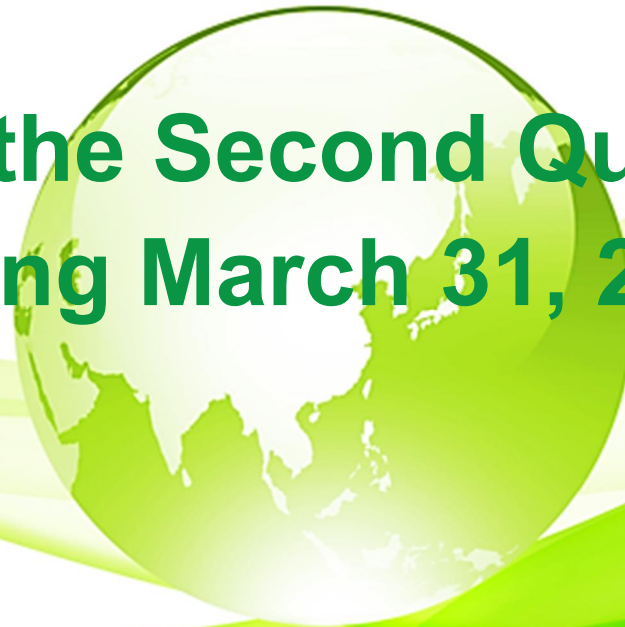


November 8, 2019

Briefing Material for Business Results

**Financial Summary for the Second Quarter of
the Fiscal Year Ending March 31, 2020**



Section 1

**Financial Summary for the
Second Quarter of the Fiscal Year
Ending March 31, 2020**

(April to September 2019)

1. Summary of Operating Results for the Second Quarter of FY Ended March 31, 2020

SENKO

(Millions of yen, %)

	FY3/19 2Q		FY3/20 2Q		YoY Change	
	(previous term)	Margin	(current term)	Margin	Change	%
Operating revenue	260,339	—	282,070	—	21,730	8.3
Operating profit	9,108	3.5	10,343	3.7	1,235	13.6
Ordinary profit	9,368	3.6	10,155	3.6	787	8.4
Profit attributable to owners of parent	5,616	2.2	6,431	2.3	814	14.5

2. Summary of Operating Results for the Second Quarter of FY Ended March 31, 2020 (Operating Revenue)

SENKO

Year-on-year increase in revenue of ¥21.7 billion 8.3% increase

● REVENUE GROWTH EFFECT	+	¥12.0 billion
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● PRICE REVISION	+	¥2.6 billion
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● CONSOLIDATION EFFECT	+	¥5.0 billion
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● REDUCED EFFECT OF NATURAL DISASTERS	+	¥0.4 billion
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● CHANGE IN MATERIAL QUANTITY	+	¥1.7 billion
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▪ LOGISTICS		(4.8)
▪ TRADING & COMMERCE	+	6.4
▪ OTHERS	+	0.1

3. Summary of Operating Revenue in Each Business Area for the Second Quarter of FY Ended March 31, 2020

SENKO

		(Billion of yen, %)							
		FY3/19 2Q (previous term)	FY3/20 2Q (current term)	YoY Change		YoY Change Breakdown			
				Change	%	Revenue growth	Price revision	M & A and others	Existing cargo volume
	Retail Product Logistics	103.5	110.8	7.3	7.0	6.7	1.4	2.4	(3.3)
	Housing Logistics	29.7	31.7	2.0	6.9	0.8	0.3		0.9
	Chemicals Logistics	35.7	38.6	2.9	8.1	2.7	0.6	0.4	(0.8)
	Others	15.2	15.1	0.0	(0.2)	1.1	0.1		(1.2)
	Logistics Total	184.0	196.2	12.2	6.6	11.3	2.4	2.8	(4.4)
	Trading & Commerce	70.4	77.9	7.5	10.6	0.3	0.2	0.6	6.4
	Others	5.9	8.0	2.1	35.8	0.3		1.7	0.1
	Total	260.3	282.1	21.7	8.3	12.0	2.6	5.0	2.1

* International commerce and trade included in the above

*Effect of natural disasters (4) is included in distribution change, etc.

