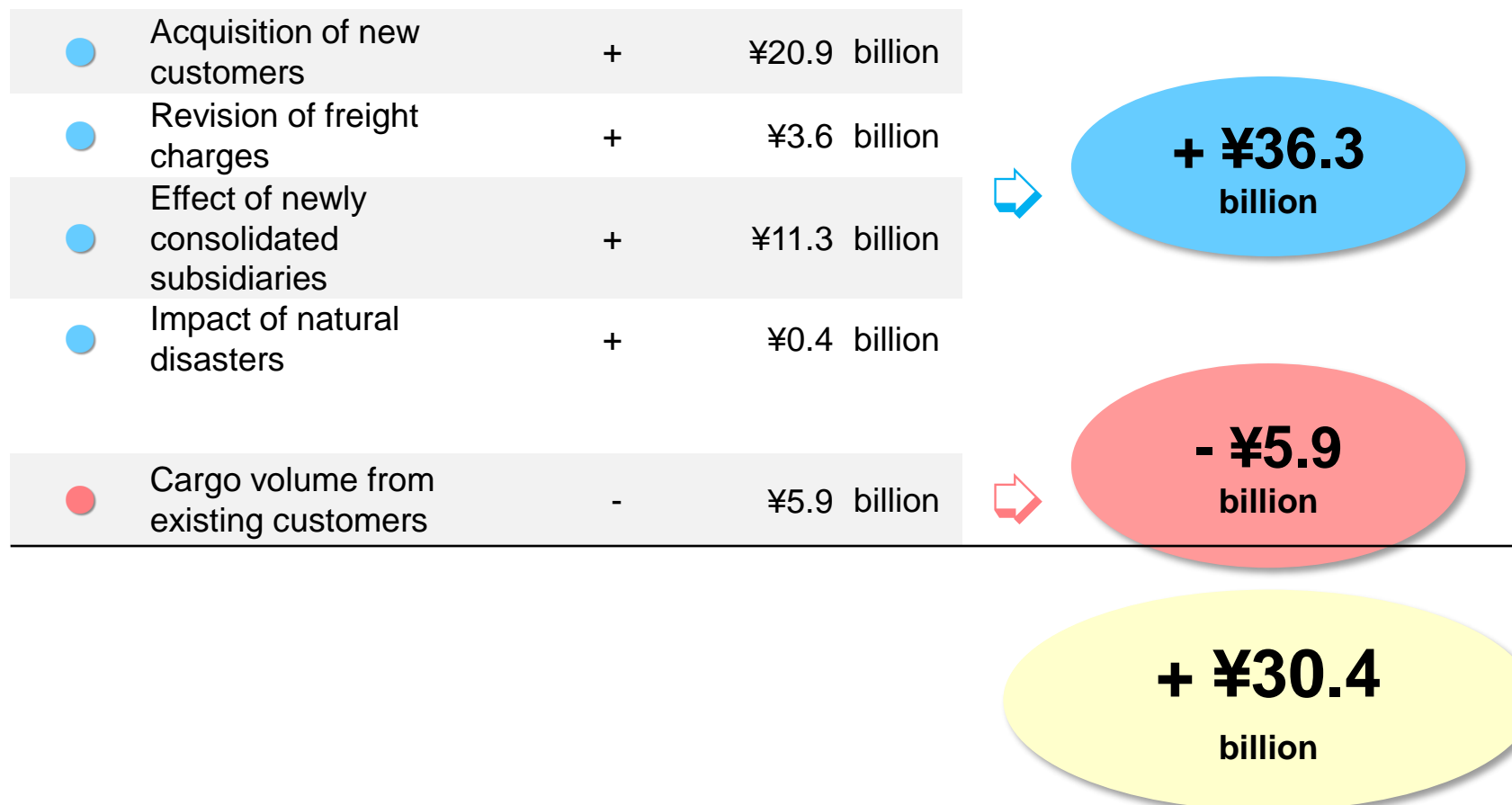
(Million yen, %)

	FY3/20					
	First Half (Apr.-Sep.)		Second Half (Oct.-Mar.)		Full Year	
	Plan	Margin	Plan	Margin	Plan	Margin
Operating revenue	276,000	—	284,000	—	560,000	—
Operating profit	9,400	3.4	11,500	4.0	20,900	3.7
Ordinary profit	9,400	3.4	11,600	4.1	21,000	3.8
Profit attributable to owners of parent	5,600	2.0	6,600	2.3	12,200	2.2

### 3. Forecast of Operating Results for the Fiscal Year Ending March 31, 2020 [Operating Revenue]

**SENKO**

Operating Revenue Is Forecasted to Increase by ¥30.4Billion or 5.7% YoY



#### 4. Forecast of Operating Revenue by Business/Segment for the Fiscal Year Ending March 31, 2020

**SENKO**

(Billion yen, %)

