

November 12, 2021

SENKO Group Holdings Co., Ltd.

Financial Summary for the Second Quarter of the Fiscal Year Ending March 31, 2022



Key Points of Financial Results Announced



(1) Financial Results for the Second Quarter of the FY Ending March 31, 2022

- Year-on-year increase of ¥27.3 billion in revenue, ¥2.06 billion in operating profit, and ¥2.2 billion in ordinary profit.**
- Decreased ¥3.2 billion in revenue, increased ¥0.6 billion in operating profit, and increased ¥0.86 billion in ordinary profit in the comparisons announced in May.**

(2) Forecast of operating results for the FY ending March 31, 2022

- Operating revenue of ¥625 billion, operating profit of ¥25.2 billion, ordinary profit of ¥25.6 billion, and net profit of ¥14.8 billion planned for the full year.**
- Increase of ¥0.6 billion both in operating profit and ordinary profit, and increase of ¥0.3 billion in net profit in the comparisons announced.**

(3) Dividend per share

- The interim dividend forecast has been revised from 15 yen to 17 yen, an increase of 2 yen. (Annual 32 yen)**

Section 1

Financial Summary for the Second Quarter of the FY Ending March 31, 2022

1. Summary of Operating Results for the Second Quarter of the FY Ending March 31, 2022

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	FY 3/2021 2Q		FY 3/2022 2Q		YoY Change		(Reference)	
	(Previous FY)	Margin	(Current FY)	Margin	Change	%	April-June	July-September
Operating revenue	273,449	—	300,762	—	27,313	10.0	14,771	12,541
Operating profit	9,641	3.5	11,705	3.9	2,063	21.4	1,863	200
Ordinary profit	9,767	3.6	11,964	4.0	2,196	22.5	2,183	13
Profit attributable to parent company shareholders	5,726	2.1	6,955	2.3	1,228	21.5	1,081	147

2. Summary of Operating Results for the Second Quarter of the FY Ending March 31, 2022 [Operating Revenue]

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Year-on-year increase in revenue of ¥27.3 billion, 10.0% increase

● ACQUISITION OF NEW CUSTOMERS	+	¥14.5 BILLION
● M&A	+	¥28.1 BILLION
● REVISION OF FREIGHT CHARGES	+	¥0.4 BILLION
● CARGO VOLUME FROM EXISTING CUSTOMERS	+	¥5.4 BILLION
● IMPACT OF APPLYING THE ACCOUNTING STANDARD FOR REVENUE RECOGNITION	-	¥21.1 BILLION

3. Summary of Operating Results for the Second Quarter of the FY Ending March 31, 2022 [Profit]

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Year-on-year increase in ordinary profit of ¥2.20 billion, 22.5% increase

● Acquisition of new customers	+	¥ 1.61 billion		
● Cost improvement, productivity improvement	+	¥ 1.38 billion		
● Revision of freight charges	+	¥ 0.43 billion		
● Cargo volume from existing customers	+	¥ 1.19 billion	➡	+ ¥4.61 billion
● Impact of fuel prices	-	¥ 1.04 billion		
● Increase in expenses	-	¥ 0.35 billion		
● Effect of increase in basic salaries	-	¥ 0.30 billion		
● Rise in truck hiring expenses (including labor)	-	¥ 0.16 billion	➡	- ¥2.55 billion
● M&A	-	¥ 0.08 billion		
● Change in other costs	-	¥ 0.62 billion		
● Operating profit			➡	+ ¥2.06 billion
● Non-operating revenues and expenses			➡	+ ¥0.14 billion
● Ordinary profit			➡	+ ¥2.20 billion

4. Factors of Year-on-year Changes in the April-June and July-September Periods

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(Billion yen)

	(1) April-June		(2) July-September		(2)-(1)		Notes to (2) - (1)
	Operating revenue	Operating profit	Operating revenue	Operating profit	Operating revenue	Operating profit	
Acquisition of new customers	7.1	0.86	7.4	0.75	0.2	-0.11	Impact of warehouses with free rent expired in 1Q, etc.
Cost improvement, productivity improvement		0.79		0.59		-0.20	Due to acceleration of initiatives from the previous 2Q
M&A	15.7	0.03	12.4	-0.11	-3.4	-0.13	Operating revenue: Review of the accounting standard for revenue recognition (reversed in 2Q) -33 Operating profit: Some companies have client factories that usually take a long Obon holiday in August
Revision of freight charges	0.3	0.25	0.2	0.18	-0.1	-0.07	Both 1Q and 2Q were as planned
Impact of fuel prices		-0.50		-0.54		-0.05	Rise of fuel prices
Increase in expenses		-0.20		-0.15		0.05	
Effect of increase in basic salaries		-0.15		-0.15		-0.01	
Change in other costs		-0.14		-0.48		-0.34	DD cost increase 3.0
Impact of COVID-19 in the previous FY	7.6	2.12	4.7	1.22	-2.9	-0.90	
Impact of COVID-19 in this FY	-1.5	-0.46	-2.3	-0.67	-0.8	-0.22	Increased impact on fashion companies, etc.
Changes in normal volume	-2.8	-0.67	-0.4	-0.35	2.4	0.32	
Cargo volume from existing customers	3.3	1.00	2.1	0.19	-1.3	-0.80	
Rise in truck hiring expenses (including labor)		-0.07		-0.09		-0.02	Both 1Q and 2Q were as planned
Impact of applying the accounting standard for revenue recognition	-11.7		-9.4		2.3		Review of the accounting standard for revenue recognition (reversed in 2Q) +33
Total	14.8	1.86	12.5	0.20	-2.2	-1.68	

