

May 13, 2020

# Briefing Material for Business Results

## Summary of Financial Results for the Period Ended March 31, 2020



## **(1) Financial results for FY ended March 31, 2020**

- Increase in revenue for 17 consecutive FY and in ordinary profit for 11 consecutive FY (up ¥40.4 bn. in revenue and ¥0.87 bn. in ordinary profit)
- Up ¥10 bn. in revenue and down ¥0.26 bn. in ordinary profit in the comparisons released
- The impact of the novel coronavirus translated into an increase in revenue by ¥2.4 bn. and decrease in profit by ¥0.23 bn.

## **(2) About the FY ending March 31, 2021**

- The results will be released as soon as the impact of the novel coronavirus is identified, and performance forecasts can be disclosed.

# Financial Results for FY Ended March 31, 2020

## 1. Operating Results for the FY Ended March 31, 2020


**SENKO**

(millions of yen, %)

	FY 3/19		FY 3/20		YoY Change	
	(Previous FY)	Margin	(Current FY)	Margin	Amount	%
Operating revenue	529,609	—	570,030	—	40,421	7.6
Operating profit	19,631	3.7	20,656	3.6	1,024	5.2
Ordinary profit	19,876	3.8	20,744	3.6	868	4.4
Profit attributable to owners of parent	11,681	2.2	12,081	2.1	399	3.4

## 2. Operating Results for the FY Ended March 31, 2020: Operating Revenue **SENKO**

### YoY Change: Up ¥40.4 billion (+7.6%)

● Revenue growth	+	¥23.4 bn.
● Price revision	+	¥4.9 bn.
● Effect of consolidation	+	¥10.1 bn.
● Decreased impact of natural disasters	+	¥0.4 bn.
● Impact of Novel Coronavirus	+	¥2.4 bn.
● Changes in existing cargo volume		(¥0.7 bn.)
		
• LOGISTICS		(14.3 bn.)
• TRADING & COMMERCE	+	13.5 bn.
• OTHERS	+	0.1 bn.

### 3. Operating Revenue by Segment for the FY Ended March 31, 2020



(Billion of yen, %)

		FY3/19 (Previous FY)	FY3/20 (Current FY)	YoY Change		YoY Change Breakdown				
				Amount	%	Revenue growth	Price revision	Effect of consolidation	Existing cargo volume, etc.	Impact of coronavirus
	Retail Product Logistics	208.6	222.6	14.1	6.8	13.8	2.4	4.5	(6.3)	(0.3)
	Housing Logistics	62.2	63.2	1.0	1.6	1.6	0.7		(1.3)	
	Chemicals Logistics	73.8	76.6	2.8	3.8	4.4	1.1	0.8	(3.5)	
	Others	30.8	30.2	(0.5)	(1.8)	2.1	0.2		(2.9)	
Logistics Total		375.4	392.7	17.3	4.6	21.9	4.4	5.3	(14.0)	(0.3)
Trading & Commerce		142.3	161.3	19.0	13.4	0.7	0.5	1.4	13.5	3.0
Others		11.9	16.0	4.1	34.0	0.8		3.5	0.1	(0.3)
Total		529.6	570.0	40.4	7.6	23.4	4.9	10.1	(0.5)	2.4

\* Global logistics revenue included in the above

\* Natural disaster impact +4 included in the Existing cargo volume

Global Logistics	28.7	36.0	7.4	25.7
Composition (%)	5.4	6.3		

\* Global logistics include revenue of non-consolidated subsidiaries

Global Logistics	36.7	39.2	2.5	6.9
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#### 4. Breakdown of Retail Product Logistics for the FY Ended March 31, 2020 **SENKO**

(Billion of yen, %)

		FY3/19	FY3/20	YoY Change	
		(Previous FY)	(Current FY)	Amount	%
	Food Logistics*	76.7	80.3	3.5	4.6
	Chain Store Logistics	66.8	74.3	7.5	11.2
	Fashion Logistics	47.3	48.4	1.0	2.1
	Others	17.7	19.7	2.1	11.6
<b>Retail Product Logistics</b>		<b>208.6</b>	<b>222.6</b>	<b>14.1</b>	<b>6.8</b>