		FY 3/19 Actual	FY 3/20 Plan	YoY Change		YoY Change Breakdown			
				Change	%	Revenue growth	Price revision	M & A and others	Existing cargo volume
	Retail Product Logistics	208.3	217.8	9.5	4.5	11.2	1.9	6.1	-9.7
	Housing Logistics	62.2	63.2	1.0	1.6	1.2	0.6		-0.8
	Chemicals Logistics	73.8	79.1	5.3	7.1	4.1	1.0	1.9	-1.7
	Others	31.0	31.5	0.5	1.7	2.0	0.1		-1.6
Distribution Total		375.4	391.6	16.3	4.3	18.5	3.6	8.0	-13.8
Trading & Commerce		142.3	152.4	10.1	7.1	1.6			8.5
Others		11.9	16.0	4.1	34.1	0.8		3.3	
Total		529.6	560.0	30.4	5.7	20.9	3.6	11.3	-5.4

\* International commerce and trade included in the above

Global logistics (including commerce and trade)	28.7	39.4	10.8	37.6
Composition (%)	5.4	7.0		

\* International commerce and trade including non-consolidated overseas subsidiaries





Global logistics (including commerce and trade)	36.7	42.5	5.8	15.9
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## 5. Forecast of Operating Results for the Fiscal Year Ending March 31, 2020 [Profit]

**SENKO**

Ordinary Profit Is Forecasted to Increase by ¥1.12 Billion or 5.7% YoY

● Acquisition of new customers	+	¥2.54 billion		<b>+ ¥7.15 billion</b>
● Revision of freight charges	+	¥3.59 billion		
● Cost and productivity improvements	+	¥0.53 billion		
● Effect of newly consolidated subsidiaries	+	¥0.30 billion		
● Impact of natural disasters	+	¥0.19 billion		
● Cargo volume from existing customers	-	¥2.24 billion		<b>- ¥5.88 billion</b>
● Rise in truck hiring expenses (including labor)	-	¥2.63 billion		
● Effect of increase in basic salaries	-	¥0.79 billion		
● Changes in other costs	-	¥0.22 billion		
● Non-operating revenues and expenses				<b>- ¥0.15 billion</b>
● Ordinary profit				<b>+ ¥1.12 billion</b>

6. Forecast of Operating Results by Segment for the Fiscal Year Ending March 31, 2020

**SENKO**

(Million yen, %)

Operating revenue	FY ending 3/2019 Actual	FY ending 3/2020 Plan	YoY change	
			Change (amount)	Change (%)
Logistics Business	375,384	391,600	16,216	4.3
Trading and Commerce Business	142,294	152,400	10,106	7.1
Others	11,930	16,000	4,070	34.1
Total	529,609	560,000	30,391	5.7

(Million yen, %)

Operating profit	FY ending 3/2019		FY ending 3/2020		YoY change	
	Actual	Margin	Plan	Margin	Change (amount)	Change (%)
Logistics Business	16,210	4.3	17,250	4.4	1,040	6.4
Trading and Commerce Business	2,280	1.6	2,360	1.5	80	3.5
Others	1,679	14.1	1,820	11.4	141	8.4
Adjustment amount	-538	-	-530	-	8	-
Amount recorded in consolidated financial statements	19,631	3.7	20,900	3.7	1,269	6.5

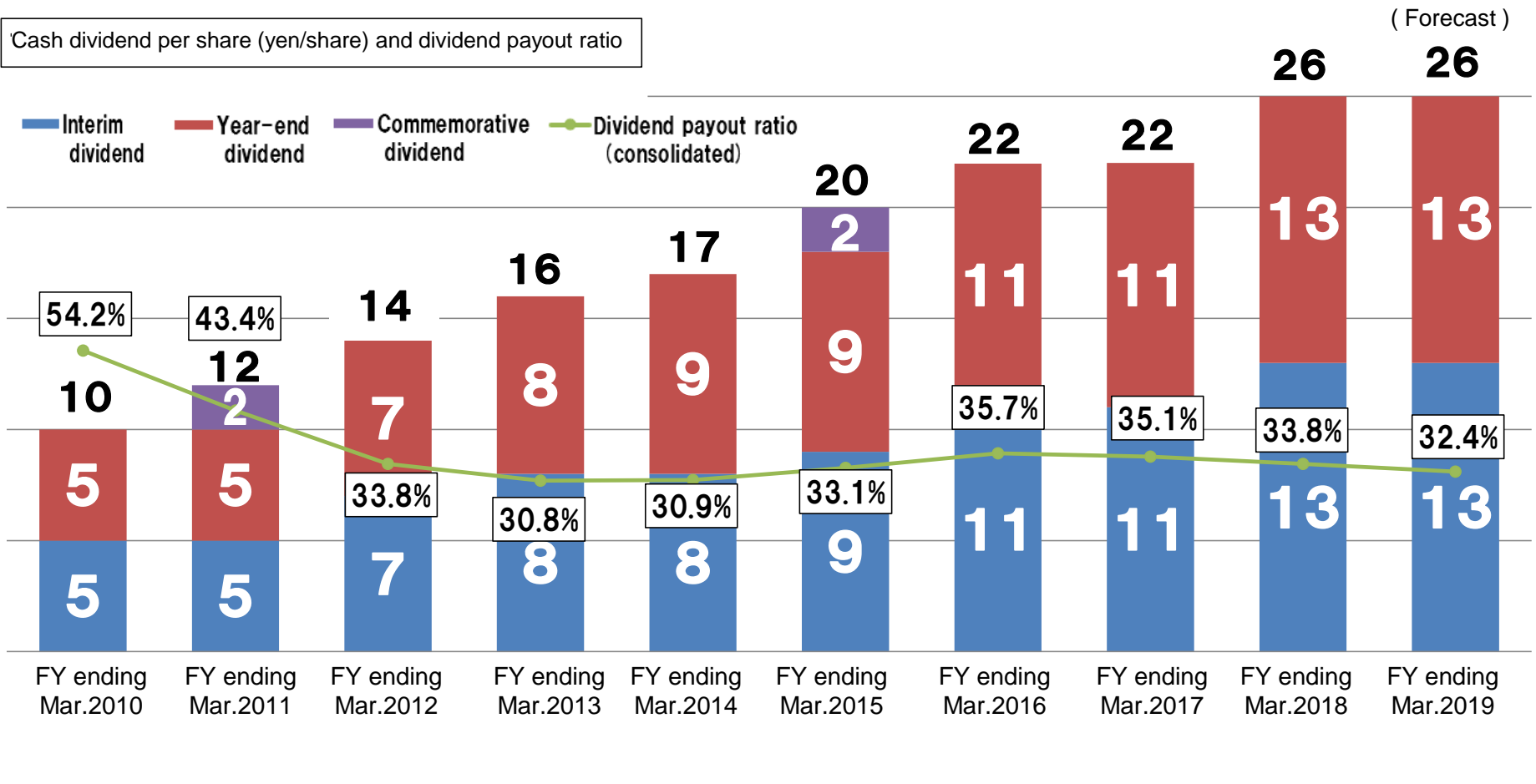
7. Main Logistics Centers Planned to Start Operation in the Fiscal Year Ending March 31, 2020