5. Summary of Operating Revenue in Each Business Area for the Second Quarter of the FY Ending March 31, 2022

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(Billion yen, %)

			FY 3/2021 2Q (previous FY)	FY 3/2022 2Q (current FY)	YoY Change		YoY ChangeBreakdown				
					Change	%	Acquisition of new customers	Price revision	M&A	Impact of applying the accounting standard for revenue recognition	Changes in cargo volume, etc.
		Food logistics	38.8	40.8	2.0	5.3	0.9		0.3	—	0.8
		Chain store logistics	39.4	41.4	2.1	5.2	2.5	0.1	—	—	-0.5
		Fashion logistics	23.5	24.0	0.6	2.4	1.1		—	—	-0.6
		Others	9.9	17.0	7.1	71.6	0.9		6.8	-1.6	0.9
	Retail product logistics		111.6	123.3	11.7	10.5	5.4	0.2	7.1	-1.6	0.6
	Housing logistics		28.6	30.0	1.3	4.7	1.3	0.1	—	—	-0.1
	Chemicals logistics		35.0	40.7	5.7	16.3	1.6	0.1	2.0	0.2	1.7
	Others		12.8	14.5	1.7	13.2	0.8			—	0.8
	Logistics		188.1	208.5	20.5	10.9	9.2	0.4	9.1	-1.4	3.1
	Trading & Commerce			77.5	75.0	-2.5	-0.33	3.6	—	10.1	-19.4
Others			7.8	17.2	9.4	119.3	1.7	—	8.8	-0.4	-0.7
Total			273.4	300.8	27.3	10.0	14.5	0.4	28.1	-21.1	5.4

*Global logistics revenue included in the above

	Logistics	11.9	18.4	6.6	55.6
	Trading & Commerce	13.2	15.5	2.3	17.6
	Global logistics	25.1	34.0	8.9	35.5
Composition (%)		9.2%	11.3%		

*Customers and operations of newly consolidated companies were re-evaluated to revise classifications.

6. Summary of Operating Results by Segment for the Second Quarter of the FY Ending March 31, 2022 - (1)



(1) Logistics

(Millions of yen, %, PT)					▼ Main factors of change (Billion yen)		
	FY 3/2021 2Q (previous FY)	FY 3/2022 2Q (current FY)	YoY Change			Operating revenue	Operating profit
			Change	%			
Operating revenue	188,068	208,540	20,471	10.9	Acquisition of new customers	9.2	1.26
Operating profit	8,559	10,883	2,323	27.2	M&A	9.1	0.21
Operating profit ratio	4.6	5.2	0.7	-	Cargo volume from existing customers	3.1	1.17
					Cost improvement, productivity improvement		1.24
					Impact of fuel price difference		-1.04
					Others	-0.9	-0.52
					Total	20.5	2.32

Amid a recovery in cargo volume that had declined significantly in the same period of the previous year due to the impact of the COVID-19 pandemic, both sales and profits increased mainly due to the efforts to expand sales, improve cost efficiency and improve productivity, as well as the M&As implemented in the previous fiscal year that contributed to earnings.

7. Summary of Operating Results by Segment for the Second Quarter of the FY Ending March 31, 2022 - (2)



(2) Trading & Commerce

(Millions of yen, %, PT)					▼Main factors of change (Billion yen)		
	FY 3/2021 2Q (previous FY)	FY 3/2022 2Q (current FY)	YoY Change			Operating revenue	Operating profit
			Change	%			
Operating revenue	77,534	75,010	-2,523	-3.3	M&A	10.1	0.06
Operating profit	1,461	1,372	-88	-6.1	Impact of applying the accounting standard for revenue recognition	-19.4	
Operating profit ratio	1.9	1.8	-0.1	-	Changes in existing customers	3.1	-0.27
					Acquisition of new customers, etc.	3.6	0.12
					Total	-2.5	-0.09

Despite the efforts to make the household paper wholesale distributor AZFIT CO., Ltd. a consolidated subsidiary in April, as well as to expand sales and improve cost efficiency, both sales and profits decreased mainly due to the impact of the adoption of the Accounting Standard for Revenue Recognition and increased purchase unit prices in fuel sales.

