May 13, 2022

# SENKO Group Holdings Co., Ltd. Summary of Financial Results for the Fiscal Year Ending March 31, 2022 Forecast of Full Year Operating Results for the Fiscal Year Ending March 31, 2023 New Medium-term Management Plan

## **Key Points of This Announcement**



(1) Financial results for the FY ending March 31, 2022

- Increase in revenue for 19 consecutive FY and in ordinary profit for 13 consecutive FY. (Up ¥50.7 billion in revenue and ¥3.88 billion in ordinary profit)
- Decreased ¥1.9 billion in revenue, increased ¥0.43 billion in operating profit, and increased ¥0.5 billion in ordinary profit in the comparisons announced.
- The year-end dividend forecast has been revised from 15 yen to 17 yen, an increase of 2 yen. (Annual 34 yen)
- (2) Forecast of operating results for the FY ending March 31, 2023
  - Operating revenue of ¥700 billion, operating profit of ¥26.7 billion, and ordinary profit of ¥27.0 billion planned for the full year.

(Increase of ¥76.9 billion in revenue, ¥1.93 billion in operating profit, and ¥0.9 billion in ordinary profit)

- The dividend will be 17 yen at the end of the second quarter and 17 yen at year-end, a 34 yen annual dividend.
- (3) New medium-term management plan
  - We set our basic policy as "We deliver new value to people and society and aim for sustainable growth through the deepening and creation of businesses." and aim to achieve operating revenue of ¥1 trillion and operating profit of ¥45.0 billion.



# **Section 1**

# Financial Summary for the Fiscal Year Ending March 31, 2022

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

					(Millio	n yen, %)	(Reference)			
	FY 3/202	FY 3/2021		FY 3/2022		YoY Change		Cha	nge	
	(Previous FY)	Margin	(Current FY)	Margin	Change	Change %		July- September	October- December	January- March
Operating revenue	572,405	_	623,139	_	50,733	8.9	14,771	12,541	13,533	9,888
Operating profit	21,516	3.8	24,771	4.0	3,254	15.1	1,863	200	893	298
Ordinary profit	22,227	3.9	26,103	4.2	3,876	17.4	2,183	13	1,180	500
Profit attributable to owners of parent	14,249	2.5	15,233	2.4	984	6.9	1,081	147	- 177	- 67

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3

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

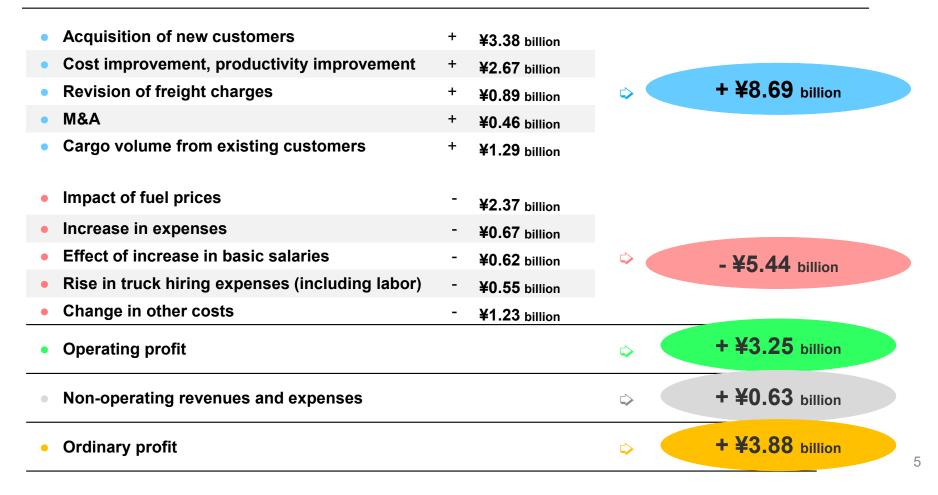


#### Year-on-year increase in revenue of ¥50.7 billion, 8.9% increase

<ul> <li>ACQUISITION OF NEW CUSTOMERS</li> </ul>	+	¥30.1 BILLION
M&A	+	¥55.4 BILLION
REVISION OF FREIGHT CHARGES	+	¥0.9 BILLION
<ul> <li>CARGO VOLUME FROM EXISTING CUSTOMERS</li> </ul>	+	¥9.2 BILLION
IMPACT OF APPLYING THE ACCOUNTING STANDARD FOR REVENUE RECOGNITION	-	¥44.9 BILLION