Global logistics	14.1	17.8	3.7	26.1
Composition (%)	5.4	6.3		

* International commerce and trade including non-consolidated overseas subsidiaries

Global logistics	17.8	19.4	1.6	9.0
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4. Summary of Operating Results for the Second Quarter of FY Ended March 31, 2020 (Profit)

SENKO

Year-on-year increase in ordinary profit of ¥0.79 billion 8.4% increase

● Revenue growth effect	+	¥1.67 billion		
● Price revision	+	¥2.64 billion		
● Cost improvement, productivity improvement	+	¥0.2 billion	➡	+¥4.82 billion
● Consolidation effect	+	¥0.12 billion		
● Reduced effect of natural disasters	+	¥0.19 billion		
● Change in material quantity		(¥0.87 billion)		
● Increase in vehicle subcontracting cost (including work fees)		(¥1.84 billion)	➡	(¥3.59 billion)
● Effect of increases in basic salaries		(¥0.39 billion)		
● Change of other costs		(¥0.49 billion)		
● Operating profit			➡	+¥1.23 billion
● Change in non-operating revenues and expenses			➡	(¥0.44 billion)
● Ordinary profit			➡	+¥0.79 billion

5. Summary of Operating Results by Segment for the Second Quarter of FY Ended March 31, 2020

SENKO

(Millions of yen, %)

Operating revenue	FY3/19 2Q (previous term)	FY3/20 2Q (current term)	YoY Change	
			Change	%
Logistics	184,044	196,199	12,155	6.6
Trading & Commerce	70,427	77,903	7,476	10.6
Others	5,868	7,967	2,099	35.8
Consolidated F/S	260,339	282,070	21,730	8.3

(Millions of yen, %)

Operating profit	FY3/19 2Q		FY3/20 2Q		YoY Change	
	(previous term)	Margin	(current term)	Margin	Change	%
Logistics	7,403	4.0	8,808	4.5	1,405	19.0
Trading & Commerce	1,136	1.6	995	1.3	(141)	(12.4)
Others	775	13.2	906	11.4	130	16.9
Adjustment	(206)	-	(366)	-	(159)	—
Consolidated F/S	9,108	3.5	10,343	3.7	1,235	13.6

6. Summary of Operating Results for the Second Quarter of
FY Ended March 31, 2020 (Compared to Plan)

SENKO

(Millions of yen, %)

	FY3/20 2Q		FY3/20 2Q		VS. Plan	
	Plan (May Forecast)	Margin	Actual	Margin	Change	%
Operating revenue	276,000	—	282,070	—	6,070	2.2
Operating profit	9,400	3.4	10,343	3.7	943	10.0
Ordinary profit	9,400	3.4	10,155	3.6	755	8.0
Profit attributable to owners of parent	5,600	2.0	6,431	2.3	831	14.8

7. Second Quarter of FY Ended March 31, 2020 (Factors in Variation from Plan)

SENKO

(Billion of yen)

	Operating revenue	Operating profit
Revenue growth effect	1.14	0.39
Price revision	0.49	0.49
Cost improvement, productivity improvement		(0.03)
Consolidation effect	(0.64)	
Effect of natural disasters		
Change in material quantity	5.08	0.62
Increase in vehicle subcontracting cost (including work fees)		(0.27)
Effect of increases in basic salaries		
Change of other costs		(0.26)
Total	6.07	0.94

8. Balance Sheets for the Second Quarter of FY Ended March 31, 2020

SENKO

3. Consolidated Statements of Income (vs. End of Previous Period)

(Billion of yen)

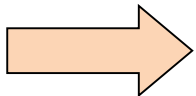
Assets			Liabilities and net assets		
Item	Change	Summary	Item	Change	Summary
Total current assets			Total current liabilities		
121.08	3.82		104.32	5.65	
Cash and deposits	1.96		Trade notes and accounts payable	2.47	
Trade notes and accounts receivable	(0.22)		Short-term borrowings	5.39	
Electronically recorded monetary claims - operating	0.47		Income taxes payable	(0.85)	
Inventory	0.98		Provision for bonuses	0.71	
Others	0.63		Others	(2.07)	
Total non-current assets			Total non-current liabilities		
227.01	3.82		112.69	(2.24)	
Property, plant and equipment*		*Main capital investment	Long-term borrowings	(4.66)	
Buildings and structures	1.69	● Oita PD Center	Long-term lease obligations	2.11	
Land	0.61	● M-SENKO	Others	0.32	
Others	2.43	Logistics Center	Total liabilities	217.01	3.41
Intangible assets	1.30		Total net assets	131.10	4.21
Investments and other assets			Share capital	26.53	
Investment securities	(1.05)		Capital surplus	29.72	(0.12)
Long-term loans receivable	(0.90)		Retained earnings	67.25	4.27
Others	(0.27)		Treasury shares	(0.65)	0.05
Total deferred assets			Non-controlling interests, etc.	8.25	0.01
0.02	(0.01)		Total liabilities and net assets	348.11	7.62
Total assets					
348.11	7.62				
			Interest-bearing debt		*Interest-bearing debt ratio
			114.17	0.70	(End previous period) 33.3%
					(End current period) 32.8%