8. Summary of Operating Results by Segment for the Second Quarter of the FY Ending March 31, 2022 - (3)



(3) Others

(Millions of yen, %, PT)					▼ Main factors of change (Billion yen)		
	FY 3/2021 2Q (previous FY)	FY 3/2022 2Q (current FY)	YoY Change			Operating revenue	Operating profit
			Change	%			
Operating revenue	7,846	17,211	9,364	119.4	M&A	8.8	-0.35
Operating profit	-26	-106	-79	-	Acquisition of new customers, etc.	0.6	0.27
Operating profit ratio	-0.3	-0.6	-0.3	-	Total	9.4	-0.08

Sales increased and profits decreased mainly due to the continued impact of the spread of the COVID-19 pandemic, despite efforts to make the membership-based wholesale and retail business operator TERAUCHI CO., LTD. a consolidated subsidiary in January 2021, as well as to expand sales and improve cost efficiency.

9. Compared to May Announcement

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(Millions of yen, %)

	FY 3/2022 2Q		FY 3/2022 2Q		Compared to plans	
	Plan (announced in May)	Margin	Actual	Margin	Change	%
Operating revenue	304,000	—	300,762	—	-3,238	-1.1
Operating profit	11,100	3.7	11,705	3.9	605	5.5
Ordinary profit	11,100	3.7	11,964	4.0	864	7.8
Profit attributable to parent company shareholders	6,500	2.1	6,955	2.3	455	7.0

*Factors causing differences in operating revenues: Impact of applying the Accounting Standard for Revenue Recognition - ¥3.42 billion

10. Consolidated Balance Sheet for the Second Quarter of the FY Ending March 31, 2022

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(Billion yen)

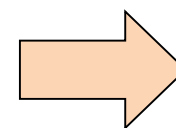
Assets Section			Liabilities, Net Assets Section		
Item	Change	Remarks	Item	Change	Remarks
Total current assets			Total current liabilities		
163.95	0.05		128.31	-5.41	
Cash and bank deposits	-1.14		Electronically recorded monetary obligations	0.57	
Notes and operating accounts receivable	0.54		Short-term loans	-0.52	
and contract assets			Lease obligations	0.54	
Electronically recorded monetary claims	0.75		Accrued income taxes	-1.39	
Inventories	-0.34		Reserve for bonuses	0.54	
Others	0.25		Others	-5.14	
Total fixed assets			Total long-term liabilities		
289.99	17.81		177.23	21.00	
Tangible fixed assets*		*Main capital investment	Corporate bonds	9.98	
Buildings and structures	3.31	Gifu Hashima PD Center	Long-term loans	7.93	
Land	5.31	Sennan PD Center	Long-term lease obligations	1.70	
Others	5.80	Iwatsuki Logistics Center	Others	1.39	
Intangible fixed assets	3.21	Wangan Yatomi PD Center	Total liabilities	305.53	
Investments and other assets			Total net assets	148.40	
Investment securities	0.34		Capital	26.56	*Equity ratio
Others	-0.16		Additional paid-in capital	29.58	(At the end of previous FY) 30.9%
Total deferred assets			Retained earnings	85.96	(At the end of current FY) 30.0%
0.00	0.00		Treasury stock	-8.14	
Total assets			Non-controlling shareholders' equity, etc.	14.43	
453.93	17.87		Total liabilities and net assets	453.93	
				17.87	
			Interest-bearing debt		*Net D/E ratio
			183.55	17.36	(At the end of previous FY) 0.84 times
					(At the end of current FY) 0.97 times

11. Consolidated Cash Flow Statement for the Second Quarter of the FY Ending March 31, 2022

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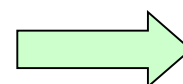
(Billion yen)

	FY 3/2021 2Q (Previous FY)	FY 3/2022 2Q (Current FY)
Cash flows from operating activities	10.66	12.17
Cash flows from investing activities	-10.15	-21.85
Cash flows from financing activities	15.67	8.26
Cash and cash equivalents at end of the quarter	44.19	49.13

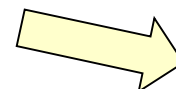


Main details of the current FY

Net profit before income taxes and others	11.69
Depreciation and amortization	9.34
Decrease in accrued liabilities	-2.58
Income taxes paid	-5.39
Etc.	



Acquisition of tangible fixed assets	-15.91
Acquisition of subsidiary shares	-5.17
Etc.	



Decrease in short-term loans	-1.80
Increase in long-term loans	8.82
Repayments of lease obligations	-2.47
Issuing of corporate bonds	10.00
Acquisition of treasury stock	-3.63
Dividend payment	-2.23
Etc.	