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

#### Year-on-year increase in ordinary profit of ¥3.88 billion, 17.4% increase



#### 4. Summary of Operating Revenue in Each Business Area for the FY Ending March 31, 2022



											m yen, %
					YoY C	hange		YoY Cha	angeBreal	kdown	
			FY 3/2021 (Previous FY)	FY 3/2022 (Current FY) Change		%	Acquisition of new customers	Revision of freight charges	M&A	Impact of applying the Accounting Standard for Revenue	Cargo volume, etc.
			77.0	00.0	5.0	0.4				Recognition	
		Food logistics	77.3	82.2	5.0	6.4	2.9		0.9	_	1.1
		Chain store logistics	79.9	83.7	3.8	4.8	4.7	0.2	-	—	- 1.0
		Fashion logistics	47.8	49.5	1.7	3.5	3.1		—	—	- 1.5
		Others	23.8	40.0	16.2	68.3	2.3	0.1	15.5	- 4.5	2.9
	Retail	product logistics	228.7	255.4	26.7	11.7	13.0	0.2	16.4	- 4.5	1.5
	Housi	ng logistics	58.3	61.8	3.5	6.0	2.8	0.3	_	_	0.4
	Chem	icals logistics	73.5	85.9	12.4	16.9	3.6	0.3	4.6	0.2	3.7
	Others	5	26.9	29.5	2.6	9.7	2.0		0.4	Ι	0.2
Log	istics		387.4	432.5	45.2	11.7	21.5	0.9	21.4	- 4.3	5.7
Trac	ding & C	Commerce	161.8	153.0	- 8.8	- 5.4	6.2	_	19.3	- 39.6	5.3
Othe	ers		23.2	37.6	14.3	61.6	2.4	_	14.8	- 1.0	- 1.9
Tota	I		572.4	623.1	50.7	8.9	30.1	0.9	55.4	- 44.9	9.2
*Global Io	gistics incl	uded in the above									
	Logist	ics	25.2	46.4	21.1	83.7					
	Tradin	ig & Commerce	27.9	32.3	4.4	16.0					
Glo	bal logi	stics	53.1	78.7	25.6	48.1					
Con	npositio	n ratio (%)	9.3%	12.6%							

(Billion yen, %)

\*Classifications have been revised after reviewing operations of customers as well as newly consolidated companies.

# 5. Summary of Operating Results by Segment for the FY Ending March 31, 2022 - (1)

## (1) Logistics

			(Millio	on yen, %, PT)
	FY 3/2021 (Previous	FY 3/2022 (Current FY)	ΥοΥ Ο	hange
	FY)	、 , , , , , , , , , , , , , , , , , , ,	Change	%
Operating revenue	387,350	432,538	45,188	11.7
Operating profit	19,398	23,013	3,615	18.6
Operating profit ratio	5.0	5.3	0.3	-

T)	(Reference)								
		Change							
		April-June	July- September	October- December	January- March				
7		10,959	9,512	13,451	11,266				
6		2,087	236	635	657				

▼Main factors of change	(Billion yen)	
	Operating revenue	Operating profit
Acquisition of new customers	21.5	2.83
M&A	21.4	0.55
Cargo volume from existing customers	5.7	1.75
Cost improvement, productivity improvement		2.30
Impact of fuel price difference		- 2.37
Others	- 3.4	- 1.44
Total	45.2	3.62

Although there was an impact from the rise of fuel prices, while observing 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 effort to expand sales, improve cost efficiency and improve productivity, as well as M&As that contributed to earnings. 6. Summary of Operating Results by Segment for the FY Ending March 31, 2022 - (2)

#### (2) Trading & Commerce

_				(Millio	on yen, %, PT)	(Reference)	
		FY 3/2021 (Previous	FY 3/2022 (Current FY)	YoY Change			
		FY)	(,	Change	%	April-June	July-Septe
	Operating revenue	161,820	153,049	- 8,770	- 5.4	- 1,081	- 1
	Operating profit	3,035	2,905	- 130	- 4.3	- 38	
	Operating profit ratio	1.9	1.9		-		

▼Main factors of change	Main factors of change	
	Operating revenue	Operating profit
M&A	19.3	0.31
Impact of applying the Accounting Standard for Revenue Recognition	- 39.6	
Changes in existing customers	5.4	- 0.47
Acquisition of new customers, etc.	6.1	0.03
Total	- 8.8	- 0.13

#### 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 Accounting Standard for Revenue Recognition and increased purchase unit prices in fuel sales.

<u> </u>				
		Cha	nge	
	April-June	July-September	October- December	January-March
ŀ	- 1,081	- 1,443	- 4,528	- 1,718
3	- 38	- 51	- 22	- 19

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

## (3) Others

			(Millio	on yen, %, PT)		(Reference)	1		
	FY 3/2021 (Previous	FY 3/2022 (Current FY)	YoY C	hange			Cha	nge	
	FY)	(	Change	%		April-June	July-September	October- December	January-March
Operating revenue	23,235	37,550	14,315	61.6		4,893	4,471	4,611	340
Operating profit	- 61	99	161	-		- 68	- 12	456	- 215
Operating profit ratio	- 0.3	0.3	0.5	-	-				

▼Main factors of change	e	(Billion yen)
	Operating revenue	Operating profit
M&A	14.8	- 0.40
Impact of COVID-19	0.7	0.38
Cost improvement, productivity improvement		0.11
Others	- 1.2	0.07
Total	14.3	0.16

Both sales and profits increased mainly due to making the membership-based general wholesale and retail business operator TERAUCHI CO., LTD. a consolidated subsidiary in January 2021, as well as the efforts to expand sales and improve cost efficiency.