\* Excludes food cargo in chain store logistics

## 5. Operating Results for the FY Ended March 31, 2020: Profits

**SENKO**

**YoY change: Ordinary Profit UP ¥0.87 billion (+4.4%)**

● Revenue growth	+	¥3.17 bn.	
● Revision of freight charges	+	¥4.91 bn.	
● Cost reduction and productivity improvement	+	¥0.43 bn.	➡ + ¥8.87 bn
● Effect of consolidation	+	¥0.17 bn.	
● Decreased impact of natural disasters	+	¥0.19 bn.	
● Changes in existing cargo volume		(¥2.76 bn.)	
● Impact of novel coronavirus		(¥0.23 bn.)	
● Rise in outsourcing expenses including wages		(¥3.47 bn.)	➡ (¥7.85 bn.)
● Effect of salary increase		(¥0.79 bn.)	
● Changes in other items		(¥0.6 bn.)	
● Operating profit			➡ + ¥1.02 bn.
● Changes in non-operating income			➡ (¥0.16 bn.)
● Ordinary profit			➡ + ¥0.87 bn.



## 6. Major Impact of the Novel Coronavirus

**SENKO**

(Billion of yen)

	Factors behind increase/decrease	Impact in value	
		Revenue	Operating profit
Logistics	<ul style="list-style-type: none"> <li>● Decrease in frozen and refrigerated cargo due to school closures (school lunches), decline of the food-service industry, etc.</li> <li>● Decrease in fashion cargo volume due to less outings, temporary store closures, etc.</li> <li>● Increase in cargo volume including items to prevent infection and others shipped to drugstores</li> </ul>	(0.3)	(0.15)
Trading & Commerce	<ul style="list-style-type: none"> <li>● Increase in sales of household paper items</li> <li>● Decrease in sales of office-use furniture</li> </ul>	3.0	0.08
Others	<ul style="list-style-type: none"> <li>● Curtailment of hotel operation due to theme park closures and less travel</li> <li>● Reduction in the number of people using sports clubs, day-care services and restaurants</li> </ul>	(0.3)	(0.15)
Total		2.4	(0.23)

## 7. Operating Results for the FY Ended March 31, 2020: Comparison with Plan

**SENKO**

(millions of yen, %)

	FY 3/20		FY 3/20		Comparison with plan	
	Plan	Margin	Actual	Margin	Amount	%
Operating revenue	560,000	—	570,030	—	10,030	1.8
Operating profit	20,900	3.7	20,656	3.6	(244)	(1.2)
Ordinary profit	21,000	3.8	20,744	3.6	(256)	(1.2)
Profit attributable to owners of parent	12,200	2.2	12,081	2.1	(119)	(1.0)

## 8. Operating Results by Segment for the FY Ended March 31, 2020



### (1) Logistics

(millions of yen, %)

	FY3/19 (Actual)	FY3/20 (Plan)	FY3/20 (Actual)	YoY change		Comparison with plan	
				Amount	%	Amount	%
Operating revenue	375,384	391,600	392,728	17,343	4.6	1,128	0.3
Operating profit	16,210	17,980	17,847	1,637	10.1	(133)	(0.7)
Operating profit ratio	4.3	4.6	4.5	0.2	—	(0.1)	—

#### YoY

Revenue and profit increased due to the effect of the opening of logistics centers that came into operation in the previous and current fiscal years, sales expansion and freight charge revision in addition to the consolidation of seven overseas group companies.

#### Comparison with plan

Revenue increased but profits decreased due to the impact of the spread of the novel coronavirus infection in the 4th quarter.

## 8. Operating Results by Segment for the FY Ended March 31, 2020



### (2) Trading & Commerce

(millions of yen, %)

	FY3/19 (Actual)	FY3/20 (Plan)	FY3/20 (Actual)	YoY change		Comparison with plan	
				Amount	%	Amount	%
Operating revenue	142,294	152,400	161,314	19,020	13.4	8,914	5.8
Operating profit	2,280	1,930	2,119	(160)	(7.0)	189	9.8
Operating profit ratio	1.6	1.3	1.3	(0.3)	—	—	—

#### YoY

Revenue increased but profits decreased with the expansion of sales of household paper items to mass merchandise stores, which was offset by an increase in outsourcing and other costs.