Section 2

Forecast of Full Year Operating Results for the FY Ending March 31, 2022

1. Forecast of Operating Results for the FY Ending March 31, 2022 [Full Year]



(Millions of yen, %)

	FY 3/2021		FY 3/2022		FY 3/2022		YoY Change		Compared to May Announcement	
	Actual (1)	Margin	Plan announced in May (2)	Margin	Plan announced in November (3)	Margin	(3) - (1) Change in amount	%	(3) - (2) Change in amount	%
Operating revenue	572,405	—	625,000	—	625,000	—	52,595	9.2	—	—
Operating profit	21,520	3.8	24,600	3.9	25,200	4.0	3,680	17.1	600	2.4
Ordinary profit	22,230	3.9	25,000	4.0	25,600	4.1	3,370	15.2	600	2.4
Net profit attributable to parent company shareholders	14,240	2.5	14,500	2.3	14,800	2.4	560	3.9	300	2.1

2. Summary of Forecast of Operating Results for the FY Ending March 31, 2022 [Operating Revenue]



Year-on-year increase in revenue of ¥52.6 billion, 9.2% increase

● ACQUISITION OF NEW CUSTOMERS	+	¥29.3 BILLION
● M&A	+	¥54.4 BILLION
● REVISION OF FREIGHT CHARGES	+	¥0.8 BILLION
● CARGO VOLUME FROM EXISTING CUSTOMERS	+	¥8.7 BILLION
● IMPACT OF APPLYING THE ACCOUNTING STANDARD FOR REVENUE RECOGNITION	-	¥40.5 BILLION

3. Summary of Forecast of Operating Results for the FY Ending March 31, 2022 [Profit]

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Year-on-year increase in ordinary profit of ¥3.37 billion, 15.2% increase

● Acquisition of new customers	+	¥3.54 billion		
● M&A	+	¥0.30 billion		
● Cost improvement, productivity improvement	+	¥2.47 billion	➡	+ ¥8.51 billion
● Revision of freight charges	+	¥0.78 billion		
● Cargo volume from existing customers	+	¥1.42 billion		
● Impact of fuel prices	-	¥2.21 billion		
● Increase in expenses	-	¥0.79 billion	➡	- ¥4.82 billion
● Effect of increase in basic salaries	-	¥0.62 billion		
● Rise in truck hiring expenses (including labor)	-	¥0.40 billion		
● Change in other costs	-	¥0.80 billion		
● Operating profit			➡	+ ¥3.68 billion
● Non-operating revenues and expenses			➡	- ¥0.31 billion
● Ordinary profit			➡	+ ¥3.37 billion

4. Forecast of Operating Results for the FY Ending March 31, 2022 [First Half : Second Half]

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(Millions of yen, %)

	FY 3/2022				YoY Change			
	First half		Second half		First half		Second half	
	Actual	Margin	Plan	Margin	Change	%	Change	%
Operating revenue	300,762	—	324,238	—	27,313	10.0	25,282	8.5
Operating profit	11,705	3.9	13,495	4.2	2,063	21.4	1,617	13.6
Ordinary profit	11,964	4.0	13,636	4.2	2,196	22.5	1,174	9.4
Net profit attributable to parent company shareholders	6,955	2.3	7,845	2.4	1,228	21.5	-668	-7.8

5. Forecast of Operating Results for the FY Ending March 31, 2022 [Factors behind Year-on-year Changes in the First Half and Second Half]

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(Billion yen)

	1H Actual		2H Plan		Full Year Plan	
	Operating revenue	Operating profit	Operating revenue	Operating profit	Operating revenue	Operating profit
Acquisition of new customers	14.5	1.61	14.8	1.93	29.3	3.54
Cost improvement, productivity improvement		1.38		1.09		2.47
M&A	28.1	-0.08	26.3	0.38	54.4	0.30
Revision of freight charges	0.4	0.43	0.4	0.35	0.8	0.78
Impact of fuel prices		-1.04		-1.17		-2.21
Increase in expenses		-0.35		-0.44		-0.79
Effect of increase in basic salaries		-0.30		-0.32		-0.62
Change in other costs		-0.62		-0.18		-0.80
Cargo volume from existing customers	5.4	1.19	3.3	0.23	8.7	1.42
Rise in truck hiring expenses (including labor)		-0.16		-0.24		-0.40
Impact of applying the accounting standard for revenue recognition	-21.1		-19.4		-40.5	
Total	27.3	2.06	25.3	1.62	52.6	3.68
Impact of COVID-19 in the previous FY	12.3	3.34	8.2	1.21	20.5	4.55
Impact of COVID-19 in this FY	-3.8	-1.13	-4.2	-0.64	-7.9	-1.77
Changes in normal volume	-3.2	-1.02	-0.7	-0.34	-3.9	-1.36
Total cargo volume from existing customers	5.4	1.19	3.3	0.23	8.7	1.42

6. Factors behind Changes Compared to May Announcement

(Billion yen)