**SENKO**

	Name		Location	Start of operation (year/month)	Total floor space	Operating company
Domestic	1	Inzai Logistics Center*	Inzai-shi, Chiba Pref.	May 2019	51,000 m <sup>2</sup> (15,400 tsubo)	SENKO Co., Ltd.
	2	Kanetsu Branch (frozen/refrigerated)*	Kawajima- machi, Saitama Pref.	May 2019	3,300 m <sup>2</sup> (1,000 tsubo)	Runtec Corporation
	3	Kansai Branch (frozen/refrigerated)*	Nishinomiya -shi, Hyogo Pref.	July 2019	30,000 m <sup>2</sup> (9,100 tsubo)	Runtec Corporation
	4	Oita PD Center	Oita-shi	October 2019	16,200 m <sup>2</sup> (4,900 tsubo)	SENKO Co., Ltd.
	5	Amagasaki PD Center (tentatively named)*	Amagasaki -shi, Hyogo Pref.	February 2020	43,600 m <sup>2</sup> (13,200 tsubo)	SENKO Co., Ltd.
	6	Moji Branch (frozen/refrigerated)	Kitakyushu-shi	March 2020	13,800 m <sup>2</sup> (4,200 tsubo)	Runtec Corporation
Total					157,900 m <sup>2</sup> (47,800 tsubo)	
Overseas	7	M-Senko Logistics Center (tentatively named)	Bangkok, Thailand	September 2019	22,000 m <sup>2</sup> (6,700 tsubo)	M-Senko Logistics Co., Ltd.
Total					179,900 m <sup>2</sup> (54,500 tsubo)	