#### Comparison with plan

Revenue and profit increased due to a rise in the sales of household paper items including special demand in the 4th quarter and promotion of price correction to account for an increase in the outsourcing cost.

## 8. Operating Results by Segment for the FY Ended March 31, 2020



### (3) Others

(millions of yen, %)

	FY3/19 (Actual)	FY3/20 (Plan)	FY3/20 (Actual)	YoY change		Comparison with plan	
				Amount	%	Amount	%
Operating revenue	11,930	16,000	15,987	4,057	34.0	(13)	(0.1)
Operating profit	1,679	1,730	1,419	(260)	(15.5)	(311)	(18.0)
Operating profit ratio	14.1	10.8	8.9	(5.2)	—	(1.9)	—

#### YoY

Revenue increased following the transition of Life-Eat, which operates restaurant business, into a consolidated subsidiary, and business expansion including the opening of a hotel and new nursing care and fitness stores, but profits decreased due to the impact of the spread of the novel coronavirus.

#### Comparison with plan

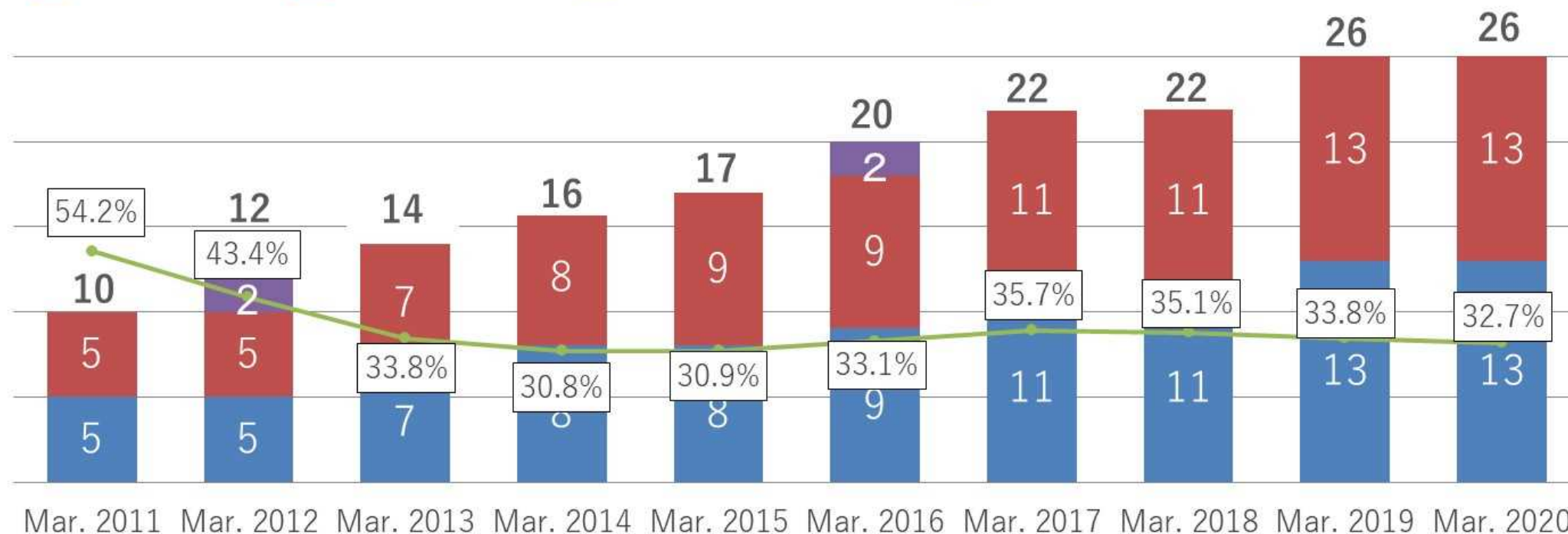
Revenue and profits decreased in the 4th quarter due to the spread of the novel coronavirus.