	Changes compared to May announcement 1H		Changes compared to May announcement 2H		Changes compared to May announcement Annual	
	Operating revenue	Operating profit	Operating revenue	Operating profit	Operating revenue	Operating profit
Acquisition of new customers	-0.6	-0.25	0.4	0.19	-0.2	-0.06
Cost improvement, productivity improvement		0.23		0.06		0.29
M&A	-0.4	-0.46	3.0	-0.06	2.5	-0.52
Revision of freight charges	0.1	0.09	0.1	0.08	0.2	0.17
Impact of fuel prices		-0.35		-0.78		-1.13
Increase in expenses		0.09		-0.01		0.08
Effect of increase in basic salaries						
Change in other costs		-0.08		-0.11		-0.19
Cargo volume from existing customers	1.1	1.28	1.1	0.65	2.2	1.93
Rise in truck hiring expenses (including labor)		0.04		-0.02		0.02
Impact of applying the accounting standard for revenue recognition	-3.4		-1.4		-4.8	
Total	-3.2	0.60	3.2			0.60

7. Forecast of Operating Revenue in Each Business Area for the FY Ending March 31, 2022 [Full Year]

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(Billion yen, %)

			FY 3/2021 Actual	FY 3/2022 Plan	YoY Change		YoY ChangeBreakdown				
					Change	%	Acquisition of new customers	Price revision	M&A	Impact of applying the accounting standard for revenue recognition	Changes in cargo volume, etc.
		Food logistics	77.3	81.6	4.3	5.6	2.1		0.8	—	1.4
		Chain store logistics	79.9	85.1	5.2	6.6	5.4	0.2		—	-0.3
		Fashion logistics	48.6	49.5	0.9	1.8	3.2		—	—	-2.4
		Others	23.8	38.0	14.3	60.0	2.4	0.1	13.9	-3.6	1.5
	Retail product logistics		229.5	254.2	24.7	10.8	13.1	0.3	14.7	-3.6	0.2
	Housing logistics		58.3	60.4	2.2	3.7	2.8	0.2	—	—	-0.8
	Chemicals logistics		73.5	84.0	10.5	14.3	4.2	0.2	4.1	0.2	1.7
	Others		26.1	29.0	2.9	11.2	2.7	0.1		—	0.2
	Logistics		387.4	427.7	40.3	10.4	22.8	0.8	18.8	-3.3	1.2
Trading & Commerce		161.8	158.1	-3.8	-2.3	4.2	—	20.6	-36.1	7.6	
Others		23.2	39.3	16.0	69.1	2.3	—	14.9	-1.0	-0.1	
Total		572.4	625.0	52.6	9.2	29.3	0.8	54.4	-40.5	8.7	

*Global logistics revenue included in the above

	Logistics	25.2	40.4	15.1	60.0
	Trading & Commerce	27.9	31.1	3.2	11.4
	Global logistics	53.1	71.4	18.3	34.5
Composition (%)		9.3%	11.4%		

*Customers and operations of newly consolidated companies were re-evaluated to revise classifications.

(Note) The classification of Air Road Pty Ltd. was revised from ¥3.7 billion in chain store logistics to ¥4.7 billion in other logistics in May announcement in retail product logistics.

8. Summary of Forecast of Operating Results by Segment (1)

(1) Logistics

(Millions of yen, %, PT)

	FY 3/2021 (Actual)	FY 3/2022 (Plan)	YoY Change Change	Compared to May Announcement Change
Operating revenue	387,350	427,660	40,310	4,220
Operating profit	19,401	22,810	3,409	910
Operating profit ratio	5.0	5.3	0.3	0.1

▼Main factors of change

(Billion yen)

	YoY Change Change		Compared to May Announcement Change	
	Operating revenue	Operating profit	Operating revenue	Operating profit
Acquisition of new customers	22.8	3.09	1.2	0.33
M&A	18.8	0.37	3.9	0.12
Cargo volume from existing customers	1.2	1.34	1.5	1.79
Cost improvement, productivity improvement		2.24		0.06
Impact of fuel price difference		-2.21		-1.13
Others	-2.6	-1.42	-2.4	-0.26
Total	40.3	3.41	4.2	0.91

9. Summary of Forecast of Operating Results by Segment (2)

(2) Trading & Commerce

(Millions of yen, %, PT)

	FY 3/2021 (Actual)	FY 3/2022 (Plan)	YoY Change Change	Compared to May Announcement Change
Operating revenue	161,820	158,060	-3,760	-2,100
Operating profit	3,035	3,060	25	10
Operating profit ratio	1.9	1.9		

▼ Main factors of change

(Billion yen)