\* Leased property

## 8. Dividends



## Part 3

Major business activities of  
the Fiscal Year 2020 ending  
in March

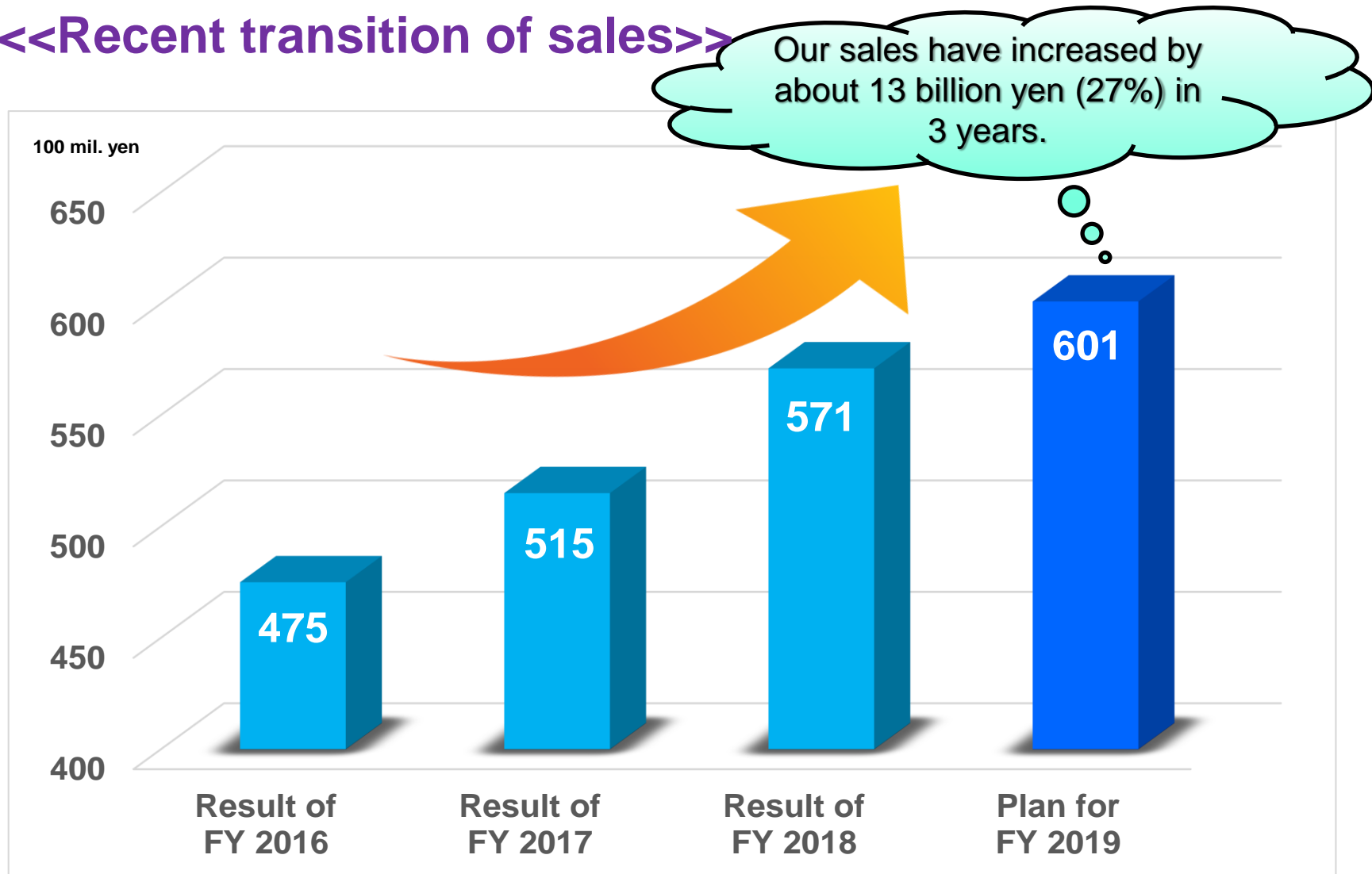
1. Logistics business [Domestic]
  - (1) Establishing logistics center
  - (2) Expanding light freight transportation business
  - (3) Initiatives for marine transportation business

## (1) Situation of establishing main logistics center (in recent 2 terms)

Purpose of warehouse	FY 2018		FY 2019	
	Number of locations	$10^4\text{m}^2$	Number of locations	$10^4\text{m}^2$
Refrigeration and cold storage	4	7.7	3	4.7
Exclusive for fashion logistics	1	3.1	1	5.1
Distribution logistics and others	4	7.5	2	6.0
<b>Total</b>	<b>9</b>	<b>18.3</b>	<b>6</b>	<b>15.8</b>

## (2) Expansion of refrigeration and cold storage transport





### <<Recent transition of sales>>








(2) Expansion of refrigeration and cold storage logistics

● In FY 2018, 4 locations started operation.

	Operation start date	Operating company	Name	Location	Total floor space	Appearance
Domestic	2018/4/1	Runtec Corporation	Osaka Branch Nanko Center	Osaka City	20,400m <sup>2</sup>	
	2018/4/1		Fukuoka Branch Center (expanded)	Hisayama Town, Fukuoka Pref.	12,400m <sup>2</sup>	
	2018/8/1		Northern Saitama Branch Center (No. 2 warehouse of Kazo PD Center)	Kazo City, Saitama Pref.	27,200m <sup>2</sup>	
	2018/12/1		Keihin Branch Kawasaki FAZ Center *Rental property	Kawasaki City	17,500m <sup>2</sup>	