## 9. Dividends and Dividend Payout Ratio

**SENKO**

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

■ Interim dividend ■ Year-end dividend ■ Commemorative dividend — Dividend payout ratio



**About FY Ending March 31, 2021**

Business prospects remain extremely uncertain due to the impact of the novel coronavirus that continues to spread globally. Under these circumstances, the forecast of operating results for the next fiscal year is still pending due to the difficulty of making a rational assessment at this point.

The forecast of operating results will be released as soon as it is feasible.



# Reference Materials

# Consolidated Balance Sheet for the FY Ended March 31, 2020



(Billion of yen)

Assets			Liabilities and Net Assets		
Current	Change	Remarks	Current	Change	Remarks
<b>Total Current Assets</b>			<b>Total Current Liabilities</b>		
124.21	6.95		111.64	12.97	
Cash and deposits	3.25		Trade notes and accounts payable	3.38	
Trade notes and accounts receivable	3.05		Short-term borrowings	7.67	
Inventory assets	(0.14)		Others	1.92	
Others	0.79				
<b>Fixed Assets Total</b>			<b>Total Fixed Liabilities</b>		
231.38	8.19		110.49	(4.44)	
<b>Tangible fixed assets*</b>			Long-term borrowings	(8.86)	
Buildings and structures	(0.50)	* Principal capital investment locations	Lease obligations	3.41	
Land	2.00	● Oita PD Center	Others	1.01	
Lease assets	2.95	● M-SENKO			
Construction in progress	1.98	Logistics Center	<b>Total Liabilities</b>	<b>222.13</b>	<b>8.53</b>
Others	2.34		<b>Total Net Assets</b>	<b>134.18</b>	<b>7.29</b>
Intangible fixed assets	1.13		Capital	26.53	
Other investment assets			Capital surplus	29.77	(0.07)
Investment securities	(2.60)		Retained earnings	70.90	7.92
Lease deposits	1.28		Treasury shares	(0.65)	0.05
Others	(0.39)		Non-controlling interests, etc	7.63	(0.61)
<b>Total deferred assets</b>			<b>Total Liabilities and Net Assets</b>		
0.71	0.68		356.31	15.82	
<b>Total Assets</b>					
356.31	15.82				

<b>Interest-bearing liabilities</b>	
112.23	(1.24)

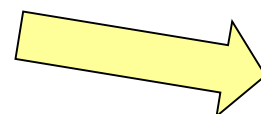
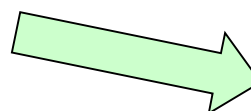
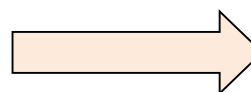
<b>* Interest-bearing liabilities ratio</b>	
(End of previous FY)	33.3%
(End of current FY)	31.5%

# Consolidated Cash Flow Statement for the FY Ended March 31, 2020

**SENKO**

(Billion of yen)

	Previous FY	Current FY
Cash flow from business activities	27.02	31.10
Cash flow from investment activities	(15.77)	(18.03)
Cash from financial activities	(13.22)	(9.16)
Closing balance for cash and cash equivalents	22.80	27.14



Main entries for the current period

Current net profit before taxes	19.65
Depreciation	15.57
Increase in trade accounts receivable	(2.87)
Increase in trade payables	1.57
Increase in outstanding consumption	2.32
Corporate taxes payable	(7.65)
etc.	
Acquisition of tangible fixed assets	(17.45)
Pledge of lease deposits	(2.04)
etc.	
Decrease in borrowings	(1.56)
Repayment of lease obligations	(3.92)
Payment of dividends	(3.96)
etc.	

## ESG Indexes that have selected SENKO

**SENKO**



**MSCI Japan  
MSCI Japan ESG Select Leaders Index**



**MSCI Japan Empowering Women Index**



**S&P/JPX Carbon Efficient Index**

## Corporate Data of the Group (as of March 31, 2020)

**SENKO**

Number of branches and offices		668
Number of vehicles	(Trailer heads only)	5,790
	(Including trailers)	6,840
Number of vessels owned	(Company vessels)	33
Number of vessels under control	(Including company vessels)	69
Total warehouse space	(Including miscellaneous warehouses)	3.87 million m <sup>2</sup>
Number of employees	(Excluding part-time workers)	17,644

# Moving Global

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