#### 8. Summary of Operating Results for the FY Ending March 31, 2022 [Comparison with Plan]



	(Million yen, '								
	FY 3/202	2	FY 3/202	2	Compared to plans				
	(Plan)	Margin	(Actual)	Margin	Change	%			
Operating revenue	625,000	_	623,139	_	- 1,861	- 0.3			
Operating profit	25,200	4.0	24,771	4.0	- 429	- 1.7			
Ordinary profit	25,600	4.1	26,103	4.2	503	2.0			
Profit attributable to owners of parent	14,800	2.4	15,233	2.4	433	2.9			

(Million ven, %)

# 9. Summary of Forecast of Operating Results by Segment [Comparison with Plan]

**Compared to plans** FY 3/2022 FY 3/2022 (Plan) (Actual) % Change 427,660 432,538 4,878 1.1 **Operating revenue** Logistics 22,810 23,013 203 0.9 **Operating profit** 5.3 Operating profit ratio 5.3 **Trading &** 158,060 153,049 - 5,011 - 3.2 **Operating revenue** Commerce Operating profit 3,060 2,905 - 155 - 5.1 Operating profit ratio 1.9 1.9 39,280 37,550 - 1,730 Others **Operating revenue** - 4.4 240 - 141 - 58.8 **Operating profit** 99 Operating profit ratio 0.6 0.3 - 0.3

(Million yen, %, PT)

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#### 10. Consolidated Balance Sheet for the FY Ending March 31, 2022



					(Billion yen)	
Assets Section			Liabilities, Net Assets Section			
Current FY	Change	Description	Current FY		Change	Description
Total current assets			Т	otal current liabilities		
171.03	7.14			137.65	3.93	
Cash and bank deposits	-7.44			Notes and operating accounts payable	6.29	
Notes, operating accounts	9.20			Corporate bonds scheduled to be redeemed within one year	- 7.09	
receivable and contract assets	3.20			Convertible bonds scheduled to be redeemed within one year	- 10.01	
Electronically recorded monetary claims	1.02			Short-term loans	14.30	
Goods and products	1.19			Others	0.44	
Others	3.16					
Total fixed assets			Т	otal long-term liabilities		
309.45	37.28			182.18	24.24	
Tangible fixed assets*				Corporate bonds	9.98	
Buildings and structures	10.89	*Main capital investment		Long-term loans	11.86	
Land	8.68	Gifu Hashima PD Center		Long-term lease obligations	1.09	
Others	2.50	Sennan PD Center		Deferred tax liabilities	1.32	
Intangible fixed assets	5.71	Saitama PD Center		Others	1.71	
Investments and other assets		Wangan Yatomi PD Center		Total liabilities 319.83	29.88	
Investment securities	0.56			Total net assets 160.66	14.54	*Equity ratio
Assets related to retirement benefits	2.23			Capital 28.48	1.92	(At the end of previous FY) 30.9%
Guarantee deposits	1.30			Additional paid-in capita 31.55	1.74	(At the end of current FY) 30.6%
Others	5.39			Retained earnings 91.74	10.53	
				Treasury stock - 8.16	- 3.52	
Total deferred assets				Non-controlling shareholders' equity, etc. 17.05	3.88	
0.00	0.00					
Total assets				Total liabilities and net assets		
480.49	44.42			480.49	44.42	

Interest-bearing debt		*Net D/E	ratio
185.19	19.00	(At the end of previous FY)	0.84 times
		(At the end of current FY)	0.95 times

12

## 11. Consolidated Cash Flow Statement for the FY Ending March 31, 2022

		(Billion yen)
	Previous FY	Current FY
Cash flows from operating activities	31.86	31.89
Cash flows from investing activities	- 46.31	- 46.14
Cash flows from financing activities	36.76	5.77
Cash and cash equivalents, at end of FY	50.37	42.19

#### Main details of the current FY

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Net income before income taxes and others	24.78
Depreciation and amortization	r 19.82
Increase in trade receivables	- 5.12
Increase in accrued liabilities	3.65
Income taxes paid	- 9.32
Etc.	

Acquisition of tangible fixed asse	- 30.31
Payment of capital investments in associated companies	- 5.67
Acquisition of subsidiary shares	- 8.84
Etc.	

Increase in loans	23.20
Repayments of lease obligations	- 5.36
Issuing of corporate bonds Redemption of corporate bonds	10.00
Redemption of corporate bonds	- 13.23
Acquisition of treasury sto	- 3.63
Dividend payment	- 4.70
Etc.	