9. Statement of Cash Flows for the Second Quarter of FY Ended March 31, 2020

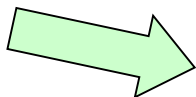
SENKO

	(Billion of yen)	
	FYE March 30, 2019 2nd Quarter (previous term)	FYE March 30, 2020 2nd Quarter (current term)
Cash flow from sales activity	9.34	15.04
Cash flow from investment activity	(13.13)	(9.59)
Cash flow from financial activity	2.49	(3.81)
Balances of cash and cash equivalents at end of quarter	23.50	24.78

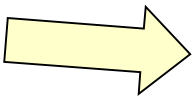
Main details of current period



Profit before income taxes	10.18
Depreciation expense	7.59
Increase in reserve for bonuses	0.71
Decrease of trade receivables	0.77
Increase in inventory	(1.00)
Income taxes paid	(4.29)
Etc.	



Acquisition of property, plant and equipment	(8.04)
Payments for guarantee deposits	(1.65)
Etc.	



Increase in borrowing	0.27
Repayments of lease obligations	(1.94)
Payment of dividends	(1.97)
Etc.	

Section 2

**Full-Year Forecast for
FY Ended March 31, 2020**

1. Forecasted Operating Results for FY Ended March 31, 2020

SENKO

(Millions of yen, %)

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

2. Forecasted Operating Results for FY Ended March 31, 2020 (Operating Revenue)

SENKO

**Year-on-year increase of
¥30.4 billion 5.7% increase**

● REVENUE GROWTH EFFECT + ¥24.9 billion

● PRICE REVISION + ¥4.4 billion

● CONSOLIDATION EFFECT + ¥10.6 billion

● REDUCED EFFECT OF
NATURAL DISASTERS + ¥0.4 billion

● CHANGE IN MATERIAL
QUANTITY (¥9.9 billion)



+¥40.3 billion



(¥9.9 billion)

(
▪ LOGISTICS (16.3)
▪ TRADING & COMMERCE + 6.8
▪ OTHERS (0.4)
)

+¥30.4 billion

3. Forecasted Operating Revenue in Each Business Area for FY Ended March 31, 2020

SENKO

(Billion of 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	220.5	12.1	5.8	13.5	2.0	4.9	(8.3)
Housing Logistics	62.2	62.6	0.4	0.7	1.9	0.7		(2.2)
Chemicals Logistics	73.8	77.6	3.7	5.0	4.8	1.2	0.8	(3.1)
Others	31.0	30.9	(0.1)	(0.2)	2.1	0.2		(2.3)
Logistics Total	375.4	391.6	16.2	4.3	22.3	4.1	5.7	(15.9)
Trading & Commerce	142.3	152.4	10.1	7.1	1.6	0.2	1.5	6.8
Others	11.9	16.0	4.1	34.1	1.0		3.5	(0.4)
Total	529.6	560.0	30.4	5.7	24.9	4.4	10.6	(9.5)

* International commerce and trade included in the above

*Effect of natural disasters (4) is included in distribution change, etc.