## (2) Expansion of refrigeration and cold storage logistics

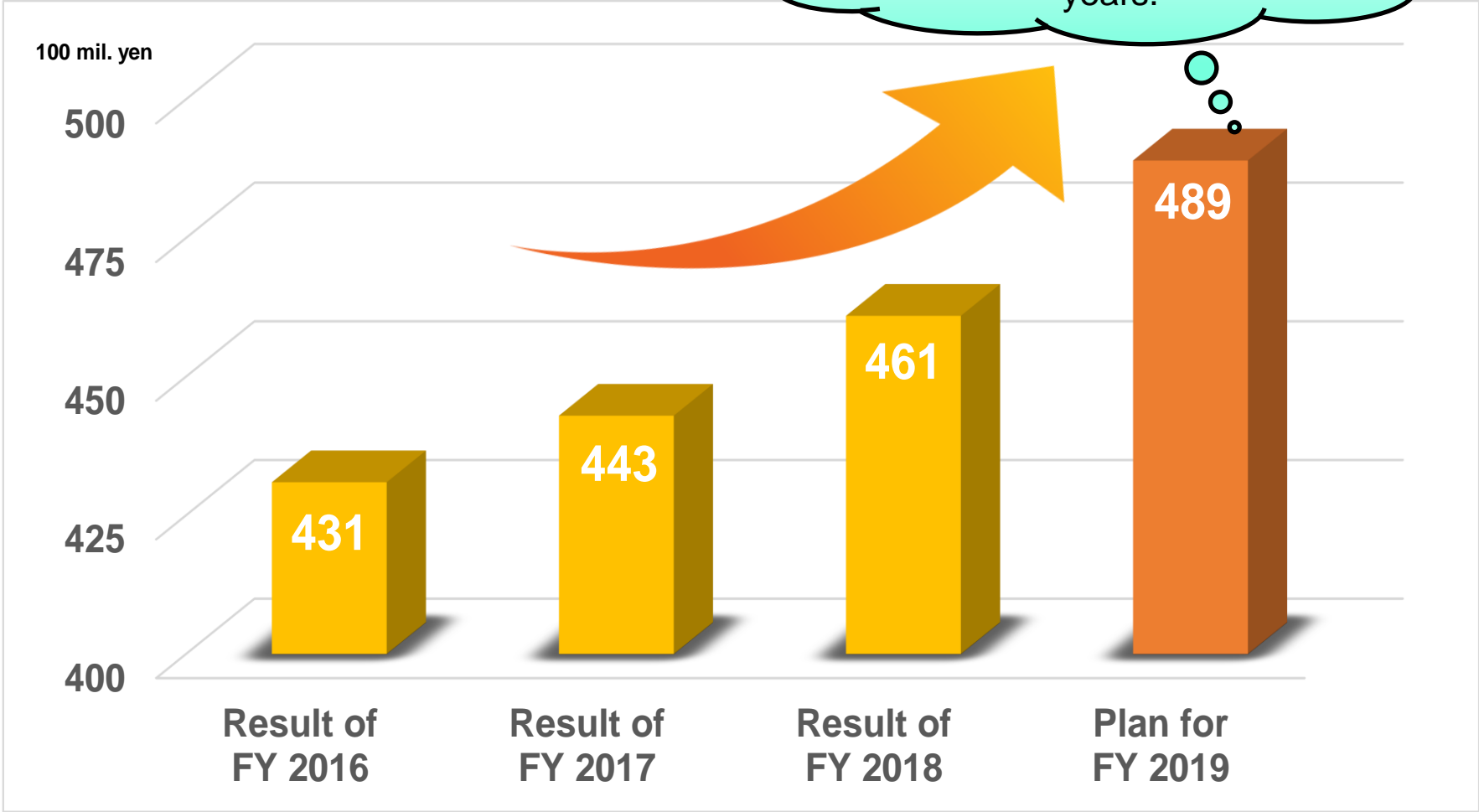
● In FY 2019, 3 locations will start operation.

	Operation start date	Operating company	Name	Location	Total floor space	Appearance
Domestic	2019/4/1	Runtec Corporation	Kanetsu Branch Center *Rental Property	Kawashima Town, Saitama Pref.	3,300m <sup>2</sup>	
	2019/7/1		Kansai Branch Center *Rental Property	Nishinomiya City, Hyogo Pref.	30,000m <sup>2</sup>	
	2020/3/1		Monji Branch Center	Kitakyusyu City	13,800m <sup>2</sup>	

(3) Expansion of fashion logistics

<<Recent transition of sales>>

Our sales have increased by about 6 billion yen (13%) in 3 years.



### **(3) Expansion of fashion logistics**

- **Started operation in May 2018**

## **Nagareyama Logistics Center**

**Location: Nagareyama City, Chiba Pref.**

**Total floor space: 30,600 m<sup>2</sup>**

**\*Rental property**



### (3) Expansion of fashion logistics

- Started operation in May 2019

## Inzai Logistics Center

**Location: Inzai City, Chiba Pref.**

**Total floor space: 51,000 m<sup>2</sup>**

**\*Rental property**





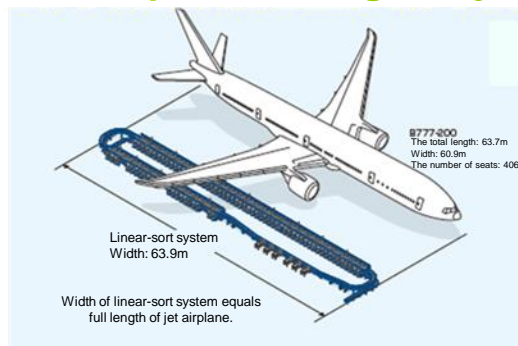
# 1. Logistics business [Domestics] Establishing logistics center **SENKO**

## <<Introduction of facilities for labor-saving and mechanization>>

### ◎ Piece sorter (2 units, 158 shoots/unit)

Sorting freight speedily for each destination (store)

Its width equals full length of jet airplane!!