# Section 2

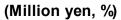
# Forecast of Full Year Operating Results for the Fiscal Year Ending March 31, 2023

#### 1. Forecast of Operating Results for the FY Ending March 31, 2023 [Full Year]



					(Mil	lion yen, %)
	FY 3/2022		FY 3/2023		YoY Change	
	(Actual)	Margin	(Plan)	Margin	Change	%
Operating revenue	623,139	_	700,000	_	76,861	12.3
Operating profit	24,771	4.0	26,700	3.8	1,929	7.8
Ordinary profit	26,103	4.2	27,000	3.9	897	3.4
Profit attributable to owners of parent	15,233	2.4	16,000	2.3	767	5.0

#### 2. Forecast of Operating Results for the FY Ending March 31, 2023 [First Half : Second Half]



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	FY 3/2023				YoY C	hange		
	First ha	alf	Second half		First half		Second half	
	(Plan)	Margin	(Plan)	Margin	Change	%	Change	%
Operating revenue	337,000	—	363,000	_	36,238	12.0	40,623	12.6
Operating profit	12,500	3.7	14,200	3.9	795	6.8	1,134	8.7
Ordinary profit	12,600	3.7	14,400	4.0	636	5.3	261	1.8
Profit attributable to owners of parent	7,500	2.2	8,500	2.3	545	7.8	222	2.7

3. Summary of Forecast of Operating Results for the FY Ending March	SENKO
31, 2023 [Operating Revenue]	SENNU

#### Year-on-year increase in revenue of ¥76.9 billion, 12.3% increase

<ul> <li>ACQUISITION OF NEW CUSTOMERS</li> </ul>	+	¥30.3 BILLION
M&A	+	¥36.7 BILLION
REVISION OF FREIGHT CHARGES	+	¥1.0 BILLION
• CARGO VOLUME FROM EXISTING CUSTOMERS	+	¥8.9 BILLION

# 4. Summary of Forecast of Operating Results for the FY Ending March 31, 2023 [Profit]



#### Acquisition of new customers ¥3.61<sub>billion</sub> + **Revision of freight charges** + ¥0.99<sub>billion</sub> Cost improvement, productivity improvement + ¥0.88<sub>billion</sub> $\Rightarrow$ + ¥6.68 billion M&A + ¥0.41<sub>billion</sub> Cargo volume from existing customers + ¥0.79<sub>billion</sub> Effect of increase in basic salaries and personnel system reform ¥1.52<sub>billion</sub> Impact of fuel prices ¥0.87<sub>billion</sub> - ¥4.75 billion Increase in expenses **¥0.74**<sub>billion</sub> **Rise in truck hiring expenses** (including labor) ¥0.48<sub>billion</sub> Change in other costs ¥1.14<sub>billion</sub> + ¥1.93 billion Operating profit $\Box$ - ¥1.03 billion Non-operating revenues and expenses $\sim$ + ¥0.90 billion **Ordinary profit** $\diamond$ 18

#### Year-on-year increase in ordinary profit of ¥0.90 billion, 3.4% increase

## 5. Logistic Centers Operating This FY (1)

#### **FY 2022**

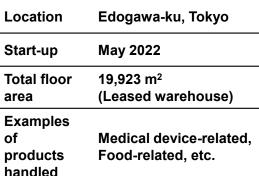
#### **Sennan PD Center**

Location	Sennan City, Osaka
Start-up	March 2022
Total floor area	33,955 m² (In-house development)
Examples of products handled	Apparel manufacturers, etc.



#### Sendai North PD Center

Location	Rifu-cho, Miyagi	
Start-up	April 2022	and the second
Total floor area	21,752 m <sup>2</sup> (Leased warehouse)	
Examples of products handled	Drug stores, Mass retailers, etc.	







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### **Saitama PD Center**

ay 2022	riimm
),923 m² eased warehouse)	

Saitama City, Saitama

(In-house development)

Center dedicated for

EC business operators

April 2022

27, 047 m<sup>2</sup>

Location

Start-up

area

of

**Total floor** 

Examples

products

handled

19

## 6. Logistic Centers Operating This FY (2)

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West Kanto Logistics Center

**Keiyo PD Center** 

#### FY 2022

## **Sapporo Center of Across Transport**

Location	Kitahiroshima City, Hokkaido
Start-up	July 2022
Total floor area	13,197 m² (Leased warehouse)
Examples of products handled	Apparel manufacturers



Location	Ayase City, Kanagawa
Start-up	August 2022
Total floor area	53,860 m² (Leased warehouse)
Examples of products handled	Dedicated center for drug stores



## West Kobe No. 2 PD Center

Location	Kobe City, Hyogo	
Start-up	December 2022	
Total floor area	18,275 m² (Leased warehouse)	
Examples of products handled	Housing equipment manufacturers, etc.	

Location	Ichihara City, Chiba
Start-up	January 2023
Total floor area	29,509 m²
Examples of products handled	Resin and petrochemistry product manufacturers, etc.



## 7. Promotion of M&As

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

21

## 8. Change of Segmental Accounting Standard

© To unify business management inside and outside of the company, our segmental accounting standard has been changed in FY 2022 as follows.