Global logistics	28.7	38.4	9.8	34.1
Composition (%)	5.4	6.9		

* International commerce and trade including non-consolidated overseas subsidiaries

Global logistics	36.7	41.5	4.9	13.3
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4. Forecasted Operating Results for FY Ended March 31, 2020 (Profit)

SENKO

Year-on-year increase in ordinary profit of ¥1.12 billion 5.7% increase

● Revenue growth effect	+	¥3.28 billion		
● Price revision	+	¥4.37 billion		
● Cost improvement, productivity improvement	+	¥0.57 billion	⇒	+¥8.57 billion
● Consolidation effect	+	¥0.16 billion		
● Reduced effect of natural disasters	+	¥0.19 billion		
● Change in material quantity		(¥2.43 billion)		
● Increase in vehicle subcontracting cost (including work fees)		(¥3.52 billion)	⇒	(¥7.30 billion)
● Effect of increases in basic salaries		(¥0.79 billion)		
● Change of other costs		(¥0.56 billion)		
● Operating profit			⇒	+ 1.27 billion
● Change in non-operating revenues and expenses			⇒	(¥0.15 billion)
● Ordinary profit			⇒	+1.12 billion

5. Forecasted Operating Results by Segment for FY Ended March 31, 2020

SENKO

(Millions of yen, %)

Operating revenue	FY3/19 Actual	FY3/20 Plan	YoY Change	
			Change	%
Logistics	375,384	391,600	16,216	4.3
Trading & Commerce	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

(Millions of yen, %)

Operating profit	FY3/19		FY3/20		YoY Change	
	Actual	Margin	Plan	Margin	Change	%
Logistics	16,210	4.3	17,980	4.6	1,770	10.9
Trading & Commerce	2,280	1.6	1,930	1.3	(350)	(15.4)
Others	1,679	14.1	1,730	10.8	51	3.0
Adjustment	(538)	-	(740)	-	(202)	-
Consolidated F/S	19,631	3.7	20,900	3.7	1,269	6.5

**6. Forecasted Full-Year Operating Results for FY Ended March 31, 2020
(Compared to May Forecast)**

SENKO

(Millions of yen, %)

	FY3/20 2H		FY3/20 2H			
	Plan (May forecast)	Margin	Plan (Nov. Forecast)	Margin	Change	%
Operating revenue	284,000	—	277,930	—	(6,070)	(2.1)
Operating profit	11,500	4.0	10,557	3.8	(943)	(8.2)
Ordinary profit	11,600	4.1	10,845	3.9	(755)	(6.5)
Profit attributable to owners of parent	6,600	2.3	5,769	2.1	(831)	(12.6)