## <<Introduction of facilities for labor-saving and mechanization>>

### ◎ Number of automated guided vehicle (AGV): 30

Reducing required manpower for transportation between storage area and sorting area



## <<Introduction of facilities for labor-saving and mechanization>>

- ◎ Terminal for warehouse management system (smartphone)  
Its operability and legibility are better than  
existing handy terminals





### (3) Expansion of fashion logistics

#### [Business partnership]

● In April 2019, our delivery agency in Tokyo formed a business partnership with Italian international forwarding company “**Savino Del Bene**”.



#### <<Background>>

- In February 2019, an Economic Partnership Agreement (EPA) between the European Union and Japan came into effect, and import duties for clothing will be abolished.
  - Advance of European fashion brands into Japan has been accelerated.

<<Purpose>> Expanding logistics business for imported luxury fashion brands

## (4) Expansion of distribution logistics

● In FY 2019, 2 locations will start operation.

	Oita PD Center	Amagasaki PD Center
Location	Oita City	Amagasaki City, Hyogo Pref.
Operation Start date	October 2019	March 2020
Total floor space (m <sup>2</sup> )	16,200	43,600 *Rental property
Handled products	Medical supplies, materials, miscellaneous goods, etc.	Medicines, miscellaneous goods, electronics, etc.
Appearance		

End of FY 2019   End of FY 2021   **End of FY 2022**

**Step 1**

In August 2018, Senko A Line Amano started light freight transportation business mainly in Kanto and Kansai areas (with 350 vehicles)



**Step 2**

Horizontal expansion in SENKO group

Prepare **3,000 vehicles**

**Step 3**

Entering BtoC business in specific area

■ Promotion of the plan for establishing new regular line for RORO ship

- Establishing new regular line between Kyusyu and Kansai for reinforcing and expanding marine transportation by RORO ship



Transport 400 thousand  
tons each year  
(1 operation per day x 2 ships)