#### (Old)

Revenue per business of each business company is classified and aggregated into 3 segments

(Billion yen)					
	Actual of FY 3/2022				
	Operating Operating %				
Logistics	432.54	23.01	5.3%		
Trading & Commerce	153.05	2.91	1.9%		
Others	37.55	0.10	0.3%		
Adjustment Amount		- 1.25			
Total	623.14	24.77	4.0%		

\*Cost related to M&A is recorded in each segment

#### (Example)

Revenue of maintenance business in a land transportation company is recorded in Others, and revenue of pallet manufacturing and sales is recorded in Trading & Commerce, and so on (New)

(New-Old)

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Total revenue of each business company is recorded in one of 4 segments

		(	Billion yen)		(E	Billion yen
	Calculated	d figures of	FY 3/2022		Change	
	Operating revenue	Operating profit	%	Operating revenue	Operating profit	РТ
Logistics	440.56	23.81	5.4%	8.02	0.80	0.1
Trading & Commerce	146.13	2.48	1.7%	- 6.92	- 0.43	- 0.2
Life Support Business	28.80	- 0.68	-2.4%	- 1.10	- 0.14	
Business Support Business	7.65	0.64	8.4%	- 1.10	- 0.14	
Adjustment Amount		- 1.48			- 0.23	
Total	623.14	24.77	4.0%			

\*Cost related to M&A is recorded as common expense in Adjustment Amount

\*We are currently working on improving our accounting system. Because of that, the confirmation of figures in financial results of this year and the previous year under the new segmental accounting standard will be made when we announce the financial results of Q1 in FY 3/2023. The above-mentioned figures are approximate ones.

# 9. Summary of Forecast of Operating Results by Segment (1) SENKO

## (1) Logistics

*Chan	*Change of segmental accounting standard is currently underway. (Billion yen, %, P					
		FY 3/2022	FY 3/2023	YoY Change		
		(Actual)	(Plan)	Change	%	
enu	Domestic logistics	321.69	336.25	14.56	4.5	
rever	Cold chain logistics	58.23	61.02	2.80	4.8	
Operating revenue	International logistics	36.58	53.72	17.14	46.9	
	Maritime transport	24.06	27.55	3.49	14.5	
	Total	440.56	478.54	37.98 8		
Opera	ting profit	23.81	25.11	l 1.30		
Opera	ting profit ratio	5.4	5.2	- 0.2		

	Operating revenue	Operating profit
Acquisition of new customers	28.10	3.46
M&A	11.40	0.67
Revision of freight charges	1.00	0.99
Cost improvement, productivity improvement		0.88
Effect of increase in basic salaries and personnel system reform		- 1.52
Impact of fuel price difference		- 0.87
Increase in expenses		- 0.67
Rise in truck hiring expenses (including labor)		- 0.48
Change in other costs		- 0.80
Cargo volume from existing customers, etc.	- 2.50	- 0.36
Total	38.00	1.30

▼Main factors of change

- (Domestic logistics) Consists of 52 companies such as SENKO Co., Ltd.
- (Cold chain logistics) Consists of 4 companies such as Runtec Corporation
- (International logistics) Consists of 34 companies in and out of Japan such as Senko Forwarding Co., Ltd.

(Maritime transport) Consists of 12 companies such as Nippon Marine Co., Ltd.

(Billion yen)

10. Summary of Forecast of Operating Results by Segment (2) SENKO

## (2) Trading & Commerce

*Change of segmental accounting standard is currently underway. (Billion yen, %					
		FY 3/2022	FY 3/2023	YoY Change	
		(Actual)	(Plan)	Change	%
anı	Trading & commerce & sales	45.54	49.67	4.13	9.1
j revenue	Household paper wholesale	81.80	101.54	19.73	24.1
Operating	International trade	18.79	20.00	1.21	6.4
opé	Total	146.13	171.20	25.07	17.2
Opera	ting profit	2.48	2.66	0.18 7	
Opera	ting profit ratio	1.7	1.6	- 0.1	

▼Main factors of change		(Billion yen)
	Operating revenue	Operating profit
M&A	15.80	- 0.10
Cargo volume from existing customers	7.80	0.40
Others	1.50	- 0.12
Total	25.10	0.18

(Trading & commerce & sales) Consists of 12 companies such as Smilecorp Co., Ltd.

(Household paper wholesale) Consists of 3 companies such as Ast Corporation

(International trade) Consists of only SENKO International Trading Co., Ltd.