	YoY Change Change		Compared to May Announcement Change	
	Operating revenue	Operating profit	Operating revenue	Operating profit
M&A	20.6	0.17	0.3	-0.19
Impact of applying the accounting standard for revenue recognition	-36.2		-2.4	
Changes in existing customers	7.6	-0.32	-0.4	0.07
Acquisition of new customers, etc.	4.2	0.17	0.4	0.13
Total	-3.8	0.02	-2.1	0.01

10. Summary of Forecast of Operating Results by Segment (3)

(3) Others

(Millions of yen, %, PT)

	FY 3/2021 (Actual)	FY 3/2022 (Plan)	YoY Change Change	Compared to May Announcement Change
Operating revenue	23,235	39,280	16,045	-2,120
Operating profit	-61	240	301	-340
Operating profit ratio	-0.3	0.6	0.9	-0.8

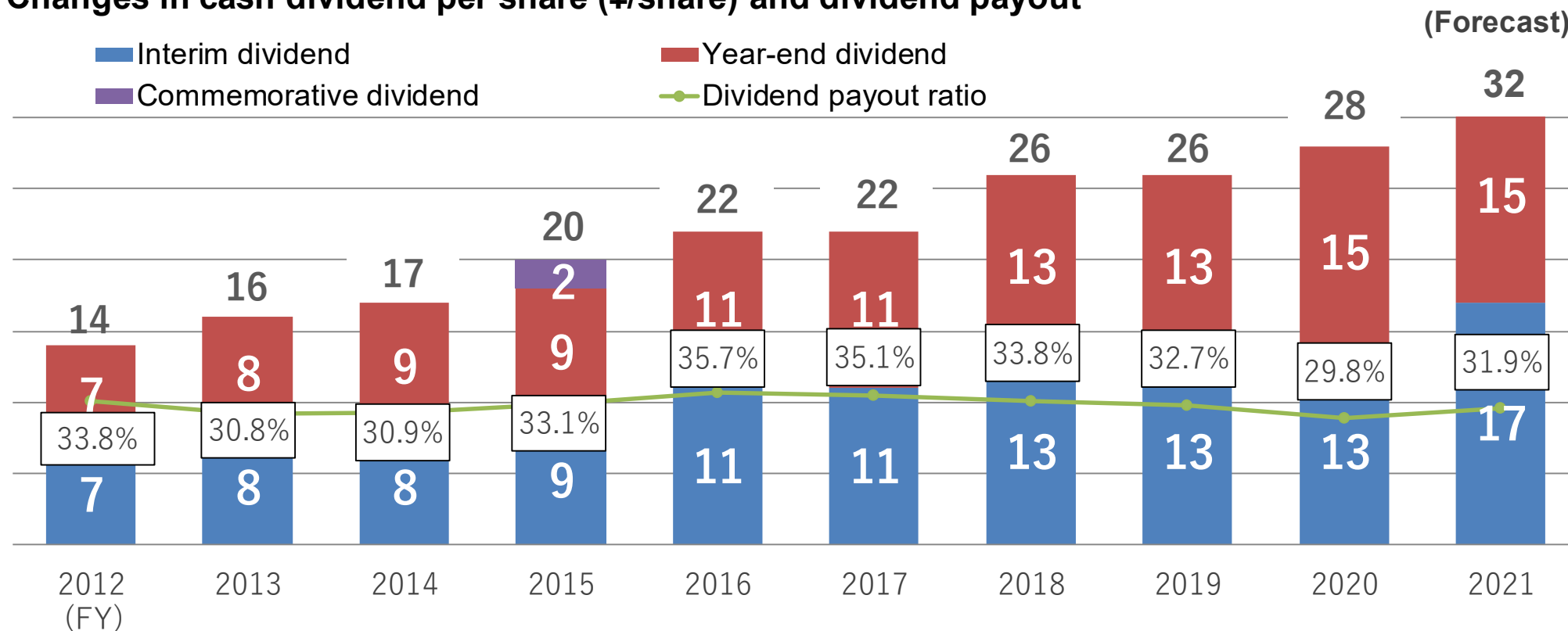
▼Main factors of change

(Billion yen)

	YoY Change Change		Compared to May Announcement Change	
	Operating revenue	Operating profit	Operating revenue	Operating profit
M&A	14.9	-0.24	-1.6	-0.45
Acquisition of new customers, etc.	1.2	0.54	-0.5	0.11
Total	16.0	0.30	-2.1	-0.34

11. Dividends

Changes in cash dividend per share (¥/share) and dividend payout



12. Capital Investment Plan for the FY Ending March 31, 2022



(1) Capital investment plan

(Millions of yen)

	FY 3/2018 (Actual)	FY 3/2019 (Actual)	FY 3/2020 (Actual)	FY 3/2021 (Actual)	FY 3/2022 (Plan)	Total
Consolidated	37,625	21,227	18,205	33,322	29,781	140,160

*Includes capital investment deposits

■ Breakdown of capital investment amount (plan)

(Millions of yen)