7. FY Ended March 31, 2020 (Factors in Variation from May Forecast)

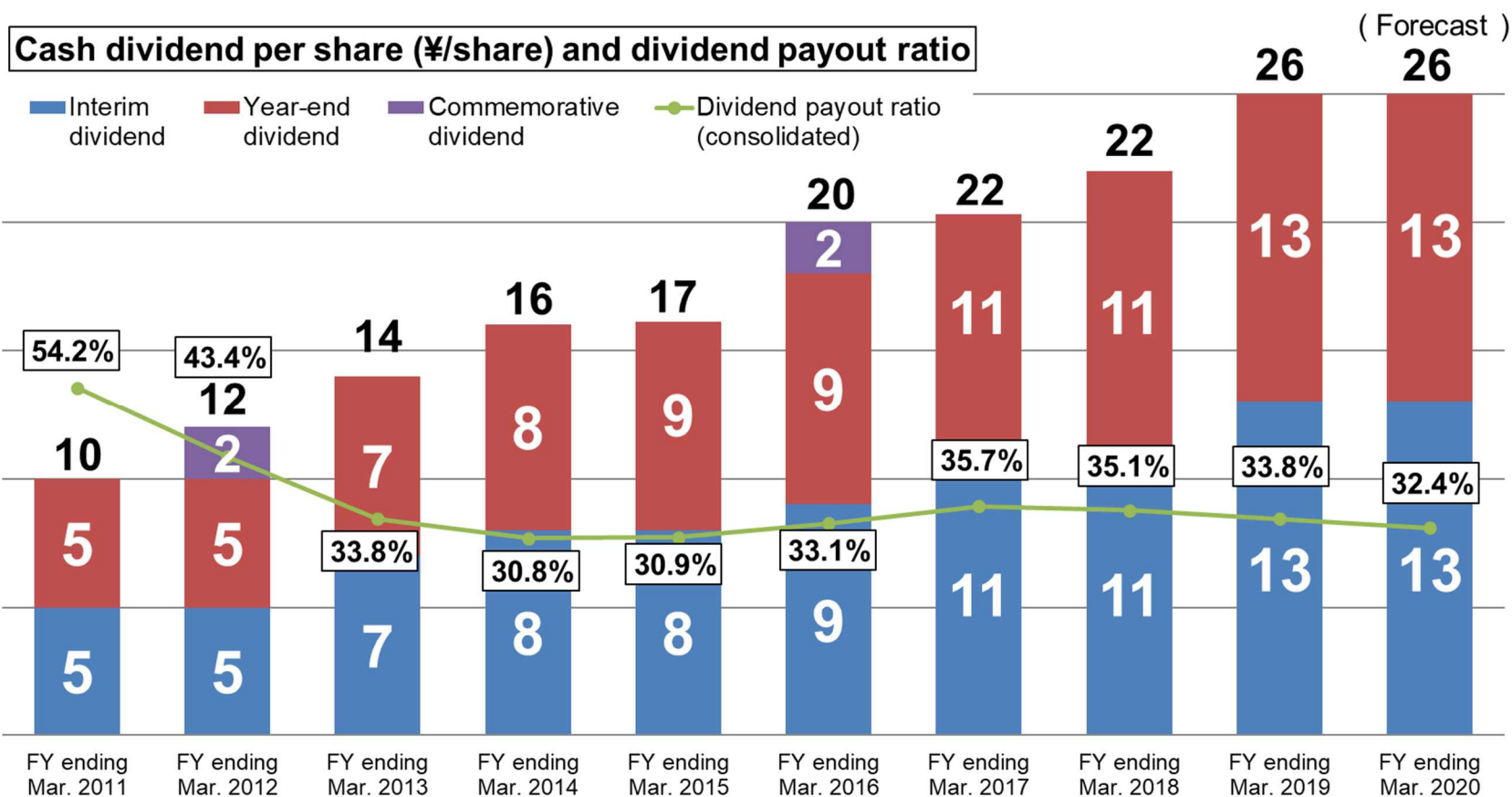
SENKO

(Billion of yen)

	1st half		2nd half		Full year	
	Operating revenue	Operating profit	Operating revenue	Operating profit	Operating revenue	Operating profit
Revenue growth effect	1.14	0.39	2.87	0.35	4.01	0.74
Price revision	0.49	0.49	0.29	0.29	0.78	0.78
Cost improvement, productivity improvement		(0.03)		0.07		0.04
Consolidation effect	(0.64)		(0.11)	(0.14)	(0.75)	(0.14)
Effect of natural disasters						
Change in material quantity	5.08	0.62	(9.12)	(0.81)	(4.04)	(0.19)
Increase in vehicle subcontracting cost (including work fees)		(0.27)		(0.62)		(0.89)
Effect of increases in basic salaries						
Change of other costs		(0.26)		(0.08)		(0.34)
Total	6.07	0.94	(6.07)	(0.94)		

8. Dividends

SENKO



Section 3

Recent Main Business Activities

1. Logistics (1): Current Status and Plans for Logistics Centers in Japan

SENKO

1) Cold storage



June 2019

Opening of **Kan-etsu Branch Center**
(Kawajima Town, Saitama)

Total floor area: 3,300 m² (leased)



July 2019

Opening of **Kansai Branch Center**
(Nishinomiya City, Hyogo)

Total floor area: 29,800 m² (leased)



April 2020

Scheduled opening of **Moji Branch Center**
(Kitakyushu City)

Total floor area: 13,800 m²

1. Logistics

SENKO

2) Fashion

Inzai Logistics Center

Location:	Inzai City, Chiba
Start-up:	April 2019
Total floor area:	50,974 m² (leased)
Handled products:	Apparel products



1. Logistics

SENKO

3) Retail product logistics

Oita PD Center

Location:	Oita City, Oita
Start-up:	October 2019
Total floor area:	17,487 m ²
Handled products:	Medical devices, raw materials, miscellaneous goods, etc.



Amagasaki PD Center

Location:	Amagasaki City, Hyogo
Start-up:	February 2020
Total floor area:	43,958 m ²
Handled products:	Daily goods, machinery, etc.



Conceptual rendering of the completed facility

1. Logistics (2): Robotization

SENKO



Automated warehouse picking system



AGV capable of towing 500 kg

1. Logistics (3): Development of Overseas Business

SENKO

M-SENKO, a joint venture with major Thai restaurant chain MK Restaurants, opened a new cold storage center.