11. Summary of Forecast of Operating Results by Segment (3) **SENKO** 

#### (3) Life Support Business

*Change of segmental accoun	(Bill	ion yen, %, PT)		
	FY 3/2022	FY 3/2023	ΥοΥ Ο	hange
	(Actual)	(Plan)	Change	%
Operating revenue	28.80	40.88	12.08	41.9
Operating profit	- 0.68	0.28	0.96	-
Operating profit ratio	- 2.4	0.7	3.1	

▼Main factors of change		(Billion yen)
	Operating revenue	Operating profit
M&A	7.90	0.22
Cargo volume from existing customers, etc.	4.20	0.74
Total	12.10	0.96

Consists of 10 companies comprising: 3 companies such as Venus Corporation in health area; 4 companies such as TERAUCHI CO., LTD. in life area; 3 companies such as Life Eat Co., Ltd. in food area 12. Summary of Forecast of Operating Results by Segment (4) **SENKO** 

## (4) Business Support Business

*Change of segmental accoun	(Bill	lion yen, %, PT)		
	FY 3/2022	FY 3/2023	ΥοΥ Ο	hange
	(Actual) (Plan)		Change	%
Operating revenue	7.65	9.38	1.73	22.6
Operating profit	0.64	0.51	- 0.13	-20.3
Operating profit ratio	8.4	5.4	- 3.0	

Consists of 15 companies in businesses such as real estate, information and staffing

▼Main factors of change		(Billion yen)		
	Operating revenue	Operating profit		
M&A	1.60	0.05		
Cargo volume from existing customers, etc.	0.10	- 0.18		
Total	1.70	- 0.13		

#### 13. Forecast of Operating Revenue in Each Business Area for the FY Ending March 31, 2023 [Full Year]



*Chang	*Change of segmental accounting standard is currently underway. (Billion yen, %)									
					YoY Change YoY ChangeBr				Breakdow	n
			FY 3/2022 (Actual)	FY 3/2023 (Plan)	101 0			Revision of freight	M&A	Cargo volume,
					Change	%	customers	charges		etc.
		Food logistics	82.2	85.7	3.5	4.2	3.4		0.3	- 0.2
		Chain store logistics	83.7	93.8	10.1	12.0	6.5	0.1	3.7	- 0.2
		<b>Fashion logistics</b>	49.5	54.5	5.0	10.1	7.2	0.1	_	- 2.3
		Others	39.8	45.8	6.0	15.0	2.4		4.6	- 1.1
	Retail	product logistics	255.2	279.7	24.5	9.6	19.5	0.2	8.6	- 3.9
	Housi	ng logistics	61.7	63.6	1.9	3.0	2.0	0.4	—	- 0.5
	Chemi	icals logistics	84.8	92.1	7.3	8.6	4.2	0.3	2.0	0.9
	Others	s, etc.	38.8	43.1	4.3	11.1	2.5	0.1	0.8	0.9
	Lo	ogistics	440.6	478.5	38.0	8.6	28.1	1.0	11.4	- 2.6
Tra	ading & C	Commerce	146.1	171.2	25.1	17.2	1.5	—	15.8	7.8
Lif	e Suppor	rt Business	28.8	40.9	12.1	22.6	_	—	7.8	4.2
Bu	siness S	upport Business	7.7	9.4	1.7	22.6	0.7	—	1.6	- 0.6
Tot	Total		623.1	700.0	76.9	12.3	30.3	1.0	36.7	8.9
*Global	Global logistics included in the above									
	Logi	stics	43.6	60.0	16.5	37.8				
	Trad	ing & Commerce	32.1	31.3	- 0.8	-2.4				
Glo	obal logi	stics	75.6	91.3	15.7	20.8				

13.0%

12.1% \*Classifications have been revised after reviewing operations of customers as well as newly consolidated companies.

Composition ratio (%)

## 14. Dividends

# **SENKO**

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



## 15. Capital Investment Plan for the FY Ending March 31, 2023 SENKO

(1) Capital investment plan					

	FY 3/2018	FY 3/2019	FY 3/2020	FY 3/2021	FY 3/2022	SIP21	FY 3/2023
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	5-year plan	(Plan)
Consolidated	37,625	21,227	18,205	33,322	31,868	142,247	36,004

(Million ven)

\*Includes capital investment deposits

#### Breakdown of capital investment amount (plan) for FY 3/2023

	FY 3/2023	FY 3/2023 General capital investment amount (plan)						
	Vehicles	Cargo-handling equipment and other production facilities	Large-scale facilities	Non-production facilities (EDP-related, etc.)	Total			
Consolidated	6,407	5,304	22,311	1,982	36,004			

#### (2) Depreciation and amortization

(Million yen) FY 3/2019 FY 3/2020 FY 3/2021 FY 3/2022 FY 3/2023 FY 3/2018 (Actual) (Actual) (Actual) (Actual) (Actual) (Plan) Consolidated 12,439 14,334 15,565 17,419 19,817 21,304

29

(Million yen)



# **Section 3**

# **New Medium-term Management Plan**

## 1. Review of the previous medium-term management plan (1) SENKO

#### [Main Medium-term Management Targets]

		FY 3/2017	FY 3/	2022	Cha	Change		
		(1) Actual	(2) Mid-term targets	(3) Actual	(3)-(1)	(3)-(2)		
Operating revenue	Billion yen	455.40	700.00	668.10	212.60	- 31.90		
					46.7%			
Operating profit	Billion yen	17.08	28.00	24.77	7.69	- 3.23		
					45.0%			
Operating profit ratio	%	3.8	4.0	3.7	-0.1	-0.3		
Logistics center storage area	million m <sup>2</sup>	3.22	4.00	4.06	0.84	0.06		
Number of in-house vehicles (trailer heads)	Vehicles	4,426	6,700	6,727	2,301	27		
ROE	%	9.5	10.5	10.8	1.3	0.3		
Net D/E ratio	Times	0.58	0.64	0.95	0.37	0.31		
Equity ratio	%	35.1	40.2	30.6	-4.5	-9.6		

\*The actual figures for the FY ending March 31, 2022 are the figures before the application of the accounting standard for revenue recognition.