## 2. Overseas business

(1) East Asia area

(2) ASEAN area

(3) North America area

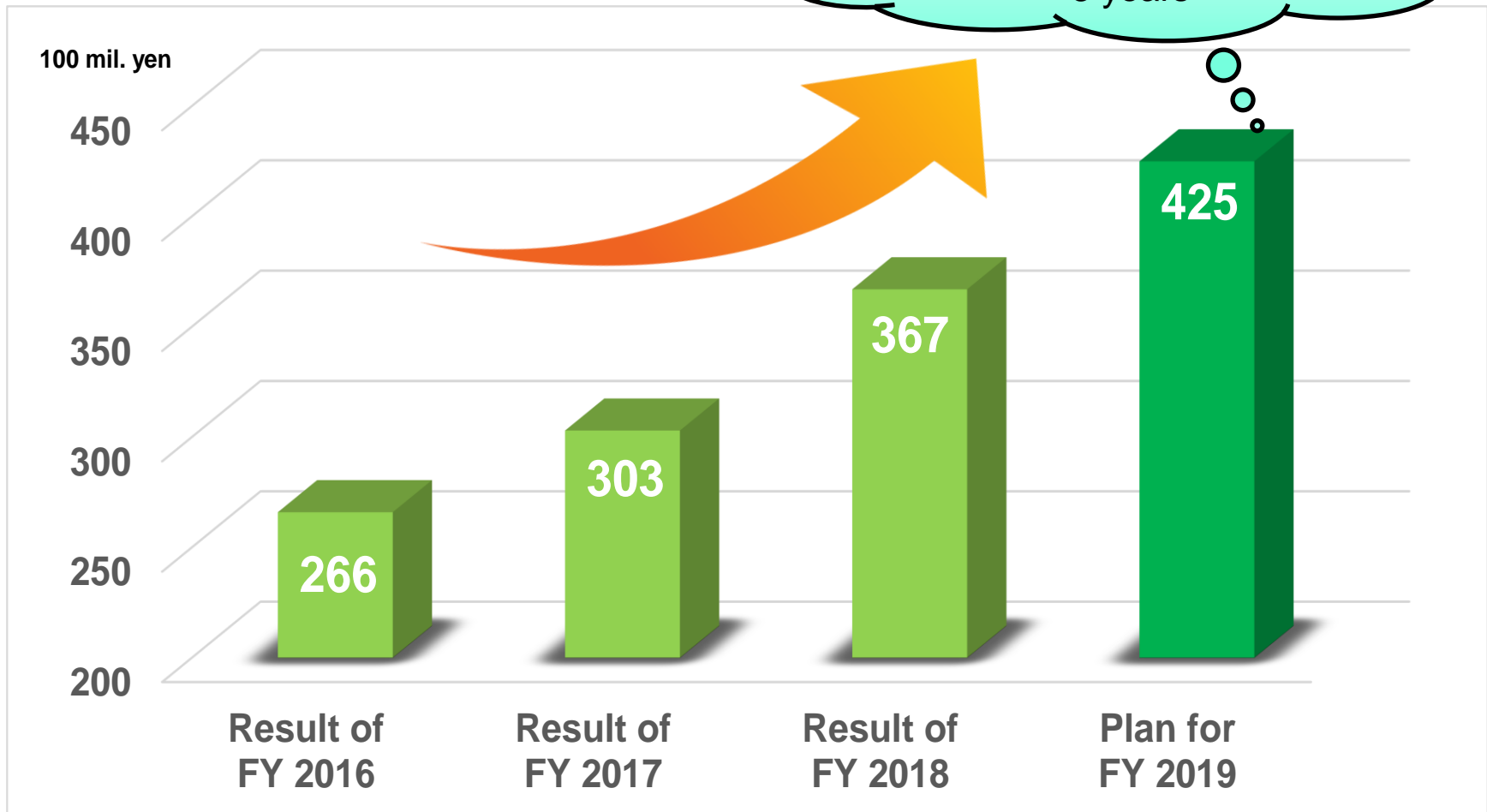
## 2. Overseas business

SENKO

### ● Expansion of overseas business (including non-consolidated sales)

<<Recent transition of sales>>

Our sales have increased by  
about 16 billion yen (60%) in  
3 years



### China

- ◎ Expansion of cold chain logistics  
**[Beijing logistics center]** Established in Nov. 2018  
Location: China/Beijing  
Total floor space: 9,400 m<sup>2</sup> (Rental)



- ◎ Expansion of distribution logistics  
**[Qingpu logistics center]** Established in May 2018  
Location: China/Shanghai  
Total floor space: 18,900 m<sup>2</sup> (Rental)



### Korea

- ◎ Expansion of warehouse business and forwarding business  
**[NH-SENKO logistics center]** Established in Oct. 2017  
Location: Korea/Changwon City,  
South Gyeongsang Province  
Total floor space: 23,400 m<sup>2</sup>





## 2. Overseas business (2) ASEAN area

### ◎ Expansion of cold chain logistics

**[M-SENKO logistics center]** Will be established in Sep. 2019

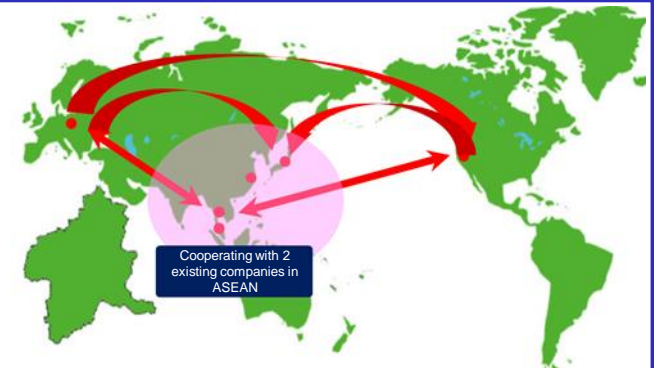
Location: Thailand/Bangkok

Total floor space: 22,000 m<sup>2</sup>



### ◎ Expansion of international forwarding business

- By reinforcing cooperation with “Skylift” of Singapore and “Best Global” of Thailand, reinforce networks between Japan, Asia, ASEAN ⇄ North America, Europe



### ◎ Responding to overseas advance of major discount stores

- Since the advance of discount stores into Singapore and Thailand had been accelerating, storage business and delivery logistics business in those places were expanded.

**[New warehouse of Skylift]** Established in Dec. 2018

Location: Singapore/Jalan Buroh

Total floor space: 7,100 m<sup>2</sup> (Rental)





### America

- ◎ Expansion of storage and delivery business of automobile parts  
[Kentucky logistics center]

Established in July 2011 and expanded  
in August 2016

Location: America/Kentucky

Total floor space: 18,000 m<sup>2</sup>



### Mexico

- ◎ Expansion of forwarding business (track transportation of vehicles)

[SENKO LOGISTICS MEXICO]



### 3. Commercial and trading business



**AST CORPORATION**  
アスト株式会社

(Commercial company handling paper products for household use)



**(1) Started to handle PB products of major retail store in March 2019.**

→ Synergies with logistics business group company

**(2) Started to handle monopoly goods of major convenience store in April 2019.**

# SMILE CORP.

(Commercial company handling foods, alcohol, packaging material and miscellaneous goods)

- **Expansion of overseas business**

- Expanding product development and sales in Chinese and Southeast Asian markets.

→ Acquiring not only Japanese customers, but also new local customers.

## <<Main initiatives of FY 2019>>

- ◎ **Production and sales of RFID label**

- Production and sales in China/Shanghai and Vietnam



- ◎ **Starting new business**

- Online sale of (Japanese) cosmetic products in China/Shanghai



## 4. Other business

- Initiatives on business support business
- Initiatives on life support business

- Will open in front of Shiodome Station in Tokyo in February 2020

## “Tokyo East Side Hotel Kaie”



**TOKYO EAST SIDE  
HOTEL KAIE**

### Overview of the hotel

Location	2-8-11, Shiodome, Koto Ward, Tokyo
Access	One minute walk from Shiodome Station, JR Keiyu Line
Architecture	Steel construction, 9 stories above ground
Total site area	5,600m <sup>2</sup>
Total floor space	14,500m <sup>2</sup>
Total number of rooms	226 rooms
Room types	Double, Twin, Family, etc.
In-house facilities	Restaurant, fitness gym, etc.