M-SENKO Logistics Center

Location:	Thailand (near Bangkok)
Start-up:	October 2019
Total floor area:	21,747 m ²
Facilities	Automated warehouse (cold storage) Moveable racks



2. Trading & Commerce

SENKO



(Trading company handling household paper products)

1) Began handling the private-brand products of a **major volume retail group**.

⇒ Synergetic effects with Group companies in logistics

2) Began handling exclusive goods of a **major convenience store company**.



2. Trading & Commerce

SENKO

SMILE CORP.

(Trading company handling food, liquor, packaging material, miscellaneous goods, etc.)

Sales of organic wine from Argentina at **major convenience chains**, etc.



Launching of “**Cono Sur Lovers**,” an information website for wine lovers

Expanded sales channels for gardening supplies using a **major online shopping website**



Portable high-pressure washer

Shift from plastic bags to paper bags in response to moves away from plastic



Order finalized with a **major retailer**

3. Others

SENKO

(1) Living support services



株式会社 ビーナス (Operation of day-service establishments, etc.)



No. of new establishments
in the first half:

4

No. of facilities
(as of September 2019):

62



Start of “**Tabetenka**,” a dinner delivery
service in Osaka Prefecture

3. Others

SENKO

(2) Living support services

BLUE EARTH
総合スポーツクラブ ブルーアース

(Operation of fitness gyms, etc.)



No. of new establishments
in the first half:

4

No. of facilities
(as of September 2019):

21



Opening of “**MY BODY**,” a sports
gym in Cebu, Philippines

(1) SENKO Group received two “**Logistics Environment Awards**” from the Japan Association for Logistics and Transport.

- 1) Efforts to achieve greater transport efficiency by using larger vehicles to transport housing components

In a joint undertaking, **SENKO Group** and **Asahi Kasei Homes** are reducing the number of vehicles needed to transport interior materials between Hyogo and Aichi Prefectures by switching from large trucks to trailers. This is raising transport efficiency, reducing manpower requirements for drivers, and reducing environmental impact.



4. ESG Initiatives

SENKO

2) Responding to driver shortages and reducing environmental impact by using larger vehicles for LCL transport of frozen and chilled foods.

[Runtec](#) is reducing the number of vehicles needed to transport frozen and chilled foods between Kyushu and the Kansai, Chubu, and Kanto regions by switching from large trucks to semi-trailers. This reduces manpower requirements for drivers as well as environmental impact.



(2) Introducing electric trucks fitted with hangers

Tokyo Nohin Daiko is shifting toward environment-friendly distribution in cooperation with **Louis Vuitton Japan**.



Supplementary Material 1: Capital Investment Plan for FY Ended March 31, 2020

SENKO

(1) Capital investment amount

(Unit: 1 million yen)

	FY Ended March 31, 2018	FY Ended March 31, 2019	FY Ended March 31, 2020
Consolidated	37,625	21,227	17,022

*Includes capital investment deposits

■ Breakdown of capital investment amount

(Unit: 1 million yen)

	FY Ended March 31, 2020 Capital Investment Amount (Planned)				
	Vehicles	Cargo-handling equipment and other production facilities	Large-scale facilities	Non-production facilities (EDP-related, etc.)	Total
Consolidated	6,131	5,865	3,274	1,752	17,022

(2) Depreciation and amortization

(Unit: 1 million yen)

	FY Ended March 31, 2018	FY Ended March 31, 2019	FY Ended March 31, 2020
Consolidated	12,439	14,334	15,382

Supplementary Material 2: The SENKO Group at a Glance
(as of September 30, 2019)

SENKO

Group business establishments	649
No. of Group vehicles	(tractor only) 5,644
	(with trailer) 6,559
No. of owned vessels (company vessels)	33
No of vessels under control (including company vessels)	69
Total storage area (including miscellaneous warehouses, etc.)	3,780,000 m ²
No. of Group employees (excluding part-time workers, etc.)	17,457

SENKO

Moving Global

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

Inquiries



SENKO Group Holdings Co., Ltd.

Public Relations Office

(14th floor, Umeda Sky Building Tower West)

1-1-30-1400 Oyodonaka, Kita-ku, Osaka-shi

531-6114

Tel.: 06-6440-5156

Fax: 06-6440-5148

Website: <http://www.senkogrouphd.co.jp/>