# 2. Review of the previous medium-term management plan (2) SENKO

#### [Targets by Segment]

(Billion yen, %, PT)

		FY 3/2017	FY 3/	FY 3/2022 Change				
		(1) Actual	(2) Mid-term targets	(3) Actual		(3)-(1)	%	(3)-(2)
	Operating revenue	318.00	455.00	436.84		118.90	37.4	- 18.20
Logistics	Operating profit	13.42	20.03	23.01		9.59	71.5	2.98
	Operating profit ratio	4.2	4.4	5.3		1.1	_	0.9
	Operating revenue	132.90	185.00	192.70		59.80	45.0	7.70
Trading & Commerce	Operating profit	3.21	4.80	2.91		- 0.30	-9.5	- 1.90
	Operating profit ratio	2.4	2.6	1.5		- 0.9	_	- 1.1
	Operating revenue	4.60	60.00	38.50		34.00	741.0	- 21.50
Others	Operating profit	0.87	3.47	0.10		- 0.77	-88.6	- 3.37
	Operating profit ratio	19.0	5.8	0.3		- 18.7	_	- 5.5

\*The actual figures for the FY ending March 31, 2022 are the figures before the application of the accounting standard for revenue recognition.



# Medium-term management plan for the period from FY 2022 to FY 2026

## **1. Basic Policy**



We deliver new value to people and society and aim for sustainable growth through the deepening and creation of businesses.

## **2. Important Tasks**



- **1. Expansion and deepening of existing businesses**
- 2. Creation and development of growing businesses
- 3. Initiatives for ESG+H (health) management
- 4. Upgrading group management
- 5. Achievement of job satisfaction and personal growth

## **3-1. Overall Numerical Targets**



## [Revenue plan]

				(Billion yen)
	Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating revenue	623.1	1,000.0	376.9	60.5%
Operating profit	24.8	45.0	20.3	81.8%
Operating profit ratio	4.0%	4.5%	0.5PT	_

ROE	10.8%	Equal or more than 10%
Net D/E ratio	0.95 times	Less than 1 time

## **3-2. Overall Numerical Targets**



#### [Investment plan]

	(Billion yen)
Logistics and commercial facilities, vehicles and cargo-handling facilities, etc.	200.0
Strategic investment (M&A, IT, environment)	90.0
Total	290.0

#### [Production system]

	Actual of FY 2021	Target for FY 2026	Increase
Logistics center storage area	<b>4.06 million m</b> <sup>2</sup>	5 million m <sup>2</sup>	<b>0.94 million m</b> <sup>2</sup>
Number of in-house vehicles (trailer heads)	6,727 vehicles	10,000 vehicles	3,273 vehicles

# 4-1. Targets and Prioritized Measures by Segment SENKO

## (1) Logistics

	(Billion)					
		Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase	
Operating	Domestic logistics	321.7	450.0	128.3	39.9%	
revenue	Cold chain logistics	58.2	80.0	21.8	37.4%	
	International logistics	36.6	70.0	33.4	91.4%	
	Maritime transport	24.1	45.0	20.9	87.0%	
	Total	440.6	645.0	204.4	46.4%	
Operating profit		23.8	34.6	10.8	45.2%	
Operating pro	ofit ratio	5.4%	5.4%		_	

# 4-2. Targets and Prioritized Measures by Segment **SENKO**

(Domestic logistics): Consists of 52 companies such as SENKO Co., Ltd.

- Expansion of orders based on our capability for making comprehensive proposals, as well as stability of our businesses achieved by our own asset (vehicle, strage capacity, human resources, etc)
- Reinforcement of logistics facilities and vehicle system, as well as promotion of M&A

(Cold chain logistics): Consists of 4 companies such as Runtec Corporation

Acceleration of establishing sites and further expansion of the Fresh Delivery

(International logistics): Consists of 34 companies in and outside of Japan such as Senko Forwarding Co., Ltd.

Establishment of global network by increasing number of our sites

(Maritime transport): Consists of 12 companies such as Nippon Marine Co., Ltd.