● Incorporating “Ueno Commercial Company”, the operating company of sushi-go-round restaurant chain “**Sushi-maru**”, into our group.

◎ “**Sushi-maru**”...High-quality sushi-go-round restaurant chain in Chugoku and Shikoku area, with 12 restaurants in Okayama Pref., 13 restaurants in Hiroshima Pref., and 1 restaurant in Tokushima Pref.





Name of company	Ueno Commercial Company Co., Ltd.
Headquarters	Kurashiki City, Okayama Pref.
Representative	Yasuharu Oomori
Capital	10 million yen
Foundation	March 1975
Business description	Management of sushi-go-round restaurant "Sushi-maru", and tonkatsu restaurant ("Katsuya" franchise chain)
Number of employees	Full-time employees: 41, part-time employees: 609

## &lt;&lt;Store opening plan from FY 2019 onward, part 1&gt;&gt;

Group company	Business operation	Appearance (image)	Number of business locations and stores		
			End of March 2019	Planned number of new stores from 2019 to 2021	End of March 2022
Keihanna Helper Station	Management of housing-type nursing home	 <p>Image perspective (Ikoma City, Nara Pref.)</p>	5	4	9
Venus	Management of rehabilitation and day service stores	 <p>Venus plus</p>	56	26	82



## &lt;&lt;Store opening plan after FY 2019, part 2&gt;&gt;

Group company	Business operation	Appearance (image)	Number of business locations and stores		
			End of March 2019	Planned number of new stores from 2019 to 2021	End of March 2022
Blue Earth Japan	Management of fitness gym	 MY-BODY	16	15	31
Ueno Commercial Company	Management of sushi-go-round restaurant chain	 Sushi-maru	26	6	32

## 5. Initiatives for environment and work style reform

(1) Promotion of “modal shift”

(2) Initiatives for work style reform

### (1) Promotion of “modal shift”

◎ We received “Award for Excellent Business Entities Working on Modal Shift”

- In November 2018, SENKO and Runtec were evaluated by Japan Association for Logistics and Transport as business operators proactively promoting a modal shift.

<<Modal shift rate of SENKO>>

**70% (as of the end of March 2019)**

**\* Percentage of freight weight transported by trains and vessels of which transport freight for more than 500 km.**



### (1) Promotion of “modal shift”

- ◎ Contributed to substitute transport in case of disaster occurrence/Received a letter of gratitude from JR freight (December 2018)
  - When floods occurred in west Japan in July 2018 and JR Sanyo Line was cut off for a long time, vessels of 2 marine transport companies in our group undertook transportation of 3,700 railway containers.

### (2) Initiative for work style reform

#### ◎ “Creating friendly working environment”

- Establishment of nursery → 6 nurseries were established in our group



#### ◎ Promoting various work styles

- Accepting foreigners
- Homeworking
- Utilizing elderly workers
- Short-time working employees
- Establishing satellite offices



#### ◎ Utilizing AI and robotics

- Automating routine office work
  - \*RPA, chat bot
- Unmanned forklift, automated guided vehicle, etc.



## 6. Progress of 5-year medium-term plan

## 6. Progress of 5-year medium-term plan

[Progress of our main middle-term business goals]

Unit: 100 mil. yen

			Result of the FY 2018 ending in March	Result of the FY 2019 ending in March	Plan for the FY 2020 ending in March	Goal of the FY 2022 ending in March
Scale	Sales	Logistics business	3,478	3,754	3,916	4,550
		Commercial and trading business	1,393	1,423	1,524	1,850
		Other business	51	119	160	600
			4,921	5,296	5,600	7,000
	Operating income		171	196	209	280
	Recurring profit		173	199	210	280
Production system	Storage area of logistics centers		3.42 mil. m <sup>2</sup>	3.66 mil. m <sup>2</sup>	3.84 mil. m <sup>2</sup>	4 mil. m <sup>2</sup>
	Number of our vehicles		5,073	5,525	5,840	6700.0

# Moving Global

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

## **Contact Information**

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## (1) Amount of capital investment

(Unit: 1 mil. yen)

	FY 2018 ending in March	FY 2019 ending in March	FY 2020 ending in March
Consolidated amount	37,625	21,227	16,232

\*Including facility deposit

## ■ Description of capital investment

(Unit: 1 mil. yen)

	Amount of capital investment in the FY 2020 ending in March (plan)				
	Vehicles	Materials handling equipment, other production facilities	Large facilities	Non-production facilities (facilities related to EDP, etc.)	Total
Consolidated amount	5,085	6,071	3,274	1,802	16,232

## (2) Depreciation expense

(Unit: 1 mil. yen)

	FY 2018 ending in March	FY 2019 ending in March	FY 2020 ending in March
Consolidated amount	12,439	14,334	15,387

Number of our group's business locations	631
Number of our group's vehicles	5,525 (Heads only)
	6,412 (Trailers included)
Number of vessels we own	34
Number of vessels under our control (Including vessels we own)	69
Total storage area (Including miscellaneous warehouse)	3.66 mil. m <sup>2</sup>
Number of our group's employees (Excluding part-time workers)	17,081