	FY 3/2022 General capital investment amount (plan)				
	Vehicles	Cargo-handling equipment and other production facilities	Large-scale facilities	Non-production facilities (EDP-related, etc.)	Total
Consolidated	7,184	4,473	16,248	1,876	29,781

(2) Depreciation and amortization

(Millions of yen)

	FY 3/2018 (Actual)	FY 3/2019 (Actual)	FY 3/2020 (Actual)	FY 3/2021 (Actual)	FY 3/2022 (Plan)
Consolidated	12,439	14,334	15,565	17,419	19,491

Section 3

FY 3/2022

Main Business Activities

1. Logistic Centers Operating in FY 2021

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FY2021

Kurihashi PD Center

Location	Kazo City, Saitama
Start-up	February 2021
Total floor area	29,484m ² (Leased warehouse)
Examples of products handled	EC (household) appliance business operators Food processing manufacturers, etc.



Gifu Hashima PD Center

Location	Hashima City, Gifu
Start-up	May 2021
Total floor area	30,513m ²
Examples of products handled	Drug stores Resin product manufacturers, etc.



Inzai No. 2 Logistics Center

Location	Inzai City, Chiba
Start-up	November 2021
Total floor area	24,762m ² (Leased warehouse)
Examples of products handled	Sports goods manufacturers, etc.



Sennan PD Center

Location	Sennan City, Osaka
Start-up	March 2022
Total floor area	32,689m ² (In-house development)
Examples of products handled	Apparel manufacturers Food processing manufacturers, etc.



2. Future Plan for Opening Logistic Centers

After FY2022

Plan as of October 2021

Site name	Location	Scheduled start-up date	Total floor area	Remarks
(1) Iwatsuki Logistics Center	Saitama City, Saitama	April 2022	27,041 m ²	In-house development
(2) Keiyo PD Center	Ichihara City, Chiba	October 2022	29,509 m ²	
(3) Wangan Yatomi PD Center	Yatomi City, Aichi	April 2023	44,739 m ²	
(4) Urawa Daimon Logistics Center	Saitama City, Saitama	April 2023	75,649 m ²	In-house development
(5) New Komaki No. 2 PD Center	Komaki City, Aichi	October 2024	59,049 m ²	
<<Planned projects after May announcement>>				
(6) Kasai No. 2 PD Center	Edogawa-ku, Tokyo	May 2022	19,924 m ²	Leased warehouse
(7) West Kanto Logistics Center	Ayase City, Kanagawa	August 2022	53,860 m ²	Leased warehouse
(8) Kanazawa No. 2 PD Center	Hakusan City, Ishikawa	April 2023	32,127 m ²	In-house development
(9) Hyuga PD Center Warehouse No. 2	Hyuga City, Miyazaki	April 2023	23,450 m ²	
(10) Expansion of automated warehouse at Shonan Branch (Runtec Corporation)	Isehara City, Kanagawa	January 2024	12,876 m ²	
Total			378,224 m ²	

[Retail product logistics]

(1) Expansion of logistics for drug stores

**⇒ Operation of a large-scale logistics center in the West Kanto region
(from August 2022)**

(2) Expansion of logistics for discount stores

⇒ Logistics support for overseas stores

(3) Expansion of logistics for sports apparel

⇒ Operation of East Japan bases of two major sports manufacturers
**(From November 2021
 From July 2022)**

(4) Expansion of EC logistics

⇒ Expansion of floor space at three locations

(5) Expansion of cold chain logistics

⇒ For supermarkets in Kanagawa area

**Full-scale operation of warehouse and
delivery services (from September 2021)**

[Housing and chemicals logistics]

(1) Expansion of battery logistics

⇒ Storage and transportation services started at seven locations nationwide (from August 2021)

(2) Expansion of 3PL

⇒ Entrusted with the entire logistics operations of a major housing equipment manufacturer (from August 2022)

6. Promotion of M&As



		Company name	Business details	Consolidation date (P/L)
Logistics		Air Road Pty Ltd.	Within Australia Freight vehicle transportation business Warehousing business	From October 2021
Trading & Commerce		AZFIT Co., Ltd.	Household paper wholesale	From April 2021
		Cartas Co., Ltd.	Household paper wholesale	From April 2022 - tentative
Others	Life Support Business	Dia Cleaning Co., Ltd.	Dry cleaning business Coin-operated laundry business	From January 2022 - tentative
	Business Support Business	Self Grow Inc.	Temporary staffing business for foreign nationals Supervision and training of technical interns	From January 2022 - tentative

Received three awards at the “22nd Logistics Environment Awards”

◆Low Carbon Logistics Promotion Award (Runtec Corporation)

Achieved a modal shift from broiler transportation from Miyazaki Prefecture to the Kansai region to sea transportation.

◆Sustainable Activity Award (Runtec Corporation)

Introduced advanced equipment, such as the development of a “hybrid electronic refrigeration system”.