Promotion of improving our shares by increasing capacity of maritime transport

4-3. Targets and Prioritized Measures by Segment **SENKO** 

## (2) Trading & Commerce

					(Billion yen)
		Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating	Trading & commerce & sales	45.5	60.0	14.5	31.8%
revenue	Household paper wholesale	81.8	110.0	28.2	34.5%
	International trade	18.8	25.0	6.2	33.0%
	Total	146.1	195.0	48.9	33.4%
Operating profit		2.5	3.8	1.4	54.4%
Operating profit ratio		1.7%	2.0%	0.3PT	_

# 4-4. Targets and Prioritized Measures by Segment **SENKO**

(Trading & commerce & sales): Consists of 12 companies such as Smilecorp Co., Ltd.

Reinforcement of EC sales and expansion of variety of our original products

(Household paper wholesale): Consists of 3 companies such as Ast Corporation

Increasing management efficiency and improving share of 3 companies

(International trade): Consists of only SENKO International Trading Co., Ltd.

Maintenance and expansion of our commercial rights in China by conducting joint management with a Chinese electronic material company

# 4-5. Targets and Prioritized Measures by Segment **SENKO**

#### (3) Life Support Business

				(Billion yen)
	Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating revenue	28.8	80.0	51.2	177.8%
Operating profit	-0.7	4.8	5.5	—
Operating profit ratio	-2.4%	6.0%	8.4PT	_

Consists of 10 companies comprising:

3 companies such as Venus Corporation (in health area); 4 companies such as TERAUCHI CO., LTD. (in life area); 3 companies such as Life Eat Co., Ltd. (in food area)

Achieving early recovery from sales decline caused by COVID-19 pandemic, and increasing store openings

Promotion of M&A in health, life and food areas

4-6. Targets and Prioritized Measures by Segment **SENKO** 

#### (4) Business Support Business

				(Billion yen)
	Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating revenue	7.7	30.0	22.4	292.2%
Operating profit	0.6	2.6	1.9	298.4%
Operating profit ratio	8.4%	8.5%	0.1PT	_

Consists of 15 companies in businesses such as real estate, information and staffing

Achieving early recovery from sales decline caused by COVID-19 pandemic

Promotion of M&A in businesses such as staffing

# 4-7. Targets and Prioritized Measures by Segment **SENKO**

## (5) Others

				(Billion yen)
	Actual of FY 2021	Target for FY 2026	Increased amount	Ratio of increase
Operating revenue		50.0	50.0	—
Operating profit		2.0	2.0	_
Operating profit ratio		4.0%	_	_

Entering a new business area

# 4-8. Targets and Prioritized Measures by Segment **SENKO**

#### (6) Target of operating revenue in each business area

						(Billion yen)
			FY 2021	FY 2026	Increased amount	Ratio of increase
Logistics	Retail product	Food logistics	82.2	115.0	32.8	39.9%
	logistics	Chain store logistics	83.7	125.0	41.3	49.3%
		Fashion logistics (including EC logistics)	49.5	65.0	15.5	31.4%
		Others	39.8	75.0	35.2	88.4%
		Total	255.2	380.0	124.8	48.9%
	Chemicals logi	stics	84.8	130.0	45.2	53.2%
	Housing logisti	cs	61.7	75.0	13.3	21.5%
	Others, etc.		38.8	60.0	21.2	54.6%
	Total		440.6	645.0	204.4	46.4%
Trading & C	commerce		146.1	195.0	48.9	33.4%
Life Suppor	t Business		28.8	80.0	51.2	177.8%
Business Su	upport Business		7.7	30.0	224.0	292.2%
Others				50.0	50.0	-
Total			623.1	1,000.0	376.9	60.5%
*Global logis	tics included in the	above				
Global	Logistics		43.6	77.0	33.4	76.8%
logistics	Trading & Com	merce	32.1	43.0	11.0	34.2%
	Total		75.6	120.0	44.4	58.7%

45

#### 5. Prioritized Measures for ESG and Group Management

#### [Overall numerical targets]

$\mathbf{CO}_2$ emission intensity (land transport business)	Reduced by 10% in comparison with FY 2020
Ratio of female managers	Equal or more than 15%

Promotion of our environmental measures and modal shift

Reforming our systems for utilizing various human resources and expanding job opportunities

Introduction of cutting-edge technologies for automation and labor saving

Implementing healthy business management through sports and cultural activities

**SENKO** 



Our company intends to improve shareholder returns by providing stable dividend payouts, making performance-linked dividend payouts and aiming to improve dividend payout ratio.

## **Company Position (As of March 31, 2022)**



Number of Group companies	Logistics	115	Companies	
(Including 18 non-consolidated companies)	Trading & Commerce	19	Companies	
	Life Support Business	11	Companies	
	<b>Business Support Business</b>	16	Companies	
	Total	161	Companies	
Number of Group vehicles	(Trailer heads only)	6,727	Vehicles	
	(Including trailers)	8,248	Vehicles	
Number of owned ships	(Company ships)	40	Ships	
Number of controlled ships	(Including company ships)	69	Ships	
Total storage area	(Including combined warehouses, etc.)	406	million m <sup>2</sup>	
Number of Group employees	(Excluding part-time workers)	20,725	Persons	



# Moving Global