◆Special Award (Senko Co., Ltd.)

Achieved a modal shift of dairy equipment transportation from Hokkaido to Western Japan to sea transportation.

Section 4

Status of Progress of the Current Medium-term Management Plan and Future Management Approach

1. Main Medium-term Management Targets



			FY 3/2017	FY 3/2022		Change	
			(1) Actual	(2) Mid-term targets	(3) Forecast	(3)-(1)	(3)-(2)
Scale	Operating revenue	Billion yen	455.4	700.0	665.5	210.1	-34.5
	Operating profit	Billion yen	17.1	28.0	25.2	8.1	-2.8
Profitability	Operating profit ratio	%	3.8	4.0	3.8		-0.2
Production capacity	Logistics center storage area	million m ²	3.22	4.00	3.95	0.73	-0.05
	Number of in-house vehicles	Vehicles	4,426	6,700	6,370	1,944	-330
Stability	Net interest-bearing debt	Billion yen	58.0	96.6	132.2	74.2	35.6
	Debt repayment period	Years	2.1	2.2	3.0	0.9	0.8
	Net D/E ratio	Times	0.58	0.64	0.97	0.4	0.3
	Equity capital	Billion yen	100.3	150.1	136.2	35.9	-13.9
	Equity ratio	%	35.1	40.2	30.0	-5.1	-10.2
	ROE	%	9.5	10.5	10.9	1.4	0.4

*The forecast of operating revenue and profitability for the FY ending March 31, 2022 is calculated based on the figures before the application of the accounting standard for revenue recognition.

*The B/S figures for the calculation of production capacity and stability are based on the actual results at the end of September 2021.

2. Targets by Segment/Business Area (1)

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(Billion yen, PT)

			FY 3/2017	FY 3/2022		Change	
			(1) Actual	(2) Mid-term targets	(3) Forecast	(3)-(1)	(3)-(2)
Logistics	Operating revenue	Retail product logistics	177.6	285.0	257.8	80.2	-27.2
		Food logistics	65.2	108.9	81.6	16.4	-27.3
		Fashion logistics	44.1	45.0	49.5	5.4	4.5
		Chain store logistics	68.3	131.1	126.7	58.4	-4.4
		Housing logistics	60.9	65.0	60.4	-0.5	-4.6
		Chemicals logistics	51.1	75.0	83.7	32.6	8.7
		Others	28.4	30.0	29.0	0.6	-1.0
		Total	318.0	455.0	431.0	113.0	-24.0
		Operating profit	13.42	20.03	22.81	9.39	2.78
		(%)	4.2	4.4	5.3	1.1	0.9

*The forecast of operating revenue for the FY ending March 31, 2022 is calculated based on the figures before the application of the accounting standard for revenue recognition.

3. Targets by Segment/Business Area (2)

SENKO

(Billion yen, PT)

		FY 3/2017	FY 3/2022		Change	
		(1) Actual	(2) Mid-term targets	(3) Forecast	(3)-(1)	(3)-(2)
Trading & Commerce	Operating revenue	132.9	185.0	194.2	61.3	9.2
	Operating profit	3.21	4.80	3.06	-0.15	-1.74
	(%)	2.4	2.6	1.6	-0.8	-1.0
Others	Operating revenue	4.6	60.0	40.2	35.6	-19.8
	Operating profit	0.87	3.47	0.24	-0.63	-3.23
	(%)	19.0	5.8	0.6	-18.4	-5.2
Total	Operating revenue	455.4	700.0	665.5	210.1	-34.5
	Operating profit	17.1	28.0	25.2	8.1	-2.8
	(%)	3.8	4.0	3.8		-0.2
Global business revenue		26.6	70.0	59.1	32.5	-10.9

*The forecast of operating revenue for the FY ending March 31, 2022 is calculated based on the figures before the application of the accounting standard for revenue recognition.

*Global business sales are calculated based on the same standards used when the current medium-term management plan was formulated.

4. Future Management Approach



(1) Aims and background of diversification in other businesses

- Embodiment of corporate philosophy**
- Expansion with logistics as a core function and advantage**
- Contribution to the improvement of overall profitability**

(2) Direction of the next medium-term management plan

- Continuing the growth path and further improving profitability**

Company Position (As of September 30, 2021)



Number of Group companies (Including 15 non-consolidated companies)	Logistics	118
	Trading & Commerce	16
	Life Support Business	10
	Business Support Business	10
	Total	154
Number of Group vehicles	(Trailer heads only)	6,370
	(Including trailers)	7,812
Number of owned ships	(Company ships)	40
Number of controlled ships	(Including company ships)	71
Total storage area	(Including combined warehouses, etc.)	3.95 million m ²
Number of Group employees	(Excluding part-time workers)	20,642

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Moving Global

物流を超える、世界を動かす、ビジネスを変える。